



**Highlands  
United Church**  
North Vancouver

# SUSTAINABILITY PROJECT OVERVIEW

*Our life together in worship and community is such a gift*

*Highlands United Church works every day to be a community-focused church, an inclusive church, a welcoming space, a safe place for all. A place that fosters opportunities not just to live and grow, but to thrive!*

## Summary

Highlands United Church is at a crossroads. A recent pattern of deficit budgets, year end appeals, rising inflation, and building expenses has produced a growing gap in sustainable funding for building and ministry.

The Leadership Board has analysed the physical and financial trends and recommends the congregation take bold steps to address both the current and future needs in order to create a healthy physical and financial platform for ministry.

Recommendations fall into two categories:

- Today: continuing healthy patterns of stewardship, building revenue generation and Thrift revenue.
- Tomorrow: undertaking a Legacy Fund feasibility study to gather input on and assess capacity for a Legacy Fund large enough to stabilize our physical and financial future.

The ultimate long-term vision for Highlands United Church is vital life and ministry today and for coming generations. We believe God needs Highlands, the world needs Highlands, and Edgemont Village needs Highlands. This means we need a plan for today and tomorrow

## 75 Years: Honouring the Past and Building the Future

Since our inception in 1949, Highlands United Church has been an active and respected part of the Edgemont Village community. From the beginning, we have taken risks to serve the needs of the Congregation and the surrounding community. We have become known for strong creative worship, a heart for justice, open mindedness, faith for all ages, and for making fabulous music to offer to God.

We also have a long history of being generous with our donations to Mission & Service and local and global outreach. With good fiscal management, committed staff and volunteers, generous donors, a clear vision and enthusiastic fundraising, Highlands has sustained its mission and ministry well.

Highlands has also attempted to address our financial future several times. We created the *Building & Equipment* fund to proactively address capital replacement needs, and created the *Heritage Fund* to support enduring, future-shaping projects.

As we look back on the challenges we faced during COVID, we should take pride in the fact that Highlands United showed a remarkable capacity for creativity and resilience with innovative worship, creative use of technology, steady leadership, generous financial commitment, and strong community bonds.

After three years of disruption, we are well on our way to revitalizing the life of our church, both in-person and online, by opening doors to new ministries and programs, fostering new connections with First Nations and the greater North Shore community, and welcoming a new refugee family. We are also developing a Thrift Store, renewing Children and Youth programs, and recommitting to vibrant seniors' programs.

**With the approval of the congregation, in 2022 Highlands took another risk and committed to staff for post-covid renewal.** As a congregation, we accepted that this might create some additional pressure on the operating budget, in addition to the impact of annual increases in costs and expenses anticipated in all areas. However, we chose to build for the future.



Following the joyful celebration of our 75<sup>th</sup> year in 2023, **your church leadership has been focused on our future**, and what we must do as a congregation to ensure that we will celebrate many more significant milestones in the years and decades ahead.

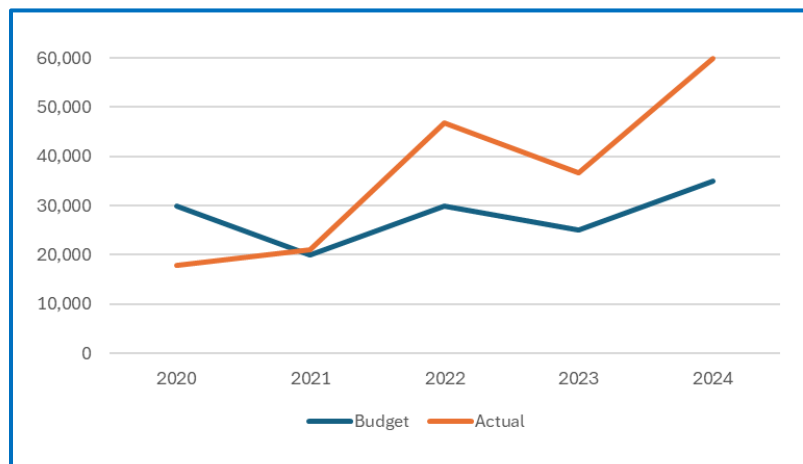
The Leadership Board and the Extended Leadership Board has embarked on an ambitious project aimed at securing the future of our building and our ministry. This proposal outlines this exciting project.

## THE PHYSICAL HEART OF OUR MINISTRY

*Highlands aspires to be a diverse and vital congregation, living and working as a Christian community of faith, and bringing a spiritual perspective to the communities we engage with.*

Our building is a vital and necessary heart of our various ministries. It is home base for our life. However, the continuing costs of maintenance are significant and have reached the point where they are beyond what we are able to provide in our annual operating fund.

As our building ages and continues to be used heavily, our annual budget allocation for maintenance has not kept up with costs. In addition, we have not been able to create a Building and Equipment reserve fund large enough to keep pace with capital replacements.



REPAIR & MAINTENANCE  
BUDGET  
2000 -2004

Budget vs. Actual Costs

While the Godspace I and II Capital Campaigns in 2007 and 2013 made significant strides in modernizing and revitalizing our physical infrastructure, our building needs continuous upgrades to ensure we continue to support the vital ministry in our church home.

There is consensus among the building management team, Finance Committee and Leadership Board that the current Building and Equipment Fund will not be sufficient to fund expected capital projects let alone the unexpected projects.

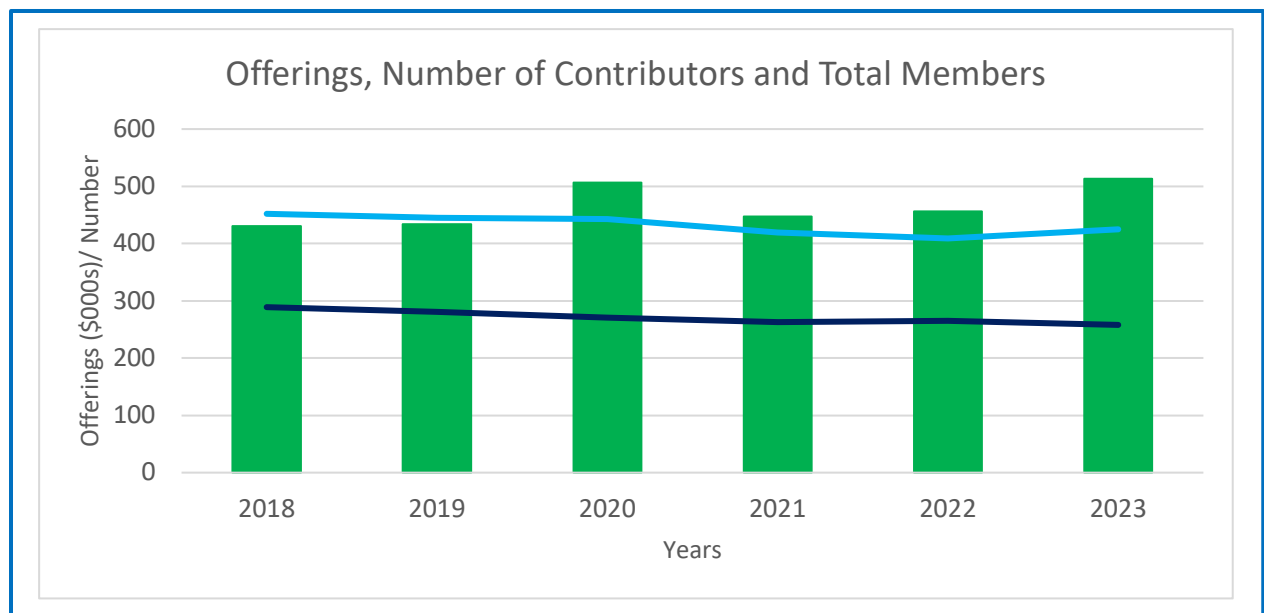


Recently, our building management team has been working to update the maintenance budget and the capital replacement plan and to give us a clearer understanding of the specific costs in both the immediate future and beyond. It is clear that current Repair and Maintenance budgets and the Building and Equipment Fund are insufficient to meet our future needs.

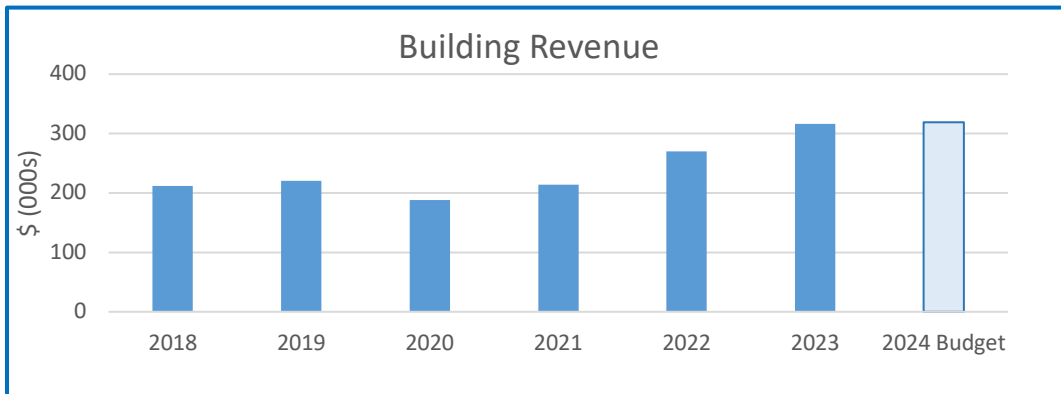
## A FINANCIAL HEART FOR MINISTRY

Our Operating Fund is the core financial engine of our ongoing ministry. It funds the vital day to day life of the church. The vast majority of income to the Operating Fund comes from generous offerings, healthy building rental revenue, and fundraising (mostly thrift sales).

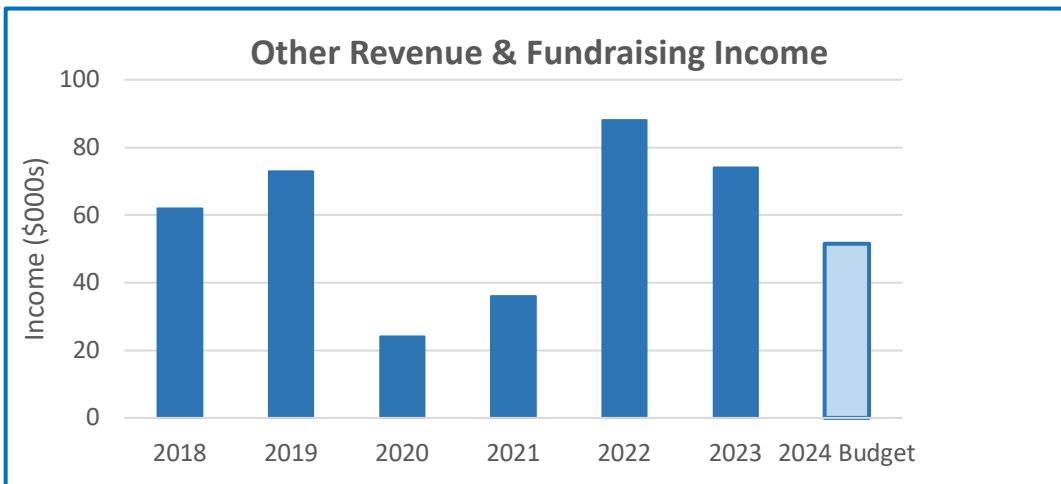
Highlands has a history of generous giving and a vibrant Stewardship program, but even with that, offerings have not kept pace with increased expenses.



A concerted effort to maximize building use has resulted in increased building revenue, but not enough to cover increased upkeep costs on our well-used building and provide for increased ministry expenses.



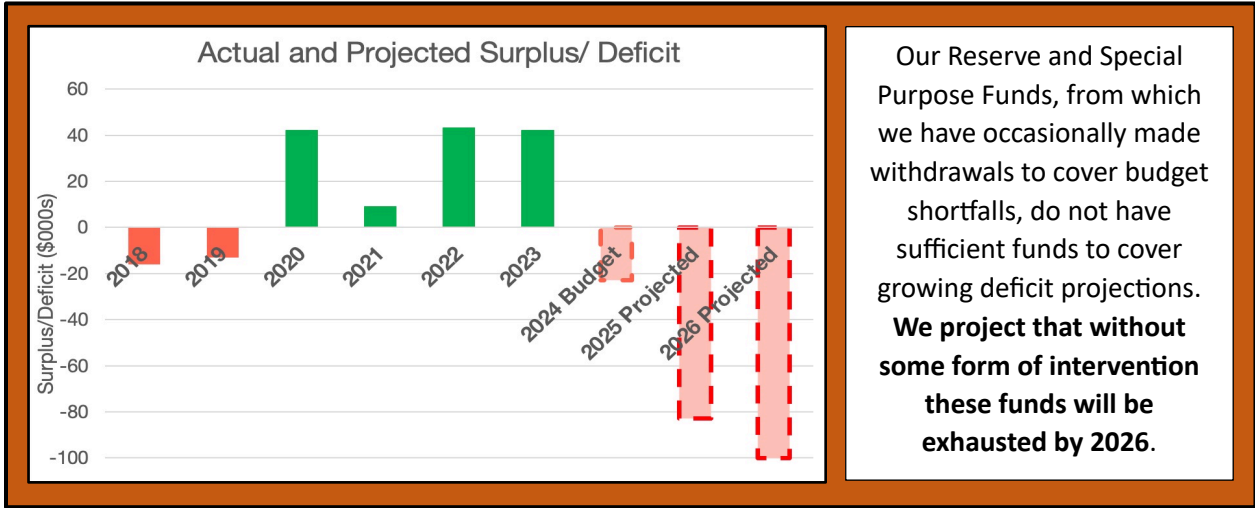
Thrift sales have brought in better-than-expected revenue, but for this to continue, we have embarked on an exciting Thrift Store project.



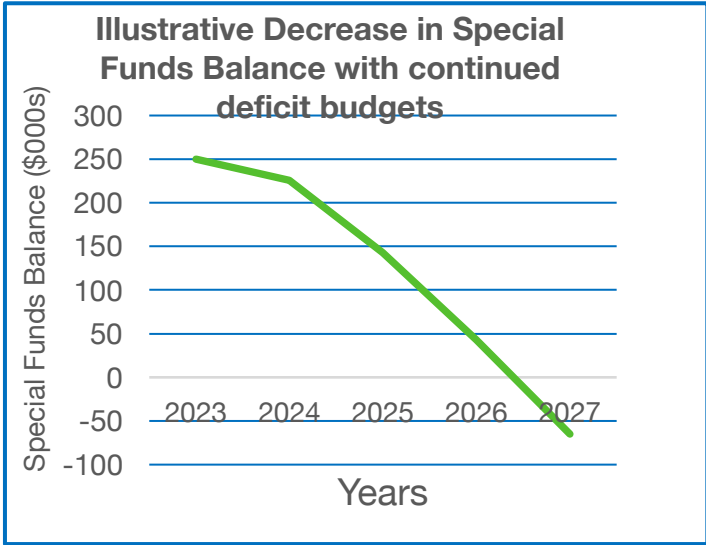
However, even with all this good work, over the past several years our annual Operating Fund has experienced annual deficits (without special appeals) that range from \$13,000 to \$46,000. We have managed the last 6 years very well thanks to reduced staff during COVID years, and special appeals when deficits became threatening.

While our community has been responsive and generous when we have been faced with year-end budget shortfalls and critical repairs, we cannot continue to count on this. Expenses are increasing more rapidly than income.

**The projected deficit in 2024 is almost \$70,000 and looking ahead, this annual deficiency will only continue to increase as the basic costs of operations continue to increase.**



Our Reserve and Special Purpose Funds, from which we have occasionally made withdrawals to cover budget shortfalls, do not have sufficient funds to cover growing deficit projections. **We project that without some form of intervention these funds will be exhausted by 2026.**



Highlands has a culture of paying for the ministry as we go. We have no large endowment funds that we rely on to sustain our building or our ministry. This has meant we have a healthy culture of “stepping up when a need arises.” However, it has also meant that we have been unable to gather sufficient funds to address large long term capital needs or large unforeseen ministry needs.

While our post-Covid recovery has been strong in many ways, the reality is that we are facing major financial challenges that must be addressed soon.

**The Leadership and Extended Leadership Boards have determined that Highlands United Church cannot continue to move forward and live into our mission by maintaining the ‘status quo.’ We must act to secure stability for our future ministry.**

**With the spirit’s guidance, we are proposing a two-part way forward** in order to create a durable and lasting foundation for the next season in the life and ministry of Highlands United.

## OUR PLAN: Today and Tomorrow

The ultimate long-term vision for Highlands United Church is vital life and ministry today and for the coming generations. We believe God needs Highlands, the world needs Highlands, and Edgemont Village needs Highlands. This means we need a plan for today and for tomorrow.

**Today** – Our plan involves supporting the work of today with healthy ongoing stewardship, continued building use revenue, and the completion of the new Thrift Store. The goal is to maintain short term financial wellbeing keeping deficits over the next few years to a minimum.

We must continue to fund ministry in this time of renewal. As we work towards completion and the opening of our new Thrift Store, we will also continue seeking additional ideas and initiatives to generate new revenues.

**Tomorrow** – The Leadership Board is also proposing to launch a separate fundraising campaign to establish a **Legacy Fund** of at least \$5 million. This will create a financial platform large enough to:

1. generate revenues that would cover ongoing capital replacement costs for the building
2. provide stable funding to manage fluctuations in the operating fund for ministry

Potential sources of funding for the Legacy Fund include immediate donations, pledges to contribute over multiple years, planned giving instruments, as well as an increased emphasis on bequests.

## MOVING FORWARD TOGETHER

This plan is the result of a careful analysis of our physical and financial life. However, it is just the beginning. Creating a vibrant financial foundation for Highlands requires all of us to pray, discern, communicate, and commit to that future.

There are many details to work out and your input and insight is needed. To that end, the proposed next steps in the plan include:

- Consultation both within the Highlands community and beyond in Edgemont Village and the North Shore to ensure this is the direction God is calling us to and whether the establishment of a Legacy Fund is feasible. This consultation will be led by Rob Waller and Associates and an expanded Sustainability Team.
- A report delivered to the Leadership Board and the congregation on the feasibility of a **Legacy Fund Campaign**.
- Depending on the results of the consultation, a Fund Development Campaign would establish a Legacy Fund that sustains Highlands' ministry today and tomorrow.



## THE FUTURE: IT'S ABOUT LIVES IN MINISTRY

*If you want to see the future of Christianity ... don't look at a church building. Go look in the mirror and look at your neighbor. God's message of love is sent into the world in human envelopes. If you want to see a great spiritual migration begin, then let it start right in your body. Let your life be a foothold of liberation.*

- Richard Rohr's Daily Meditations, *From the Center for Action and Contemplation*

Let's work, pray, discern, communicate, and commit to building a vibrant future for Highlands. With God's help and inspiration, we can do it together.



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