



UNITY CHURCH-UNITARIAN

*The mission of Unity Church
is to foster transformation
through a free and inclusive
religious community
that encourages lives
of integrity, service, and joy.*

ANNUAL MEETING INFORMATION PACKET

Unity Church-Unitarian

149th Annual Meeting of the Congregation

Saturday, November 21, 2020 • 10:00 a.m.

Register here: <https://bit.ly/ucuannualmeeting>

IMPORTANT NOTE ABOUT REGISTRATION

Please register each voting member individually.

Please access the meeting on your own device if possible; do not share with your partner.

Part of the process of the annual meeting will be polling our voting members. In order to make the voting process most effective and efficient, you will need to be on your own device and not sharing with a partner. Access to Zoom is available from computers, laptops, phones, and tablets. If you only have one device and need to share with another voting member, please let us know by email to song@unityunitarian.org.

Zoom offers written and video tutorials on how to join a meeting from various devices: <https://bit.ly/ucuzoomhelp>

All are welcome to attend; only eligible voting members can vote.

Eligible voting members include those who have signed the membership book and have made an identifiable pledge in the current or upcoming year and made a payment on that pledge. If you wish to become a voting member before the annual meeting, please contact Laura Park at laura@unityunitarian.org to arrange a private ceremony.

Budget Information Session

Sunday, November 15 • 2:00 p.m. • Register here: <http://bit.ly/budgetinfo15>

Do you have questions about the financial landscape at Unity Church? Do you want to learn more about the 2021 budgets that the congregation will be asked to approve on November 21 at the annual meeting? We are providing an opportunity for curious congregants to ask questions and explore in detail the church finances and 2021 proposed operating and capital budgets. Please join Barbara Hubbard, Executive Director, at this budget information session or contact her with questions at barbara@unityunitarian.org or 651-228-1456 x116.

149th Annual Meeting of the Congregation
Saturday, November 21, 2020 • 10:00 a.m.
Meeting Agenda

Convening of Meeting

Hymn: *Turn the World Around*

We come from the mountain (ocean, fire, heartland, story, mountain)

Living in the mountain

Go back to the mountain

Turn the world around.

Invocation and Bond of Fellowship (read in unison, please rise as you are able)

*As those who believe in religion,
As those who believe in freedom, fellowship, and character in religion
As those who believe that the religious life means the thankful,
trustful, loyal and helpful life, and
As those who believe that a church is a community of helpers,
wherein it is made easier to lead such a life;
We join ourselves together, name, hand, and heart
as members of Unity Church*

William Channing Gannett March 9, 1879, adapted

Adoption of Robert's Rules of Order

Election of Parliamentarian

Approval of the Minutes of November 16, 2019, Annual Meeting

In Memoriam

Congregational Updates

- Ministries
- Updated Approach to Anti-Racism and Multicultural Initiatives
- 2019-2020 Board Activities
- Congregational Survey Summary
- Transition Update

Congregational Business

- Honoring Sally Scoggin
- Election of New Trustees
- Announcement of 2020-2021 Board Officers
- Acknowledgment of Outgoing Trustees
- Presentation and Vote on the 2021 Operating and Capital Budgets
- Status Report on Capital Debt

Words of Thanks from Board of Trustees to Executive Team and Staff

Closing

**148th Annual Meeting of the Congregation of Unity Church–Unitarian
Saturday, November 16, 2019 — 10:00 a.m.
DRAFT MINUTES**

BOARD MEMBERS PRESENT: Jennifer Tong, Chair; Jill van Koolwijk, Secretary, Nila Gouldin, John Steiner-Manning, Clover Earl, Ruth Kirkland, Nancy Evert, Justin Cummins, Jackie Smith

EXECUTIVE TEAM: Janne Eller-Isaacs, Rob Eller-Isaacs, Barbara Hubbard, Lisa Friedman, K.P. Hong

PARLIAMENTARIAN: Sally Scoggin

VOTING MEMBERS: There were 144 voting members present. Quorum was 90.

CONVENING OF THE MEETING

Jennifer Tong convened the meeting at 10:06 a.m.

Singing of hymn “Turn the World Around”

Unison reading of Invocation and Bond of Fellowship

ADOPTION OF ROBERT’S RULES OF ORDER

Motion to adopt Robert’s Rules of Order was made by Peggy Lin. Don Brunnquell seconded the motion. There was no discussion and the motion was unanimously approved.

ELECTION OF PARLIAMENTARIAN

Motion to approve Sally Scoggin as parliamentarian was made by Mark Foster. Betsy Moore seconded the motion. There was no discussion and the motion was unanimously approved.

APPROVAL OF NOVEMBER 17, 2018, ANNUAL MEETING MINUTES WITH AMENDMENTS

(620 Households / year 2019 for capital improvement projects / approval of the capital budget)

Motion to approve the minutes from the 147th Annual Meeting of the Congregation with amendments was made by Tom Merritt. Barry Bridges seconded the motion. There was no discussion and the motion was unanimously approved.

IN MEMORIAM

Janne Eller-Isaacs and Rob Eller-Isaacs read the names of members who have died since the last Annual Meeting. They included: Henriette Klingel Johnsen, Johanna Sulser, Mary Temple, Clarice L. Swisher, Trudie Green Ellsworth, Nancy Lee Hanel Moe, John Watson Greenman, George Kenneth Gordon, William Lee Krubsack, Eleanor Doris Felker.

CONGREGATIONAL UPDATES

MINISTRIES

A thorough presentation of the scope of our congregational ministries appears in the 2018-2019 Annual Report.

UPDATE TO ANTI-RACISM / MULTICULTURAL INITIATIVE

Authenticity and faithfulness can be opposites, but are embraced in our approach to anti-racism and multicultural initiatives. The ARLT (Anti-Racism Leadership Team) ended this year and the work was folded into the monitoring responsibilities of the Board of Trustees. Measuring and monitoring our steps toward “Widening the Circle” (creating a multicultural spiritual home, an ever-widening circle of belonging, and brave space for racial healing and dismantling dominant culture) is important work that effects all aspects of our church programming. The Beloved Community Staff Team and Team Dynamics will be collecting data to monitor this work. We are engaging artists-in-residence to guide us in creative ways. Our music ministry is also leading us in this effort.

BOARD OF TRUSTEES

2018-2019 BOARD ACTIVITIES

The Board asked the Executive Team to develop interpretations and strategic priorities to guide church programming.

To ensure stability and financial strength into the future and through our transition process, the Board approved an updated set of financial limitations. Barbara Hubbard also developed a new reporting system which provides highlights of key financial results as well as forecasts.

The Board worked more with BoardEffect, our new computer software to communicate online and build an online library for board documents.

The ARLT (Anti-Racism Leadership Team) work was folded into board work. Measuring and monitoring the congregation's steps toward "Widening the Circle" will affect all aspects of our church programming.

The Board focused on the ministerial transition as the most significant upcoming event. Rob and Janne Eller-Isaacs will retire in June 2020 and the Transition Sub-team is working with Jen Crow, our UUA consultant to help us manage this significant change.

This year the board voted to add the Reverend KP Hong to the Executive Team as the lead in Unity's multicultural initiative, and to provide additional continuity through our interim period before we have a new called minister in place.

CONGREGATIONAL SURVEY SUMMARY

The Church-Lady Chat video showed a conversation between board chair Jennifer Tong and Laura Park, Unity's policy governance consultant.

TRANSITION UPDATE

John Steiner-Manning reported on staff transitions. Our senior co-ministers, Janne and Rob Eller-Isaacs will be retiring mid-year and the Board of Trustees will hire an interim minister to serve for a year beginning in August, 2020. Karen Hering will move into a full-time position as Associate Minister of Care and Transition to oversee the pastoral care program during the transition and will work with KP Hong, Minister of Faith Formation, and Lisa Friedman, Minister of Congregational and Community Engagement.

The Transition Sub-team is also coordinating a process to create a slate of candidates for a Search Team for a new senior minister. The congregation will be voting next April to select the members of the Search Team.

The three focus areas of the Transition Sub-team are:

- Celebrating Janne and Rob and their twenty-year ministry at unity Church
- Recruiting an interim minister, starting summer of 2020
- Calling a new senior minister, starting summer of 2021

CONGREGATIONAL BUSINESS

ELECTION OF NEW TRUSTEES

Motion to approve Jennifer Tong (second term), Alex Askew, and Louise Livesay-Al as new trustees was made by the Board. Ken Green seconded the motion. There was no discussion and the motion was unanimously approved.

ANNOUNCEMENT OF 2018-19 BOARD OFFICERS

Jill van Koolwijk will remain secretary and Jackie Smith was announced as the new chair. Jackie Smith thanked the outgoing trustees — John Steiner-Manning and Nancy Evert — for their service, and Jennifer Tong for her incredible work as this year's Board Chair.

PRESENTATION AND VOTE ON THE 2020 OPERATING AND CAPITAL BUDGETS

2020 BUDGET PRESENTATION

Motion to approve the 2020 operating budget was made by the Board. Ellen Green seconded the motion.

Barbara Hubbard presented some historical documents from 1905 that were found in the home of a deceased church member, Sally Lehmann. She honored the heritage and legacy of Unity Church.

The church's finances include three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Highlights in the 2020 proposed operating budget:

- The pledge goal for next year is \$1,350,000
- 598 households have pledged \$1,224,324 for 2020, and we are \$125,000 away from our goal. If our 2020 pledges are not at \$1,325,000 by the date of our annual certification with the UUA (February 1, 2020), we will adjust the budget accordingly.

- With our focus on multicultural initiatives, a portion of the Helener Currier gift will be dedicated over a three-year period (2019, 2020 and 2021) to consulting and training with Team Dynamics, special music, artists-in-residence, publicity and outreach, and a portion of Rev KP Hong's salary and benefits. The proposed 2020 allocation from the Currier bequest is \$117,427.
- Minister's salaries are budgeted at 95% - 100% of the national market range to ensure budget capacity in anticipation of the transition.
- Our Director of Music Ministries, Ahmed Anzaldúa, is joined by a part-time organist.
- We are factoring in a 3% cost of living adjustment (COLA) for employees who are currently paid less than the annual equivalent of \$50,000. There is no COLA built in for those who earn \$50,000 and more.
- \$40,000 will be allocated from the Jane Bose bequest to add a half-time Director of Finance.
- We will hire a Maintenance Supervisor after Bill Lowell's retirement.
- Health insurance will increase by 5.0% in 2020.
- UUA and Mid-America Region dues are budgeted to increase by 5%.
- There will be a full financial audit next year in preparation for the upcoming ministerial transition.

There was a question by Marv McNeff about the fair share towards the UUA. We are making a 5% increase toward our fair share goal.

Grant Wacker commented on the outstanding financial report and standing of the church.

The motion to approve the operating budget was unanimously approved.

STATUS REPORT ON CAPITAL DEBT

Motion to approve the 2020 capital budget was made by the Board. Mark Foster seconded the motion.

In 2015, the congregation began making capital pledges in addition to operating pledges. Capital pledges allow us to pay debt service and provide funds for capital acquisitions and repairs. Capital pledge totals have averaged about \$200,000 each year from over 300 households. Capital funds in reserve are \$267,762 as of 10/31/19. The debt service of the Unity Tomorrow Campaign is \$142,512 for each year.

The motion to approve the capital budget was unanimously approved.

WORDS OF THANKS FROM BOARD OF TRUSTEES TO EXECUTIVE TEAM AND STAFF

Jackie Smith thanked the Executive Team for their leadership and vision and thanked each member of the church staff for their contributions, including the faithful service of Sally Scoggin.

ADJOURNMENT

Jackie Smith closed the meeting with a reading.

The meeting was adjourned at 11:25 a.m.

Minutes respectfully submitted by Jill Van Koolwijk, Secretary

2019-20 Report from the Board of Trustees

The year has held more change and unpredictability than anyone could have imagined. The Unity Church trustees have continued to partner with church leadership to grow through this time, serve our community, and find new ways to bring spiritual strength through the joys and sorrows of life. The generational pandemic of systemic racism has become even more evident during the viral pandemic, and we have had to look deeply and act boldly to respond to both. The groundwork laid by the board in partnership with church leadership helps us lead through this time. It is not perfect, but it is authentic.

Adjusted Ministerial Transition

The shift to a church without walls was a shock to us all. The uncertainty it brought led to an examination of the ministerial transition timeline. The board and ministers worked together to adjust the ministerial transition timeline including the Ministerial Search Team process, a change in the Interim application, and an extension of the ministry of Rob and Janne Eller Issacs. The board has been grateful for the flexibility of the executive leadership throughout this process.

Capacity of Board to Follow and Monitor Financial Status

The groundwork laid over the past three years to enhance financial reporting and monitoring continues to bear positive results. The quality and clarity of reporting means that the volunteer board better understands the many aspects of the financial condition of our church. That clarity allows a trusting relationship, and confidence between the board and leadership. This has been key as many (formerly) unconventional shifts in resources have taken place.

A Commitment to our Ends

As the board dug deeper into the Ends and our commitment to building a multicultural spiritual home, members worked to create more authentic ways for understanding our congregation. A driving question continues to be the Congregational Survey was one such tool. Additionally, the board saw the Intercultural Development Inventory and accompanying reports as a way to explore the board's immediate relationship with culture, identity, and how we reflect the larger church. The whole board engaged in the inventory, a group summary, and individual debriefs. This led to an exciting next step when the board and IDI facilitators agreed to collaborate to pilot a Intercultural Development program suited to our community. It has been a rich, challenging, and honest opportunity for the board to explore the culture we bring to our work and how that interacts among and beyond our church.

As always, but especially now, the board is grateful for the support of the congregation as we work together on our mission to foster transformation through a free and inclusive religious community that encourages lives of integrity, service, and joy.

Jackie Smith, Chair, Board of Trustees
Unity Church-Unitarian
November 11, 2020

Board of Trustees Nominees



Kevin Harris has been attending Unity Church for over 25 years. He is a retired engineer who raised a family of three in Saint Paul with his wife Kate. Their youngest son Samuel is a sophomore at St. Olaf College where he is studying piano performance. His daughter Kendra studied neuroscience at Wesleyan, attended medical school, and is on her second year of residency at The Mayo Clinic. His oldest son Ryan is a retired NFL player and sports show broadcaster in Denver, Colorado, and provides radio color commentary for the Notre Dame Fighting Irish football team. Kevin loves football, astronomy, woodworking, and teaching his three grandchildren William, Betty, and Benjamin about the power of curiosity and the wonders of music and science.



Mary Hernández moved to St. Paul almost 25 years ago to attend the University of St. Thomas and promptly fell in love with the city. She and her husband, Layo, met in Guatemala, shortly after her college graduation. They found Unity Church in 2008 when they were looking for a liberal faith community in which to raise their young children. From the beginning, their family has felt at home here and count themselves among the group whose primary spiritual practice is caring for their children. In Mary's professional life, she is a maternal-child focused Public Health Nurse in Ramsey County, working primarily with first-time moms and their kiddos. She is also a runner, and recently completed her first marathon, a virtual marathon at that! Mary is really excited to join the Unity Church board and is grateful and humbled by the opportunity to serve.



Jess Landgraf's move to St. Paul from rural Iowa/Oregon in fall 2015 was a shock moderated by following her wife to Unity Church the next winter. Now, with their collie dog, backyard hens, and neighborhood community built through gardening and daily walks about, Jess feel more at home here.

Fiscal Year 2021 Proposed Operating and Capital Budgets

**Fiscal Year 2021 Proposed Operating Budget
(1/1/21-12/31/21) as of October 15, 2020**

	FY 2020 Approved Budget 1/01/20-12/31/20	FY 2020 Forecast thru YE 1/01/20-12/31/20	FY 2021 Proposed Budget 1/01/21-12/31/21	Budget Note #
INCOME				
Gross Pledges	1,350,000	1,353,481	1,350,000	1.
Less Shrinkage	(47,250)	(67,674)	(67,500)	
Net Pledges	<u>1,302,750</u>	<u>1,285,807</u>	<u>1,282,500</u>	
Gifts, Offerings and Fundraisers	90,000	87,832	118,000	2.
Program Income	103,459	30,412	50,606	3.
Investment Income	50,000	48,000	50,000	4.
Church Facility Rental	43,512	13,898	22,904	5.
Bequest Income	157,427	0	191,219	6.
Payment Protection Program Inc	0	224,000	0	7.
Capital Pledge Inc for Debt Service	142,512	142,512	142,512	8.
Other Funds and Grants	36,750	26,082	29,700	9.
Total Income	<u>1,926,409</u>	<u>1,858,542</u>	<u>1,887,441</u>	
EXPENSE				
Governance	19,700	23,198	13,600	11.
Program				
Salaries, Taxes & Fringe	751,060	799,812	769,796	10.
Other Program Expense	333,617	267,444	328,215	12.
Total Program Exp	<u>1,084,677</u>	<u>1,067,256</u>	<u>1,098,012</u>	
Development	12,350	3,040	9,350	13.
Administration / Operations				
Salaries, Taxes & Fringe	450,495	406,007	407,347	10.
Other Admin/Operations Expense	359,187	360,663	359,133	14.
Total Admin / Operations	<u>809,682</u>	<u>766,671</u>	<u>766,480</u>	
Total Expense	<u>1,926,409</u>	<u>1,860,164</u>	<u>1,887,441</u>	
INCOME OVER/(UNDER) EXPENSE	<u>0</u>	<u>(1,622)</u>	<u>(0)</u>	

Unity Church–Unitarian Proposed Operating Budget Narrative — Fiscal Year 2021

Attached you will find the proposed budget summary for Fiscal Year 2021 which runs from January 1 through December 31, 2021. This budget was developed by the Executive Team, affirmed by the Board of Trustees and is being presented to the voting members of the congregation for approval at the Annual Meeting on November 21, 2020.

The 2021 budget was written in the late summer and early fall of 2020 during the Coronavirus pandemic. Unity's building has been closed since March 14 and we have moved all programs and worship online. Given the uncertain timing of an effective vaccine, we are assuming for the purposes of the 2021 budget that the church building we remain closed through June 30 and begin to re-open on July 1, 2021. This underlying assumption has a variable impact on both income and expense in the coming year. We have done our best to make projections that consider past financial data, tempered by the current experience of being closed, with assumptions for the future.

INCOME: \$1,887,441

1. Pledge Income (Net) \$1,282,500

2021 pledges are projected at \$1,350,000, the same level as was projected and reached in 2020. Normally, we expect 3.5% of our pledges to be uncollectible. In 2021, we have increased the expected uncollectible amount to 5.0% because of uncertainties in the economy. Net pledges account for 68% of our total budgeted income.

- Current pledge analysis available upon request.
- If we have not received \$1,320,000 in pledges by February 1, 2021 (the date of our annual certification with the UUA), we will adjust the budget accordingly. (In 2020, we received \$32k in additional pledges between February 1 and October 15.)

2. Gifts, Offerings and Fundraisers \$118,000

Unrestricted special gifts are budgeted at \$48,000 for 2021. This projection is higher than in past years, reflecting the generosity being expressed for the church's virtual presence in a challenging time.

Sunday offering income is projected to be in excess of \$120,000 in 2021. 70% of most offerings is given to offering recipient organizations and 30% is kept to support our outreach ministries in the operating budget. 100% of emergency offerings are given to the recipient, as are offerings for the Arthur Foote Music Fund and the Hallman Ministerial Intern Fund. We are projecting \$40,000 in offering income in the 2021 operating budget.

We are planning a fundraising auction in 2021, providing \$30,000 of income.

3. Program Income \$50,606

Program income includes fees from weddings, memorials for those who are not members, children's musical ticket sales, religious education program fees, summer camps, retreat fees and food ministry income (Wellspring Wednesday, soup suppers and pancakes). In 2021, we are projecting about 50% of the program income that was in the approved 2020 budget. The staff is engaging creative ways to hold programs online while the building is closed, and we're even planning a virtual children's musical!

4. Investment Income \$50,000

\$30,000 of the investment income in the operating budget comes from the cash dividends from Unity Church endowments that are "Held by Others," including the Mary Lou Diether Trust held at U.S. Bank and the Unity Church-Unitarian Fund held at The Saint Paul Foundation.

The remaining \$20,000 is an allocation of endowment income per our spending policy that is calculated at 5% of the last 12-quarter average.

5. Church Facility Rental Income \$22,904

Facility rental income is another area where we are seeing a significant reduction due to the pandemic. One Voice is maintaining their office space and we have contracted with the New Century Club to host their meetings on Zoom, but all other building rental income is on hold until we reopen.

6. Bequest Income \$191,219

In 2019, we received the first installment of a generous bequest from the estate of Ms. Helener Currier, and we are expecting the second and final installment in 2020.

Ms. Currier's primary interest was in encouraging greater racial inclusion at Unity Church and supporting our anti-racism efforts. Given the current Ends statements and the focus on multicultural initiatives, we are dedicating a portion of this generous bequest to support our three year Multicultural Initiative Program which began in 2019. The MCI program has allowed for new initiatives including consulting and training with Team Dynamics, IDI work, special music, artists-in-residence, publicity and outreach and a portion of Rev KP Hong's salary and benefits. The proposed 2021 allocation from the Currier bequest is \$151,219 and supports 50% of our new community outreach coordinator who is scheduled to be hired on June 1, 2021.

In 2020, we hired a half time director of finance to strength the administrative staff team and to prepare for the eventual retirement of the executive director. The 2020 approved budget included \$40,000 from a bequest for the first year of funding for this position.

Given the changes in ministerial transition, the receipt of the PPP loan and other changes in the 2020 budget due to the pandemic, we have deferred the 2020 use of these bequests to the 2021 budget.

7. Payment Protection Program (\$0 in 2021)

Unity Church applied for and received a PPP loan in April of 2020. This \$224,000 paid for salaries and benefits, utilities and mortgage interest during an eight week period from April 16 through June 10. We anticipate that all of this loan will be forgiven, allowing us to end 2020 with a positive bottom line.

8. Capital Pledge Income for Debt Service \$142,512

2021 marks the fifth year of our long-term mortgage that resulted from our 2012 Unity Tomorrow capital project. The 2021 budget includes \$142,512 of capital pledge income to address the annual debt service on this loan. Capital pledges make it possible to cover the debt service without impact to programming.

This is a five year note on a 20 year amortization schedule with a fixed 4.0% interest rate. We will be renegotiating this loan in the last half of 2021. You will find additional detail about our capital debt in the narrative that accompanies the proposed 2021 capital budget.

9. Other Funds and Grants \$29,700

Other Funds and Grants includes income from an annual Hallman Internship gift, a small portion of Unity Consulting income, fiscal sponsorship fees and miscellaneous income from copiers and the electric vehicle charging station.

EXPENSE: \$1,887,441

Expenses fall into basically four categories: staff salaries, taxes and benefits (62.3%), the costs associated with providing our governance, worship and programs (18.1%), expenses in resource development, administration and facilities (12.0%) and debt service (7.6%).

10. Staff Salaries, Taxes and Benefits

Staff costs are grouped into two categories in the budget. Program staff costs of \$769,796 include ministry, music, religious education and congregational life personnel. Administration / Operations staff costs of \$359,133 include communications, administration and facilities personnel. Salaries and benefits represent 62.3% of total expenses.

2021 staff salaries and benefits total \$1,177,143 and include:

- Our senior co-ministers, Janne and Rob Eller-Isaacs graciously delayed their 2020 retirement when the Board made the request at the onset of the pandemic. They will be retiring mid-year in 2021.
- We have budgeted for an interim minister to begin on August 1, 2021 at the UUA's recommended compensation for a church of our size.
- With Rev Lisa Friedman's departure in 2020, Karen Hering began a full time position as associate minister, and beginning in July of 2021 will oversee the Pastoral Care program. Laura Park accepted the position of acting director of membership and hospitality when Lisa left, and will continue in that role through the coming year.
- Our associate minister's salaries are budgeted at 100% of the national market range in 2021 to ensure budget capacity in anticipation of the transition.

- We are planning to hire a part time community outreach coordinator in the summer of 2021 as Rev. Karen Hering moves into the pastoral care program.
- There is no cost of living adjustment (COLA) budgeted for employees in 2021. Some adjustments have been made to ensure that staff are paid at market rate.
- We added administrative capacity in the area of finance in 2020, and will sustain this position into the future, allowing the Executive Director's position to focus on other priorities.
- In response to Bill Lowell's retirement in May of 2020 and to the closing of the building, we restructured our facilities team. We hired Heidi Birkholz into the maintenance coordinator position, complementing the work of our facilities coordinator, Teresa Connor and Olennda Bryant, our third facilities team member. When we are able to safely reopen the building in 2021, we will add more hours in this area to accommodate the additional work.
- Unity's health and dental insurance premiums through the UUA are not budgeted to increase in 2021. The employee's share of premium remains at 20%.
- Retirement benefits remain at 10% of salary for all eligible employees.

11. Governance Expense \$13,600

This area includes Board and Executive Team general expenses including meetings, professional fees and the Board's software.

The church engaged a full financial audit of the 12/31/19 financial position in 2020 (copies are available upon request) and will engage an outside review of the 12/31/20 financial position in 2021.

12. Program Expense \$1,098,012

This category includes both staff and non-staff costs of \$769,796 and \$328,215 respectively.

Included are the costs of the worship, pastoral care, music ministries, lifespan religious education, Wellspring Wednesday, community outreach, membership and multicultural initiative programs.

UUA and Mid-America Region dues are budgeted to increase by 5% to \$67,181 in 2021. This represents another step toward the goal of 100% fair share.

13. Development Expense \$9,350

This includes the cost of the annual pledge drive, the Heritage Society event (virtual – no dinner) and our annual fundraiser expense.

14. Administration / Operations Expense \$766,480

This category includes both staff and non-staff costs of \$407,347 and \$359,133 respectively.

Included are the administrative and facilities expenses for communications, office and facilities supplies, office supplies and equipment, computers, telephones, postage, utilities, property and equipment maintenance, purchased services and insurance.

The 2021 facilities expense budget includes the \$142,512 of debt service that is paid by capital pledges. (See budget note #8)

**Fiscal Year 2021 Proposed Capital Budget
(1/1/21-12/31/21)**

\$ 5,000.00	Ames Chapel: commission artwork for the chancel
\$10,000.00	Eliot Wing NW exterior: window wells
\$15,000.00	HVAC improvements: Bipolar Ionization
\$15,000.00	Sanctuary: upgrade lighting
\$ 7,500.00	Parish Hall: refinish the floor
<u>\$22,500.00</u>	Sanctuary live streaming: extend to three other rooms in the church
\$75,000.00	Total 2021 Proposed Capital Budget

Unity Church—Unitarian Proposed Capital Budget Narrative — Fiscal Year 2021

2017 was the first year of our long-term mortgage that resulted from our 2012 Unity Tomorrow capital project. The project cost \$8.0 million and we raised \$6.8 million in commitments. After paying principal and interest on the short term construction loan for 4.5 years, we converted the remaining \$1,950,000 of debt to a long term note on January 1, 2017. This is a five year note on a 20 year amortization schedule with a fixed 4.0% interest rate.

Debt service is \$142,512 each year and is being paid from Capital pledges, which are adequate to cover this debt service without impact to programming. We will be required to refinance the loan at the end of 2021, either with the current or another banking institution, without prepayment penalty.

In addition to debt service payments, we are allowed to pre-pay up to 20% of the principal balance each year without penalty. Since 2017, we have made additional loan principal payments of \$466,772.08, leaving a loan balance of \$1,293,993 remaining as of 12/31/2019.

In 2015, the congregation began making capital pledges in addition to operating pledges. Capital pledges allow us to pay debt service and provide funds for capital acquisitions and repairs, thus avoiding deferred maintenance and protecting the operating budget. Capital pledge totals average \$218,000 each year from over 300 households.

Income from Capital Reserves and 2021 Pledges: \$507,142

- **Capital funds in reserve as of 09/30/20 = \$250,567**
This represents the capital pledges collected since 2015, less annual debt service and the acquisitions and repairs made through 09/30/20.
- **4th quarter, 2020 projected receipts = \$49,475**
- **Projected 2021 capital pledge receipts (Net) = \$207,100**
\$218,000 Projected Capital pledges, less a 5% shrinkage allowance.

Expense (4th Quarter 2020 & 2021): \$288,140

- **Acquisitions and repairs**
2020: 4th Quarter expenses (roof repair) = \$35,000
2021: Proposed acquisitions and repairs (see detail) = \$75,000
- **Debt service**
4th Quarter, 2020 debt service = \$35,628
2021 (Year 5 of 5) = \$142,512

Projected reserve as of 12/31/2021: \$219,002

Unity Church–Unitarian

BOARD OF TRUSTEES

Alex Askew
Justin Cummins
Clover Earl
Nila Gouldin
Ruth Kirkland
Louise Livesay-Al
Jackie Smith, Chair
Jennifer Tong
Jill van Koolwijk, Secretary

EXECUTIVE TEAM

Rev. Janne Eller-Isaacs, Senior Co-Minister
Rev. Rob Eller-Isaacs, Senior Co-Minister
Rev. KP Hong, Minister of Faith Formation
Barbara Hubbard, Executive Director

CHURCH STAFF

Ahmed Anzaldúa, Director of Music Ministries
Heidi Birkholz, Facilities Maintenance Coordinator
Olentda Bryant, Facilities Team Member
Teresa Connor, Facilities Operations Coordinator
Drew Danielson, Coordinator of Youth and Campus Ministry
Rev. Karen Hering, Associate Minister
Ray Hommeyer, Nursery Coordinator & Youth Ministry Assistant
Robin MacKenzie-Taris, Nursery Supervisor
Emma Mathews-Lingen, Facilities Team Member
Michelle Mecey, Coordinator of Children's Ministries
Laura Park, Acting Director of Membership and Hospitality
Vernon Sowell, Director of Finance
Madeline Summers, Volunteer Coordinator
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