



## EDGE: A Network for New Ministry Development and Ministry Renewal

### **DRAFT - EDGE Viability Report**

**Knox United Church**

**Lower Sackville, Nova Scotia**

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The EDGE Viability Report process is designed to help congregations highlight their current situation and understand whether they have the physical resources, internal capacity and Missional focus to successfully pursue a congregation renewal.

This Viability Report for Knox United Church is based on the following information sources:

- Knox UC EDGE Viability Reports Parts 2 & 3 (October 2018)
- Knox United Church 2016 & 2017 Annual Reports
- Various conversations with the Knox Redevelopment Team

The Viability Report is divided into the following sections:

#### **A. Key Observations**

##### Challenges

1. Unexpected Changes
2. Gradual Declining Attendance, Members & Finances
3. Developing Relationships with Non-Church People

##### Blessings

3. A Large Congregation with Some Children & Youth Engagement
4. Investments
5. Steps are Being Taken to Respond to Your Situation
6. A Valuable Property

#### **B. Recommendations**

1. Pursue Options for Redeveloping the Church Property
2. Be Curious – What is Jesus Calling this Congregation To Be and To Do
3. Be Curious – What Would Excite Your Congregation?
4. Engage Your Neighbours
5. Commit to Long Term Renewal
6. Seek Experienced Help

#### **A. Key Observations**

The situation at Knox United was summarized by those who prepared the Viability Report as:

*The congregation is aging; Attendance is declining; Givings are declining; Youth contingent small; Very active in community and traditional “church type events”; Very active Outreach activity; Declining and aging, but very active, volunteers; Recognized community builder/contributor; Midst of ministerial change; Admin and Music staff stable. (Viability Report 2)*

It is important for congregations to understand their current situation because only with that can fact-based decisions be made on whether change / renewal is needed.

The following were the responses to three questions:

1. What is life-giving? – *Fellowship*
2. What is life-draining – *Meetings and Financial worry*
3. What is God calling this congregation to? – *Determined to determine* (Viability Report #3)

The first two questions summarize your overall church experience, the third question relates to your calling. This later question is not an invitation to prepare another corporate vision statement. It is an invitation to reflect on and to discuss your scriptural-based calling in this place, at this time.

### Challenges:

#### 1. Unexpected Changes

- The Knox minister, Rev Dr Ross Bartlett, resigned early this past summer. He stated that his vision for the Congregation, and that of the lay leadership, differed. The summer supply minister, Rev Sandra Cox, was already in place and agreed to serve as a contract supply minister till the end of June 2019.
- This has been a period of change which the congregation appears to have dealt with. However, grieving such a situation can take time and compassion.

#### 2. Gradual Declining Attendance, Members & Finances

- It should be noted that with an average attendance at worship of 151 in 2017 (145 in the first five months of 2018), Knox is likely in the top 10% of all United Church congregations. However there has been decline. Over the last 5 years average attendance has declined 22% and over the last ten years the decline has been 32%. The number of households served by the church has declined by 25% over the last four years.
- This decline puts increased pressure on those remaining in terms of volunteering and finances. This is not to blame those who left but it is an outcome. The impact of reduced volunteers is exacerbated by the fact that the congregation is ageing, volunteers are also ageing, getting tired, burned out and pulling back. In 2017 there were 116 volunteer positions filled on Council and the Committees. In 2018 there were 97 positions filled, leaving 10% unfilled. The number of positions is a significant portion of the number of attending congregants, so it may be worthwhile reviewing the church's governance structure after other renewal changes are made.
- Over the last five years there have been four year-end deficits with a cumulative total deficit of \$35,000 thousand. Over this period income has increased by 8% while expenditures have increased at a greater rate, 19%. The most significant increases in expenditures was salaries (+16%) and building operation (+21%). Salary expenses as a percentage of total expenses are slightly less than for other comparable large congregations. Building operations are significantly greater (27% of total expenditures versus 16% for other comparable congregations).
- Total givings by envelope and PAR has remained relatively constant over the last five years, around \$192,000. This has been achieved through a 3% increase in givings per Identified Giver (envelope holders and those on PAR) while the number of Identified Givers declined 3%. However, 76% of your givings come from those over 60 years of age and 22% come from those over 75. The impact of ageing donors moving into care facilities or passing away, poses a significant financial risk.
- A deficit of \$45,465 was budgeted for 2018 but recent fundraising appears to have eliminated this for this year and a surplus is expected.
- The Financial Review Committee presented a long-term financial forecast to Council in January 2018 that showed the unrestricted trust funds being fully exhausted in the

January 2018 that showed the unrestricted trust funds being fully exhausted in the period 2020-2022. Churches traditionally budget one year at a time which hides these future financial trends. It is important that Knox keeps their long-term financial forecast up to date. A significantly lower actual 2017 deficit and the potential for a 2018 surplus would improve the forecast substantially. However, if expenditures continue to grow faster than income the long-term outcome will be unchanged.

- There has not been a Stewardship Committee for at least four years. This is a very important church function, not just for financial sustainability but also for engaging the congregation to meet their and the church's needs.

### 3. Developing Relationships with Non-Church People

- Mainstream Protestant denominations, including the United Church of Canada, have been declining in membership steadily for over 50 years. Whereas the United Church used to open four new churches every week in the 1950's, we now close one each week. We Christian church members are no longer the dominant culture in which it was generally expected to attend church Sunday morning and sermons were reported in Monday morning newspapers. We have become insular in this challenging world.
- Over this period societal values have changed dramatically from duty, loyalty and commitment, to freedom, choice and relationship / connection. The 'good old days' of full sanctuaries and Sunday Schools of five hundred children are gone. Hence, congregations must understand that they cannot keep doing what they have always done and expect different results.
- Knox has recently revised its Mission statement: "To Share God's love by living the Teachings of Jesus: Showing Mercy; Promoting justice, offering forgiveness acceptance and hope." (Viability Report #2 – my underlining). Knox has "A very strong sense of serving its Mission, and enhancing Community, continues to thrive among the members and adherents." (Viability Report #2). "We want to be a church that people want to come and experience Knox – to live the way Jesus wants us to live." ... The Revitalization Goal is to increase the congregation's active membership and participation at Knox United in order to live out our Mission Statement, in order that we can not only be a *surviving* church but a *living* church. (Revitalization Update – 2017 Annual Report – my underlining)
- These are terrific mission statements and are similar to many congregations. Knox is doing some great work in the community. A critical question to consider in order to redefine your future is **WHY**. Why should you follow these mission statements?
  - *Jesus commanded us to "Love the Lord your God with all your heart and with all your soul and with all your mind.' This is the first and greatest commandment. And the second is like it: 'Love your neighbor as yourself.' All the Law and the Prophets hang on these two commandments."* (Matthew 22:36-40 New International Version (NIV)).
  - *"He said to them, "Go into all the world. Preach the good news to everyone."* (Mark 16:15 New International Version (NIV)).
- If the Good News is to be shared, we need to develop relationships with those who are not attending Sunday morning to learn what their spiritual needs are. This means serving our neighbours with our neighbours. By being very explicit to leverage our mission activity, we can begin to reconsider what church experience may be attractive to our neighbours on Sunday mornings or at other times.
- Our key challenge is to better understand what the 'Good News' means to us individually, learn how to communicate it in a way that others can hear it and be prepared to hear their good news.

*"No one lights a lamp and hides it. No one puts it under a bowl. Instead, they put a lamp on its stand. Then those who come in can see the light."* (Luke 11:33 New International Reader's Version (NIRV))

Blessings:

### 1. A Large Congregation with Some Children & Youth Engagement

- As noted above, with average worship attendance in the order of 150, Knox United is a large congregation. While some of you may be tired and ageing, there are a lot of you. These time and talent riches allow you to do much more to address your challenges than most other United Church congregations.
- Knox has on average 10 attending Sunday School each week. There is a small youth group and a teen choir of about 12. It is estimated that there are about thirty young families in the congregation. Not large numbers, but a base that can be built on by better understanding their needs and by association, some of the needs of those not attending. Children and youth are important, but families are more important. From families you get children and youth, and when the children and youth leave for school, the parents will remain if they have been actively engaged in the life of the church.

### 2. Investments

- Knox has \$192,000 of unrestricted investments. These funds provide a cushion for unexpected contingencies, help through difficult times, funds for capital maintenance of the building and seed money for new or expanded ministries. You are blessed to have these, but they are not unlimited and need to be wisely used. Knox also has long term debt of \$194,800 which is the balance of the Vision in Mission mortgage with United Church. This increases by 3% per year until the principal doubles. No repayment is required as long as the church continues to operate.

### 3. Steps are Being Taken to Respond to Your Situation

- The Knox United congregation should be very proud and thankful that you are already responding to your challenges. Many congregations are in denial and some wait until it is too late to understand their situation and respond.
- A critical step was taking a serious multi-year look at your financial situation. This was done by the Financial Review Committee and by the Redevelopment Team with the assistance of EDGE to develop this Viability Report. A clear understanding of your financial and other resources is fundamental to making fact-based decisions.
- A Revitalization Committee has been in place for two years with a mandate to seek ways to grow the Congregation. In the 2017 Annual Report the Committee stated that it has become very apparent that: “The Revitalization Journey never stops – as times and needs will always be in a state of change and challenge.”
- In January 2018 a Congregational Open Conversation meeting was held, “to identify trends, and to give context upon which recommendations will be made to Knox Council and the Congregation regarding next steps of action to secure our fiscal health for long-term.” (Minutes of the Open Conversation Meeting). Numerous ideas were generated and collected and will provide a rich resource for planning the future. As pointed out above, a critical question to consider when reviewing these ideas, is **WHY**. Why should any specific idea be acted upon, how will it help you share the Good News?
- At the March 2018 Knox Annual General Meeting the congregation established a Team to “explore redevelopment of the Church property”.

### 4. A Valuable Property

- Knox is blessed with a valuable property. This asset is a valuable resource that needs to be stewarded to help you share the Good News. This can be done by redeveloping the property to directly serve the community (for example affordable housing) or to indirectly serve the community by providing a financial return that can be used to support community projects, or a combination of these. In both cases these can help the congregation to be financially sustainable.

- The actual redevelopment options will need to be investigated with the assistance of development professionals for two reasons: congregations do not have the expertise or resources to plan, seek approval and develop commercial property; and property developers are leery about working with congregations since their experience is that congregations find it difficult to set firm and clear development goals and they cannot make timely decisions.
- The Redevelopment Team has negotiated a Development Memorandum of Understanding (MOU) with EDGE and a Loan Agreement with the United Church of Canada to support the development exploration. These documents have been approved by the Council and will recommend their approval by the congregation at a meeting on October 28, 2018.

### C. **Recommendations**

#### 1. Pursue Options for Redeveloping the Church Property

- The congregation should consider approving the MOU and Loan Agreement that the Property Redevelopment Team negotiated in order to acquire the necessary professional development expertise to work with the Property Redevelopment Team to develop redevelopment options and a business plan for the congregation to make fact-based decisions on development of the property. Further support would be provided throughout the development process if the congregation decides to proceed.

#### 2. Be Curious – What is Jesus Calling this Congregation To Be and To Do

- This is not another ‘corporate mission’ process. This is a spiritual and ongoing process to consider your scriptural-based calling or vision, as followers of Jesus. This is what separates Christian churches from other social organizations. Without this it is not possible to decide which of your many ministry ideas should be pursued.

#### 3. Be Curious – What Would Excite our Congregation?

- Ask your congregation what is meaningful to them, what engages them in their faith, what would excite them to participate more in the life of the church. Ask these questions to each significant age cohort of the congregation. It is not the events and programmes that we offer that are meaningful, it the experiences that congregants receive - delve into these, help them peel back the onion layers.
- Once their meaningful experiences are known, develop more means to provide these. The goal is to retain them (and new visitors) as members / adherents and to grow their participation and support by meeting their needs.

#### 4. Engage Your Neighbours

- In Mathew 22 Jesus stated that: “You shall love the Lord your God with all your heart, and with all your soul, and with all your mind. This is the greatest and first commandment. And a second is like it: You shall love your neighbor as yourself. On these two commandments hang all the law and the prophets.”
- God is already active in your neighbourhood, go find where that is. As with your congregants, be curious about your neighbours and what their needs are.
- You already have non-congregant ‘friends’ who attend events who may help shed light on what your neighbours’ needs are. The opportunity is to make more friends, individuals, organizations and faith communities, who will help you with your vision, to volunteer and to give financially to specific missions. Some will join you Sunday morning; others will help you invent new forms of church meaningful to them.

#### 5. Commit to Long Term Renewal

5. Commit to Long-Term Renewal

- Renewing your mission, exciting your congregation and engaging your neighbours is a long-term commitment. It often takes 5 to 7 years to develop significant results. It is a journey, not a destination.

6. Seek Experienced Help

- You are not alone. EDGE, the United Church's network for ministry renewal, is the leading provider of congregation renewal services in Canada. It has and is helping many congregation to discern their calling and to respond to it. While renewal is different for every congregation, based on its internal situation, the community it resides in and the specific call that they discern, there are common processes and a network of experiences that can be accessed and to help guide through renewal. EDGE will walk the path with you.