

UCV Financial Sustainability Task Force Report - Ver 5, 21 Nov 2019

Task Force Purpose – established by the UCV board to a) gather and analyze information relating to the long-term financial sustainability of UCV in light of the 2019 deficit budget; b) assess the financial sustainability of UCV with and without site development, and c) advise the board and congregation.

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What does UCV have and what does it need in order to sustain itself financially in the decades ahead?

Part 1 – Finances and Property

Financial Estimates**	2019 Actual	2025 No Dev	2025 with Dev
Value of UCV Land – as appraised in 2019 by BC Assessment (no adjustments made for 2025)	\$17,676,400	\$17,676,400	\$17,676,400
Value of UCV Buildings – from 2019 UCV financial statements (* <i>not</i> the higher replacement value)	\$632,623	\$632,623	\$632,623 + new bldgs
Value of UCV Investments <i>including tangible capital assets</i> – 2019 UCV financial statements excl current liabilities & deferred capital contributions; 2025 projections estimated on current value compounded at 2% each year. <i>FSTF participants unanimously agreed in Sep 2019 that these assets should not be used for housing development, but kept as a reserve to cover emergencies and operating deficits, if necessary</i>	\$1,603,731	\$1,806,062	\$1,806,062
Annual Operating Revenue – adjusted for inflation	Actual	Est	Est
Pledges (2025 projected 4% increase?)	\$336,314	\$350,000	\$350,000
Open collections, donations & other fund rev	\$37,657	\$40,000	\$40,000
Fund raisers	\$9,377	\$10,000	0?
Spendable earnings from investments (3%)	\$25,842	\$57,448	\$57,448
Spendable portion of bequests	\$11,000	\$25,000	\$25,000
Rentals and Leases (incl Hewett increases)	\$155,603	\$195,603	\$155,603
Other operating income (not <i>fund</i> income)	\$8,551	\$8,500	\$8,500
Housing rental revenue – yr 1, 40 yr mortgage	0	0	\$100,286
Total: Est (2025 Dev - 2025 No Dev) = \$50,286 (in Yr1); subsequent years TBA, possibly higher	\$584,344	\$686,551	\$736,837
Annual Operating Expenses (2019 Fin Rep p5&19) Includes \$103,447 B&G. 2025 data adjusted for inflation at 2%/yr x 6 yrs; Includes salaries, utilities, maint, insurance, RE, music, cmte expenses, etc.	\$570 321	\$642,274	\$642,274
Estimated Annual Operating Surplus (Deficit)	\$14,023	\$44,277	\$94,563
Buildings & Grounds Annual Capital Expenses not yet estimated but expected to be low (\$10,000 - \$20,000/yr?) and possibly sourced from higher rental income, pledges, and bequests	<i>Unclear in 2019 financial statement</i>	<i>TBA for Sanc, Admin, and Current Hewett</i>	<i>TBA for Sanctuary, Admin and a New Hewett</i>

Draft for Congregational Review and Discussion

Member Pledge, Legacy, & Bequest Potential	2019 Actual	2025 No Dev	2025 with Dev
Membership Size – Approx stable for past decade	353	350-420?	350-420?
Median Pledge – <i>declining over past decade</i>	\$1,200	TBA	TBA
Mean Annual Value of Bequests – past decade	\$13,278	TBA	TBA
Transition: Bldg costs+ 2.5 yrs lost rental @\$150k/yr <i>Incl in development loan & 40-year mortgage.</i>	\$0	\$0	\$225k+\$375k = \$600,000

Part 2 – Some Risks and Opportunities

Assessment of risks and opportunities is always somewhat **subjective**. (Catalyst has prepared a 42-item risk register as Appendix G to the *UCV Draft Business Plan*.) For this report we have used a 4-point scale to rate 9 risks (-) and 9 opportunities (+) where 1=low, 2=medium, 3=high, and 4=extreme (The estimates consider *consequences* more than *likelihood*, but both are relevant).

Some Risks	No Dev	With Dev
1. Global financial market collapse	-3	-4
2. No increase in pledging	-3	-3
3. Lay leadership burden	-2	-3
4. Disruption to normal UCV activities	-1	-3
5. Difficulty in finding a suitable minister.....	-1	-1
6. Major loss of casual renters and leases during transition.....	0	-3
7. Disharmony amongst housing residents after move-in	0	-2
8. Developer/builder bankruptcy (not likely with CMHC support)	0	-1
9. Loss of membership	0	0
Some Opportunities		
1. Adequate income to sustain reduced pledging.....	0	+3
2. Support generations with less disposable income.....	0	+3
3. Housing community could help grow UCV membership	0	+3
4. Reduce future rents to provide housing for low income families..	0	+3
5. Future apartment for refugee families or ministers	0	+3
6. A more attractive Hewett Centre resulting in more use.....	0	+1
7. Quick recruitment of a settled minister	+3	+1
8. Showcase environmentally sound building and land use	+2	+2
9. Encourage generosity in generations with disposable income....	+2	+2
NET ?	-3	+1

Part 3 – Some transition options if housing development were to proceed at UCV

If development were to proceed, where and when would Vancouver Unitarians meet for worship services and community activities? What would the costs, obstacles, and side effects be?

Bring **4 portable buildings** onto the UCV site and repurpose Admin Building (See work by John Boyle)

1. Bring **3 portable buildings** onto the UCV site, repurpose Admin, and adjust Sanctuary use by replacing pews with chairs; [Variation on above]; possibly add permanent washrooms for Sanctuary
2. Rent a **nearby centre** for UCV to use on **Sunday afternoons**; repurpose Admin; adjust UCV Sanctuary use on other days by replacing pews with chairs. [No location identified to date.]
3. Rent a **nearby centre** for **Sunday morning and afternoons**; repurpose Admin; adjust UCV Sanctuary use on other days by replacing pews with chairs. [No location identified to date.]