

# **HALLETT COVE STRATEGIC PLAN 2019-2024**

Prepared: 18 September 2019

## **OBJECTIVE**

To review options for securing the financial viability of the Hallett Cove Parish over the next five years from 2020 – 2024 having regard for the priority of maintaining an appropriate level of pastoral and sacramental services.

## **STEWARDSHIP**

Spirituality for life challenges the Christian disciple to foster a sense of gratitude, responsibility and generosity through the better use of time, talent and treasure. The Christian steward is one who receives God's gifts gratefully, who cherishes and tends them in a responsible and accountable manner, shares them generously in justice and love with others, and returns them with increase to God.

## **ASSUMPTIONS**

- The Hallett Cove Parish wishes to remain an independent Parish with control of its own governance and sense of community as long as possible;
- It is unlikely to be a priest-in-residence throughout the full time of the review period.
- The special relationship currently enjoyed with the Brighton Parish is likely to continue.
- Mass attendance (and therefore potential source of income, ie Plan Giving & Loose Coin) has been declining and is likely to decline further over the five-year term. An additional contributing factor is aging population and a decrease in the number of parishioners who are in employment with a resultant reduction in disposable income.
- A considerable number of Priests in the Archdiocese have retired or died and as a consequence the increase in the responsibilities of Parishioners in general is a factor that must be taken into account when making decisions at the Parish level.
- There needs to be continued collaboration St Martin de Porres School the parish school over areas of combined planning.
- More frequent and more expensive maintenance and/or replacement of items will be required for the Church building and its facilities (including the Parish house if it is retained) to maintain them in usable condition. The Church building is now over 20 years old.
- The current subsidy from the Brighton Parish is linked to interest paid and will decrease annually.
- The co-payment (\$7,000) from St Martin de Porres School for church usage is currently stable but may not be guaranteed.
- No known other sources of significant income (bequeaths, donations).

## FINANCES

- Available Funds at the end of July 2019 was \$45,190
- Assuming the current contra payment with the Parish School remains at \$7,000, income decreases by 0.5% & expenditure can be restricted to no more than a 1.5% increase the following are likely projection of financial viability.

	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	2017	2018	\$2,019	2020	2021	2022	2023	2024
Income	\$104,490	\$97,903	\$95,900	\$95,421	\$94,943	\$94,469	\$93,996	\$93,526
Expenditure	\$91,628	\$96,823	\$100,718	\$102,229	\$103,762	\$105,319	\$106,898	\$108,502
SMDP Contra	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Income	\$111,490	\$104,903	\$102,900	\$102,421	\$101,943	\$101,469	\$100,996	\$100,526
Expenditure	\$98,628	\$103,823	\$107,718	\$109,229	\$110,762	\$112,319	\$113,898	\$102,902
Variance	<b>12,862</b>	<b>1,080</b>	<b>(4,818)</b>	<b>(6,808)</b>	<b>(8,819)</b>	<b>(10,850)</b>	<b>(12,902)</b>	<b>(2,376)</b>
Cash	\$49,481	\$50,599	\$45,781	\$38,973	\$30,154	\$19,304	\$6,402	4,026
Loan	\$112,682	\$97,846	\$81,400	\$62,400	\$43,400	\$24,400	\$5,400	-

- A planned giving renewal was conducted in 2016 with a small increase in pledges – 128 givers pledged \$77,500 with an increase of electronic giving now sitting at 33%. A plan giving renewal is scheduled for 2020.
- The outstanding balance on the Church loan as at 31/07/20179 was \$88,908. Loan repayments were re-negotiated in 2016 to reduce the annual payment to \$18,800. Due to sufficient cash in hand in mid-2016, a one-off payment of \$10,000 was paid off the loan balance. The outstanding term is currently 5 years. The loan commenced on 28/01/1988.
- Since the beginning of the previous strategic plan in 2015 the loan has reduce from \$170k to \$88k and the total liabilities have reduced from \$190k to \$107k.

## MAJOR MAINTENANCE PROJECTS

- Roofing:
  - Replace / clad roofing section above the baptismal font: \$6k - \$8k
  - Replace Guttering: \$20k
- Carpet:
  - Replace back and centre sections: \$6k
  - Full carpet replacement: \$30k
- Painting
  - Eaves & Fascia's: \$6
  - Spires: \$6
- Convert Vinnes room into a Reconciliation Room: \$1.5k
- Replace the air conditioner in the Parish House: \$1.5k

## **PLANNING STRATEGIES**

In order to maintain sufficient funds for ongoing maintenance and/or likely replacement of items for the Church building and its facilities, the following should be considered and a “decision in principle” taken in order that advice may be sought on implementation.

- The parish school has shown an interest in expanding, and would be interested in purchasing the parish house. This would enable the parish to pay off its debt and have sufficient cash to independent for the foreseeable future. Consideration should be given to this option, as the timing of a sale may be time critical and may not be an option in the future;
- Assess optimal mix of paid/volunteer staff and transfer some tasks from paid staff to volunteer staff;
- Continue “Fund Raising” as an integral part of Parish Planning with appropriate monitoring / organisation at the Parish Pastoral Council and/or Finance Council level and establish income targets;
- Continue to regularly review and promote planned giving efforts with a view to at least maintain current levels of giving. Continue to regularly promote the benefits to the Parish of “direct debit” giving;
- Request that the Brighton Parish assist with a one off payment of \$80k to cover the cost of the loan in 2020 to pay off the debt, this would allow us to convert current loan payments in to capital expenditure (\$14k per year) and still maintain a level of independence;
- Reduce the loan payments by 50% freeing up ~\$7k per year which could be used as capital expenditure - the down side is that it would extend our loan by 6 with an expected end date of 2029;
- Hold off on Capital Maintenance but engage volunteers where possible until the loan is paid off in 2024;
- Combine finances with Brighton;

## **KEY INDICATORS**

A list of key indicators that we should look for: -

- Receipts & payments deficit exceeds \$15k or exceeds \$5k for three consecutive years;
- Unable to meet loan commitment;
- Cash reserves fall below \$10k;
- Liabilities exceed the value of the Parish House.

## **VIABILITY OF THE PARISH**

Income is predicted to gradually decrease, the Brighton subsidy is decreasing as the loan principal is paid off, and the school co-payment is likely to continue during the review period.

Assuming major maintenance task can be postponed or minimised the parishes cash at bank is likely to fall below \$10k in 2023 with action required during the period to maintain our viability.

Pete McKenna  
Chairperson  
Hallett Cove Parish Finance Council