

CAMPAIGN FEASIBILITY STUDY REPORT

Prepared For

Highlands United Church

February 6, 2025



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Introduction and Study Objectives

Waller & Associates Ltd., a specialized lower mainland Christian fundraising consulting firm, was retained by Highlands United Church (*referred to hereafter as HUC*) to conduct a Feasibility Study for a proposed major fundraising campaign. The focus of the study was to assess the capacity of HUC to launch a campaign to create a fund large enough to stabilize both the physical and financial futures of the church.

The study, conducted in December 2024 and early January 2025, consisted of personal interviews with individuals identified by leadership, and an online survey of the HUC congregation.

The primary objective of the study was to gauge the ability and inclination of the HUC community to support the proposed campaign and test their support for undertaking a campaign to raise as much as \$5 million. The study would also explore how to best structure and position such a campaign. The major objectives of the study included:

- Determining the awareness, acceptance and degree of support for the proposed campaign;
- Identifying strengths that HUC should highlight in undertaking such a campaign;
- Determining if the campaign objective is realistic and attainable;
- Identifying any weaknesses or potential threats to such a campaign;
- Identifying new legacy opportunities from a campaign;
- Identifying major financial contributors vital to ensuring a successful campaign;
- Identifying potential campaign leaders willing to work on behalf of a campaign;
- Determining how best to achieve the proposed financial objective;
- Soliciting advice with respect to any issues that could impact a successful campaign;
- Ascertaining the readiness and climate of HUC for fundraising;
- Providing some initial insights into the most logical plan to completing the campaign.

Rob Waller, CEO of Waller & Associates Ltd., conducted all of the study interviews. The Project Overview document and the survey instrument was developed and conducted by Josh Keller, Associate Consultant.

A word of sincere appreciation is extended to all who participated in the study, all of whom were most generous with their time and advice.

Our goal has been to provide you with the information and resources you need in order to make the best possible stewardship and planning decisions in responding to the vision for your future.

Respectfully submitted by

Rob Waller – CEO/Principal

Waller & Associates Ltd

THE INTERVIEW PROCESS

The HUC Sustainability Team (Ardis Nelson, Ken Irwin, Carol Nelson, Will Sparks) identified prospective interviewees, and confirmed and arranged the interviews conducted by Rob Waller.

A total of 32 interviews involving 45 individuals were arranged and conducted in 45 - 60 minute sessions. The conversational nature of these confidential interviews allowed participants to freely share their ideas and opinions. Relevant comments, when viewed as a body of subjective data, provided critical insights that helped form the recommendations provided in this report.

To better prepare for their interview, individuals were provided with more detailed information about the proposed campaign in a Project Overview document [See *APPENDIX*], which was sent to them with a cover letter in advance of their interview time.

In addition to the empirical data presented in the Appendix, this report endeavors to articulate the tone, impression, and sense of the respondents who participated in the study, as opposed to being solely a statistical reflection of interviewee opinions. The data from the online survey, also in the Appendix, corroborated the information shared by interviewees.

In the experience of Counsel (Waller & Associates) the interviewees selected for this study represent an adequate cross-section of HUC's most significant, potential supporting constituencies. When evaluated with the other data on hand, it is the opinion of Counsel that the views expressed by the interviewees and survey respondents in the study provide a suitable basis for the observations and recommendations contained in this report.

THE SURVEY PROCESS

Based on the sequence of questions used in the interview process, an online survey was developed, using the *SurveyMonkey* online platform. For those members of the Highlands United Church community who did not have access to, or were not comfortable with the online version, a printed copy of the same questions was made available through the church office.

A total of 83 responses were received; 80 were completed online along with 3 print versions. To avoid duplication, individuals who were interviewed were asked not to complete a survey. A copy of the Project Overview was also made available from the website for those completing the online survey. Individuals were asked to read the Overview before completing the survey.

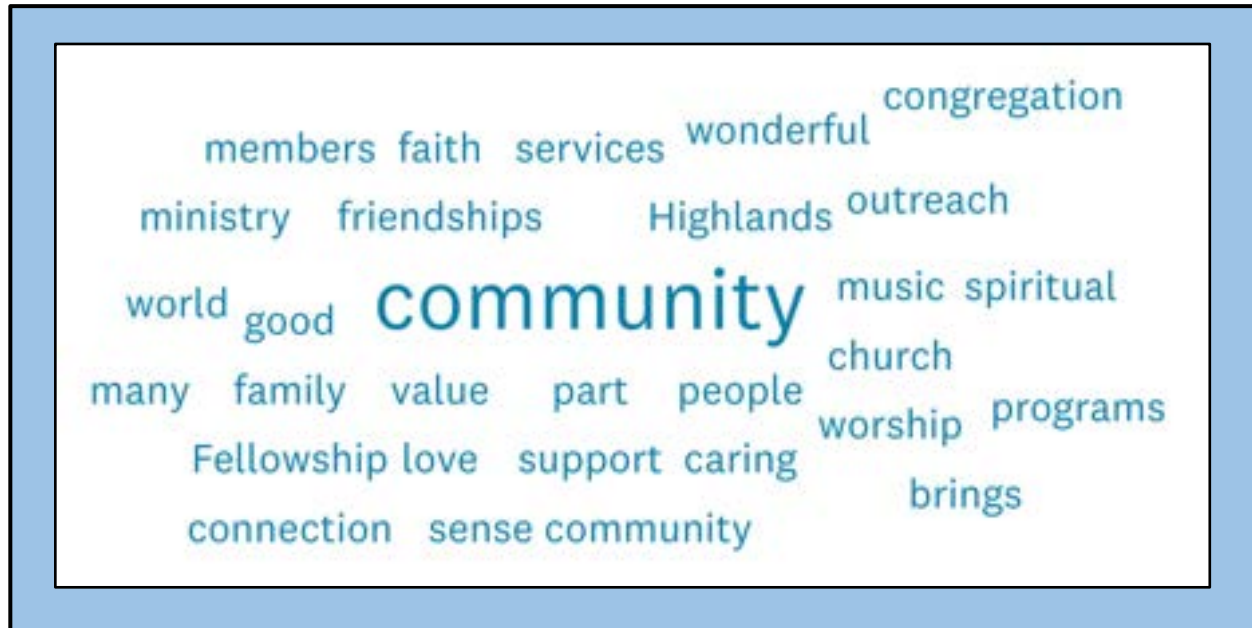
Almost three-quarters (3/4) of interviewees have been members of the HUC congregation for over 20 years, regularly attending and participating in other church activities and events.

Of particular note is the fact that 77% (62) of the 83 online survey respondents indicated they also regularly attend HUC and have been members of the congregation for more than 15 years. The total of 128 interviewees and survey respondents provided what Counsel is confident is a good cross-section of the views of the core membership of the HUC community.

Executive Summary

In the online survey, we asked the question:

“What do you value most about being part of Highlands United Church?”



THE ANSWER is clearly evident in this “word cloud” display of the frequency of words expressed by the 83 respondents to the online survey. By far their most prominent response – **COMMUNITY** – was also echoed equally by all 45 interviewees.

The Highlands congregation is passionate about their church. It’s an energized, welcoming, supportive, and nurturing community. They seem willing to do whatever it takes to ensure the future, but there is also concern and some growing anxiety about what the future might hold.

As a church community, there is also a tremendous level of trust in the leadership of HUC. The study has revealed that the Leadership Boards’ plan presented in the Project Overview is, for the most part (88%) fully endorsed or accepted as stated. However, the complexity of the plan due to the “options” around the challenges and directing of support to either the Operating or Building components of the special fund were not the most important elements for most people.

Given the opportunity to indicate which ‘challenge’ is of greater concern, and how their support might be directed, the predominant (84%) response from interviewees was “let leadership decide”. There can be no greater statement of trust than the belief that those who lead this congregation will make the right decisions to ensure the future of their church. From the perspective of Counsel, this trust is the foundation on which a successful campaign can be undertaken, so long as leadership address the issues behind the complexity.

The complexity for many is around the lack of detailed information: exactly what is the state of the building and what is the actual cost to address these issues; what options are there in terms of the buildings and property; what exactly is a Special Fund and what are the terms of reference of this fund; how will the Fund be managed to ensure it meets the objective of sustainability.

The absence of this detailed information does not appear to deter individuals from supporting the plan, but they are looking for this important information before arriving at a final decision on their level of support.

This requires the immediate attention of the Leadership Board prior to launching the campaign, because the overwhelming ‘sense’ of urgency that exists requires that providing this information must be part of the preparations for the campaign.

Further, when it comes to important information, there is a gap between “perception” and “reality”. While there seems to be a common perspective being expressed, with regard to where individuals believe the church “is at” right now – it’s a perspective that isn’t accurate.

This became evident when individuals started sharing concerns that the church isn’t growing. The perception is that HUC is in a state of decline and that just raising money isn’t going to change this, when in fact the reality seems to be that HUC is engaging a growing number of people through programs and activities that fall well outside of “traditional Sunday” services.

Almost all interviewees and survey respondents are long-time, regular attendees of Sunday services, so may not be aware of these activities. What they do see is a lack of young people and families involved in the church, and they are concerned about a lack of any plan or strategy to address this issue, including a perceived lack of any resources dedicated to this issue.

Counsel reminds leadership that this is an area of importance in the hearts and minds of many, and that you must ‘Staff For Growth’.

A similar situation exists with respect to volunteerism; concerns that not enough people are willing to assist, adding to the burden and potential burnout of those who do. However, the reality of the problem seems to be not having dedicated resources in place to recruit and retain volunteers, which puts the burden on both leadership and those who are volunteering.

These gaps in understanding are part of an overall challenge that is facing HUC in terms of communications. When no one has the specific responsibility to lead and manage essential processes, from stewardship, communications and volunteer management to data management and donor recognition, these become tasks on the corners of the desks of other busy people.

A further, interesting perspective on this is the fact that a number of people expressed interest in knowing what other large United Churches are doing, in terms of both becoming more sustainable and addressing these same challenges. In other words, people are wanting to compare.

The HUC Leadership Board and Ministry Team are dedicated, committed, enthusiastic, and genuinely love all that they do. This is reflected in the way the congregation embraces the feeling of community that leadership has created, and their trust in leadership to do what needs to be done.

However, when the team is sometimes so busy doing Ministry – enthusiastically doing what they love to do – they don't realize they are letting some things on the corners of their desks “fall through the cracks”.

In planning and preparing for this campaign, a focus on communications and embracing a systematic approach to the fundamental principles of fundraising can also enable leadership to take a step back and “re-align” a number of critically important elements, that in the opinion of Counsel, appear to currently be out of alignment.

What is the plan for addressing these issues? People are looking to the Leadership Board for evidence that these challenges are not only on their agenda, but that there is a plan being implemented.

While enthusiastically embracing new opportunities for Ministry, it is important to understand that the fundamental infrastructure needed to support them needs to be in place first. Otherwise, things will unintentionally begin to fall through the cracks, opening the door to confusion and uninformed criticism from within the congregation.

Having said all of this, what this study has revealed is that there are no major barriers to undertaking a major campaign. There is work that needs to be done as part of the preparations to launch the campaign, and the infrastructure required is not in place, but the financial and leadership resources required to achieve a successful campaign appear to be available.

As detailed in the Primary and Further Recommendations later in this report, Counsel is of the opinion that HUC should begin preparations for moving forward as soon as possible.

Study Results in the Context of Fundraising Expectations

Through thirty-five years of institutional fundraising and the direction of numerous campaigns with goals exceeding \$150 million, Waller & Associates has learned that certain ingredients are essential for any successful fundraising effort.

The following eight elements are typically the most important components considered by Waller & Associates in evaluating the fundraising potential of the kind of major campaign which Highlands United Church is proposing to undertake.

In the context of each of these components, a concise summary of the findings of this study are presented here. The detailed statistical results of both study processes, along with relevant comments and observations, are the basis on which these findings are developed. All of the detailed statistical results and empirical information gathered during the study are provided in the APPENDIX to this report.

A POSITIVE IMAGE

EXPECTATION: *There must be a positive image within the congregation.*

Within the HUC congregation, there couldn't be a more positive environment. The historical willingness of church members to step up financially when needed is seen in past campaigns and appeals for financial assistance to meet budget deficits. That same attitude continues to exist.

In term of constituencies outside of the church, there is a prevailing sense that the wider Edgemont community doesn't know a great deal about HUC in general, and about the current challenges in particular. While HUC has been visibly engaging "unchurched" people through various programs, especially those related to social justice issues, in terms of support for a campaign, there is a lack of evidence to indicate how successful this might be. However, this should still be considered as an area of some focus in the public campaign.

A COMPELLING VISION AND PRIORITY NEEDS

EXPECTATION: *A compelling vision and demonstrated need are clearly identified and articulated.*

The question asked is whether members of the HUC congregation consider "the growing gap in sustainable funding for building and ministry" to be compelling. The answer is yes, not because it's related in any way to the Vision & Ministry Plan of the church, but because this highly committed congregation are coming to understand the absolute priority of "doing something before it's too late".

While compelling, what's still required is for specific priority needs to be identified and articulated in a way that everyone understands.

Everyone accepts the building is in need, but people want to see and hear the specifics of the impacts of deferred maintenance, a current depreciation report, and accurate cost estimates for the most urgent repairs and priority maintenance needs.

If the notion of a “Special” fund is somewhat vague, the specifics of a roof about to fail or a crumbling external wall, and other issues that could impact safety, are very real and compelling. There’s also a need to clearly explain the relationship between the financial objectives of the Special Fund - to *generate revenues that would cover building and equipment costs* – and both the annual budget allocation in operational budget, and an existing Building & Equipment fund. There are those who need to know that the proposed Special Fund is not going to be “used like a piggy bank”.

A LOGICAL PLAN

EXPECTATION: *A logical plan formulated, communicated to, and accepted by all constituencies.*

The plan for a Special Fund created by a Fundraising Campaign, as presented in the Project Overview, while complex, is seen almost unanimously as being ‘very important’, and ‘accepted’ or ‘fully endorsed’ by 85% of survey respondents and 100% of interviewees.

When asked about the importance of being able to designate their contribution, approximately 80% of interviewees said it was only ‘somewhat’ or ‘not important’ to be able to do this. This suggests the objective of the Special Fund itself is their primary concern. Counsel believes that it will be important to still give people this option, while also encouraging donors to not restrict their gifts.

However, that doesn’t mean that people understand what the Special Fund actually will be, or how it’s related to the Heritage Fund. As the Heritage Fund has had such a low profile there is very little awareness or ownership of its role or if it has the ability to impact current circumstances. Subsequently, there’s no controversy or need to do anything with the Heritage Fund. There is just a lack of knowledge about the role of the Heritage Fund at HUC, as well as its relationship to the proposed Special Fund, which needs be clarified. The Heritage Fund is seen as having too many restrictions, so the plan outlined for the Special Fund is perceived as the most effective strategy for meeting the challenges faced by HUC today.

As already stated, a great deal of work still needs to be done to answer the questions being asked. However, the acceptance of the plan is a clear demonstration that people understand the importance and need to do this, but they need to see a much more detailed version of the plan before they can decide on the level of support they might be prepared to offer.

At the same time, there is a perception that newer/younger families or individual members of the congregation may not have the means to significantly support this campaign, which could result in a mixed response from this segment of the congregation.

A SUFFICIENT SOURCE OF CONTRIBUTABLE DOLLARS

EXPECTATION: Adequate financial resources within key constituencies; significant, pace-setting gifts (Top Investment/Gift = 10 - 20% of goal **AND** Top 10 investments = 40 - 50% of goal).

Based on potential support indicated in the study, Counsel believes the objective of the proposed campaign might well be achieved in its entirety, subject to finalizing and effectively communicating the details of the fund itself, and with a modified approach to the campaign plan.

Interviewees and survey respondents were both asked, **confidentially**, if they would share a potential range of the intended financial support they would consider. (See *GIFT CHART* in the *APPENDIX*). Most encouraging was the number of individuals prepared to offer a response. Typically, a 50% response rate would be considered as very positive. In this study, the response rate was in excess of 70% in both constituent groups. The following chart is a summary of the responses, **with the calculation of potential donor capacity based on averaging the amount within each donation range**. These are not commitments but do indicate great potential support.

DONOR POTENTIAL: Interviewees				
Gift Range	Number Indicated		Potential: Average / Maximum	
10,000	4	(\$40,000)	\$ 20,000	\$ 40,000
10 – 15,000	4	(\$40 – 60,000)	\$ 50,000	\$ 60,000
10 – 20,000	5	(\$50 – 100,000)	\$ 75,000	\$ 100,000
20 – 50,000	4	(\$80 – 200,000)	\$ 140,000	\$ 200,000
20 – 100,000	3	(\$60 – 300,000)	\$ 180,000	\$ 300,000
100,000	3	(\$300,000)	\$ 300,000	\$ 300,000
200 – 300,00	3	(\$600,000 - \$900,000)	\$ 750,000	\$ 900,000
TOTALS	26		\$1,505,000	\$1,900,000
DONOR POTENTIAL: Survey Respondents				
Gift Range	Number Indicated		Potential: Average / Maximum	
Up to 1,000	16		\$ 16,000 /	\$16,000
1 – 5000	28	(28 – 140,000)	\$ 84,000 /	\$140,000
5 – 10,000	13	(65 – 130,000)	\$ 95,000 /	\$130,000
10 – 15,000	2	(20 – 30,000)	\$ 15,000 /	\$30,000
50K – 100,000	1	(50,000 - \$100,000)	\$ 75,000 /	\$100,000
TOTALS	60 (73% of respondents) **		\$285,000 / \$416,000	
** This is an exceptional response in terms of the number of survey respondents.				

Given that this Feasibility Study heard from a total of 86 households and that Highlands has a total of 248 identifiable contributors in 2024, it is likely that additional contributions will be made by contributors and supporters from whom we did not hear in this study.

EXPLANATION OF CALCULATING AVERAGE & MAXIMUM POTENTIAL DONOR AMOUNTS		
Gift Range	Number Indicated	Potential: Average / Maximum
\$10 – \$15,000	4 (\$40 – \$60,000)	\$ 50,000 / \$ 60,000
<p>a. 4 gifts @ \$10,000 = \$40,000 and 4 gifts @ \$15,000 = \$60,000</p> <p>b. If 2 of the 4 donors pledged \$10K and the other two pledged \$15K, then the average of (\$40,00 + \$60,000 = \$100,000) would be a total of \$50,000</p> <p>c. If all 4 donors pledged \$15,000 this would be a Maximum of \$60,000</p>		

These numbers suggest there is potential for upwards of 50% of the campaign goal of \$5 million to be available from individuals who clearly understand the importance of this campaign, even if they are still missing many of the details that they want to know.

In the opinion of Counsel, there are a number of potential gifts, in particular among those who were interviewed, that could significantly exceed the amount suggested, with the right approach.

These responses also indicate that the passionate support of HUC congregation is matched by their understanding of the level of urgency, as expressed in the Project Overview.

In addition to potential support outlined here, the study has revealed even greater potential for HUC to achieve their goal through a well-organized Planned Giving program, as an integral part of a Stewardship program engaging the fundamental principles of fundraising.

Among the 32 interviewees, 7 indicated that they already have, and another 19 said they would consider including Highlands in their estate planning. Counsel is of the opinion that the current potential value of **planned gifts** (existing assets to make an immediate gift) and **estate gifts** (in a Will) ranges from \$1.9 million to 3.9 million.

What this creates is the potential that not only will a successful campaign create a Special Fund that addresses short-term priorities, but also that a Planned Giving initiative could see people advancing their philanthropic participation in a way that would allow for an even more secure long-term financial situation. Some 90% of interviewees indicated they would be prepared to attend a seminar to learn more about tax-smart gifts and how to use existing assets to make an immediate planned gift.

The Donor Potential chart illustrates **sincere indications of intended support** of up to \$2.3 million over three years. (There are a couple of indications that a gift could only be made over five years). When combined with the minimum potential for Planned Giving and Estate gifts of \$1.9 million, this indicates a realistic potential of initial support in the range of \$4.2 million. If a successful campaign were to secure a minimum of \$3 million in available funds over the next three years, a focused effort on Planned Giving could generate a **long-term** Special Fund upwards of \$7 million.

STRONG AND ENTHUSIASTIC LEADERSHIP

EXPECTATION: *Members of governing bodies must be dedicated, willing to support with time and energy and prepared to make financial contributions proportionate to their means.*

The enthusiasm and dedication of the HUC Sustainability Team has led the study process to date. What needs to be determined next, assuming that HUC retains Counsel to move forward into campaign planning and implementation, is what the role of these individuals will be in the campaign. It will also be vitally important for members of the Leadership Board to demonstrate overall support, financially and as visible advocates for the Special Fund campaign.

Equally important will be determining how the members of the HUC Sustainability Team will be able to divide their time between a campaign and their regular roles. This is likely to involve a serious effort, with the support of Counsel, to look a number of areas of “re-alignment” and the need for dedicated support in a couple of key, operational areas.

Counsel will provide the Sustainability Team with a confidential list of the names of individuals who were identified as potential campaign co-chairs.

INFLUENTIAL CAMPAIGN VOLUNTEERS

EXPECTATION: *Able to recruit high-level leadership that can influence and motivate others.*

Within the 45 individuals who took part in the interviews, almost 45% (20) indicated they would be prepared to be involved in some capacity of leadership. Given their strong sense of commitment to HUC along with their understanding of the urgency of the current situation, this is not surprising.

Conversely, what the online survey revealed is that within the greater congregation, there are very few individuals who would consider this; only 5 indicated they would. This is also not surprising, at this point in time.

Within these same constituent groups there was also a clear message that very few individuals were prepared to consider volunteering as visitors – only 21% of all individuals (24 people, including only 5 among survey respondents) said they would consider volunteering.

This corroborates the feedback received through the interviews that in this post-Covid era, people are increasingly reluctant to welcome ‘strangers’ into their homes, or as visitors, equally reluctant to go into the homes of others.

This information is valuable in determining how best to reach out to the congregation at large.

AN ADEQUATE INFRASTRUCTURE

EXPECTATION: *Sufficient consulting assistance and staff resources to ensure the campaign is carefully strategized and implemented, and volunteers properly enlisted and trained.*

Moving forward into a campaign will require the support of Counsel, and as already noted, a re-alignment of several areas of responsibility are likely to be required. While volunteer leadership would appear to be available, and ready to get involved, the implementation of a major campaign is going to require a level of assistance and staff not currently in place. This will be outlined further in the recommendations that follow.

HUC will also need to recruit a professional team (of volunteers) from the wider community willing to share their expertise in tax-smart gifts and planned / estate gifts.

A SENSE OF URGENCY

EXPECTATION: *A pervasive feeling that this project must be undertaken and completed now.*

As has been demonstrated, there is a strong sense of urgency being expressed, especially by interviewees, around the proposed campaign plan. Both interviewees and survey respondents reveal a congregation that is passionately committed to HUC and believe there is really no option but to move forward as soon as possible.

In terms of timing, there were concerns expressed about trying to avoid impacting the regular fall stewardship program. This would require moving forward sooner, rather than later, and also looking at different approach to how the greater congregation might be approached, without impacting annual stewardship activity, or in concert with that activity. Counsel has included a recommendation regarding timing.

Primary Recommendation

In the opinion of Counsel, Highlands United Church should move forward into a major Campaign as soon as possible.

The study results confirm that, provided HUC provides the clarity needed around the Special Fund in the initial planning weeks, the campaign could move forward to raise (or secure the commitment of) a minimum of \$2,000,000 in cash and three-year pledges. It is also the opinion of Counsel that the potential exists to raise as much as an additional \$3 million through the whole campaign, including planned and estate gifts.

It should be kept in mind that this study is not intended to solely reveal specific potential givers, or specifically how the goal will be attained, but rather the potential for support.

FURTHER RECOMMENDATIONS

RECOMMENDATION #1: That HUC Leadership decide as quickly as possible on whether or not they will move forward into a fundraising/stewardship campaign, starting with a Preparations Phase in March and early April to plan for a late spring/early summer start to the initial stage of the campaign. As part of this decision, HUC leadership must determine the roles and responsibilities of individuals in establishing a Campaign Leadership Team.

In order to fully maximize the potential identified in this study, consideration should be given to retaining a Campaign Consultant as soon as possible to guide and assist the Campaign Leadership Team with planning and implementing the campaign.

RECOMMENDATION # 2: That HUC immediately begin to clarify the key issues surrounding the implementation of the Special Fund as proposed in the Project Overview, including the following recommended actions:

- Establish and clearly articulate the Terms of Reference, guidelines, and bylaws for the proposed Special Fund.
- Establish the name of the Special Fund and the campaign theme.
- Establish and clearly articulate a three-year plan that demonstrates how the Special Fund can achieve the two stated objectives of generating revenues that would cover building and equipment costs and provide stable funding to manage fluctuations in the operating fund for ministry.
- Produce a Facilities Plan that articulates short-term priorities for building maintenance and repairs, including reliable estimates of costs and timelines.
- Implement a plan to produce a Long-Term Facilities Plan that includes an updated depreciation report, estimated annual budget requirements, and documentation of all building systems and operations.
- Establish and articulate the decision-making/approval process that will clearly demonstrate how funds raised through the campaign will be directed over the next three years.
- Develop a communication strategy for linking the HUC Vision and Ministry Plan to both the proposed Special Fund and the existing Heritage Fund.
- Establish a strong Planned Giving program as a vital component of the Campaign Plan, with the intent that this becomes a permanent part of HUC's Stewardship program based on the best practices of both stewardship and fundraising and communications.

RECOMMENDATION # 3: That an Executive Summary of the Campaign Feasibility Study be prepared and sent to all interviewees and presented to the congregation at a congregational meeting planned for Sunday, March 9th.

RECOMMENDATION # 4: Counsel is recommending that the ‘congregational phase’ of the campaign will need to take a somewhat different approach to connecting with individuals and families. The traditional ‘in-home visit’ to every home may no longer be welcomed or appropriate in these post-Covid times, in addition to the financial pressures being experienced by many younger families. There were few commitments in the study for campaign volunteers, and equally less interest in having individuals come into homes to ‘visit’. Planning for this third phase of the campaign will also need to determine how best to work in conjunction with the fall stewardship program. Counsel is proposing that the stewardship program be combined into the campaign plan for the fall.

RECOMMENDATION # 5: That as an ‘epilogue’ to the presentation of this report, HUC leadership meet with Counsel to undertake a detailed discussion and examination of the several concerns where Counsel believes there is a need for “re-alignment” of both messaging (communications) and operations (scope of responsibilities).

While these are not concerns that will create barriers to a successful campaign, they are vitally important to maximizing the potential of financial commitments to the campaign, and the long-term ability of leadership to achieve the level of sustainability desired.

Addressing potential solutions to these matters is not within the scope of this study, but it is the commitment of Counsel to the HUC community to share with leadership the specific details of where the study has seen the need for re-alignment, and how they might be addressed as an integral part of planning and implementing the Campaign.

RECOMMENDATION # 6: While approximately 80% of interviewees indicated they would be prepared to allow their initial contributions to the special fund to be used ‘immediately’, Counsel would strongly advise against doing this to any significant degree. By using these funds in this current fiscal year, it could create the perception that the ‘campaign’ is being used as just another appeal to cover the budget deficit, rather than building a sustainable fund to avoid having to make such appeals in the future.

RECOMMENDATION #7: The implementation of a major campaign is going to require a level of assistance and staff not currently in place. This would include individuals in the role of a Campaign Administrative Co-ordinator, along with an individual responsible for Communications and administrative support for the campaign. Counsel recognizes that there will need to be more discussion about the roles required for the campaign, and Counsel would assist in developing a dedicated campaign budget for the entire campaign.

RECOMMENDATION #8: While there is no need to take any specific actions with regard to the Heritage Fund, it will be important to not only clarify the relationship of this fund to the campaign, but to clearly demonstrate how they are different.

A FINAL WORD

Within all interviewees there was seen a determination to be a community of faithful Christian stewards led by the Spirit. Regardless of the fact that the plan still lacks vitally important details, there is strong commitment to supporting Highlands United Church to take this next step.

Waller & Associates trusts that this report and the recommendations provided will allow Highlands United Church to take that next step forward in planning and implementing a campaign.

Fundraising campaigns are organized, intensive fund-raising efforts to secure extraordinary gifts and pledges; it is essentially and fundamentally about people, their motivations, beliefs, needs, desires, aspirations and hopes for the future of their congregation.

While it is understood by Counsel that this study is separate, and that there is no commitment from Highlands United Church to engage Counsel in any aspect of a subsequent campaign, Waller & Associates would like to share that they are fully prepared to continue working with Highlands United Church to establish the solid organizational base required in order to effectively launch and implement their campaign.

The insights gained from this study have provided Counsel with the both the obvious facts and an intimate understanding of what is behind them, both of which are needed to develop a detailed Campaign Plan and the critically important ‘Case For Support’ document that highlights the need and rationale for such an important campaign. We thank you in advance for your consideration.

Respectfully submitted by the Waller & Associates team

Rob Waller – President & CEO

Josh Keller – Associate Consultant

APPENDIX 1:

COMMENTS FROM INTERVIEW PARTICIPANTS

PLANNING COMMENTS

- It's the future of the church – or not.
- Use the Heritage Funds to get the special fund going.
- Management of volunteers is quite de-centralized ... who do you talk to? Who connects people.
- We don't have anyone responsible for recruiting volunteers...it needs to be a paid position.
- What are the situations at St. Andrew's Wesley, Pacific Spirit and other key churches re financial status and plans for sustainability/
- It's a tough world out there for young families. I get sick just thinking if HU is not thriving – I adore Highlands.
- Within a year and a half there will be no reserve funds left.
- Communications – there isn't an overarching communications plan.
- Communications are a weakness. Weekly emails too long.
- We struggle with communicating (to people in the community) why we are a church.
- We need clarification of what a Legacy Fund is (it's a very passive name)
- You have to let people know that 20 bucks in the plate is not enough.
- Concerns about the future of churches in general; a five year plan is not a future plan – we have to look 15 years ahead. This study is a step.
- Someone has to say it's not developable (the current site)
- People's giving simply goes into a 'pot'. They want to see something tangible.
- They should say "A roof is coming up."
- Must have the depreciation report – make a list and get an estimate of what has to be done (like roof) and what we'd like to do like sprinklers in the gym.
- Kids don't need church anymore – how do we get them to want church?
- The mentality of youth and family ministry has to change at HUC.
- We are such a progressive church. It opens you up to the community.
- The Legacy Fund plus Thrift Store – we must keep looking for new income streams.
- \$5 m scares me and I question whether we have the time to get to a fund of \$5m.
- The demographic – we don't see contributions from younger families like we used to.
- This is a passive fund (it would be different if it was building a building) and a fund of \$3m would be enough.
- Lot of increase costs has gone to staffing.
- Get the fund guidelines clear; Who would control? How would decisions get made?

STRENGTHS – IMPROVEMENTS – GROWTH - ROLE

- Amazing location is such a goldmine – we welcome everyone.
- Narthex into café and access library
- The building is a community resource.
- Covid allowed people to let go of tradition – new possibilities created – so wonderful to do things differently.
- Everyone knows something needs to happen in alignment with the Ministry Plan
- When something comes along to fund at HUC people step up
- Viewed as cornerstone of community – I'm not sure it's growing.
- Music is the glue; excellent staff; successful in hiring; volunteers, 2 ministers, more to do but limited resources;
- A lot of energy comes from the choir.
- I see lot of unchurched people engaging; we attracted people through ESL programming.
- People coming into the church through new portals, THIS IS A NEW THING.
- It's social justice stuff that attracts; looking for a place for their kids.
- No kid's choir is a sign its not growing; numbers are small; nowhere near the church it was 10 years ago Demographic changes. It's a shrinking population; were missing the middle age
- HUC has to grow using non-religious entry points through music programs and other programming.
- 30 out of 40 of the cast members for this spring show are not church attenders – they like the atmosphere and attitude of HUC.
- I worry there are no young people at the church.
- I'm skeptical of growth, can't keep adding staff; operating has escalated, needs to be more prudent.
- People are looking for community more than just church.
- People trust the Leadership Board to do the right thing.
- Music program and leadership are our strengths. Ministers are a core strength.
- Top music program; huge respect for staff; Choir is where the energy is; great programs.
- The music keeps me here, the people, the programs, the Senior Group.
- Get more people, this has to happen!! (more staffing and program for young people)
- Choir/music department is outstanding and 3 ministers and Allie.
- GodSpace campaigns gave us a beautiful building – made it way more open!!
- I worry about the age of the congregation – I wish we had more kids!!
- We are all good people at HUC but we're lacking people coming in the door!!
- Youth groups just not the same as before
- Nowhere near number of youth activities for kids since Covid – it's just not the same at all!!
- We need future projections of numbers. I'd love to see that!
- I want to hear my kids say "We've got a youth group!!!!"
- History has shown that if they proceed (with campaign) the funds will appear...they approved a deficit budget \$66K and the money appeared.
- HUC is a community centre as it is now. We don't pay taxes and so the community needs us.
- We need a hard copy BOOK of knowledge for running the building. Alex Wood has all the knowledge.
- We need a depreciation report – congregation must cover costs of building.

ISSUES – CONCERNS – WEAKNESSES - OBSTACLES

- How many people supported last years' appeal? and at what levels?
- We don't like to talk about money...there always seems to be an ask.
- We can't keep drawing funds from funds that are depleted e.g. Building & Equipment Fund
- So many things screwed by Covid – my son was in choir till covid – not interested now at all.
- Volunteer model is breaking down.
- The church has grown – more committees.
- People don't hear about \$\$ until AGM – they are involved in their own area.
- Frustrations; could they not put in more washrooms; could use two full-time office people.
- I'd like to see the building maintained better, quality of equipment to do their work.
- Manage the volunteers (need a coordinator of volunteers)
- Should Thrift Store consider paid personnel?
- HUC can't survive on \$50-60K deficits.
- You can only go to the well 3 times (3 campaigns?)
- Heavy dependence on rental income
- Young families don't have extra money.
- I dreaded being asked for a gift each year – we had no money.
- I think in the future I would expect an amalgamation at some point.
- HUC takes on too many things – who is going to follow this through?
- Staff do so much but have limited capacity.
- At some point someone needs to say the property is not developable.
- I hear in my 80's/90's age group the question: Why do we have such a large staff?" Then they say 'so and so' church has a .5 minister and that church manages ok."
- People don't know what staff are doing and people can't tell you what staff does.
- People ask me what's going on and I try to share with them.
- Youth ministry – we need more staff to do more programming.
- Youth only meet 2X a month; we need to feed them and be in a position to fund fun things.
- Stewardship is done haphazardly as there's been NO chair for 2 years!!
- Stewardship: Lot of people not giving? How much from young people?
- Stewardship: nothing in stewardship program about increasing giving; the process is loss of personal touch and doesn't pull heart strings; we like the ease of technology.
- Stewardship has very little connection to people – basically here's the pledge form.
- Key obstacle is confusion with Heritage Fund for things that are extraordinary.

COMMENTS & QUESTIONS ON SPECIAL FUND AND CAMPAIGN

- How do we manage the short-term for the next two years? This is harder to manage.
- Maybe the fund starts with capital available for immediate use and overtime moves to restricted funds.
- The new fund needs structure; where and how funds accumulated and dispersed; who and how fund managed, accountability and sustainability of fund itself.
- I want congregation to pay its way BUT with the building taken care of. That's giving them freedom! And that's the Legacy!! Freedom!! We have to trust our leaders.
- We already have a Building Fund and Heritage Fund? How would those two look in light of this special Fund? Do you have the basis of what's needed structurally.
- HUC is good at reactionary giving and they give generously to meet a need.
- People need to understand this 'meeting a need' style won't work – we need this special fund to be proactive! Not reactive!
- The fund needs an integrated leadership approach – I want LB to prioritize the needs clearly – clearly defining – this must be done well.
- Need a communications person.
- Communications are a gap. We've had strong people in social media.
- Communications in right channels that interest families – this is desperately needed.
- Opportunities to engage online people – the right skill set needs to be contracted to actual pieces of work – you can do it long-term or short-term.
- Have to make it attractive without making it scary; people want to see this as an opportunity.
- Must have excellent management of the fund.
- Heritage Fund has too many restrictions
- There hasn't been much call for funds for Heritage Fund
- Heritage Fund gets 18% interest and this is a selling point for Legacy Fund.
- Heritage has given \$50K to Thrift Store (it wasn't original intention of Heritage Fund to add projects of an enduring nature)
- Heritage Fund was established with right intentions but because that hasn't happened people lost interest.
- Are we using Heritage Funds in right way? Can you add it to the special fund?
- Disappointed in the Building & Equipment Fund.
- It would be helpful to have a depreciation report – the back foundation wall will be a major expense; we don't know what next big thing is.
- The building is not an unmanageable situation; the footprint will not work for redevelopment; we've always had challenges.
- The concept behind the Legacy Fund is not well understood; financial literacy is not there.
- Campaign will take 50% of Will's time – he is on so many Committees.
- History has shown that if they proceed the funds will appear.
- Communications must communicate why we think this is achievable.
- This is above and beyond what young families can do.
- Campaign is a turn off. The last campaign was a different time. How we approach families is key.
- For the case must identify TOP 5 projects for Building & Equipment (Kitchen, fridges etc.)
- All roofs require doing in the 2020's and 2030's. We need a bigger budget for Building & Maintenance – 250K is not enough.
- IF this doesn't happen there will be very difficult conversations. You will LOSE people!

APPENDIX II:

STATISTICAL SUMMARY: INTERVIEWS & ONLINE SURVEYS

DEMOGRAPHICS: Interviewees & Survey Respondents

TOTAL # OF INTERVIEWS = 32 (involving 45 individuals)

Couples = 13 Individuals = 19

How long with Highlands congregation: 29 of the 44 individuals indicated more than 20 years.

TOTAL # OF SURVEY RESPONDENTS = 83

How long with Highlands congregation: 63 (78%) indicated more than 15 years.

How regularly they attend Sunday Services: 62 (78%) indicated generally every Sunday.

How concerned are you about the future of HUC, given the financial challenge outlined in the Project Overview?

INTERVIEWS (N=32) Very concerned = 31 Somewhat concerned = 1

SURVEY (N = 83) Very concerned = 34 (42%) Somewhat = 43 (53%)

How would you rate your level of concern (scale of 1-10 with 10 being high)

INTERVIEWS (N=32) Rating: 9.2 average (27 of 32 indicated 10)

Have you been aware of this financial situation?

INTERVIEWS (N=32) Very aware: 29 Somewhat aware: 3

SURVEY (N = 83) Very: 35 (43%) Somewhat: 41 (50%)

How do you think the community views the church/congregation?

INTERVIEWS (N=32) Good: 32

SURVEY (N = 83) Good: 73 (89%)

How familiar are you with the Leadership Board’s plans and vision to create a highly flexible financial platform large enough to generate revenues that would cover building and equipment costs, and provide stable funding to manage fluctuations in the operating fund for ministry?

INTERVIEWS (N=32) Very Familiar: 19 Somewhat Familiar: 10 Not familiar: 3

SURVEY (N = 83) Very: 19 (23%) Somewhat: 46 (56%) Not: 17 (21%)

In your opinion, how important are these plans to stabilizing our physical and financial future through creating a Legacy Investment Fund?

INTERVIEWS (N=32) Very important: 29 Important: 3
SURVEY (N = 83) Very: 46 (57%) Important: 29 (36%)

Are the two purposes of the proposed Fund clear to you?

INTERVIEWS (N=32) Yes: 25 Partly: 6 Needs More Info: 1
SURVEY (N = 83) Yes: 21 (26%) Partly: 41 (50%) More Info: 14 (17%)

Which of the two purposes is closer to your heart?

INTERVIEWS (N=32) No Preference: 17 The other 14 response roughly equal between the two funds
SURVEY (N = 83) Neither: 13 (16%) Building: 27 (34%) Operating: 40 (49%)

How important would it be to you to designate which Fund you wish to support?

INTERVIEWS (N=32) Very Important: 4 Somewhat: 8 Not Important: 18
SURVEY (N = 83) Very: 18 (22%) Somewhat: 33 (41%) Not: 30 (37%)

What % percentage of your contribution would you want to see go towards 'Building & Equipment' versus 'Stabilization of Operating Fund'?

INTERVIEWS (N=32) Let Leadership Decide: 27
SURVEY (N = 83) Budget Deficit: 37 (47%) Building: 19 (24%) Not Sure: 23 (29%)

What % percentage of your contribution would you want to see available immediately?

Now / Let Leadership Decide: 14

Do you endorse the plans and requirements to establish a financial platform large enough to generate revenues that would cover building and equipment costs and provide stable funding to manage fluctuations in the operating fund for ministry as described in the Project Overview?

INTERVIEWS (N=32) Fully Endorse 28 Accepts as stated: 4
SURVEY (N = 83) Fully: 33 (41%) Accepts: 36 (44%)

Do you agree with the plans to raise new funds (over and above current giving) of at least \$5 million through the implementation of a fund raising campaign program?

INTERVIEWS (N=32) Agree: 32
SURVEY (N = 83) Agree: 42 (53%) Neither: 11 (14%) Disagree: 13 (16%)
Need More Information: 14 (17%)

How would you anticipate the congregation's acceptance of a fund raising campaign?

INTERVIEWS (N=32) Positive: 22 Negative: 1 Mixed: 9

(Specifically highlighted younger people/families & newcomers)

SURVEY (N = 83) Positive: 22 (27%) Mixed: 46 (61%)

Would you personally support a fund raising campaign for Highlands?

INTERVIEWS (N=32) Yes: 31 Uncertain: 1

SURVEY (N = 83) Yes: 50 (62%) Uncertain: 10 (12%) More Info: 16 (20%)

How would you rate a campaign for the church in relation to your overall giving plans?

INTERVIEWS (N=32) High priority: 29 Worthy of support: 2 Low priority: 1

SURVEY (N = 83) High: 27 (33%) Worthy of support: 45 (55%)

In your opinion, does Highlands have the ability to raise \$5 million?

INTERVIEWS (N=32) Yes: 10 Uncertain: 20

Have you or would you consider including Highlands in your estate planning?

INTERVIEWS (N=32) Yes: 26

Without making a commitment at this time, could you indicate the level of support which you might consider giving to the campaign over a three year period?

See Separate Summary in the Report

Would you consider serving in a leadership position in the campaign or work on a committee to raise the required funds?

INTERVIEWS (N=32) Yes: 21 Individuals (some only Advisory) Uncertain: 3

SURVEY (N = 83) No: 50 (61%) Uncertain: 27 (33%)

If you were trained, would you consider being a visitor and giving people the information they need for financially supporting the campaign.

INTERVIEWS (N=32) Yes: 19

SURVEY (N = 83) Yes: 5 No: 59 (74%) Maybe: 16 (20%)

When should the capital campaign commence, in Spring or Fall 2025.

Spring: 29 (Several asking not to interfere with Fall Stewardship campaigns)

APPENDIX III:

INTERVIEWEE COMMENTS: Questions 8, 21 & 11

Q.8 – IN YOUR OPINION, how important are these plans

- It's going to be necessary.
- We should have done this years ago. We left a lot of \$ on the table.
- We don't have a choice. Do we have the appetite? Must go to community for support.
- \$5m scares me and I wonder whether we have the time.
- We can't keep taking money from operations for the building.
- I want congregation to pay its way BUT with building taken care of. It's giving them freedom - that's the legacy.
- Major need is to keep the building going; challenged w staffing costs going up
- Roof is 150K to repair - not that much money.

Q. 21 – OBSTACLES TO SUCCESSFUL CAMPAIGN

- Timing will be key; The 75th anniversary was a very busy year; the one on one process.
- WHO is going to do this?
- If you are ready and have funds in place
- Get more people - this has to happen.
- Capacity of staff & volunteers at HUC
- I can't imagine MOST families could do this - \$5m Unrealistic with goals.
- DON'T Do things in the evening if you want elderly.
- The economy and uncertainty people have and housing costs going up.
- Challenge of getting through the congregation (visits). It's going to take time.
- Will must stay.
- Political, fear of Trump, cost of living
- Get the fund guidelines clear; What happens to Legacy Fund if congregation closes? Who would control? How would decisions get made?
- Rushing too fast; Having things in place for a successful campaign
- Heritage Fund is an obstacle. Why isn't Heritage Fund what we are doing now? How is this going to be administered?

Q.22 – ADDITIONAL THOUGHTS OR ADVICE

- We learned so much from Advent Calendar - the people who never come to church spoke that this building is their building - there is ownership of this building as part of the community; you could Raise funds from the community for this fund; Starbucks and Sushi places say the impact on them is amazing on HUC show days/events - their business doubles/triples.
- Don't make people feel bad if they don't want or can't give.
- Don't set a target that can't be achieved.
- Build on history.
- Must maintain the building; must keep the staff.
- Making clear what the situation is: Communication and visibility.
- For the Case, must identify TOP 5 projects for Building & Equipment: kitchen, fridges - a long grocery list.
- Communications is huge; explain the need; salary is hard communications; need a communications person.
- Consider using Heritage Funds to get the special Fund going.
- For a successful campaign it's imperative it doesn't become "poor us - we need money." We must maintain our values; it's important that people understand the need for it and what's in it for them.
- Get structure in place.
- Bring our adult children to the seminar.
- The Legacy Fund is a ballast to our future.
- Must be a clear case.
- Let people know where you are at?
- Involve them - this is our future.

APPENDIX IV:

SURVEY RESPONDENT RESPONSES: Questions 19 & 24

Q.19 – If you feel you still need more information before you make a decision about supporting such a campaign, what specifically would you like to have more detailed information about?

- How it will be invested to maintain capital and produce the income expected. Safeguards. Who is to manage the funds, their fees and who in the Church they report to - finance committee?
- What amount of additional giving would be considered "support".
- A detailed pro forma showing what is needed from the congregation exactly.
- What is needed to support each of these objectives, is one for important than the other at this time. I feel they go hand in hand and would like a better understanding of the pressing needs of both objectives.
- Many more specifics are needed. What exactly will the feasibility study will do for \$25,000? If the campaign goes ahead, what will be the cost of that? Will other vendors/suppliers be considered and can the price be negotiated? This is a huge amount of money to raise -- and a huge amount to spend on trying to raise it. Not enough details of how it will fall out have been provided.
- I would like to see a chart which would summarize over the past 10 years the actual expenditures in the following three area: 1. Total Personnel costs, 2. Building repair, equipment replacement and maintenance costs. Furthermore I would like to see a summary of Highlands income over the same period.
- How will the campaign be executed?
- The underlying data about the Congregation
- Cost of fundraising 2. Investment plan 3. Is there no other option for raising money from the property? 4. Why keep this building?? 5. What's the plan to reach out to the community?? 6. What about more fundraisers?
- What would happen to the fund if the congregation ceased to exist?
- I would want to see indications that there are younger participants in the life of the congregation.
- I am concerned that the building maintenance fund has been diverted to some degree to cover other operating costs.
- The idea is great. But we need more information as to how they propose to raise \$1 - 2million per year for the next 3 years??
- Open congregational information meeting
- What financial commitment it would be for us. We have a lot of expenses at the moment.
- Proper financial statements at the annual meeting including balance sheet.
- We understand that the Church is at a crossroads and needs to move ahead with a realistic financial plan.
- I'm struggling with the idea of amassing such an amount of money when my notion of being faithful doesn't include stashing money to make money, although I understand the concept.

- Would like to know more about program costs and evaluations of the effectiveness of them for the congregation and community. i.e.: Shelter to Home
- How is the money going to be raised?
- What is the expected annual profit of new Thrift Store and how will this fit into the projected solutions? What are the projected repairs and building maintenance needs over the next 10 years? Will the staff and staff costs remain as is over the next 10 years? Are there other methods of fundraising that will cover some costs and are these methods considered worthy of the energy and time to execute keeping in mind that fundraising has several other objectives and benefits other than increasing funds to the church.
- Why is the operating budget treated as a special assessment? It's not a long term strategy to put the long term maintenance at risk to cover annual operating expenses.
- I will probably give a gift but I want to hear about the vision and heart HUC has for the future - where is the heart for ministry innovation? why is a building necessary? why a balanced operating budget?
- Would there be a more concerted attempt to seek "legacy funds" from the congregation?
- Spell out where the \$5 million is expected to come from. Are there really that many wealthy church members?
- We would need more clarification on what is included in the operating budget. We would assume that any building and maintenance costs would be included in the operating budget and see these two as one and the same. Of course the budget should be stabilized, and the building maintained. What are all the costs and options for cutting costs? We don't understand this dividing into two choices of operating cost vs. building costs.
- Need a better breakdown and statement of current expenses.

Q.24 – Final Thoughts or Suggestions for Leadership

- Not rush into it and allow plenty of time, perhaps years to raise funds. Perhaps raise in stages so that early funds can start working for the Church.
- Not everyone especially the youth have the means to support this kind of giving. We might benefit from involving the greater community.
- I feel that the building would have to be kept in good condition to enable it to continue to be rented out for different organizations which generates money. I am concerned that \$5 million is very ambitious.
- Need strong respected leader to be the up-front visible person or persons to provide the spark it will need.
- I think the entire process has to be more transparent in accountability to the congregation in DETAILS and be open to more ideas before moving ahead.
- Highlands has an enviable position regarding their income streams through the building part time users and more importantly the two schools that rent their space. The other stream is of course the annual funds that we receive from church members, the majority of whom are senior church goers that have been generous with their support, both in terms of their volunteerism

and donations. We should be able to manage without launching another major fundraising campaign. The first step should be to examine our cost base and to find ways to reducing these to a manageable level going forward.

- To show that supporting Highlands United Church financially, will lead to increased benefit to the community (e.g. Sat. lunch program, Seniors connection) and inter faith support on things we have in common.
- Very clear communication of all plans to members of the congregation
- It's a big ask from the same people who gave in previous campaigns.
- A difficult time for many. Encourage donations by having one or more large contributors match donations from other members of the congregation.
- I agree we need to address the deficits but we also must find cost saving measures/revenue sources as well to avoid deficits in the first place.
- Our congregation is becoming an older generation & not being replaced by the younger generation who can give the same amounts as some of the elders in the past. "You can't go to the well too many times!"
- Need much, much more information to provide any informative thoughts that would impact decisions. I feel that the congregation in general is quite uninformed as to the details of the impending project.
- I didn't initially intend to complete this survey because I thought it was directed at the wealthier members of the congregation. To some extent, I still feel that way. Perhaps Highlands should consider cutting back in some areas, rather than simply asking people to give more. I have a limited budget and there are so many worthwhile causes to contribute to, and many are equally if not more important to me.
- More open information sharing
- To ensure a successful campaign there needs to be a hearty marketing strategy to get the message out that HUC needs more funding.
- It's not a suggestion, rather a concern about the possibility raising \$500000. Many parishioners are on fixed income, others have young families and have little disposable income. Even though we are a vibrant church, there are a lot of gray heads. My heart wants to be excited and positive about the campaign. My reality has concerns.
- Determine whether the Heritage Fund can be dissolved and those funds put into this new Fund. I, along with others in the Church, thought that fund was to help with long term stability of the church so am surprised now to learn it has very limited usage. Currently, it is included in my will but, now knowing it seems to have limited use to help secure the long term future of Highlands, as soon as the new fund is in place, I will be updating my will accordingly. I think many others may have contributed to it, believing it was intended to do what this proposed new fund is to do. So, I think it should be explored to determine whether it is legally possible to dissolve that fund and repurpose those funds to this new proposed fund.
- Have a balanced budget every year.
- It will be a very big job but one that needs to be done if Highlands is to make 100 years.

- I am concerned that a \$5M fund will, given inflation, decrease in value over time and be less useful to the congregation.
- Challenges: The timeline for raising such a vast sum of money - might be more reasonable to have this span over a greater period of time. Could be difficult for people to give additional monetary gifts beyond their regular giving.
- 5 million dollars is unrealistic in today's economy.
- The present \$800,000 in income should be sufficient to support Building and maintenance and Operation of Highlands.
- If possible, share projected hopes for thrift store profits. Is there room for budget cuts anywhere? If \$5,000,000 cannot be reached, what might the bottom line funding be needed to maintain building and future plans? Can this be shared?
- We would rather have two separate campaigns. A significant percentage of the rental income should be designated to maintain the building, particularly for our long term renters.
- There is a concern of some members that the level of paid staff may be too high.
- Consider reducing or eliminating supporting the foreign family to Canada.
- Do not sugar coat with such phrases as 'God will provide!' The saying 'God helps those who (make the effort to) help themselves' is the only realistic approach. Stress that Nickel & Dimeing do not 'cut it'; we MUST THINK BIG & dig a lot deeper into our proverbial pockets if we are to survive!!
- I will offer a proposal that the financial team can consider bringing in additional funds for HUC and bring our North Shore communities together.
- Clarification is needed on the budget and where the challenges are.
- Transparency about current costs - staffing and programs
- At least two concerns 1. I am concerned about the time and energy and resources that may be allocated to this fund 2. I think there should also be consideration on whether to reduce staff expenses and it seems that this possibility is not being considered as a partial solution to maintaining HUC sustainability ... and I am puzzled why reduction of staff costs is not part of the discussion.
- Involving the church community in this way from the outset is really important. Bravo! However it will also be important to persuade the full congregation to give what they can. And bequests will be key, given the lower level of wealth compared to downtown churches. It seems important to spell out to the congregation the very major downside, in terms of building deterioration, leading to the potential loss of the building (we need a skookum, adequately financed building study) AS WELL AS the downside in reduced programming/reduced staff if operating costs not being met. This will not be a popular opinion, but we may need to consider scaring people a bit with truthful data on the building.

APPENDIX V:

Highlands United Church

STANDARD CHART OF GIFTS REQUIRED FOR A \$5 MILLION CAPITAL CAMPAIGN

RANGE	GIFT AMOUNT OVER 3 YEARS	NUMBER OF GIFTS	NET COST OF GIFT with Tax Credit (44%)	CUMULATIVE TOTAL	% OF CAMPAIGN GOAL
A	Up to \$3,000	Many		\$ 75,000	
B	\$ 3,000	50	\$ 1,680	\$ 225,000	3.0 %
C	\$ 5,000	40	\$ 2,800	\$ 425,000	4.0 %
D	\$ 10,000	31	\$ 5,600	\$ 735,000	6.2 %
E	\$ 15,000	25	\$ 8,400	\$ 1,110,000	7.5 %
F	\$ 20,000	22	\$ 11,200	\$ 1,550,000	8.8 %
G	\$ 30,000	15	\$ 16,800	\$ 2,000,000	9.0 %
H	\$ 75,000	8	\$ 42,000	\$ 2,600,000	12.0 %
I	\$ 100,000	4	\$ 56,000	\$ 3,000,000	8.0 %
J	\$ 250,000	2	\$ 140,000	\$ 3,500,000	10.0 %
K	\$ 500,000	2	\$ 280,000	\$ 4,000,000	20.0 %
L	\$ 1,000,000	1	\$ 560,000	\$ 5,000,000	20.0 %
		190 - 265		\$ 5,000,000	

APPENDIX VI:



PROJECT OVERVIEW

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!

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 recommended 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. With the approval of our congregation, we are now undertaking a Feasibility Study to gather input and assess our capacity to launch a campaign to create a 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.

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. These funds are not providing the funding we need for future sustainability.

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.

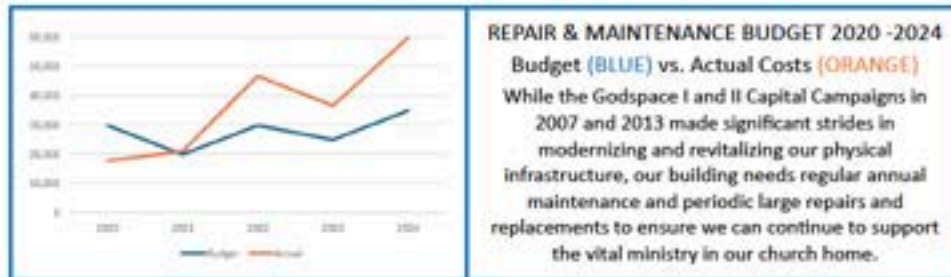


Following the joyful celebration of our 75th year in 2023, **your church leadership has been focused on our future**, and what we must do as a congregation to ensure that we will celebrate many more significant milestones in the years and decades ahead.

The Physical Heart Of Our Ministry

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.



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.



Our Operating Fund Is The Core Financial Engine Of Our Ongoing Ministry

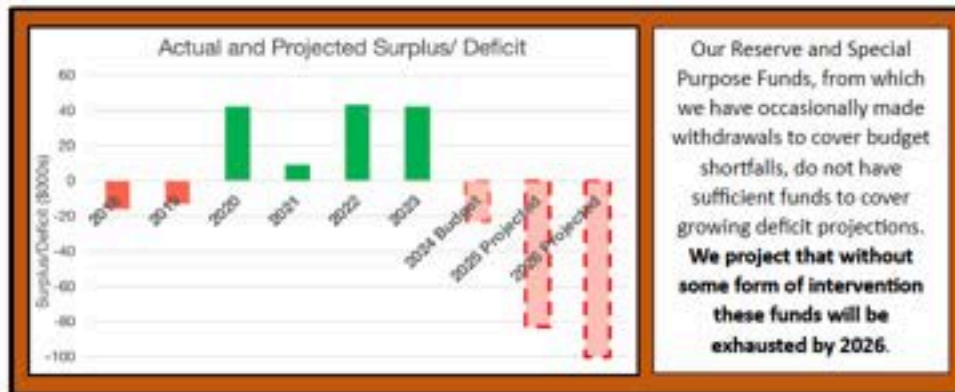
The vast majority of income to the Operating Fund – the vital day to day life of the church – comes from generous offerings, healthy building rental revenue, and fundraising (mostly thrift sales). Highlands has a history of generous giving and a vibrant Stewardship program, but even with that, offerings 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 also brought in better-than-expected revenues, so we have embarked on an exciting Thrift Store project to expand on this.

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 costs 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 approximately \$70,000 and looking ahead, this annual deficiency will only continue to increase as the basic costs of operations continue to increase.**



The Leadership and Extended Leadership Boards have determined that **Highlands United Church cannot continue to live into our mission by maintaining the 'status quo.'** With the spirit's guidance, we plan to create a lasting foundation for the next season in the life and ministry of Highlands United.

Our plan involves supporting the work of today with healthy ongoing stewardship, and a continued effort to increase building use revenue. Additionally, as we work towards the opening of our new Thrift Store, we will continue seeking creative ideas and new initiatives to generate additional operating revenues.

One Fund, Two Purposes

IN ADDITION to these activities, the Leadership Board is proposing to establish a special fund of at least \$5 million, to create a financial platform large enough to *generate revenues that would cover building and equipment costs, and provide stable funding to manage fluctuations in the operating fund* for ministry.

We envision One Fund with Two Purposes. The Feasibility Study will tell us which purpose is closer to people's heart and how flexible the community wants the use of this fund to be.

It will also tell us the best way to meet the immediate needs of ministry while, at the same time, building the Fund to the point that it will serve the community long into the future.

A major campaign like this involves many potential sources of funding, including:

- Immediate cash donations in the current tax year
- A pledge to make a larger cash donation in instalments, over multiple tax years
- Planned Gifts, funded from accumulated resources or assets, rather than income
- Bequests

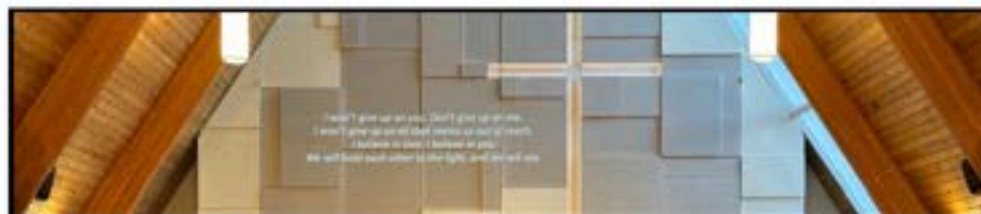
All of these options would be explained in detail and shared with potential donors during the campaign.

There are many details still to be worked out and your input and insight is needed.

To that end, Highlands United has engaged the independent expertise of Waller & Associates, a local faith-based fundraising consultancy, to first conduct a Feasibility Study. Due diligence requires that before we enter into any kind of a major campaign, we fully investigate both the capacity to achieve our goal, and the priorities and preferences of potential donors.

Our ultimate long-term vision for Highland United Church is vital life and ministry today and for generations to come. We believe God needs Highlands, the world needs Highlands, and Edgemont Village needs Highlands. Creating a vibrant financial foundation requires us to pray, discern, communicate, and commit.

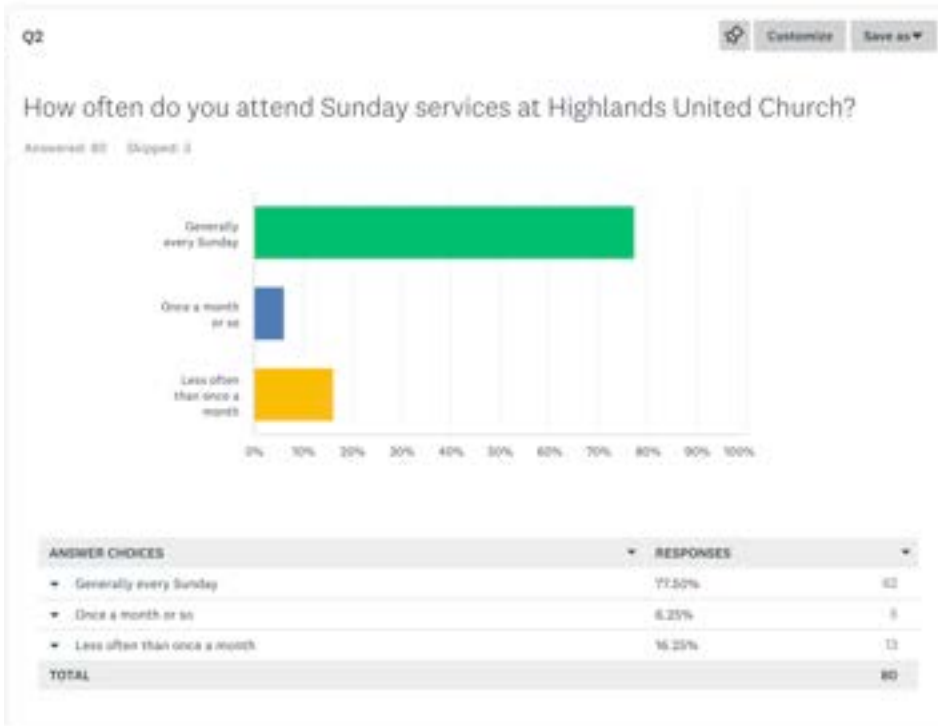
Imagine a day when, because today's church invested generously in the future and managed God's gifts well, tomorrow's church has the means to pursue God's call "to gather, take risks, and live out faith in action." – Will Sparks

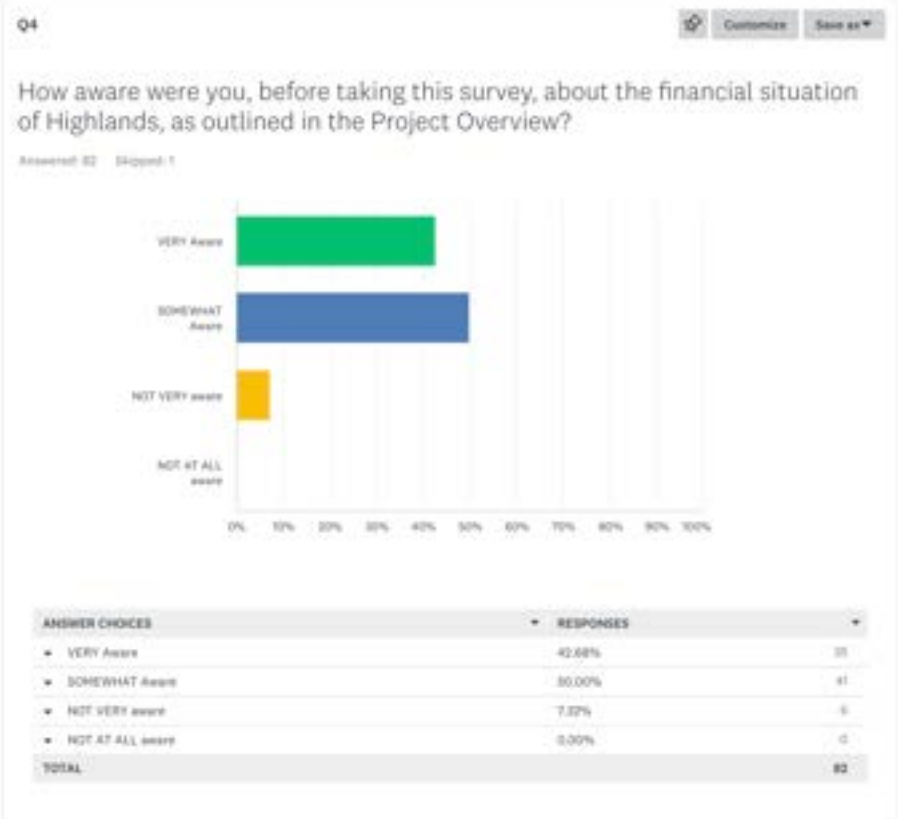
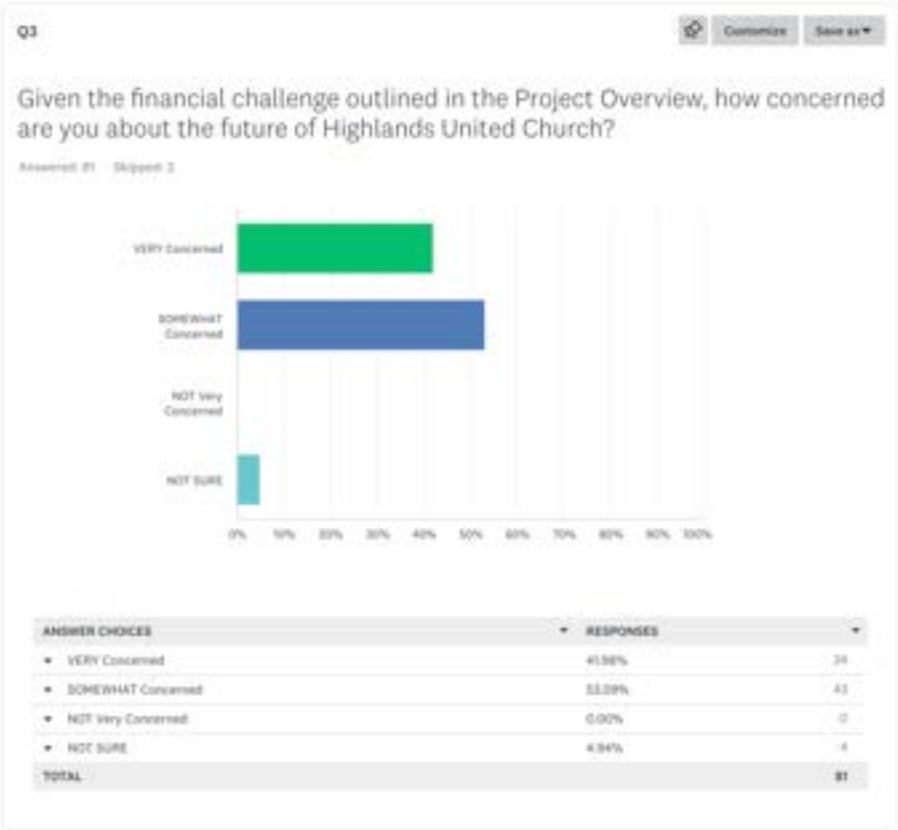


THE FUTURE: IT'S ABOUT LIVES IN MINISTRY

If you want to see the future of Christianity look in the mirror and look at your neighbor. God's message of love is sent into the world in human envelopes. (Richard Rohr, The Center for Action and Contemplation)

APPENDIX VII: Online Survey Results Displayed in Graphs



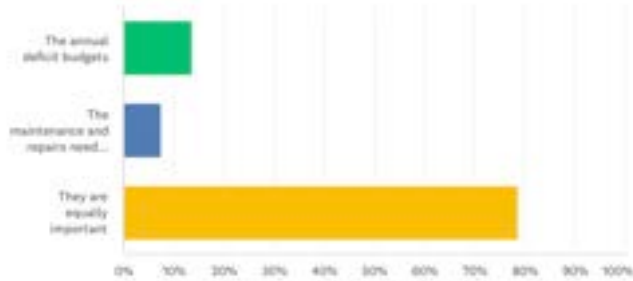


Q5

Customize Save as

Which issue do you personally think is the most important to address right now?

Answered: 80 Skipped: 0



ANSWER CHOICES	RESPONSES
The annual deficit budgets	12.5% 8
The maintenance and repairs needed on the building	7.5% 6
They are equally important	78.75% 63
TOTAL	80

Q7

Customize Save as

How do you think the greater community views Highlands and the congregation?

Answered: 82 Skipped: 1



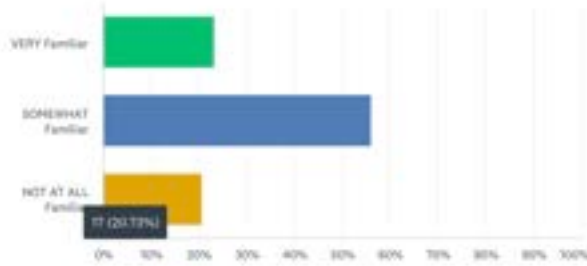
ANSWER CHOICES	RESPONSES
Very Positive	42.9% 36
Fairly Positive	45.1% 37
Not Very Positive	0.0% 0
Don't Know / Unaware	10.9% 9
TOTAL	82

Q8

Customize Save as

How familiar were you, before taking this survey, with the Leadership Board's plans and vision to create a highly flexible financial platform large enough to generate revenues that would cover building and equipment costs and provide stable funding in the operating fund for Ministry?

Answered: 83 Skipped: 1



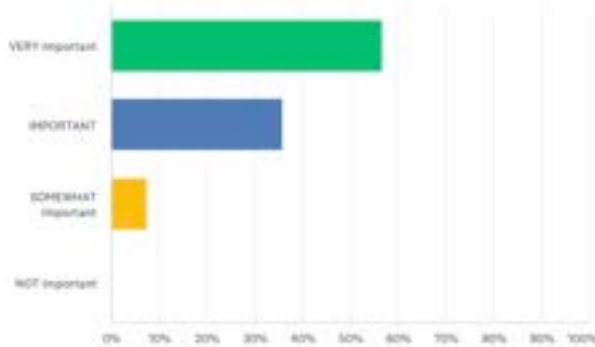
ANSWER CHOICES	RESPONSES	
• VERY Familiar	23.7%	19
• SOMEWHAT Familiar	56.5%	46
• NOT AT ALL Familiar	19.7%	17
TOTAL		83

Q9

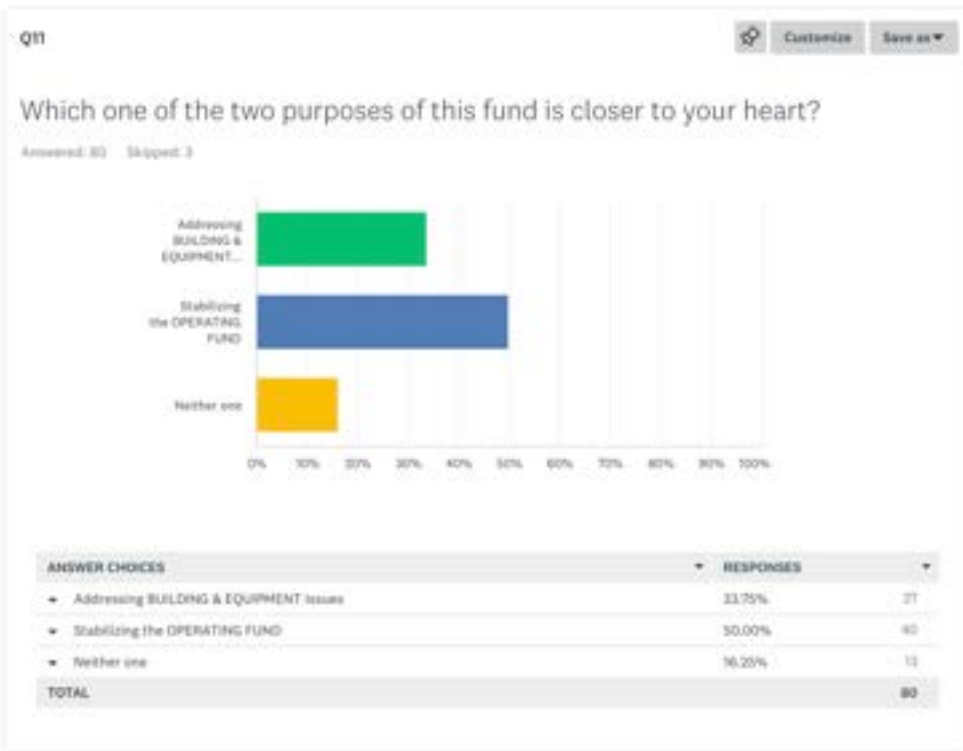
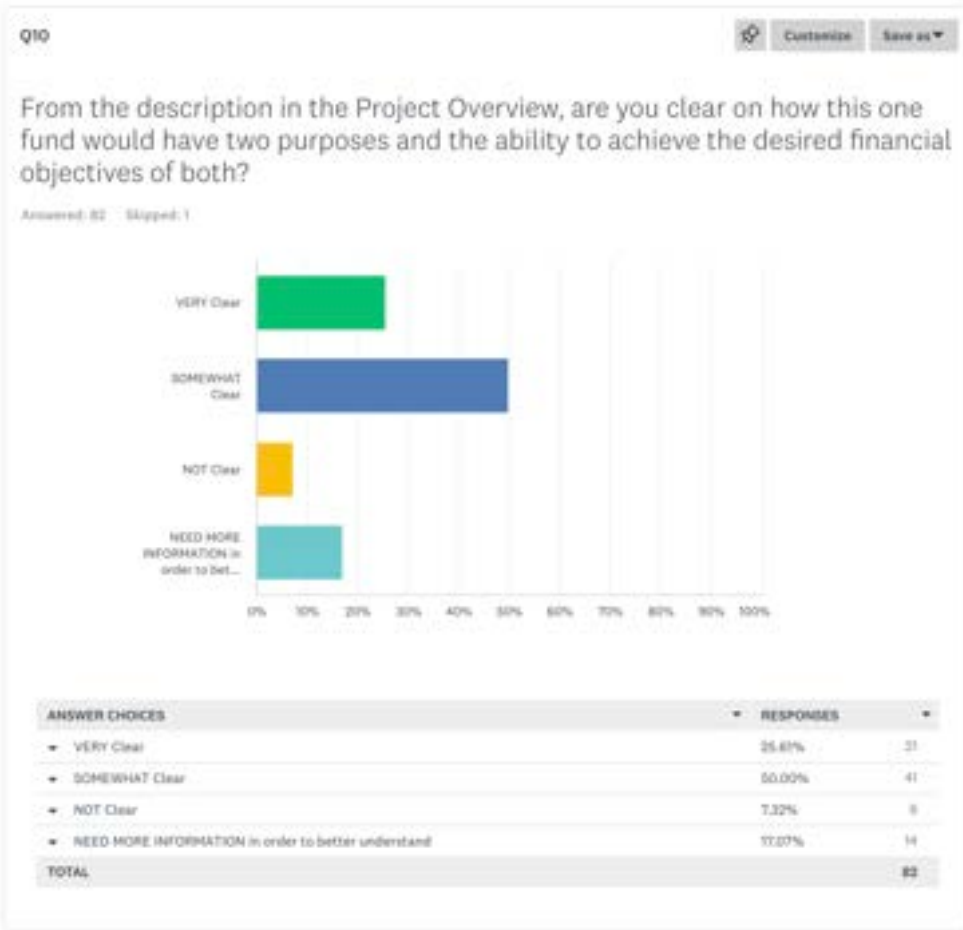
Customize Save as

In your opinion, how important are these plans to stabilizing the physical and financial future of Highlands?

Answered: 81 Skipped: 1



ANSWER CHOICES	RESPONSES	
• VERY important	54.7%	44
• IMPORTANT	35.8%	29
• SOMEWHAT important	9.4%	8
• NOT important	0.0%	0
TOTAL		81

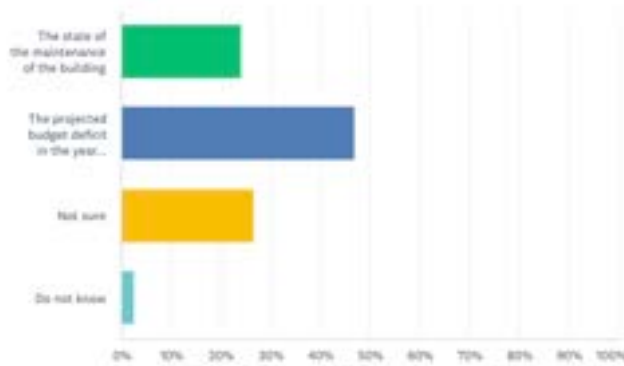


Q12

Customize Save as

Which of these two issues do you believe is the most urgent, in terms of the ability of Highlands to continue operations at the current level?

Answered: 79 Skipped: 4



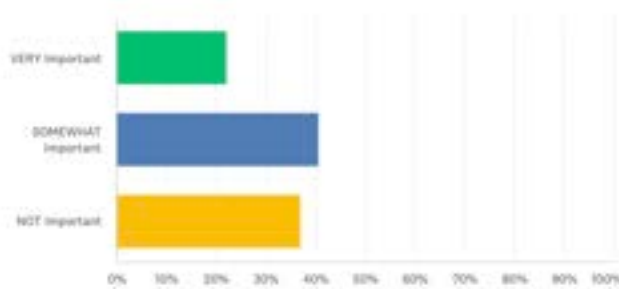
ANSWER CHOICES	RESPONSES
• The state of the maintenance of the building	24.00% 19
• The projected budget deficit in the year ahead	46.84% 37
• Not sure	26.58% 21
• Do not know	2.52% 2
TOTAL	79

Q13

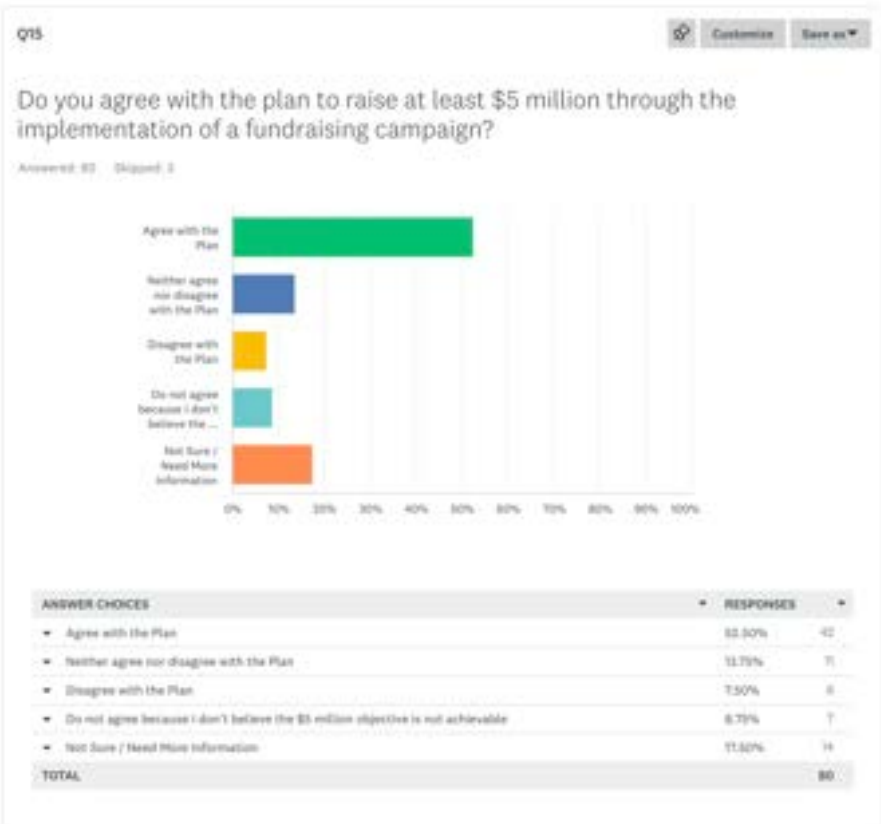
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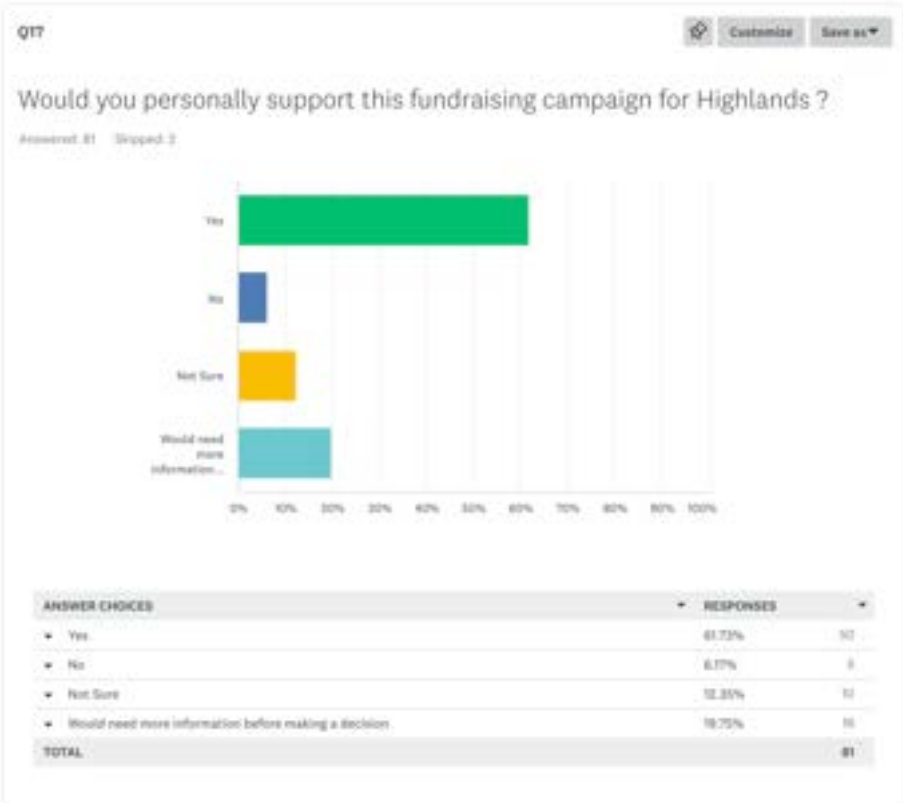
If you were to support this fund, how important would it be for you to be able to designate where your contribution would be used?

Answered: 81 Skipped: 2



ANSWER CHOICES	RESPONSES
• VERY important	22.22% 18
• SOMEWHAT important	40.74% 33
• NOT important	27.04% 20
TOTAL	81



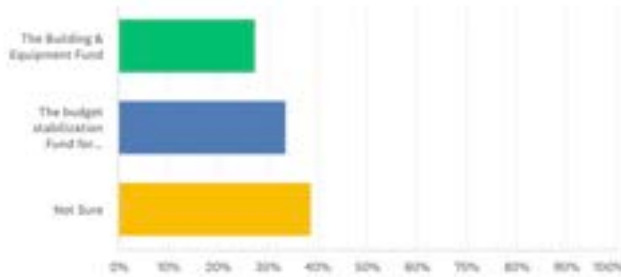


Q18

Customize Save as

If you could choose to only support one of the two objectives of this campaign, which one would it be?

Answered: 60 Skipped: 0



ANSWER CHOICES	RESPONSES
• The Building & Equipment Fund	27.50% 32
• The budget stabilization Fund for Ministry	33.75% 37
• Not Sure	38.75% 31
TOTAL	60

Q20

Customize Save as

If you decide to support this campaign, how would rate your support for it, in relation to your overall giving plans?

Answered: 82 Skipped: 1



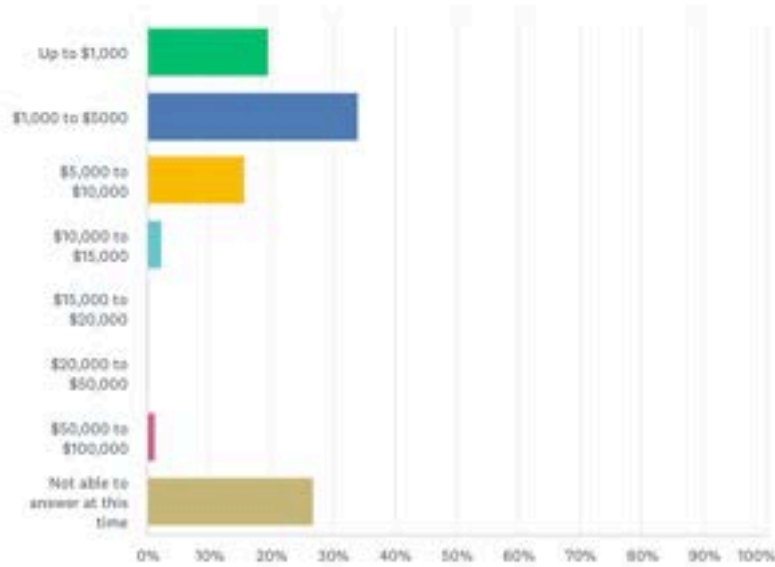
ANSWER CHOICES	RESPONSES
• As one of the highest priorities	32.93% 37
• Worthy of some support	54.88% 45
• As a low priority	6.10% 5
• No Comment	6.10% 5
TOTAL	82

Q21

Customize Save as

Without making a commitment of any kind, if you were to consider supporting this campaign, what range of financial support might you consider giving over a 3-year period?

Answered: 82 Skipped: 1



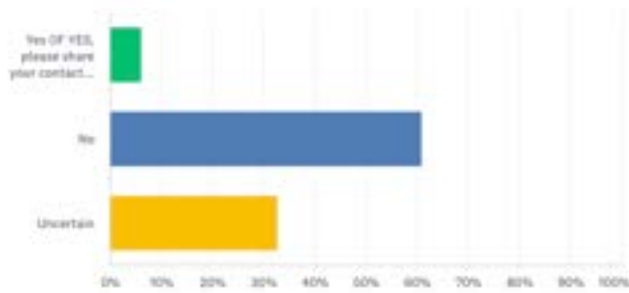
ANSWER CHOICES	RESPONSES
Up to \$1,000	19.51% 16
\$1,000 to \$5,000	34.15% 28
\$5,000 to \$10,000	15.85% 13
\$10,000 to \$15,000	2.44% 2
\$15,000 to \$20,000	0.00% 0
\$20,000 to \$50,000	0.00% 0
\$50,000 to \$100,000	1.22% 1
Not able to answer at this time	26.83% 22
TOTAL	82

Q22

Customize Save as

Would you consider volunteering to serve in a leadership position or working on a committee in support of such a campaign?

Answered: 82 Skipped: 1



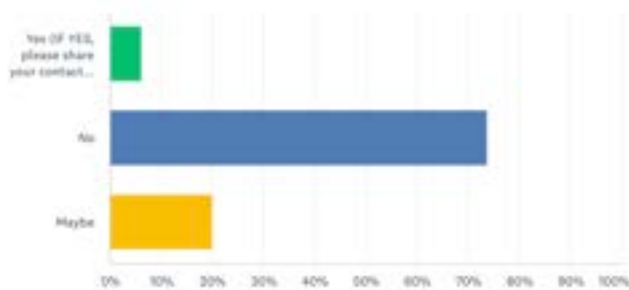
ANSWER CHOICES	RESPONSES
Yes (IF YES, please share your contact email in the suggestions box below.)	6.10% 5
No	60.98% 50
Uncertain	32.92% 27
TOTAL	82

Q23

Customize Save as

If you were trained, would you consider volunteering to be a visitor and giving people the information they need to determine their support for the campaign?

Answered: 80 Skipped: 2



ANSWER CHOICES	RESPONSES
Yes (IF YES, please share your contact email in the suggestions box below.)	6.25% 5
No	73.75% 59
Maybe	20.00% 16
TOTAL	80