

TORONTO UNITED CHURCH COUNCIL

Connecting Resources with Ministry

Church Development Discussion Papers

TITLE: Church Development Guidelines

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Prior to December 31, 2010, the planning, research and financing for congregational developments and the support of church development leaders was a task carried out by Toronto United Church Council under agreements with Toronto Conference. The 2009/2010 restructuring of the Conference included the setting aside of these agreements by the Conference. In their place, the Presbyteries were called upon to shape their own mission strategy for new church development and church redevelopment within their bounds using administration and funding procedures developed as part of the restructuring.

The Directors of Council, as part of their oversight of the church development task, developed the ***Toronto Conference Church Development Guidelines*** to inform their work. These Guidelines set out policies for how new church development and church redevelopment projects would be established, evaluated, and funded. This legacy of Council's stewardship of the church development task continues to have merit and is available as an important resource and guide to the Presbyteries for their church development activities.

The Guidelines follow –

Toronto Conference Church Development Guidelines

Healthy congregations are committed to:

- communicating God's good news as discovered in the life, death and resurrection of Jesus Christ.
- transforming lives.
- inviting new members and participants.
- maintaining a culturally appropriate form for the community they serve.
- engaging the larger community through service.
- establishing and maintaining financial viability.

The Church Development Fund seeks to assist in the establishment and enhancement of healthy congregations through effective transformations, healthy amalgamations, and strong Presbytery ministries in new areas of growth.

Transitional Ministry: Transformations

Transformation of an existing congregation is the redirection of its ministry in light of significant changes among its membership, the community to be served, or both. Such transformation results from a planned effort and intent of a congregation and its Presbytery to refocus that congregation's ministry.

Transformation is a serious intentional step in the life of a congregation. The congregation seeks to end static patterns or to break out of the decline stage of its lifecycle where the primary focus is often on maintenance and

organizational survival. It is born of the awareness that "more of the same" is leading to death and seeks a radical new lease of life – a resurrection rather than resuscitation. As noted in church development literature, this step involves:

- recognizing the death of the congregation's previous identity and purpose.
- reallocating the bulk of the congregation's resources to discovering and living out a new identity and purpose.
- finding and empowering leaders who can, in effect, start a new congregation on an existing site.
- caring for the remaining members of the previous congregation – sometimes by providing a separate chaplaincy ministry as long as it may be needed.

Can Our Church Live, Alban Books

A congregation that undertakes the process of transformation expects to demonstrate an increase in membership and attendance, member participation in the life of the congregation, and the ability to identify and sustain its own ministries. Congregations undertaking a transformation process may apply for annual secured loans totaling up to \$85,000 over a 4-year period. The program will have two phases: an exploration and feasibility phase, and a mission program phase.

Exploration and Feasibility Phase

This phase of the process enables the congregation to identify the three basic components of a congregational transformation. They are:

- Where are we now?
- Where do we want to be in the future?
- How will we get there?

This phase of the project may include, but not be limited to, the following:

- demographic research of the community.
- conducting a survey to assess community needs.
- interviewing current members, affiliates and neighbours.
- holding congregational retreats and/or small group discussions to discern the answers to the three basic questions noted above.
- preparing budgets and analyzing the financial base of the congregation.

Professional consultants may be required to oversee some or all of this exploration. Normally this process will not exceed one-year to complete.

Transformation is an intentional choice to stimulate the dynamics needed to enable the congregation to reorient its ministry. The result will be a *Ministry Plan* for the congregation addressing at least the following five dynamics:

- *Creating spiritual energy* – building the spiritual strength and energy of the congregation.
- *Determining congregational identity* – setting out a process to enable the congregation to confront the nature and degree of change that has occurred within the church and the community.

- *Building congregational leadership* – determining how the pastor(s) and laity will work together as a team to redirect the ministry of the church.
- *Re-entering the community* – gaining knowledge of the community around the church through social and spirit analysis and building relationships with the people in the community.
- *Building a financial base for ministry* – setting out a program to increase the stewardship commitment of members for both program and capital needs.

The *Ministry Plan* setting out these dynamics will also set out the proposed congregational transformation, its implementation, and its management. The document will clearly identify the following:

- *Vision Statement* – a brief but thorough description of what is being attempted and why it is being attempted.
- *Goals and Measurements of Success* – broad general statements describing end results that are to be achieved and timelines for their achievement.
- *Objectives* – time-sensitive, challenging, achievable, specific and measurable statements that tell who, what and when.

If funding needs for Exploration and Feasibility are not sufficiently available from either congregational and/or Presbytery sources, the congregation may apply for a secured loan of up to \$10,000. In order to be considered, the submission package for this funding must include a copy of:

- a statement for the vision of the project describing what the congregation is attempting to do and why it is attempting to do it.

- a management plan for the Exploration and Feasibility activities to be undertaken including a budget naming costs and funding sources.
- the resolution of the congregation approving the feasibility initiative.
- the resolution of the Presbytery endorsing the initiative and a description of how the Presbytery will be participating as a partner to the endeavour.
- the resolution of the Presbytery approving the application for the secured loan.

If approved, the funds will be paid as follows:

- 75% of the estimated amount upon approval
- up to 25% upon receipt of a copy of the resulting *Ministry Plan* document and final project accounts.

Applicants are reminded that completion of Exploration and Feasibility Phase that sets out a *Ministry Plan* does not automatically guarantee funding for the Program Phase described below.

This will be a secured loan. The congregation is expected to repay the Church Development Fund to ensure that other congregations can similarly benefit from such assistance. Such repayment will be made by way of a negotiated long-term repayment plan. Secured loans are eligible for an interest rate of 0% for the first 5 years, 3% from the years 6 to 10, and 5% in subsequent years. The term of the loan will not exceed 20 years.

Transformational Mission Program Phase

This phase of the process enables the congregation to proceed to the implementation of the *Ministry Plan*

leading to congregational transformation. This is the living out of the "How will we get there?" question. It is the time to carry out the specific strategies that will be undertaken to enable the congregation to significantly reorient its ministry.

If funding needs for this phase of the process are not sufficiently available from either congregational and/or Presbytery sources, the congregation may apply for annual secured loans of up to \$25,000 per year for a maximum of 3 years (for a total of up to \$75,000). In order to be considered, the first submission package for this funding must include a copy of:

- the congregation's vision statement for the project setting out what is being attempted and why it is being attempted – the goals of the initiative.
- a ministry plan setting out descriptions of specific strategies describing measurable ways that the goals of the project will be fulfilled during a specific period of time. Objectives should be realistic, measurable, and challenging with a stated deadline for achievement.
- a staffing rationale setting out the qualifications, duties, practical experience, skills, education and training for each staff person giving leadership to the initiative.
- an identification of realistic and sustainable trends in attendance.
- an operating and expense budget for the full term of the initiative, including expected support from other funding bodies.
- the resolution of the congregation approving the initiative.
- the resolution of the Presbytery endorsing the initiative and an

indication of how the Presbytery will be involved as a partner to the endeavour (including a description of how the Presbytery will participate in and be supportive of the initiative and maintain contact with the project leadership).

- the resolution of the Presbytery approving the application for the secured loan.

If approved, the funds will be paid as follows:

- up to \$25,000 in the first year.
- up to \$25,000 in each of year 2 and year 3 upon receipt of an annual progress report setting out how the project is meeting its objectives within the stated deadlines for achievement. If any objectives are not being met, an analysis of why this is so and how they will be readdressed is to be included. Continued funding is dependent on the completion of this report and a favourable review of its contents.

This will be a secured loan. The congregation is expected to repay the Church Development Fund to ensure that other congregations can similarly benefit from such assistance. Such repayment will be made by way of a negotiated long-term repayment plan. Secured loans are eligible for an interest rate of 0% for the first 5 years, 3% from the years 6 to 10, and 5% in subsequent years. The term of the loan will not exceed 20 years.

If loan funds are advanced for both an Exploration and Feasibility phase and a Mission Program phase, the total amount will be considered a single loan.

Transitional Ministry: Amalgamations

Two or more congregations confirming their intention to amalgamate are eligible to apply for a bridge loan of up to \$25,000 to implement the amalgamation. The purpose of the loan includes, but is not limited to, consultations on governance, architectural assessments, and staff search and selection.

In order to be considered, the submission package for the bridge loan must include a copy of:

- the resolution of each congregation to formally amalgamate.
- the resolution of the Presbytery endorsing the amalgamation.
- the resolution of the Presbytery approving the application for the loan.
- the amalgamation plan prepared by the congregations and Presbytery setting out process, budget and timeline for the completion of the amalgamation.
- the loan request setting out the use of the bridge loan funds and the amount to be borrowed.

The terms of the bridge loan are:

Amount: up to \$25,000

Term: 3 years from the date of the first draw. If the amalgamation process is proceeding in a manner supported by Presbytery, a second term of up to 3 years may be considered.

Interest: the 3-year BNS mortgage rate as of the date of the first draw

Repayment: no payments are required during the term of the loan. The full amount owing, plus interest, will be a first call on the sale proceeds of surplus property resulting from the amalgamation.

Security: Promissory Note signed by the Trustees of the amalgamating congregations.

Special provision: should the amalgamation fail for whatever reason, the amount outstanding will be divided in equal shares among the congregations involved and will become due in full with interest within 12 months.

A repayment plan will be negotiated on a case-by-case basis for amalgamating congregations seeking a bridge loan without the prospect of sale proceeds of surplus property.

Presbytery Ministries in New Areas of Growth

Ministries in new areas of growth are understood to be new, developing and designated congregations responding to population growth and/or shifting demographics. A new congregation is normally developed as a response by a Presbytery to meet the needs of a new group of persons (emerging generation, new immigrant group, population growth). An existing designated congregation may be included in this category if, by its physical location, it becomes the locus of a Presbytery's response to meeting the needs of a new group of persons (sometimes referred to as a congregation overtaken by population growth).

Exploration and Feasibility Phase

This phase of the process enables the Presbytery to identify the three basic components of a new ministry. They are:

- Where are we now?
- Where do we want to be in the future?
- How will we get there?

This phase of the process may include, but not be limited to, the following:

- an examination of demographic trends and municipal and provincial land use plans.
- conducting a survey to assess community needs.
- determining the vision, values and mission of the new church based on analysis of the demographics and community needs.
- establishing and equipping a mission steering committee consisting of community residents, Presbytery appointees, and other interested parties.
- exploring leadership needs for the new congregation including preparation of a position description(s) that describes the duties, practical experience, skills, education and training that will be required.
- carrying out a conversation with an existing designated congregation(s), if appropriate to the situation, to determine if the congregation(s) possesses the will and dynamics needed to enable it to reorient its ministry to meet the needs of the new population in its area.
- preparing budgets and analyzing the financial resources both required by and available to the new ministry.

Professional consultants may be required to oversee some or all of this exploration. Normally this process will not exceed one-year to complete.

The result will be the development of a *Ministry Plan* setting out a description of the proposed new ministry, its implementation, and its management. The document will clearly identify the following:

- *Vision Statement* – a brief but thorough description of what is being attempted and why it is being attempted.
- *Goals and Measurements of Success* – broad general statements describing end results that are to be achieved and timelines for their achievement.
- *Objectives* – time-sensitive, challenging, achievable, specific and measurable statements that tell who, what and when.

If funding needs for Exploration and Feasibility are not sufficiently available from Presbytery’s sources, the Presbytery may apply for a grant of up to \$25,000. In order to be considered, the submission package for funding must include a copy of:

- a statement for the vision of the project describing what the Presbytery is attempting to do, why it is attempting to do it, and how it will provide leadership.
- a management plan for the Exploration and Feasibility activities to be undertaken including a budget naming costs and funding sources.
- the resolution of the existing designated congregation (if applicable) stating its willingness to partner with the Presbytery in investigating the new initiative.
- the resolution of the Presbytery endorsing the feasibility initiative.
- the resolution of the Presbytery approving the application for the grant.

If approved, the funds will be forwarded as follows:

- 75% of the estimated amount upon approval
- up to 25% upon receipt of a copy of the resulting *Ministry Plan* document and final project accounts.

Applicants are reminded that completion of Exploration and Feasibility Phase that sets out a *Ministry Plan* does not automatically guarantee funding for the Program Phase described below.

Funding for this grant is subject to the Limitations set out at the end of this document.

New Congregation Program Phase

This phase of the process enables the Presbytery to proceed to the implementation of the *Ministry Plan* leading to a new church development. This is the living out of the “How will we get there?” question. It is the time the Presbytery carries out the specific strategies that will be undertaken to enable the mission unit to begin and move forward.

If funding needs for the program requirements of a New Congregation are not sufficiently available from Presbytery’s sources, the Presbytery may apply for grants on the following basis:

Year 1	up to \$100,000
Year 2	up to \$80,000
Year 3	up to \$80,000
Year 4	up to \$80,000
Year 5	up to \$60,000
Year 6	up to \$50,000
Year 7	up to \$40,000
Year 8	up to \$30,000
Year 9	up to \$20,000
Year 10	up to \$10,000

In order to be considered, the first submission package for funding must include:

- the Presbytery’s vision statement for the project setting out what is being attempted and why it is being attempted; that is, the goals of the initiative.
- a ministry plan setting out descriptions of specific strategies

describing measurable ways that the goals of the project will be fulfilled during a specific period of time. Objectives should be realistic, measurable, and challenging with a stated deadline for achievement.

- a staffing rationale setting out the qualifications, duties, practical experience, skills, education and training for each staff person giving leadership to the initiative.
- an identification of realistic and sustainable trends in attendance.
- an operating and expense budget for the full term of the initiative, including expected support from other funding bodies.
- the resolution of the existing designated congregation (if applicable) stating its willingness to partner with the Presbytery in the new initiative.
- the resolution of the Presbytery endorsing the initiative and an indication of how the Presbytery will be participating as a partner to the endeavour (including a description of how the Presbytery will participate in and be supportive of the initiative and maintain contact with the project leadership).
- the resolution of the Presbytery approving the application for the grant.

If approved, the funds will be paid as follows:

- up to \$100,000 in the first year.
- subsequent years will be considered on an annual basis as a new application. These applications must set out objectives for the next year together with a progress report describing out how the project is meeting its current year objectives within the stated deadlines for achievement. If

any objectives are not being met, an analysis of why this is so and how they will be readdressed is to be included.

The report will also include financial statements noting changes required to the project's budget and setting out anticipated unspent funds within the calendar year. Continued funding is dependent on the completion of this report and a favourable review of its contents.

- it is understood that for year 1 if possible, and for years 2 to 5 for certain, that an application to Mission Support will be made requesting no less than 20% of the funds required from external sources. For years 6 to 10, an application to Mission Support will be made requesting no less than 50% of the funds required from external sources. (The application is expected to be made; however, the Mission Support Committee of Toronto Conference is in no way obliged to review the request other than within the criteria and limitations it may establish from time to time.)
- it is understood that by the end of year 3, an ongoing program will be in place to increase the members' stewardship commitment for both program and capital needs.

Funding for this grant is subject to the Limitations set out at the end of this document.

New Congregation Property Development

In order for a Presbytery and/or an existing congregation to reach new population groups, the Church Development Fund will receive requests for secured non-performing loans for the following:

- *Site acquisition* – sites to be acquired and held by Toronto United Church Council for future new church development are eligible to receive a non-performing loan of up to \$100,000 upon sale of the site to congregational or Presbytery trustees.
- *Building construction* – construction of new facilities that meet specific architectural guidelines are eligible to receive a non-performing loan of up to \$100,000.
- *Relocations* – congregations that relocate to Presbytery designated new church development areas are eligible to receive a non-performing loan of up to \$100,000 should available assets be insufficient to complete the relocation.

This will be a secured non-performing loan due upon sale of the property or should the congregation remove itself from The United Church of Canada. Funding for such loans is subject to the Limitations set out at the end of this document.

Other Models

Presbyteries exploring other program and property models to reach new populations will be dealt with on a case-by-case basis.

Designated High Needs Areas

From time to time, the Board of Directors of Toronto United Church Council may become the sponsoring body for an Exploration and Feasibility phase of a church development initiative. This research would occur within geographic areas the Board designates as significant if a

Conference-wide plan for coordinating and funding church development ministries is to be current, credible and informative. Such Exploration and Feasibility would primarily be focused on designated areas:

- where demographic trends and/or municipal and provincial land use plans warrant a church development investigation.
- where the potential for high-impact on long-range church development budgets and staffing gives cause for a review.
- where reliable information is needed to inform a decision to acquire or to sell a church site.

In all cases there will be full disclosure and reporting to the Presbytery in whose geographic area the Exploration and Feasibility examination would occur.

Limitations

Toronto United Church Council is making every effort to build the capital base of the Church Development Fund and to shape it as a revolving fund so it may benefit congregations and new church developments on an ongoing basis. Even so, current resources are limited and dependent on external sources of money. Currently, available cash sources are:

- from contributions of a proportion of surplus property sale proceeds as administered by Toronto Conference Executive. (This funding source is intermittent in nature and subject to change.)
- from annual earnings on certain designated restricted funds of Toronto United Church Council.
- from generous contributions to Toronto United Church Council by donors who care passionately about congregational

development in Toronto
Conference.

Applicants are therefore reminded
that:

- applications of merit may need to be declined solely on the basis of the level of available annual funding.
- that maximum amounts named in the guidelines may need to be set lower from time to time based on the level of available annual funding.
- there are no guarantees that funding in one year ensures continued funding in subsequent years.

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Board of Directors
Toronto United Church Council*

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Church Development Discussion Papers are not formal publications of The Toronto United Church Council. They present independent ideas and observations that are intended to encourage discussion and comment among church leaders in local congregations and Presbyteries.