

# GLEN WAVERLEY UNITING CHURCH

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## MEETING OF THE CONGREGATION

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To be held in the Church at 10:15am on Sunday 11th September 2022 - following a shortened 9:15am worship and before 11:00am worship

This is a special meeting of the Congregation to consider recommendations from Church Council concerning focused ministry to children & families, youth and young adults.

A printable version of this agenda and key documents is available - [📄](#)  
Printable\_CongMeetingAgenda20220911-Version2022-09-08.pdf.

## AGENDA

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### Note from the chair.

The time for this meeting has been chosen to facilitate attendance by as many members of the congregation as possible. This meeting has important decisions to make and there is only limited time available. It is important that there is adequate discussion before final decisions are made. I will adjourn to meeting if it becomes clear that discussion cannot be completed and decisions made in the available time. If the meeting needs to be adjourned, resumption will be discussed. However, my intention is that resumption takes place as soon as practical.

### 1. Welcome and Apologies

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Apologies:

### 2. Prayer

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### 3. Proposal from Church Council concerning focused ministry to children & families, youth and young adults

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See below for background relevant to the Church Council proposals.

#### 3.1 Recommitment to focused ministry to children & families, youth and young adults

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##### Discussion

In March 2021, the congregation approved the extension of Alanee's position and her ministry for 3-5 years.

**Council proposes that the Congregation recommit to a focused ministry to children & families, youth and young adults for at least five years.**

The reasons for making this commitment include:

- The need to resource and actively support our intergenerational worship, children & families, young adults and youth ministry leaders.
- Our desire to be a church that is inclusive of all. So we are committed to ministering to all ages.
- The desire and the opportunity to grow these areas of ministry, in order to be more representative of the Glen Waverley Community.
  - The Census indicates a higher than normal percentage of children and youth in the Glen Waverley area.
- The Synod currently sees children and families as a strategic priority.

### **Proposed Resolution**

**"The congregation of the Glen Waverley Uniting Church commits to a focused ministry to children & families, youth and young adults for at least five years."**

## **3.2 Funding a focused ministry to children & families, youth and young adults**

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### **Discussion**

Funding this position at current levels of giving is predicted to exhaust our financial reserves within the five years.

**Council proposes that the congregation commit to funding this ministry as a full time position.**

The reasons for this include:

- It has been a full time plus position in recent years.
- The congregation has not been challenged to increase our giving for some years.
- Advertising up to full time is likely to appeal to a wider range of candidates.

### **Proposed Resolution**

**'The congregation of the Glen Waverley Uniting Church commits funding ministry to children & families, youth and young adults as a full time position.'**

## **3.3 Joint Nominating Committee to seek a minister for a focused ministry to children & families, youth and young adults**

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### **Discussion**

We currently have a joint nominating committee (JNC) seeking a replacement for Neil from sometime next year. Using the same committee would be expeditious, and enable greater consideration of how the two replacements will work together to cover our ministries. This has been approved by Presbytery, and the members of the JNC have agreed to take on this extra work. The current JNC has seven congregational members as opposed to the usual 4 to 6, and has a good representation of youth and young families.

Council proposes that the congregation elect the current JNC to also address the vacancy created by Alanee's departure.

### **Proposed Resolution**

**'The congregation of the Glen Waverley Uniting Church elects the current JNC to also address the vacancy created by Alanee Hearnshaw's departure.'**

## **3.4 Background relevant to replacing Alanee Hearnshaw**

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### **Past commitment to ministry to children, families, youth and young adults**

From **CongMeetingMinutes20210314**

Resolution: The congregation of the Glen Waverley Uniting Church approves extension of the Contract and employment of Alanee Hearnshaw for a period of 3 years from Mid 2021 with an option of a further 2 years by agreement, when further matters relevant to our broader succession planning are finalised. This also presupposes that following the initial 3 years, Alanee wants to continue and GWUC is agreeable to that extension for the further 2 years.

Proposed by **KenCoutts**, GWUC Treasurer Approved by consensus

### **Financial Predictions**

See attachments.

### **The current Joint Nomination Committee (JNC) seeking a replacement for Neil Peters**

The current JNC, including members elected by the congregation in March 2022 (CongMeetingReport20220320) are:

**Rev. GrahamBartley (Chair, Presbytery Liaison Person)**

**EuniceMagee (Presbytery Liaison Person)**

**MatthewBoldiston**

**RyanChan**

**AlisonClarkson**

**RussellCrawford**

**VidaFoo**

**MargaretFraser**

**MartinWojak**

For further information about the group, please see the group's wiki page (JNC2022)

## **4. Other Business**

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## **5. Benediction**

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# **ATTACHMENTS**

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29th August 2022

Memo to Church Council

## **GWUC -Financing Considerations and Modelling for Congregation Meeting – 11th September 2022.**

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There has been considerable work undertaken through DavidMorgan via his modelling and across the members of FinanceCommittee over the last week or two following receipt of AlaneeHearnshaw's Letter of Resignation at the August Church Council meeting with an agreed final date of 31 October 2022.

In addition, to the recent work and discussion John Snare indicated a desire to have an agreed format

to proceed considerations for the Congregation Meeting.

## **Historical Matters and Succession.**

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Finance Committee presented several scenarios when seeking to establish a framework some two plus years ago as to our ability at that time to extend Alanee and fund the succession planning arrangements and transition of Rev Neil Peters into retirement, with a date of January 2024, since being formalised.

In relation to Alanee at that time, we recommended a term of 3 years, with an option of a further two by mutual agreement by the parties. This served several purposes, but financially we committed to fund our 2 x FTE for a new Minister of the Word and the revised Pastor role for Alanee. This was against Finance Committee assurances that we could fund these and other members of our team for a maximum period of 5 years given our changing demographics, reducing offering and direct giving receipts and the increasing reliance upon rental receipts to cover all other church operating expenses.

To date, Alanee has almost completed 2 years of that contract and as such we maintain the ability of that earlier commitment. This would assume a continuing ability to fund 2 x FTE with full Salary and Ministerial Benefit frameworks for a maximum of 3 further years from February 2023, assuming all other matters remain current.

This would see a new Minister of the Word and provide a short period of overlap, whilst also ensuring that we can and could fund Alanee for that agreed period.

Concurrently, Finance Committee again repeated our regular advices that our revenue and giving offering from our congregation continues to decline by 1.5-2.0% per annum whilst our expenses, predominantly through Staff and on costs, are projected to increase by 3% per annum. In real terms this gap translates to approximately \$20,000-25,000 per annum.

To date we have run small deficits and relied upon maximising increasing rental receipts which in 2023 are planned to be approximately \$82,000 but this will likely maximise our revenue potential from this source. As further rentals would impact space availability for congregation based activities.

Through the pandemic we liaised with Presbytery and reduced our contribution for Mission & Service from a suggested (requested) annual figure of \$58,000 to \$48,000 as a consequence of our Revenue pressures. Church council requested that Finance Committee review this situation and if possible make an upward adjustment. This will likely result in us increasing our 2022 figure to \$54,000 in November 2022.

You are also aware that we have almost expended our Deferred Maintenance Reserve to complete necessary upgrades through carpet, air conditioning and other items. That Reserve will now be further exhausted as we refresh and update the two manses in late 2022 and then early 2023 as is required by Synod and Presbytery procedures.

In 2022, we expected to present a small deficit of some \$7,000-10,000 which continues our run of operating deficits over several years. With Alanee departing end of October we will have some savings through November and December, but not significant balances which materially impact our finances. It needs to be remembered that Alanee is taking some leave prior to her departure that will need to be funded. These reserves will be further reduced if other temporary resources are sourced to support the ministry team efforts.

Finance Committee has been consistent in presenting to Church Council that whilst our finances remained sound, and we can cover the immediate plan requirements, we are already living beyond our means and eating into our Surplus accumulated over many years.

We are faced with challenges, and we can see no reason to expect any change in our financial direction of deficits because our material offerings through, open plate, envelopes and direct giving are insufficient to meet the operational plan expenditures and contractual staffing commitments.

There has been no planned giving programme or changes for approximately 10 years, although a number of our congregation members have made personal adjustments. There has been a reluctance by

some to suggest this course of action because many of our members have reached the life stage of fixed incomes and pension streams.

## **The Challenges Going forward!**

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Whilst we remain supportive of the funding table agreed to earlier, it is necessary to define and explain that this never committed GWUC to this funding volume beyond the commitment to Alanee, because we were aware of the risk and challenges associated with that or a similar commitment. Indeed, Finance Committee has had apprehension as to the ability to retain our income with an ageing congregation as well as diminishing numbers.

We believe the challenges are now well defined.

We run the risk of exhausting our Financial Reserves earlier should we consider and commit to a new FTE appointment commencing some time in 2023/24 for a 5 year period. Yes, there may be savings in Staff costs until an appointment is finalised and put in place.

However, the incremental reduction in our offerings and giving will not diminish over this period. The incremental addition to rental income is expected to slow because we have less ability to rent our premises due to the congregational needs of those rentable spaces.

In simple terms our income is constrained even further, whilst the costs will reflect a short term saving but they will by definition incorporate an annual increase of say 3% or possibly more due to inflationary pressures we read of every day.

From Finance Committee we are reticent to support or advocate the existing cost structure beyond the current commitment (3 years). We see no way of funding the ongoing increment if the 2nd FTE is committed from 2023 ( some date to be defined) through until 2028 ( on the basis of a minimum 5 year appointment). We are not in a position to provide Presbytery an absolute guarantee of funding for such a placement of that nature.

## **The Importance of Modelling – Highlighting the Challenge.**

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We are indeed fortunate to have the modelling skills of David Morgan and the accounting / financial and risk management skills of the Finance Committee.

The Modelling presented by David in his work to date, in taking our financial history and projections and presenting clear graphical presentations which we can work with, is important and relevant.

From those, David presents a definable challenge requiring additional revenue and whilst we may query the linear progressions, when our actions are more likely to be lumpy, we believe they clearly highlight a challenge to Church Council and Congregation as to the degree of risk and the challenge associated with deriving the additional funding. That said, the modelling does assume resource availability. A factor assumption that has not been included in the modelling.

Finance Committee believes we have an annual revenue shortfall of some \$10,000-15,000 per annum if we sustain the planned existing staffing and cost framework. Rather than growing our giving we are witnessing an annual decline in giving revenue and we anticipate this increasing as we lose further members for a variety of reasons. Our programme initiatives have been unable to, or have not included as a deliverable, generating an appropriate revenue stream to meet the shortfall.

In earlier discussions with Glyn Howells, following receipt of Alanee's resignation, I reiterated that we were financially sound, for the short term. That remains the case. However, as Treasurer it is important that I confirm that there are significant challenges over the period beyond the next 2-3 years and post the transition. We will have significantly reduced surplus funds and eliminated our existing Deferred Maintenance Reserve with required expenditure (subject to rebuilding the funds over the next 5-10 years). Although recently added to the assumptions in the modelling, all these financial assumptions above have excluded the fact that it is our view most likely that new FTE ministry resources will not wish to live on site in our manses, and we will then incur a further \$30,000 - \$37,000 manses allowance expense as well as having vacant manses to maintain. This amount would have to be added

to the annual shortfalls referred to in this memorandum.

## **Alternative Staffing Scenarios and financial Impacts.**

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There have been several iterations as to scenarios that would enable us to consider and seek alternatives which present less financial stress and risk over the timeframe of say 5 -6 years given the likely time frame delays as to an appointee being sourced and available to commence.

It has been suggested as either a 0.5 or 0.7 FTE Pastor role (with or without the Manse allowances) however guidance received by us says that there are no trained Pastor resources available who can step up to the level of commitment we have received from Alanee, or who are trained in this speciality. The Synod of VicTas, for a long time, has not trained youth workers.

We believe the only realistic course therefore is that of an Ordained MOW or Deacon role, which would by necessity expect a .7 or less placement and would attract all of the oncosts and allowances. Also, seeking 2 ordained resources at the same time may present us with a further challenge based on Presbytery pronouncements.

We recommend written advice from Presbytery be requested that they will allow that approach.

We haven't undertaken detailed financial analysis because that would be driven and defined by the tasks and roles / functions to be committed to and the acceptance of a role offering less availability.

That framework would reduce our costs by \$30,000-40,000 per annum and the analysis and challenges defined above go way. We could then confidently predict that we will not experience severe financial pressures.

From Finance Committee historical discussions, that was our envisaged initial impact when Alanee was extended, either after 3 years or after a complete 5 year term.

## **Summary and Recommendations.**

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Your Finance Committee as the steward of finances remains concerned as to our longer-term finances, unless a strategy to address those shortfalls is commenced at the same time as the FTE resourcing is progressed.

The immediate challenge here is to define what we want and need the roles to achieve and under what circumstances. Finance Committee are not privy to those discussions or the Strategic framework going forward.

We remain very concerned as to our ability to generate more revenue through offering and giving considerations with the current demographics. We have emphatically defined the reducing revenue and cost increase pressures. We cannot squeeze more out of our services and staff through tightening without reducing services to our congregation and the wider church mission. It requires a broader definition of desired and prioritised activities. We cannot see a way to sustain our Mission and Service commitments without this carefully planned revenue regeneration task.

The easier proposal is to refine and develop a function which can be offered and then with an appointment of, perhaps 0.6 FTE or 0.7FTE for say only 5 years. This can be substantiated financially and could or would be recommended by Finance Committee. If the financially view then changes in the future a change to those arrangements could be achievable.

Should Church Council want to do more, then they need to articulate the role and the costs and set the Financial Challenges to our congregation strongly attached to our already publicised, 4 Mission strategies. The Congregation needs to understand these challenges as our current revenues are diminishing.

Finance Committee is unable to contemplate the meeting of the challenge from our existing framework and responses so far.

KenCoutts

Treasurer and Convenor of Finance Committee.

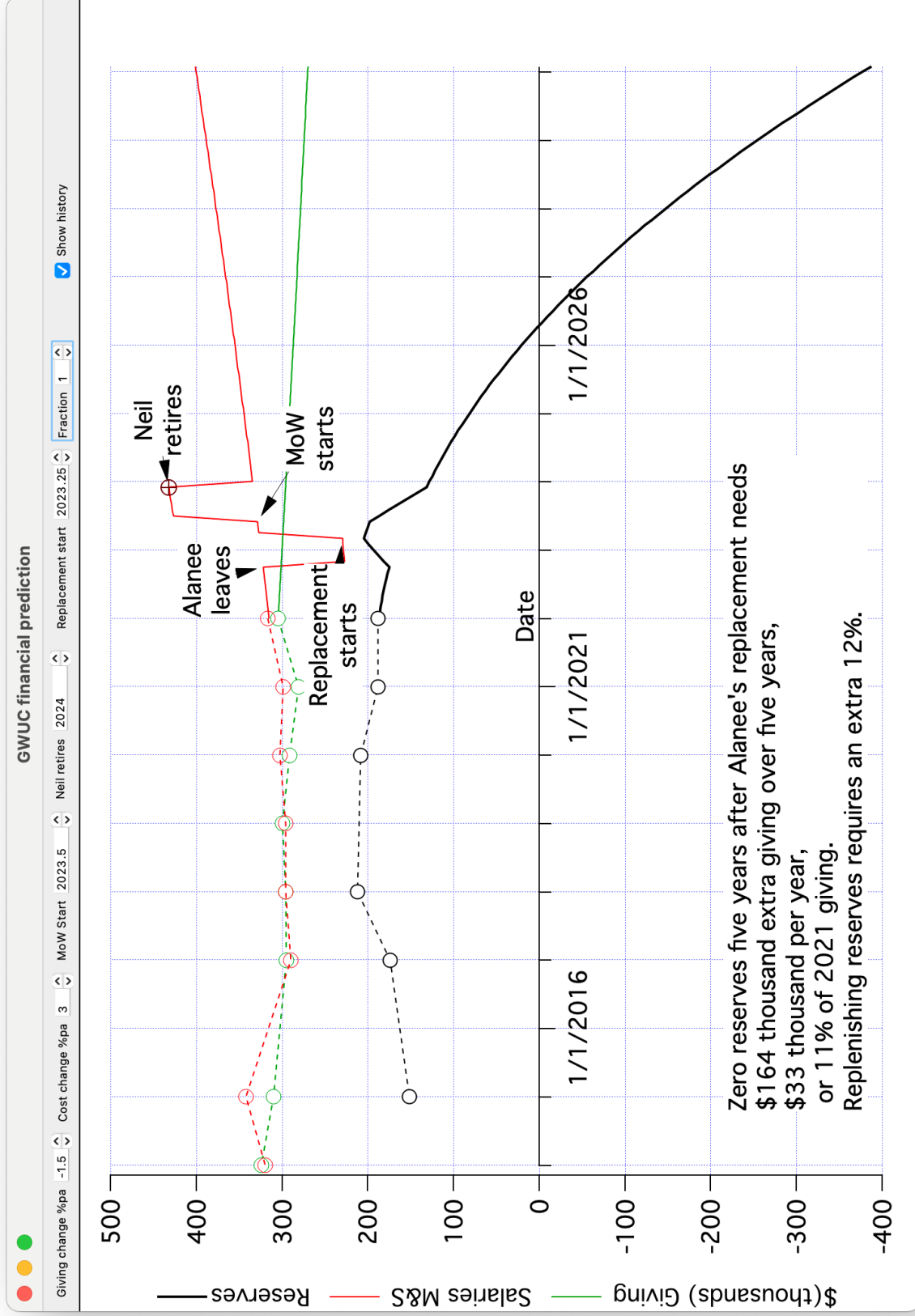
[Link to CouncilPapers20200826DLM > SuccessionFinancesSep2022](#)

## Financial Predictions 2022

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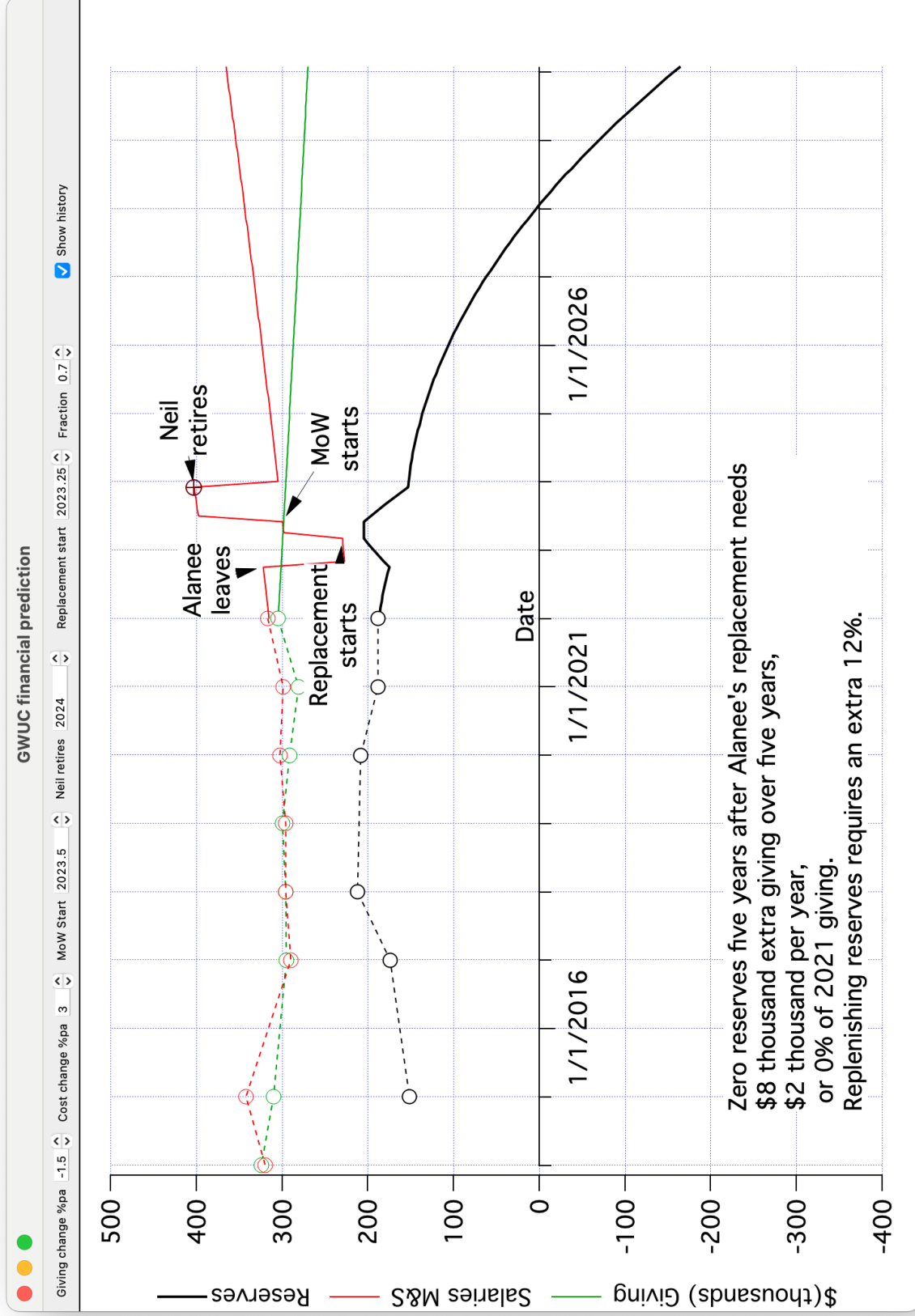
- An update on previous modelling after the announcement of Alanee's departure.
- Note that the model includes many unknown / uncertain parameters, so that it cannot give a firm prediction, but some visualisation of what might happen under a range of reasonable assumptions.
- Basic assumptions are the same, now based on end of 2021.
  - Reserves is "Retained Earnings", which excludes Bequests and Deferred Maintenance.
  - Income is taken as "Total Offerings" from financial reports, and changed each month by a fixed percentage.
  - Costs are taken as "Ministers Stipends & Allowance" plus "Office Wages & Super" plus "Mission & Service Fund", with similar indexing.
- The scenario is Alanee leaving at the end of October 2022, a "Replacement" for Alanee being appointed, a new MoW being appointed, and Neil retiring. The timings for all these are inputs to the model, though Neil has expressed a desire to retire by the end of 2023.
- The target is now being able to afford Alanee's replacement for 5 years.
- The default settings, 1.5%pa decline in giving and 3%pa increase in costs, 6 months MoW overlap, full time Replacement and a minimal Alanee vacancy looks like this:





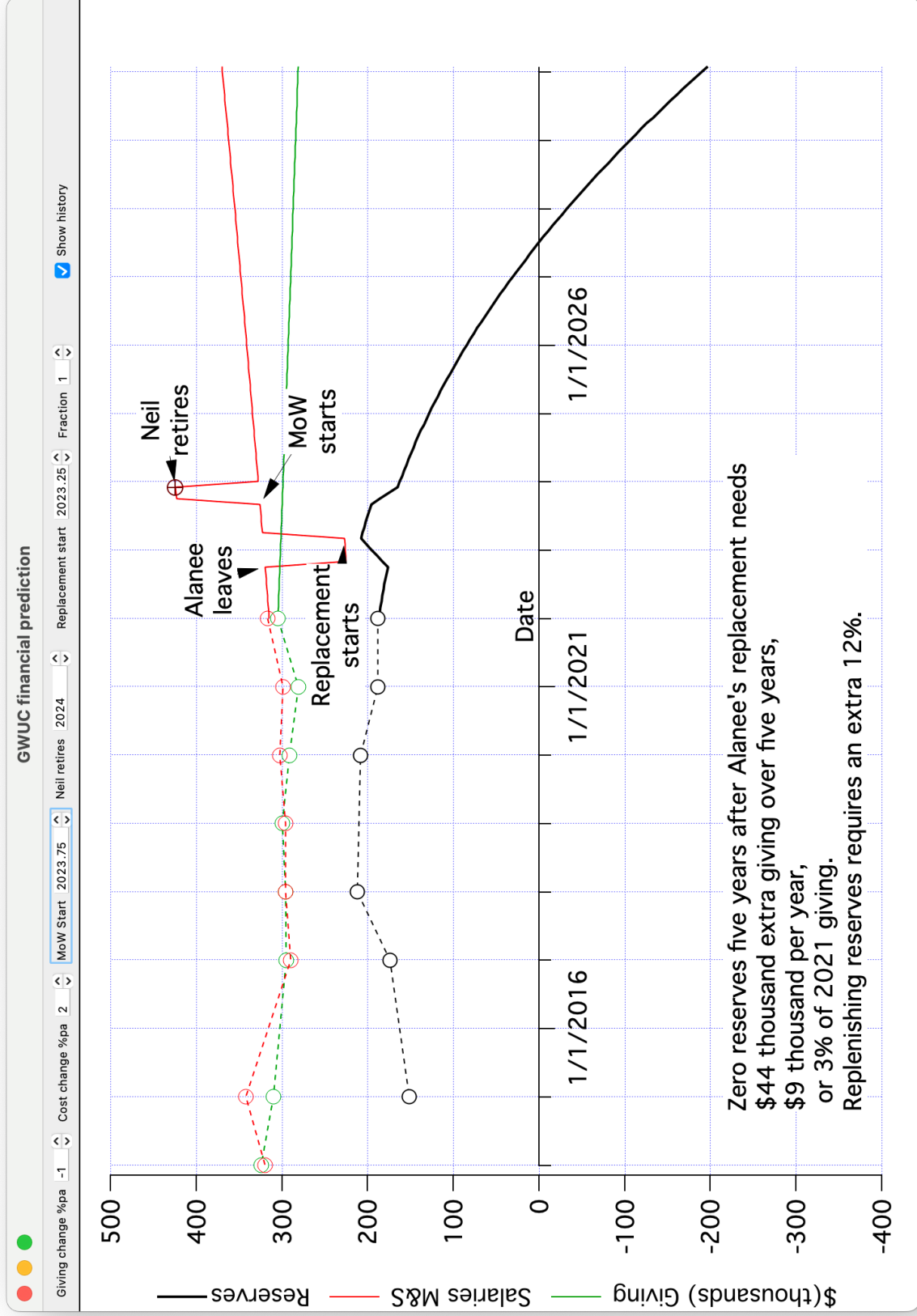
- Using a 0.7 replacement makes the reserves last five years.



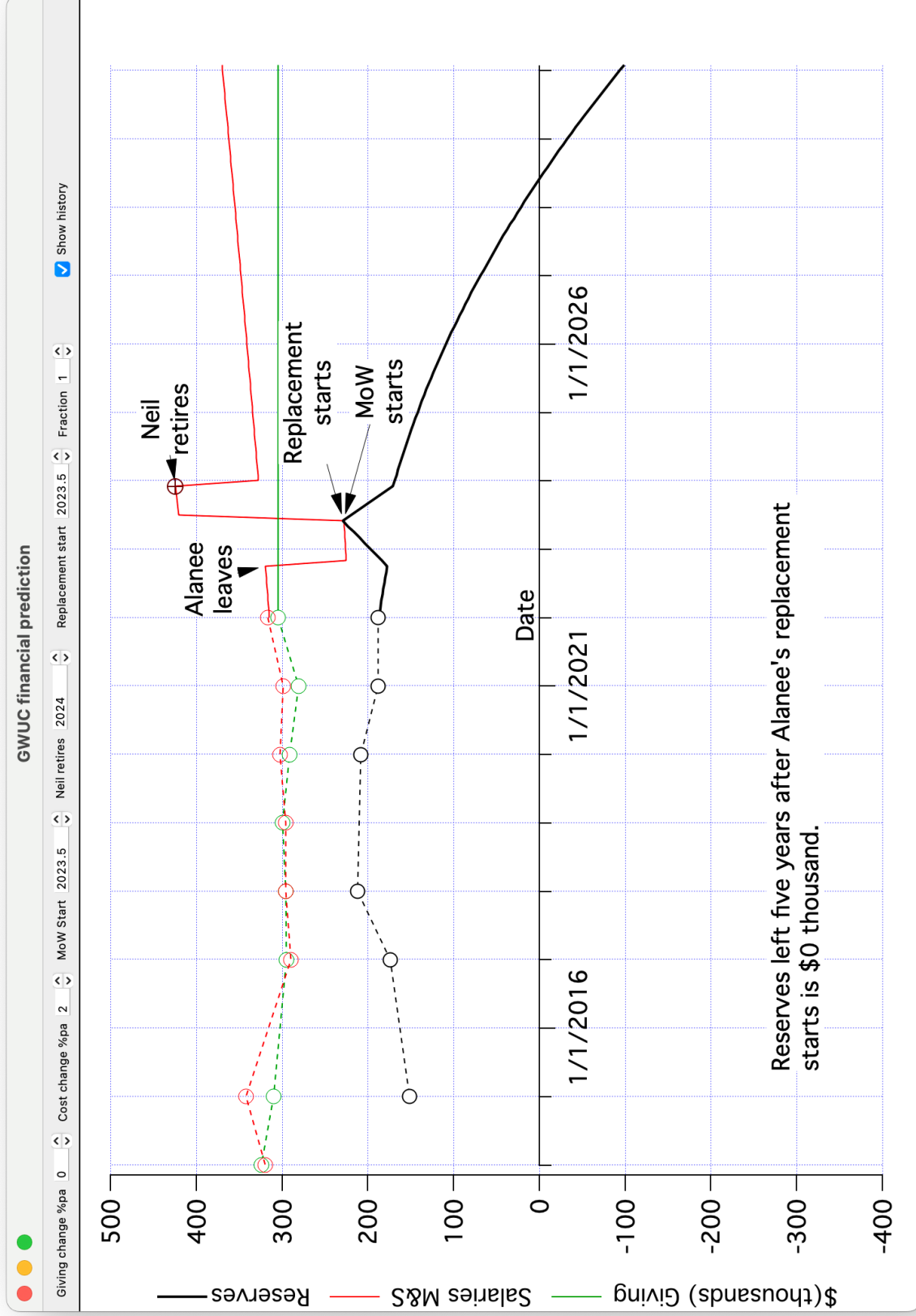


- Returning to full time position with some more optimistic parameters, 1%pa decline in giving, 2%pa increase in costs, 3 months MoW overlap looks like

this:



- If we maintained the 2021 giving level, and Alanee's replacement was delayed to mid 2023, our reserves are predicted to just last the 5 years.



- Uncertainties not included in the model include:
  - Manse allowance. If either or both placements choose to live in their own houses, we will need to pay manse allowance of \$18,600 each from their date of arrival. Our ability to recoup that by renting the manses is limited by the conditions of our exemption from land tax and City Council rates, that our property be used for "charitable purposes".
  - Manse updates. Estimated \$30,000, to come from the Deferred Maintenance budget, not included in this analysis.
  - Supply costs during a vacancy. Usually small compared to a salary, and hopefully only for a short period.
  - Replacement salaries may not be the same as the current salaries, depending on qualifications etc.
  - Cost of termination, e.g. remaining leave, are not included.

DavidMorgan

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