



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  
151st Annual Meeting of the Congregation  
Saturday, November 19, 2022 • 10:00 a.m.  
Pancake breakfast in the Parish Hall at 8:30 a.m.**

### ATTEND IN-PERSON

Sanctuary, Unity Church

**Please arrive to church 15 minutes early so that the board can secure a quorum.**

### ATTEND ONLINE

Zoom Webinar: <https://bit.ly/unitymeets22>

**Please arrive to the Zoom webinar 15 minutes early so that the board can secure a quorum.**

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. If you only have one device and need to share with another voting member, please let us know by email to [song@unityunitarian.org](mailto:song@unityunitarian.org).

All are welcome to attend (online and in-person); 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](mailto:laura@unityunitarian.org) to arrange a private ceremony.

### 2021-2022 ANNUAL REPORT

Access the annual report online at <https://bit.ly/ucannualreport2122>



**151st Annual Meeting of the Congregation**  
**Saturday, November 19, 2022 • 10:00 a.m.**  
**Meeting Agenda**

Convening of Meeting

Hymn

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 the November 20, 2021, Annual Meeting

Approval of the Minutes of the May 22, 2022, Congregational Meeting

In Memoriam

Congregational Updates

- Ministries
- 2021-2022 Board Activities
- "Forward Together" Report

Congregational Business

- Election of New Trustees
- Announcement of 2022-2023 Board Officers
- Acknowledgment of Outgoing Trustees
- Status Report on the Capital Debt
- Presentation and vote on the 2023 Operating and Capital Budgets

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

Closing

**150th Annual Meeting of the Congregation  
Unity Church-Unitarian  
Saturday, November 20, 2021 • 10:00 a.m.  
Draft Minutes**

**CONVENING OF MEETING**

Clover Earl (Chair of the Board of Trustees) convened the meeting at 10:01 am and lit the chalice. Quorum was announced with 138 voting members in attendance either in-person or via Zoom.

**HYMN**

(347) Gather the Spirit

**INVOCATION AND BOND OF FELLOWSHIP**

*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 as adapted

**ADOPTION OF ROBERT'S RULES OF ORDER**

Marg Walker moved to adopt Robert's Rules of Order for the meeting. Mark Foster seconded the motion. The motion was carried by voice.

**ELECTION OF PARLIAMENTARIAN**

Mark Foster moved to approve Jack Rossmann as parliamentarian. Hal Freshley seconded the motion. The motion was carried by voice.

**APPROVAL OF THE MINUTES OF THE NOVEMBER 21, 2020 ANNUAL MEETING**

Karen (?) moved to accept the minutes of the November 21, 2020, Annual Meeting. Heather (?) seconded the motion. The motion was carried by voice.

**IN MEMORIAM**

Revs. Kathy Hurt and Karen Hering led a remembrance for the members who have passed over the past year. See page three of the 2020-2021 Annual Report for a complete list of those held in memoriam.

**CONGREGATIONAL UPDATES**

• **Ministries**

Rev. KP Hong discussed updates on Unity's ministries

• **2020-2021 Board Activities**

Clover Earl led a reflection on the Board's activities over the 2020-21 church year

• **Congregational Ministerial Search Team Update**

Avi Viswanathan and Betsy Hearn led an update on the progress of the Ministerial Search Team

• **Interim Year Update**

Rev. Kathy Hurt gave an overview of the interim year, the progress made and tasks ahead

## **CONGREGATIONAL BUSINESS**

- **Election of New Trustees**

There was a motion and a second to accept the proposed slate of Debbie Cushman, Clover Earl, and Kevin Ely as new members of the Board of Trustees. The motion was carried by voice.

- **Announcement of 2021-2022 Board Officers**

Clover Earl announced that the incoming Chair of the Board of Trustees is Louise Livesay-Al and the incoming Secretary is Alex Askew.

- **Acknowledgment of Outgoing Trustees**

Clover Earl led the acknowledgement of outgoing trustees including Jackie Smith and Justin Cummins.

- **Presentation and vote on the 2022 Operating Budget**

There was a motion to accept the proposed 2022 operating budget. Carolyn Caswell seconded the motion. Barbara Hubbard led an overview of the proposed budget and answered questions from the congregation. The motion carried by voice.

- **Presentation and vote on the 2022 Capital Budget**

Pauline Eichten moved to accept the proposed 2022 capital budget. The motion was seconded. Barbara Hubbard led an overview of the proposed budget and answered questions from the congregation. The motion carried by voice.

- **Status Report on the Capital Debt**

Barbara Hubbard led a discussion on the current status of the remaining capital debt and plans for its maintenance.

## **WORDS OF THANKS FROM THE BOARD OF TRUSTEES TO THE EXECUTIVE TEAM AND STAFF**

Clover Earl, on behalf of the Board of Trustees, expressed gratitude to the entire Executive Team and Staff of Unity Church–Unitarian for all the work over the past year.

## **CLOSING**

There was a motion and a second to adjourn the 150th annual meeting of the congregation. The motion carried by voice. Louise Livesay-Al adjourned the meeting.

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Minutes respectfully submitted by Alex Askew, Secretary

**Special Meeting of the Congregation  
Unity Church-Unitarian  
Sunday, May 22, 2022 • 1:00 p.m.  
Draft Minutes**

**CONVENING OF MEETING**

Louise Livesay-Al (Chair of the Board of Trustees) convened the meeting at 1:28 p.m. Quorum was announced with 471 voting members in attendance either in-person or via Zoom.

**HYMN**

(347) Gather the Spirit

**INVOCATION, CHALICE LIGHTING, AND BOND OF FELLOWSHIP**

*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 member of Unity Church  
William Channing Gannett, March 9, 1879 (adapted)*

**ADOPTION OF ROBERT'S RULES OF ORDER**

At 1:41 p.m. Bryan Smith moved to adopt Robert's Rules of Order for the meeting. Barry Riesch seconded the motion. The motion was carried by voice.

**ELECTION OF PARLIAMENTARIAN**

At 1:42 p.m. Jill van Koolwijk moved to approve Jack Rossmann as parliamentarian. Cathy Petersen seconded the motion. The motion was carried by voice.

**MAIN BUSINESS**

At 1:54 p.m. Dan Huelster moved to call the Reverend Hannah Roberts Villnave as the next Senior Minister of Unity Church–Unitarian. Morgan France-Ramirez seconded the motion.

Discussion was held.

At 3:10 p.m. a motion of previous question was brought forth and seconded. A vote was held with 247 in favor and 170 against. The motion of previous question failed, receiving less than the 2/3 necessary.

Discussion was held.

At 3:30 p.m. a motion of previous question was brought forth and seconded. A vote was held with 327 in favor and 86 against. The motion of previous question succeeded, receiving the 2/3 necessary.

Voting was held on the motion to call the Reverend Hannah Roberts Villnave as the next Senior Minister of Unity Church – Unitarian via written ballot. 279 votes were cast in favor from the 440 members present. The final vote tally of 63.4% did not meet the 3/4 threshold and the motion failed.

**MUSIC**

**ANNOUNCEMENT**

An announcement was made regarding immediate next steps from the board and inviting all attendees into fellowship following the meeting.

**CLOSING**

At 4:03 p.m. Louise Livesay-Al closed the meeting.

## 2020-21 Report from the Board of Trustees

This church year has been one with many unexpected twists and turns, and opportunities to practice reflection, resilience, and endurance as a Board.

When the church year began, we welcomed Interim Senior Minister Kathy Hurt. The Ministerial Search Team (MST) was already in place and well underway in their work to assemble a Congregational Record and hold cottage meetings. In the early part of 2022, the MST began the Settled Minister application review process. On March 2, we learned that our Minister Emeritus Rob Eller-Isaacs had been diagnosed with terminal cancer.

During the year, the Board's Capacity Committee worked to develop a process to more systematically bring new trustees on-board to help them become grounded in Policy Governance and how the Board does it work. This fall will be the trial run of the newly developed curriculum and resources for incoming trustees.

While the Board continued to do the annual work of board recruitment, this year we spent time working with the book *Hiring Revolution* by Team Dynamics to further assist us in developing a more transparent and informative application process. The Board also continued to monitor and evaluate the Executive Team's progress on the Ends through the Congregational Survey, administered the staff and volunteer surveys, linked with stakeholders, and monitored itself in its work.

In May when the congregational vote did not meet the threshold to call a new senior minister, the Board had to quickly pivot and determine next steps. The first decision was to extend the interim period an additional two years. The Board and Executive Team had conversations with the UUA about our options, and when it was clear that Rev. Dr. Kathy Hurt would not be able to extend her interim ministry at Unity we learned through the UUA Transitions Office that we had an interested candidate. The Board interviewed and extended an offer to Rev. Kathleen Rolenz to be Unity's next Interim Senior Minister; she began her work with us in August. We were impressed with Kathleen's record on working with congregations in crisis, her knowledge of Unity, and ability to assist us at this critical time in our congregational life.

The Board also worked with the Executive Team to gather information from what we have identified as the five sources: congregant communication about the impact of the congregational vote, a summary from Rev. Hurt of her takeaways and observations, a meeting with Rev. David Pyle from the UUA Mid-America District to gain perspective about what happened and what resources are available to us going forward, Rev. KP Hong's notes on the themes that emerged from the circle conversations held over the summer, and the MST report to the Board that was received late August. Our work has continued with Rev. Rolenz to provide guidance and discussion about where we go from here with the information we have gathered.

At the time of writing this report, the Board is in the process of compiling the key takeaways and action items we have identified from these sources. These lessons learned will guide the work of the Executive Team, Board, and congregation as we prepare for our next search. The Board and Executive Team will communicate opportunities for congregational engagement over the coming months.

This fall the Board voted to release the first phase of funds collected for Rob's and Janne's retirement. The money was given so they could purchase a teardrop trailer, which they had to decline because of Rob's diagnosis. The money will be given directly to the family to support in-home assistance for Janne that is not covered by insurance.

This has been a full year tending to the regular ongoing Board work and additional work which came unexpectedly. The Board has much work ahead of us and we are grateful for the input, trust, and patience we have received to do things thoughtfully and deliberately. Please stay engaged in the year ahead.

## Board of Trustees Nominees



**Mary Baremore** has been attending Unity Church since 2001, where she and her spouse, Bobbi Cordano, raised their two children, now 24 and 19 years old. Since then, she's been involved in many ways at Unity and finds joy being part of a community that encourages spiritual deepening and growth. Some of the milestones that still ring in her memory are being married by our senior ministers in Iowa in 2009 with eight other couples, being invited to join and sing with the Unity Singers, and traveling to Transylvania in 2013. She is grateful for the opportunity to serve the congregation as a member of the Board of Trustees. She is a newly-retired American Sign Language Interpreter and is still involved in the Deaf community locally and in Washington, DC.



**Louise Livesay-Al** has been a member of Unity Church for around 25 years, raising her children, Sam and Lily, here and attending Unity with her husband, Marc Al. She previously served on the Board almost 20 years ago and is happy to serve a consecutive term for the next three years. There is important work to do over this next term and she hopes that her leadership continuity will be helpful in this time of ongoing transition. She has been involved in many aspects of Unity Church around children, singing, women, giving, hospitality, and programming. She has also been a Compensation Consultant for the UUA, helping churches in ministerial transition put together thoughtful compensation packages. Professionally, Louise is a compassionate problem-solver as a collaborative family law attorney and lives in Vadnais Heights. Unity has been a critical part of Louise navigating life transitions and milestones.



**LauraSue Schlatter** and her husband Ron first joined Unity Church in 1997, about two years after starting to attend services with their then-young children, E and Eli. At the time, LauraSue was a lawyer, working for the Minnesota Attorney General's office, committed to practicing in the public sector. LauraSue's passion for Unity and Unitarian Universalism led her to take a 6-1/2 year detour from her legal career to serve as Unity's full time Membership Coordinator from 2000-2006. She returned to practicing law in 2007, having decided to make her religious life an avocation rather than a vocation. She is a partially-retired state Administrative Law Judge, fully retiring in December 2022. LauraSue focuses her spare time on her neighborhood Racial Affinity Group, reading, theater (she has a background in playwriting), friends, the family felines (Scout and Marie), and of course, Ron and their family.

**Fiscal Year 2023 Proposed Operating Budget  
(1/1/23-12/31/23)**

	<b>FY 2022 Approved Budget</b> <small>1/01/22-12/31/22</small>	<b>FY 2022 Forecast thru YrEnd</b> <small>1/01/22-12/31/22</small>	<b>FY 2023 Proposed Budget</b> <small>1/01/23-12/31/23</small>	<b>Note #</b>
<b>INCOME</b>				
Gross Pledges	1,350,000	1,350,000	1,335,000	
Less Shrinkage	(40,500)	(39,682)	(40,050)	
Net Pledges	1,309,500	1,310,318	1,294,950	1.
Gifts, Offerings and Fundraisers	133,000	108,275	115,000	2.
Program Income	84,210	52,418	74,059	3.
Investment Income	70,000	80,000	80,000	4.
Church Facility Rental	32,710	34,110	36,175	5.
Bequest Income	165,336	117,389	183,263	6.
Capital Pledge Inc for Debt Service	142,500	140,018	140,018	7.
Other Funds and Grants	22,700	25,990	22,199	8.
<b>Total Income</b>	<u>1,959,956</u>	<u>1,868,517</u>	<u>1,945,664</u>	
<b>EXPENSE</b>				
Governance	13,600	13,911	13,615	10.
Program				
Salaries, Taxes & Fringe	789,067	788,165	833,802	9.
Other Program Expense	316,441	254,659	244,338	
Total Program Expense	<u>1,105,508</u>	<u>1,042,825</u>	<u>1,078,140</u>	11.
Development	10,850	7,021	10,000	12.
Administration / Operations				
Salaries, Taxes & Fringe	422,168	416,642	435,221	9.
Other Admin/Operations Expense	407,830	420,574	408,687	
Total Admin / Operations	<u>829,998</u>	<u>837,217</u>	<u>843,908</u>	13.
<b>Total Expense</b>	<u>1,959,956</u>	<u>1,900,974</u>	<u>1,945,664</u>	
<b>INCOME OVER/(UNDER) EXPENSE</b>	<u>0</u>	<u>(32,456)</u>	<u>0</u>	



## Unity Church—Unitarian Proposed Operating Budget Narrative — Fiscal Year 2023

Attached you will find the proposed operating budget summary for Fiscal Year 2023 which runs from January 1 through December 31, 2023. This budget was developed by the Executive Team, affirmed by the Board of Trustees and is being presented for approval by the voting members of the congregation at the Annual Meeting on November 19, 2022.

This dynamic time in our world and in the life of the church creates challenging dynamics for our operating budget. One dynamic is the uncertainty that is present in our congregation during our extended years of interim ministry. Another dynamic is the effect of the pandemic and how it changed the way that we “do church.” Three years after the pandemic began, we are gathering both in-person and online, which provides greater access to more people. At the same time, it demands more of our staff. We are actively working to evaluate staff capacity and fair compensation. The truth is that the 2023 operating budget falls short of the staff hours needed to fully support our ministries and operations. A third dynamic is that we are in challenging financial times. Some of our donors are strained, and it costs more to do business. Our \$1.8 million dollar budget means that we spend \$5,000 per day to keep the church running!

We have done our best to make projections that consider past financial data, current 2022 information, and what we can assume for the coming year.

### **INCOME   \$1,945,664**

#### **1. Pledge Income (Net) \$1,294,950**

2023 pledges are projected at \$1,335,000. We expect 3.0% of our pledges to be uncollectible, which is based on historical data. Net pledges account for 66.6% of our total budgeted income.

- A current pledge analysis is available upon request.
- If we have not received \$1,310,000 in pledges by February 1, 2023 (the date of our annual certification with the UUA), we will adjust the budget accordingly.

#### **2. Gifts, Offerings and Fundraisers \$115,000**

Unrestricted special gifts are budgeted at **\$40,000** for 2023. This projection factors in giving over the past three years, including the congregation’s response to our mid-year appeal in 2022.

Sunday offering income is projected to be in excess of \$115,000 in 2023. 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 **\$35,000** in offering income in the 2023 operating budget.

We are planning a fundraising event in 2023, providing **\$40,000** of income.

#### **3. Program Income \$74,059**

Program income includes income from weddings, memorials, the youth musical, religious education program fees, adult programs, summer camps, retreat fees and food ministry income.

#### **4. Investment Income \$80,000**

\$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 & Minnesota Foundation.

The remaining \$50,000 is an allocation of endowment income into the operating budget, approved by our Board of Trustees.

#### **5. Church Facility Rental Income \$36,175**

We are experiencing a rebound in facility rental income since we re-opened. The groups that make Unity their home include 12-Step groups, Medley Village Preschool, One Voice Mixed Chorus, the MN Hungarians, the New Century Club, MindStretch, Music Together, and others.

## 6. Bequest Income \$183,263

Since 2019, we have allocated a portion of the bequest from the estate of Helener Currier to fund our Multicultural Initiative (MCI) program. In 2022, we added bequests from Margaret Durham and Ruth Stryker-Gordon to this initiative. The MCI program has funded a portion of Rev. KP Hong's salary and benefits, and has allowed for consulting and training with Team Dynamics, IDI work, special music, artists-in-residence, publicity and outreach. The amount we expect to be remaining for the 2023 budget is \$77,180. From the start, the goal was to embed these initiatives into the programmatic life of the church, which has been happening.

Allocation of unrestricted bequests that are > \$100,000 require approval by the Board of Trustees. The Executive Team proposed and the Board of Trustees approved the allocation of Ruth Stryker-Gordon's \$106,083 bequest, received in 2022, for the 2023 operating budget. We recognize that using bequests in operating budgets should be considered only when there are critical and legitimate reasons, accompanied by a plan for sustaining the activities without the use of bequests in future years. We are in a highly dynamic time at Unity Church. Without this bequest, we would need to cut staff hours, positions and associated programs before we begin 2023. The Executive Team is committed to strengthening stewardship and re-evaluating staffing and programs in 2023 so that the 2024 budget is "right-sized" prior to calling a new senior minister.

## 7. Capital Pledge Income for Debt Service \$140,018

On January 1, 2017 we took out a long term note in the amount of \$1,950,000 to pay the balance of our 2012 *Unity Tomorrow* capital project. This was a five year note on a 20 year amortization schedule with a fixed 4.0% interest rate. The congregation approved this debt with the caveat that debt service could not exceed 10% of the annual operating budget.

2023 marks the seventh year of our long-term mortgage. After five years of debt service and additional gifts toward the principal, the balance was \$860,772 on December 15, 2021, when we renegotiated the terms. The new note is amortized over seven years with a fixed 3.70% interest rate. We expect to be able to pay the loan in full by the end of December, 2026 through debt service payments and additional gifts, two years prior to its maturity date.

The 2023 budget includes \$140,018 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. Annual debt service payments represent 7.2% of the 2023 operating budget.

## 8. Other Funds and Grants \$22,199

Other Funds and Grants includes income from an annual Hallman Internship gift, a small portion of Unity Consulting income, income from transaction fees and other miscellaneous income.

## EXPENSE \$1,944,664

Expenses fall into basically four categories: Staff salaries, taxes and benefits (65.2%), the costs associated with providing our governance, worship and programs (13.3%), expenses in resource development, administration and facilities (14.3%) and debt service (7.2%).

## 9. Staff Salaries, Taxes and Benefits

Staff costs are grouped into two categories in the budget. **Program staff costs of \$833,802** include ministry, music, religious education, community outreach and congregational life personnel. **Administration / Operations staff costs of \$435,221** include communications, administration and facilities personnel. Salaries and benefits represent 65% of total expenses.

2023 staff salaries and benefits total \$1,269,023 and include:

- Our Interim Senior Minister, Rev. Kathleen Rolenz, and our Interim Minister of Pastoral Care, Rev. Karen Gustafson, at the UUA's recommended compensation levels for a church of our size in our Geo-Index 4.
- Rev K.P. Hong is serving as an associate as our Minister of Faith Formation, budgeted at 100% of the national market range.
- We will not have a Hallman Ministerial Intern again until our settled ministerial leadership is in place. Ministerial staff roles and configurations will become clear as we call our new senior minister.

- Staff positions in the program, administrative, and facilities departments remain stable for the most part in the 2023 budget with the exception of the part-time community outreach coordinator position. These responsibilities have been absorbed by Rev. Rolenz and Rev. Hong until we can afford to rehire the position. We also need more hours in the areas of facilities, communications, and technology.
- A 3% cost of living adjustment (COLA) has been budgeted for all employees except for our interim ministers in 2023. This is the first COLA given to the staff since 2020 when we gave a COLA to those staff members making less than \$24/hour.
- Unity's health insurance premiums through the UUA are budgeted to increase by 10% in 2023. The employee's share of premium remains at 20%.
- Retirement benefits remain at 10% of salary for all eligible employees.

The Executive Team has made a commitment to develop a multi-year plan to appropriately compensate all staff based on the new UUA salary guidelines that will be published by the end of 2022. This will require the interim task of re-evaluating our staffing and programming, and ultimately restructuring in preparation for new settled ministry.

#### **10. Governance Expense \$13,615**

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

The church periodically engages a full financial audit, and an outside review of the year-end financial positions in non-audit years. The 2023 budget includes the expense of a year-end review of the 12/31/22 financial position of the church.

#### **11. Program Expense \$1,078,139**

This category includes both staff and non-staff costs of \$833,802 and \$244,338 respectively.

Included are the costs of the worship, pastoral care, music ministries, faith formation, Wellspring Wednesday, membership and multicultural initiative programs. UUA and Mid-America Region dues are budgeted to remain flat in 2023.

#### **12. Development Expense \$10,000**

This includes the cost of the annual pledge drive, the Heritage Society event, and our fundraiser expenses.

#### **13. Administration / Operations Expense \$843,908**

This category includes both staff and non-staff costs of \$435,221 and \$408,687, 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 2023 facilities expense budget includes the \$140,018 of debt service that is paid by capital pledges. (See budget note #7)

**Fiscal Year 2023 Proposed Capital Budget  
(1/1/23-12/31/23)**

**Income from Capital Reserves and 2023 Pledges**

Capital funds in reserve (as of 09/30/22)	254,718
4th Quarter, 2022 projected receipts	55,989
<b>2023 Projected Capital Pledges</b>	
Gross pledges	215,000
Less Shrinkage (4.0%)	<u>-8,600</u>
Net 2023 Pledges	<b>206,400</b>
 <b>Total Capital Funds Available thru 2023</b>	 <b><u><u>517,107</u></u></b>

**Expense (4th Quarter 2022 & 2023)**

<b>Acquisitions &amp; Repairs</b>	
2022: 4th Qt Exp	29,000
2023: Proposed Budget (See detail below)	<u>70,000</u>
	<b>99,000</b>
 <b>Debt Service</b>	
2022: 4th Qt Debt Service	35,005
2023: Debt Service	<u>140,018</u>
	<b>175,023</b>
 <b>Total Expense thru 2023</b>	 <b><u><u>274,023</u></u></b>

**Projected Reserve as of 12/31/2023** **243,085**

<b><u>2023 Proposed Capital Budget</u></b>	
Chapel Art	2,500
Multi-Platform upgrades in Parish Hall	22,000
St Albans parking lot renewal	17,000
Replace carpet in Foote Room & OVMC	14,500
Sound baffles in Foote Room	4,000
Holly Ave entrance water diversion plan	5,000
Replace Walkie-Talkie system	<u>5,000</u>
 <b>Total</b>	 <b><u>70,000</u></b>

## **Unity Church–Unitarian Proposed Capital Budget Narrative — Fiscal Year 2023**

2017 was the first year of our long-term debt that resulted from our 2012 *Unity Tomorrow* capital project. The *Unity Tomorrow* renovation tied together the church campus that had been built in five stages over more than 100 years. We created a new main entry, a restroom addition and updated the infrastructure with new, high efficiency systems. 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 was a five year note on a 20 year amortization schedule with a fixed 4.0% interest rate. The congregation approved this debt with the caveat that debt service could not exceed 10% of the annual operating budget, and we have stayed within that limit.

2023 marks the seventh year of our long-term mortgage. After five years of debt service and additional gifts toward the principal, the balance was \$860,772 on December 15 of 2021 when we renegotiated the terms. The new note is amortized over seven years with a fixed 3.70% interest rate. We expect to be able to pay the loan in full by the end of December, 2026 through debt service payments and additional gifts, two years prior to its maturity date. Annual debt service payments are \$140,018 and in 2023, this amount represents 7.2% of the operating budget.

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 pledges average \$215,000 each year from over 300 households.

As of September 30, 2022, we had \$255k in capital reserves. Between then and the end of 2023, we are projecting an additional \$262k in capital receipts, \$99k in capital acquisitions and repairs, and \$175k in additional debt service. We are anticipating capital reserves of \$243k at the end of 2023.

The 2023 proposed capital budget addresses needs for A/V equipment upgrades, renewing the Saint Albans parking lot with resurfacing and signage, carpet replacement, chapel art, a water diversion plan at the Holly Avenue entrance, and replacing our walkie-talkie system. Please see the proposed 2023 capital budget for more information.

## **BOARD OF TRUSTEES**

ALEX ASKEW, SECRETARY

DEBBIE CUSHMAN

CLOVER EARL

KEVIN ELY

KEVIN HARRIS

MARY HERNANDEZ

JESS LANDGRAF

LOUISE LIVESAY-AL, CHAIR

JENNIFER TONG

## **EXECUTIVE TEAM**

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