

CONGREGATIONAL UPDATE

Summary of our October 18, 2009 Meeting On Church Finances and Facilities Research

Dear Friends of Unity on Greenville –

Last Sunday, October 18, the Board of Trustees held an informal congregational meeting to discuss our current financial situation and bring everyone up to date on the activities of our Facilities Research Team. Since so many of you were unable to attend, we wanted to take this opportunity to review our discussion in writing with our entire Unity community.

Our financial picture is sound. The church is debt free, we have no loans or mortgages and no long term debt. Our investment and reserve accounts as of December 31, 2008 were valued at just over \$172,000. With the improvement in the stock market, we expect that valuation to improve at the end of December 2009. As of the end of September, we were slightly in the red on our profit and loss statement, but we are expecting a positive cash flow position by the end of the year. Although our tithes and offerings are down slightly from 2008, we have realized increased revenue from weddings, classes and workshops, the Greenville Music Sanctuary and the Upper Room Gallery. In addition, we are one of the designated charities for a non-profit bingo operation in Garland and have seen our income from this venture grow steadily over the past three years.

The Board, Finance Team, Rev. Steve and our office administrator, Maggie Berman continue to watch expenses very closely. Over the last two years, we have reduced or eliminated many expenses and have done a much better job of forecasting an accurate expense budget. As the Finance Team begins the budget review process for 2010, I know the same principles that have guided us these past several years will continue to guide us – keep our expenses in line and grow our income sources while always remembering that ultimately God is our source in all things.

One final word on finances. While we are at a just barely break even point, in the past three years we have seen many more positive cash flow months than not. That was not the case in the three years prior and again is testament to a lot of hard work on the part of many people, as well as the prosperity consciousness our community practices.

I would like to take this opportunity to thank the members of the Finance Team: Rev. Steve Colladay, Lisa Ready, Mark Titus, Bill Hamrick, Roger Lachele and Jay Norman. We appreciate each and every one of you!

Our current church home. The facilities research project has its roots in the Board of Trustees retreat at Unity Village in July of 2007. At that time, we recognized that we had some needs to update and renovate our church home. What started as a simple desire for new tables and chairs for the upstairs room evolved over the next couple

of months into a fuller discussion of what would it really take to bring our physical earth home to its “highest and greatest”—or what we dubbed “The Supreme Makeover.” The Board realized that to fully develop that plan we would need assistance and to that end we hired an interior designer and architect with experience in church renovations.

A professional interior designer and contractor spent several weeks working on our project. They toured the building, had several long discussions with Rev. Steve and myself, and did an enormous amount of research on systems upgrades, Americans with Disabilities Act (ADA) requirements as well as current city code requirements. They met with the Board of Trustees on two different occasions to review their plans and ideas in detail and were extremely patient in explaining our many options and answering a myriad of questions.

The estimated cost for “The Supreme Makeover” of our church home was approximately \$250,000. The cost broke down into **three major areas:**

1. **Maintenance and Repairs** – These were more or less the “must dos” at some point in the next 2 to 5 years, and included items such as a new roof, new air conditioning units, general repairs, and updates to the plumbing and electrical systems.
2. **ADA and Code Compliance Issues** – Depending on the extent of any renovations undertaken, several ADA and code compliance issues would need to be addressed, such as updating restrooms, widening doorways, and addressing improved handicap access to all portions of the building.
3. **“Pretty Items”** – Included in this area were interior and exterior painting, new carpeting throughout, updated lighting fixtures, renovation of the church pews and similar items.

Critical Future Needs identified. During the Board of Trustees retreat in September of 2008, we thoroughly reviewed all aspects of the Supreme Makeover plan and recognized that the plan did not address several critical future needs. The most important items identified were:

1. **Parking** – As everyone is aware, Kirby’s and Blue Fish restaurants allow us to use their parking for Sunday services. But we continue to have parking challenges for any weekday or weekend night activities, whether it be classes, musical performances, art gallery events or weddings.
2. **Youth & Family Space** – Space would be needed for expansion of our children’s church as well as greater flexibility in how the space is utilized.
3. **Playground** – We would like to have a playground area for the children.
4. **Classroom space** – Additional space is needed for both the children on Sunday as well as for adult classes. As anyone who has been in the church on a Monday evening can attest, when we have a board meeting, A

Course in Miracles class and a yoga class all meeting, we are often scrambling a bit for space for each group.

5. Larger Multi-Use Community Hall and Kitchen – A large multi-use space allows us to host more music and art events, hold wedding and other receptions, and have additional community events.

Facilities Research Team created. In February of 2009, the Board of Trustees created a Facilities Research Team to research potential options before any decision would be made about proceeding with the Supreme Makeover. Led by Charlie Taylor, the team consists of myself, Bill Hamrick, JoAnn Murray and Rev. Steve Colladay. The charge given to the team was to research all possibilities and report back to the Board on a regular basis.

The first project of the team was to identify the **geographic location of our current membership as well as our visitors.** We were able to confirm what we had suspected, is that our congregation is largely from an area bounded by downtown to the south, Central Expressway to the west, and LBJ Freeway to the north and east. Research of any potential property would be confined to this geographic area.

The Board signed a contract with a real estate firm that specializes in church property. At the time the first search was conducted, there were only six church properties for sale that met our general requirements and only one of those was within our geographic area. We have toured this property, but at this time there is no serious consideration to move forward due to the asking price of the property and the estimated cost to renovate the property to bring it to a livable condition.

We have done **research on commercial or retail space that could be renovated** for our use. The positive points for this option are that the space can be customized for our needs and parking would not be an issue. The downside is that most shopping centers with national chains typically will not lease to churches and not all real estate owners are willing to sub-divide property. While this is really seen as a low priority option, we continue to look for potentially suitable properties.

The Board of Trustees also authorized a **professional appraisal of our current property** in June of 2009. We felt strongly that we had reached a point in the research project where the current value of our property was an important piece of information to help guide our decision. We worked with the Church Division of Butler Burgher Group which is a national real estate valuation firm. The good news is that the company estimated the current market value of our property in its “as is” condition is approximately \$970,000.

The Facilities Research team also met with local bankers to obtain information on **current financing trends for churches.** Whether we elect to go with some version of the Supreme Makeover or purchase another property, at some point in time financing would be needed to assist us with that process. Knowing that the loan picture can change over time, we still needed a starting point. Banks

are currently lending approximately 60% to 70% of value and will require financials showing 12 to 24 months of positive cash flow great enough to cover any monthly payment we might have. For example, if we were to obtain a loan that would require a \$5,000 monthly payment, we would need to show monthly profits in excess of \$5,000 or a positive year end cash flow of \$60,000 or more.

So – where does this project stand now? At the current time, we have found no facility that meets all of the needs identified by the Board in 2008. Our current financials do not support taking on any amount of debt. The Facilities Research team and the Board of Trustees continue to explore all options, including proceeding with the Supreme Makeover, researching new locations as they become available, and proceeding with a minimum facility update.

The Board is working on obtaining bids for a **short term facilities update** which would include painting the walls and ceiling in the sanctuary, replacing the carpeting, painting and other updates in the children’s church area and repairing or possibly completely replacing the roof. More information will be available to you in the coming months. No matter what our long term options might be with respect to our physical location, the short term updates are necessary to continue to attract and keep new members.

I also want to remind everyone that according to our church by-laws, no financial decision of this magnitude can be made by the Board alone. Whatever path God leads us to, the congregation will vote on the final decision. We encourage your questions and ideas. No matter how many options we think we have explored, I am certain there are others that are just as viable that have not yet come our way.

We want to create a **Church Home Prayer Team** to keep us focused on what Spirit has for our community and keep our hearts open to all possibilities. If you are interested in being a part of this team, please contact Rev. Steve.

As Donna Kirby eloquently said on Sunday, this church is not our building, as much as we all love our little church on Greenville. Our church is the spiritual bond of community that started in 1942 and continues today and into the future with every person who comes through our doors. No matter what Spirit holds for us, it is that bond of love, oneness and family that will guide us to our highest and best. With God as our source, all things are possible and we are grateful.

Thank you to all of you who make our church home special!

*Rosemarie Marshall, President
Board of Trustees*