

UUCSS Long Range Planning Committee

Final Report for 2007-2008

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Summary Conclusions and Recommendations

Below are provided brief summaries of the major sections of this report and its conclusions and recommendations. The interested reader is encouraged to see the more detailed discussions of each of these topics which follow in the main body of this report.

Building on Site

Based on a meeting with James Hundt, professional architect who specializes in churches, the option of rebuilding on site to seat 200- 250 in a new worship space is virtually impossible due to the space limitations of our present site. Any external building changes would require us to meet the current local zoning regulations. These regulations allow only one on-street parking space for every ten people seated. If followed rigorously, this would require on site parking for 90-110 cars at two people per car. There are further restrictions on wood frame building height that would limit us to two above ground floors. Our present basement also sits on bedrock which makes any further excavation or raising of the building to permit additional parking prohibitively expensive. Mr. Hundt told us that rebuilding on site would be too expensive if it were even possible.

Baptist Church Rental or Purchase

Attempts to develop a space sharing relationship with the 1'st Baptist Church in downtown Saratoga Springs have previously failed due to strong resistance from a few of their leading supporting congregants. However, the governing Board and Minister have remained enthusiastic to the idea of sharing space with UUCSS. A subsequent offer by us, to purchase or enter a shared ownership arrangement with the church, at a low price in return for contributing significantly to its renovation and permitting their congregation to retain space for worship indefinitely, is currently pending action by their governing board. It may well be rejected for the same reasons. Even so, if this congregation continues to struggle to survive both financially and in membership; we should remain alert to changes in their situation in the future. At least as an interim rental or space sharing step, this option should be kept open.

Purchase of Land for New Construction

The Long Range Planning Committee (LRPC) has searched for property for sale. To support the larger planned congregation 3-4 acres would be required. We have focused primarily on property to the immediate south of Saratoga Springs in order to take advantage of its growth potential. However, other property on Lake Ave. was also considered. In both cases the possibility of no cost, gifted land became an important consideration (see discussion). To date neither of the two possibilities of donated land has reached fruition. However, both locations remain viable and will continue to be watched. We have determined that the cost of buildable land south of Saratoga Springs is currently from \$100,000 to \$160,000 per acre. We will need from 3-4 acres of land unless the site has extensive off street parking available. Hence we will need to spend from \$400,000 to \$640,000 in 2007 dollars to acquire the land needed to build the church we need.

New Construction Cost

Long Rang Planning has done extensive research on the planning process, the cost and the duration of building a new church on vacant or attached church properties. Visits were made to completed projects at the Albany UU church and the Wilton Baptist church. These churches also provided other supporting planning and fund raising documentation. Telephone discussions and extensive materials were also obtained from the UU church in Reading MA. We were fortunate in that all three of these new churches were of about the same size (seating ~250 for worship) as our intended new worship space. The conclusion in all three cases was similar: A church of the size we want would cost between \$2,500,000 and \$3,000,000 in 2007 dollars including the cost of the land. The time from initiation of the building campaign to building occupancy will likely be from five to seven years. Inflation will assure that these costs will continue to increase annually. A substantial effort would be needed by our congregation in planning the campaign and professional help in this effort has been highly recommended.

Purchase of Existing Buildings

Although we have ultimately concluded that purchase and remodeling of an existing building is the best hope for finding our next spiritual home, we have found no suitable building for sale in the immediate Saratoga Springs area. Only one site was found that appeared promising. This was the Wayside Inn on Wilton Rd. in Greenfield. This is a 14 acre conference and boarding enterprise with many attractive features. The asking price for this establishment was around \$1,365,000, a real bargain for all of the land and buildings. (See discussion below for more information.) We have not brought this possible purchase to the attention of the congregation for several reasons: First, immediate action was required by the sellers and we were in no position to come up with these funds. Second, to make this enterprise work for us, we would need to rent the several apartments on site and need a full time manager and caretaker- an activity we could scarcely afford or provide with our limited volunteer labor. Finally, the limited visibility and remote location of the site (about 5 miles north on country roads) did not appear conducive to future growth.

Current and Future Financial Conditions

It is not easy to summarize this part of our work and reading the more detailed discussion is recommended. We have examined the growth in attendance for adults and children and the growth in financial support for several years. In particular the attendance growth for both adult and children is about 8% per year. This is quite good and compares favorably and realistically with the growth in other denominations. However, the attendance of children in our RE Program is on the decline from an average of about 16 children in the 2005-2006 session to 10 children in the comparable 2007-2008 session. This does not auger well for future growth of the congregation.

The increase in our financial support (Pledge Drive) each year has fluctuated significantly from a high of 23% in 2005-2006 to a low in 2007-2008 of about 5%. However the average pledge has continued to increase by at least 8% each year. We have made no attempt to try to interpret these results. While all of these results are positive, the future trend in total pledge income is unclear but it is clear that our total financial base is not

presently at a level adequate to support a major capital fund drive nor does the trend suggest the commitment necessary for building a new church. Furthermore, there are very important financial steps necessary for future growth that we have not taken. These include the establishment of a *Planned Giving Program* and an *Endowment Fund*. The potential sources of funds for a new building have been identified, detailed and projected into the future. These include: a capital fund drive, a new mortgage and the growth in value of our current property. We have attempted to project the future growth of these funding sources into the next decade (See discussion and graphs provided). However, the total of all of these sources of funding fails to keep up with the expected cost of building on purchased vacant property. This suggests that for our next spiritual home, we should be looking to purchase a suitable existing building rather than to build. We are stuck in a middle ground, needing space to grow but lacking the financial support to achieve our desires. This situation can only be remedied by aggressive steps to promote growth and to achieve a financial base for a future new spiritual home. We attempt to address these in our recommendations.

Sunday Rental Properties

We believe that the previous issues of crowding in both the adult worship space and in RE classrooms, while presently acceptable with two services, is very likely to return within a year or so. To that end and as an interim measure, we have spent time investigating a number of venues that might be amenable to Sunday rental for our use as a worship space. Adequate storage space to avoid moving chairs and other items needed for worship has been a prime consideration. To date no ideal location has been found at an affordable price, although several sites remain to be further evaluated. One of the best options identified is Preservation Hall which is adjacent to the 1st Baptist Church in downtown Saratoga Springs. At this time the asking rental fee (\$1200 per half day) is more than we can afford but this might change as this venue better identifies its operating (especially heating) costs.

Recommendations

Our Committee has come up with six separate recommendations which we believe are either necessary or very helpful in positioning ourselves to obtain a new spiritual home in the foreseeable future. Three of the recommendations focus on controlled growth and three on financial pre-conditions. To fully understand these recommendations, we urge reading the more detailed discussion at the end of the main body of this report.

1. Active Membership Development: The LRPC is convinced that our membership numbers need to grow in order to improve our financial base for a future new building. While we all miss the intimacy of our previous single Sunday service, we must maintain two services in order to have any possibility of membership growth. While it is not clear where responsibility for promoting growth resides in our church structure, strong Communications and Membership Committees are essential and they should continue and enhance their efforts. Consideration should perhaps be given to strengthening the role of Membership in member retention. Also the importance of community outreach can not be overstated in promoting growth. Beyond this it seems to us that the responsibility for promoting growth resides in each and every one of our committed members, from the

Minister, the Board and all of our Committees right down to the very last member. We must all rededicate our commitment to being Ambassadors and not only at Sunday services. Perhaps a sermon on welcoming guests and a new effort to train members to be ambassadors could help us. Another useful possibility may be to promote each of our committees to work through a “*System Change Index Exercise*”. This is an instrument which Linda Hoddy obtained through the Alban institute. It is intended to foster conversation about the congregation’s progress through the transition zone between pastoral and program size. The exercise asks many pertinent questions about a congregation’s readiness for growth and serves to point out the weakest areas.

2. Revitalization of RE: The committee unequivocally believes that a strong RE Program is essential for the growth of our congregation. The RE Program is one of the most important portals for entry into our congregation. Parents often enter the church because of their interest in providing religious education for their children. In many UU churches these entering families provide one of the strongest - if not THE strongest - engines for growth in the congregation. RE participation and attendance has been on the decline over the past year or so and this situation must be remedied to facilitate future growth. Hopefully, the RE Workshop recently held and attended by more than twenty people will generate many good new ideas to revitalize the program.

3. Offering Adult RE Courses to non Congregants: Just as the children’s RE Program is an important portal to entry into our congregation, we believe that it will be helpful to our growth to attract “like minded” individuals by offering courses of intellectual and religious interest to the residents of our Saratoga Springs community. At least one or two of the courses offered each year should be publicized and open to people outside our congregation.

4. Develop a Planned Giving Program: This action is judged to be absolutely critical to any future efforts to purchase an existing building or to build on vacant land. To begin this work, the LRPC would suggest that the Board empower a small committee (perhaps three individuals) to complete the research on Planned Giving, develop a plan such as visits to perhaps six potential member families each year and report back to the Board for agreement to proceed. Such an effort needs to be widely publicized within the congregation. We cannot overemphasize that this effort needs to begin now.

5. Formation of an Endowment Trust: In order to support any planned giving program, it will be necessary to establish an Endowment Trust for the purpose of prudently managing *inter vivo* gifts and testamentary bequest made to UUCSS. This will necessitate a Board action and a congregational vote.

6. Publicize Existing Building/Emergency Fund: Recently, the UUCSS Finance Committee established a separate, *sheltered* bank account to contain contributions to a Building or Emergency Fund. The existence of this fund needs to be publicized. One way to do this is to make this fund one of our multiple “Sunday Give Away Half the Plate” collections. This will achieve a level of visibility and develop a sensitivity of the congregation to contribute whenever possible to a future building or emergency need.

Discussion of Major Conclusions, Actions and Recommendations

Here we discuss in more detail all of the information presented above in the Summary Conclusions and Recommendations as well as other important actions taken by the Long Range Planning Committee in the last two years.

I. Why Not Rebuild on Present Site?

In order to evaluate the possibility of a new building or remodeling the present building at 624 N Broadway, we contacted three other churches in the area that had recently renovated or enlarged for the purpose of finding an architect. Two of them recommended the architect James Hundt, whose firm does nothing but work on churches. After a telephone discussion, he was invited to a Long Range Planning meeting to discuss our requirements. Specifically, we asked Mr. Hundt to provide us with an opinion as to whether building or remodeling on site for a 12,000 sq. ft. building (based on seating 200-250 people) was feasible. He raised several initial concerns including the need for more parking with a bigger structure, the limit of two stories for wood frame construction and the need to match the style and height of surrounding residences.

He looked up current zoning regulations for our location and reported that the city would allow only one parking spot on the street for every 10 seats in the new sanctuary. In other words, for a 200 seat building only 20 street parking sites could be allocated and some 90 parking places (2 people per car) would have to be provided on site. He estimated that we have room for 20 on site parking spots or at most 30 if every inch of our site were available for parking and the building was constructed above the parking lot. Hence rebuilding for 200 seats or more was clearly impossible on our present lot.

In addition he noted that zoning regulations would prohibit any wood frame construction higher than two stories in our area and any higher structure of other materials would likely not be allowed by reason of consistency with the present buildings on N Broadway. Given that our present building sits on bedrock, there is no alternative but to build up to accommodate the desired seating and other functional requirements. In summary, Mr. Hundt recommended that our time and money would be better spent seeking a larger lot space for our worship.

II. Baptist Church Rental or Purchase

In the spring of 2007 discussions were held between Aaron Broadwell and the leadership of the 1st Baptist Church to explore the potential of space sharing. Such a relationship seemed reasonable given the Baptist congregation's concerns with greatly diminished membership and the care of an aging, if elegant, historic building. From the Baptist's perspective, partnering in building use might free funds to address building their congregation back to sustainable size. For UUCSS it offered a large space which would permit a return to a single service and ample child care and Sunday school space.

Aaron arranged for a tour of the 1st Baptist Church to be held on April 22. A large group of interested people from our congregation then toured the Baptist facility to assess possibilities and talked with the minister and church leadership, eliciting a range of

responses, many of them enthusiastic. In June Aaron reported keen interest from the 1st Baptist leadership in a “property share” arrangement. Long Range Planning identified the need for more information on exactly how 1st Baptist saw such a collaboration working, on the need to conduct a property inspection for soundness and potential maintenance needs, and determining pertinent financial information associated with such a move, such as heating and other maintenance costs. It was also concluded that we should plan to hold a UU service at 1st Baptist in the fall for the congregation to experience a sense of what meeting in the facility would entail. This meeting would be followed by a feedback session at UUCSS.

Tom Eletto subsequently met with the church president and conducted a cursory review of the physical facility with Mike Nino of CT Male and Associates. The findings were that major I-beam trusses were installed to strengthen the space in the 1980s and that the structure was basically sound. The roof was found to be in need of replacement and the utilities costs very high (~\$1200/month). Tom suggested that many inexpensive improvements might readily ease heating costs. Another potential cost was the identified need for pipe repair to address water infiltration at a corner of the building.

Later on October 14 at 9:30 a well attended UU service was held at the 1st Baptist church. Attendees agreed that the acoustics were wonderful: never had our choir sounded better. Many were enthusiastic but some were dismayed by the extensive Christian symbolism. Given the division of opinions, a congregational meeting feedback session was planned for November 11. In preparation for this meeting, which was intended to focus on a plan to rent space, not buy it, the Long Range Planning developed a Decision Analysis. The major focus of the analysis was to clarify requirements centered on growth in our membership and income and to help define expectations of both the UU and 1st Baptist membership. The meeting on the 11th was well attended and displayed a diversity of viewpoints similar to the concerns identified at the initial tour of the Baptist facility. It was agreed to continue discussions regarding potential sharing arrangements. However, in a follow up meeting with the 1st Baptist leadership, any proposal involving the sharing of space with Unitarian Universalists was rejected based on the strong opposition of a few of the leading Baptist families. This result effectively ended any further negotiations for the foreseeable future.

Subsequently Brent Wilkes presented the Baptist Church with the possibility of an outright purchase, or shared ownership offer, predicated on a positive engineering study result, to buy the building at a low price with the intent to invest some of our own capital in maintenance and upgrade. This proposal would permit the Baptist congregation to continue to meet there for as long as we owned the building. The outcome of this proposal is awaiting action by the 1st Baptist Church governing board which will meet again in early July. Based on their previous rejection of any space sharing arrangement, acceptance of this proposal is a long shot at this time. For the future, however, should the situation change, rental or outright purchase, or a shared ownership arrangement of the Baptist church could be a possible solution to our need for a larger building.

III. Undeveloped Building Properties Evaluated

Before beginning the process of investigating undeveloped properties to purchase, we determined what our “wants and needs” would be. Based on our research, a minimum

of 3-4 acres was necessary for a congregation seating 250 people unless extensive off site parking was available. We needed the property to be a fairly level, dry, buildable space. Using information gathered from several different architects as well as input from our minister and four of the key “stake holding” church committees, we determined a minimum space need of about 12,000 square feet for the building space. We had decided to focus our attention to the south of the city (but certainly no further south than Exit 12) in order to take advantage of the population growth in that area. North of Exit 13 would be ideal. The property also should not be more than a mile or so east or west of the Northway. Overall our target location would not be more than five miles distant from downtown Saratoga Springs. The site should also be in a fairly visible location and on or near a bus line.

To help direct our search for land, we engaged David Bassani, a Realtor on our committee, as well as other local Realtors including:

Jenny Mirling, Prudential Manor Homes, Saratoga Springs

John Naftzger, Prudential-Commercial Division, Saratoga Springs

Jean Tulin, Empire Home Realty, Saratoga Springs

In May 2007 we met with Jenny Mirling and John Naftzger at their office to discuss the kind of property we were seeking. They reviewed recently sold property of potential interest to us in order to give us an idea of current land prices. They went over property currently listed for sale in our geographical area of interest (south of Saratoga Springs). We then toured some six properties either currently listed or potentially for sale. Of great interest to us, because of its location was the 5.9 acre corner lot on Driscoll Rd. and Route 9. However, the asking price of \$950,000 was far beyond our current means. We also viewed other locations in the Exit 13-Malta area and found an average price per acre of undeveloped land ranging from \$100,000-\$160,000 per acre. Two other properties which had existing buildings (that we could not use) were listed at \$500,000 for 1.2 acres and \$1,450,000 for 4 acres and a 16,000 sq. ft. warehouse.

Subsequent to this tour with the Prudential agents, our committee put in an extensive effort on our own to locate suitable property for sale. George found other property for sale on Driscoll Rd. and also on Kaydeross Ave. East and Kaydeross Ave. West. Some of these turned out to be partially on wetland and all were in locations that lacked visibility. John and Elizabeth Collins and Mary Cae Assay also identified potential properties of interest.

With our agreement, Mary Cae also took the initiative of sending a letter describing our church and its interest in purchasing land for a new worship home to all residents along Driscoll Rd. One occupant and significant land holder had a long discussion with Mary Cae and expressed considerable interest. She indicated that she planned to do nothing immediately but might consider gifting or selling her land (at a low price) to the church in the future.

Another property identified by Mary Cae turned out to be of considerable interest. This was a parcel of land 94' by 900' (1.9 acres) on Lake Ave. (Rt. 29 E) near Weibel Ave. which was offered by the owner/agent Jean Tulin of Empire Realty for about \$256,000. Mary Cae and George toured the property with Jean and indicated that we would only be interested if additional adjacent property could be found. Jean agreed to investigate adjacent properties and report back to our committee.

At our November meeting, Jean and her colleague Eric Eckardt of Empire Realty presented a detailed study of several adjacent land packets. Jean also told us that a portion of an adjacent large land holding which was planned for future housing development may be made available to us as a “good will” gift at no cost. The owner was currently awaiting a legal decision concerning his request for zoning changes. If this action was favorable, we had the potential of obtaining 4-5 acres of land in a prime visibility location for a total cost of about \$256,000. Further action on this property has subsequently languished and at last hearing, Jean had found a buyer for her property. At this same meeting, Empire Realty also provided us with another estimate of the value of our current 624 N. Broadway property of between \$559,000 and \$599,000. They further indicated that they had a buyer willing to pay the full \$599,000 and was willing to wait for 2-3 years after sale (with our payment of taxes) before taking occupancy.

IV. Discussion of New construction Costs

1. LRP Visit to the New Wilton Baptist Church

Bill Carberg arranged for our committee to visit the new Wilton Baptist Church last fall. It is being constructed on back part of the land currently owned by the church off of Route 9 in Wilton. The reason for the visit was to make an assessment of the cost and complexities of permitting and building a new church which is of similar size and functionality. Their initial plan was basically to include 300 seats in the sanctuary, a minister’s office, a library area separate from the minister’s office, eight RE rooms, a full sized kitchen and a meeting room of sufficient size to use as a gathering site. The aesthetics of the building were not as important to us as determining the cost and process of permitting and building a large church structure.

Process Description: During the initial phase, the Wilton Baptist had to agree upon a design and take that to the town board. Legal and engineering firms were asked to guide them through the process, which took about one year before permitting was achieved. The land needed to be leveled and water and power had to be brought to the structure. The total cost for this first phase was in the \$100,000 range and the parishioners did much of the grading work on the site using rented equipment along with some owned by members of the congregation.

The Wilton Baptist Minister had taken design and subcontracting responsibility on himself and had the support of a very active congregation. The physical building was designed by the structural steel company, which erected the shell. The building contractor also put in the concrete slab foundation. The steel structure approach was being followed, since it was the lowest cost building available. Much of the wiring, plumbing and sheet rocking were being done by parishioners. They were also subcontracting work on a pay as you go basis.

Cost and Time Period: The expectation was that the building would be far enough along to allow for use of the RE classrooms by September of 2008 and by the full church at the end of 2008. That represents a full 5 year turnaround from permitting to final use. Their funds available at the outset were only about \$180,000. The total cost into the

building at the time of our visit was \$750,000 without the cost of the land and the preparation. The minister estimated that when we looked at it last year, the cost had already doubled for some major components, such as steel, concrete, wiring and plumbing. He estimated it would cost another \$150,000 to complete their work, which means they will have at least \$1,000,000 into the building. The value of the land and labor by the parishioners would add very substantially to this estimate. We could guess at least another \$500,000 in labor and a comparable \$500,000 for the land.

Our Conclusion: A new church of the size we want would cost between \$2,500,000 and \$3,000,000 in 2007 dollars including both land and construction costs. Further inflation will assure that costs will continue to rise as the years go by. We could expect it would take from 5 to 7 years from the inception to building use. A substantial amount of effort would be needed from our congregation to plan, permit and subcontract the work but there could be a certain amount of finishing work that we could provide to help contain costs.

2. LRP Visit to the Albany UU Church:

The committee visited with the Albany UU leadership in November of 2007 to learn more about their successful building program. The church is in the last phase of a major construction project attached to the existing church building near downtown Albany. There was much to learn about the process, fundraising and costs associated with the project and the Albany church leaders were very supportive and forthcoming with information.

The Albany church had a mini-fund drive early-on, which raised about \$50,000 to buy land needed for the new building. . They put a great deal of effort into getting the parcels they needed for the church prior to building. This earlier drive was initiated after the congregation decided to stay in the urban location and serve the community there. Subsequently the building project was delayed due to internal church issues and the building plan lay dormant for 5 or 6 years. A new impetus to grow was spear headed by their current minister. The congregation had been at about 180 or 190 people and was not growing. The Albany church leaders claimed that people would be unwilling to come in if the sanctuary was more than 80 to 85% full, but also that if it were less than 50% full some would feel uncomfortable and leave.

The church currently has about 220 pledge units and raises about \$350,000 per year through their stewardship program. They have found the facility is good for rental and their budget this year is for \$14,000 in rentals and they see that growing. They can do weddings, luncheons affiliated with the college and other community meetings. As far as staff, they are on a push to bring salaries up to the level recommended by the UUA. They have been increasing salaries every year in steps and will get to the UUA standard soon. They don't have services in July but are headed toward a full time basis for services. August has reduced activities which are handled by lay preachers.

Design and architect: A major early step in the process involved choosing an architect. Their leaders issued an RFP with interviews of the respondents and final selection of the winner. Three architects' ideas were reviewed before a final selection was made. The cost of services from the architect was about 12% of the construction cost. The architect made conceptual drawings, met with the congregation to explain the offerings, met with city people, reviewed contractor proposals and were intimately involved with the resolution of all issues. They provided both exterior and interior designs and built a model to help with visualization. They had people with "Green Design" background but the church decided it was too costly to get LED certification. The congregation was also involved with NYCERTA but didn't go through the full commissioning project due to the cost and complexity of doing so.

Fund Raising for the New Church Building: After another RFP process, the congregation hired a Canadian fund raiser. They were convinced they really needed help organizing. They felt the help received was well worth the \$65,000 cost incurred, and that not using the UUA national fund raising resources was the best bet for them. The process included the fund raisers first interviewing the most financially capable and then a sampling of the smaller church donors. The fund raisers were involved from Labor Day through to Thanksgiving. The church leaders were able to raise \$1.4 million during the capital campaign using the techniques learned. When they found themselves \$400,000 short of the needed funds, they were fortunate to get a single pledge for \$300,000 contingent upon the remainder of the congregation pledging another \$100,000, which was achieved in about 1 week. They also put an ad into UU World which cost \$300 and yielded \$1000. They had no significant fund drive for many years prior to the major capital drive.

Major Costs Incurred: The costs of the original design were higher than the planned \$2.4 million for the 9 to 10,000 sq feet of added space. To get to the planned cost, some changes and cost reductions were achieved. The builder was Bunko, from Albany. In addition to the \$1.4 million they had raised during the 8 months of the capital drive, they were able to get a \$1.2 million loan from Berkshire Bank about 2% below the standard rate since they worked with IDA (Industrial Development Commission of Albany). They also had a \$600,000 Endowment Fund which loaned \$550,000 interest free until the building was paid off. It looks like the new facility will seat 250 comfortably and they claim 300 possible, by utilizing a space behind the sanctuary.

3. Reading MA Building Program Evaluation

George Kirouac had extensive communications with Lorraine Dennis of the Reading Ma. UU Church which is just now completing a 7 year building plan begun in 2000. The total cost was \$3 million (not including the 200' x250' property which they already owned). They were able to raise about \$2.2 M in a Capital Campaign originally intended for three years but lasting closer to five years. The fund drive went back to the congregation for increased funds multiple times. The Reading church used Wayne Clark from UUA as a consultant and spent an estimated \$20,000 on his fee over the duration of the drive.

The Reading church began with congregation of about 180 people and built a new facility for 300 people. They also owned two houses on the property and rehabbed one of them for RE use at a cost of \$440,000. Their annual budget is currently \$450,000 but Lorraine Dennis didn't remember what it was in 2000. Since this budget seems high for a congregation of 300, we concluded that it may include contributions from their capital fund to bring their staffing up to an appropriate level for a church of their planned size. This full staffing is one of the strong requirements of the UUA; and Wayne Clark insists that for a few years the new staff be paid using capital funds if they can not be supported by operating funds.

The actual building phase for the Reading church only required that they find rental property for about 8 months. They were able to rent a middle school at a total cost of \$13,000. Lorraine Dennis said this worked out very well for them. Lorraine has sent George Kirouac all of the documentation she has describing the course of their 7 year development program.

V. Purchases of Existing Buildings Evaluated

Wayside Inn

In an effort to locate an existing property that we could purchase and to fulfill the space needs of the congregation, David Basanni arranged a meeting with a real estate representative, to view the Wayside Inn, located at 104 Wilton Road in Greenfield. The property is located about 5 miles from the center of Saratoga Springs if your drive out Church Street to 9N and then onto Locust Grove Road. It can also be reached by going Rte 9 north to Parkhurst Road and onto Wilton Road west. The distance from the center of town going in that direction is close to 7 miles.

The property consists of 14 very pretty acres with a small pond and outlet stream. On the land there are a number of buildings as noted below:

There is a large home (and a former stage coach stop) built in 1786, recently used as a bed and breakfast. It included 5 rentable bedrooms, dining room, kitchen, living room, front porch and back deck, a TV room and sun porch. It had an oil furnace and like very old homes, a stone foundation with dirt floors and old wiring and piping.

The Wayside Inn Meeting Center contains the areas where we would hold our service, RE and after service activities. The Phoenix room building was built in 1995 and is 85 feet long by 44 feet wide, and includes a full commercial kitchen, bathrooms, a furnace room and a large meeting room where we would hold services. Off the Phoenix room a large sun porch could be used for other meetings and activities. The Phoenix room is adjacent to the Brookside room and features 900 square feet of space which was used for meeting breakouts. We could use it for gathering, coffee hour and other meetings.

Three rentable apartments are also available provided those weren't to be used for RE. There is a four car garage with extra storage space although the foundation looked poorly constructed and the walls were bowing. There was an apartment upstairs that

might be suitable for use by a caretaker. The smaller one car garage was in good shape. Finally there is a pretty gazebo, other storage sheds/barns and a well house. Other important points are parking spaces for 60 cars, the well fed water system and a large septic system designed for a maximum of 75 meeting attendees. The price mentioned was around \$1,365,000, which looked like a bargain for all the land, building and equipment that came with the property.

Evaluation Positives: The land and buildings were attractive in many ways and the price was reasonable. The thought of some of the Long range planning group was that the place had possibilities and much could be done with the land. The full commercial kitchen was also attractive and would be difficult to replicate in any new facility we look at in the future. To afford such a building, we would need to rent the apartments and realize enough from the rents and the B&B to offset our extra cost after using the equity from our North Broadway property.

Evaluation Negatives: The distance from downtown Saratoga was a significant negative being from 5-7 miles on country roads. It was thought that might cause difficulties for a number of our congregation. Winter driving might also be an issue. The space in the Phoenix room was long and narrow and it was felt less than perfect for holding service.

The building was constructed on a slab and built essentially at ground level. There was evidence of water getting into the building in a couple of areas with the carpet still damp in the Brookside room.

Some of the apartment space listed would probably need to be converted into RE facilities, reducing our earnings and increasing the outlay from general church funds. A property as large as the Wayside Inn would force us to hire a full time maintenance person. We currently have only a part time cleaning person. The 5 car garage appears to be structurally unsound and would have to be evaluated by an inspector or structural engineer. Evidence of sinking foundations and bowing walls is enough to cause major concern.

The furnaces for the apartments and for the Wayside Inn are old and are oil fired. Both the apartments and Wayside Inn also need some cleaning up and maintenance to be fully functional. The cost of doing the maintenance and possibly improving the furnaces would have to be included in our cost of purchase. The real estate people on our committee are experienced with property and think it would be manageable. We would need to hire people to run the Wayside Inn and also have to manage the apartment. That would increase the burden on our church congregation and divert us from our central activities.

Conclusion: While the property is perhaps the most attractive existing property that we have looked at, the negatives were enough to give us pause. It appears that the Wayside Inn is now in the process of being sold to another party.

VI. Discussion of Financial Conditions

1. Attendance and Financial Growth

Before undertaking any capital or building fund drive and the responsibility of a new larger church, we need to look at our past growth using several different measures. We have looked at: adult attendance growth, RE attendance, the number of pledge units and the total annual pledge drive dollar commitment.

Figure 1 shows several of these measures. The total pledge commitment has shown a steady but diminishing percentage increase from 2005 to 2008. The increase in total pledge commitments was 23% in 2005-2006, 15% in 2006-2007 and 4.6% in 2007-2008. The average individual pledge increase went from a low of 4.9% in 2005-2006 to 14.9% in 2006-2007 and recently to 8.9% in 2007-2008. The change in the actual number of pledging units over the same period is less encouraging. After an initial increase of 17% in 2005-2006 there was no increase from 2006 to 2007 and a decrease of 4% in 2007 - 2008. It should be pointed out that when the Long Range Planning Group issued its Interim Report in September 2007, we were using 17% as an average growth number for total pledge income which in hindsight was a serious overestimate. A growth estimate of 5-6% is more realistic and this is what we have used in the projections below.

Figure 2 provides a longer term vision of the growth in adult attendance at Sunday services. These data were analyzed by Murray Penney and the annotations on the graph are mostly his. His notation of the “Building” and “Two Services” effects are interesting. Overall one would conclude that the growth in adult attendance ranges from 5-8% per year.

Finally, data for actual RE attendance has been more difficult to obtain. A rough measure of potential RE attendance can be gleaned from the attendance of children at our Sunday services. This result is shown in Figure 3 but only through 2007. The straight line fit appears to show an average growth in child attendance of about 8.5% per year which matches the adult attendance growth fairly well. However, when viewing the limited data on actual RE attendance from the fall of 2007 to May 2008 a very different picture emerges. These data are shown in Figure 4 which shows a clearly decreasing trend. As a rough measure, the average attendance over this period was only 8 children on any given Sunday. At least one of the blank weekly entries was due to an Intergenerational Service but on several occasions the RE attendance was actually zero. Even if the zero attendance Sundays are eliminated the average attendance rises to only about 10 children. This picture does not auger well for the future membership and financial growth of our congregation. In order to validate this conclusion we have also looked at attendance data for the 2005-2006 RE sessions. The data are incomplete after March 2007 but up until that time the average attendance was 16 children on any given Sunday. This indicates a very real decrease in RE attendance and suggests that there is problem which we need to solve. We believe that all would agree that a viable, healthy RE Program is vital for future growth and the trend is not encouraging. The RE Program is one of the main portals for the entry of new families into our congregation. Hence one of the LRPC recommendations is the revitalization of the RE Program.

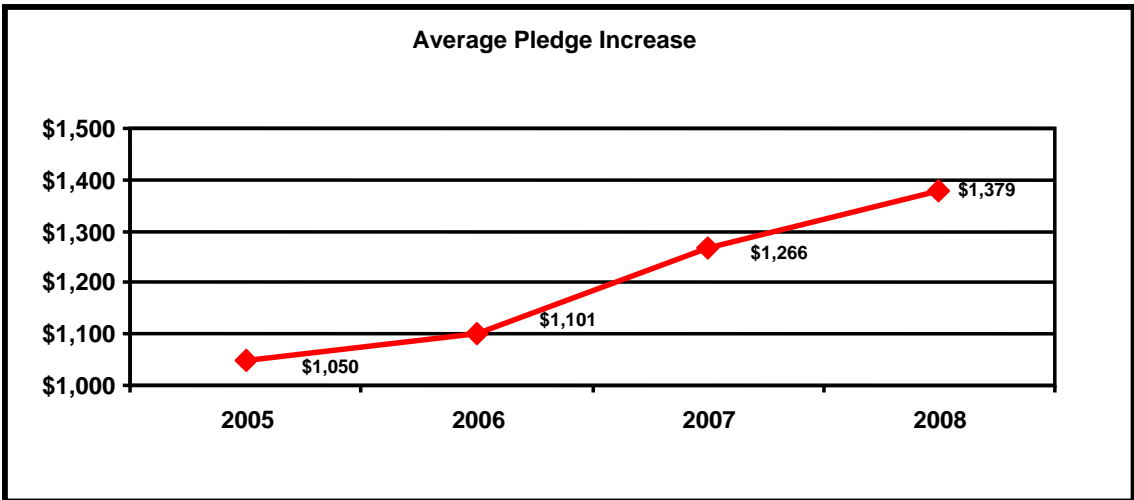
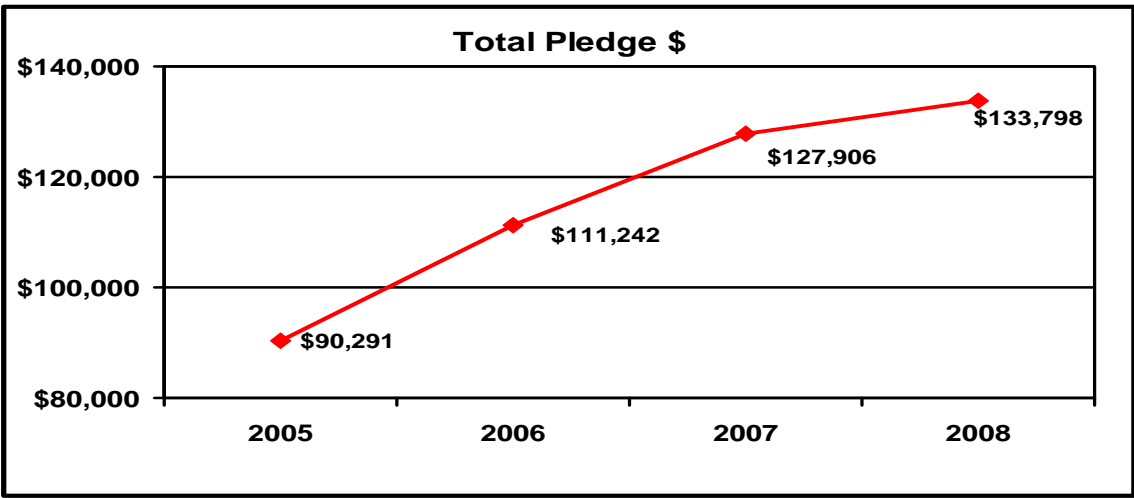
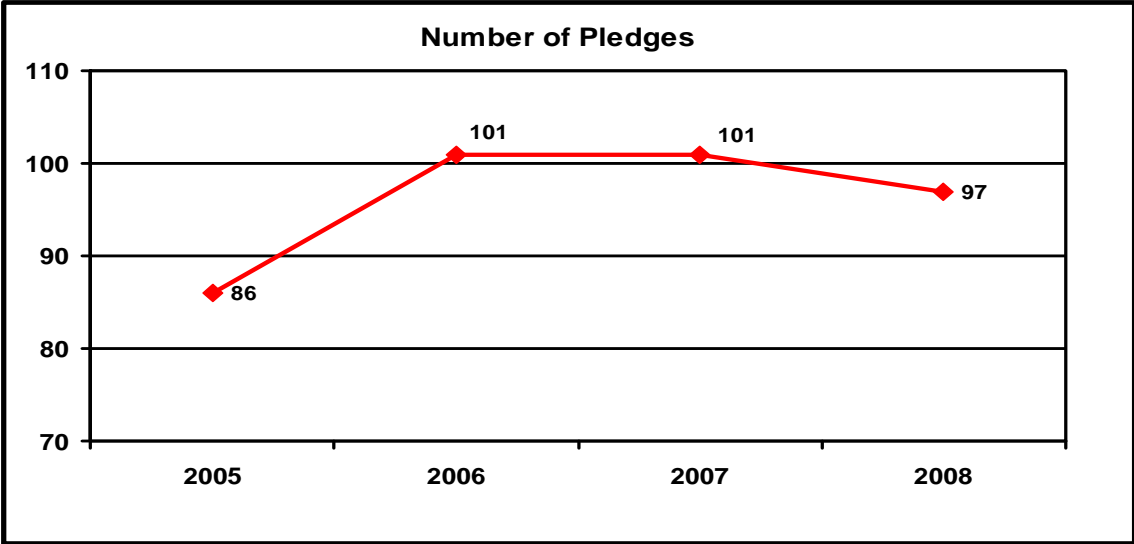
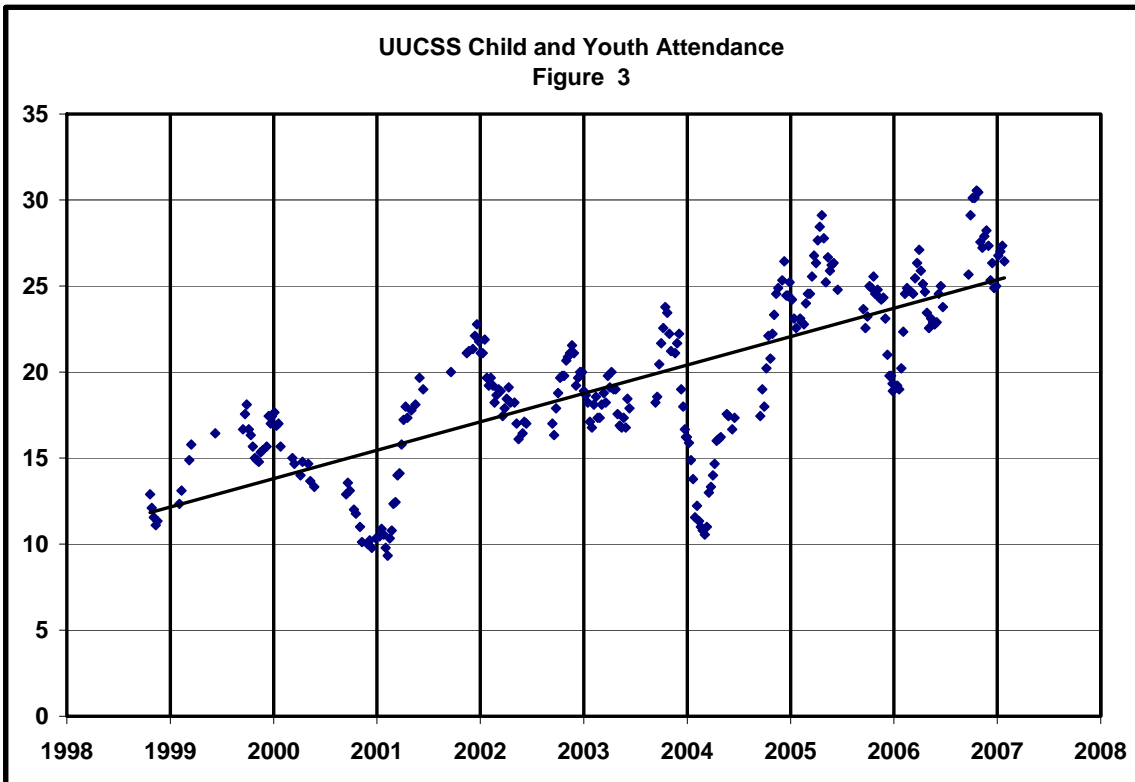
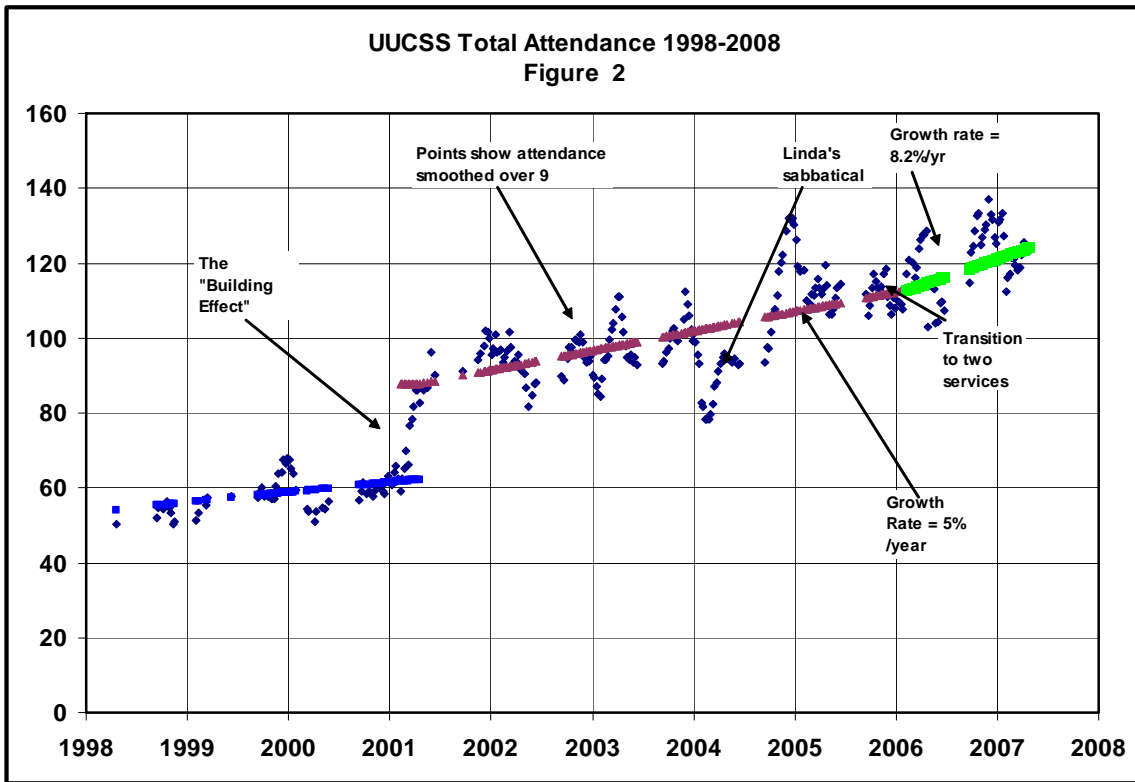
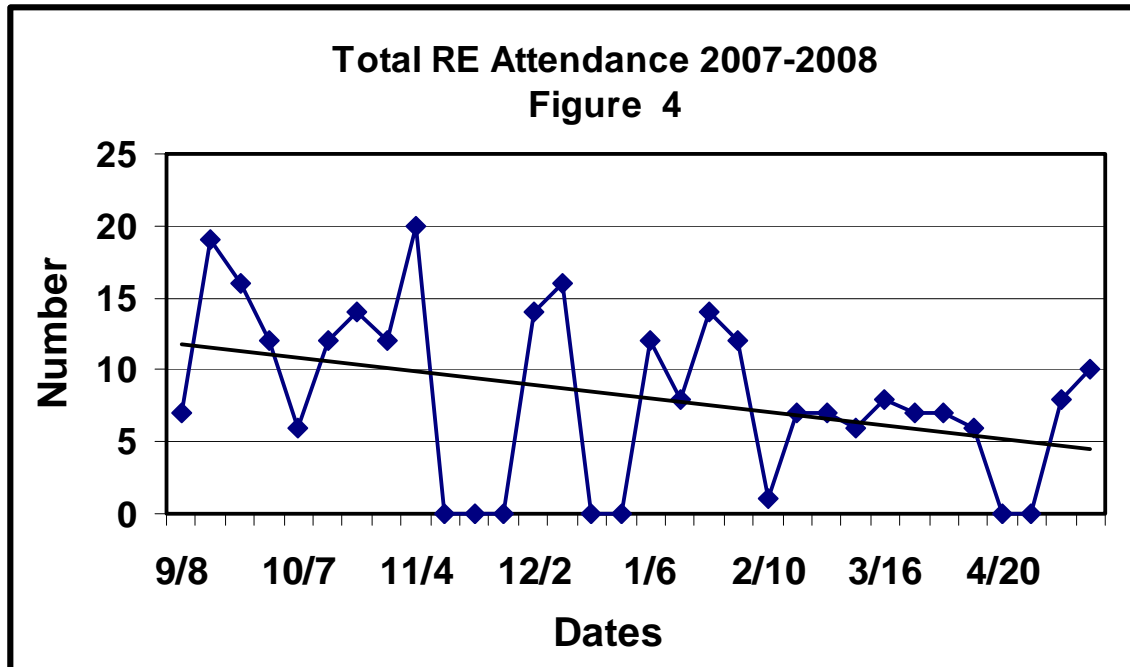


Figure 1 Recent Church Growth Curves



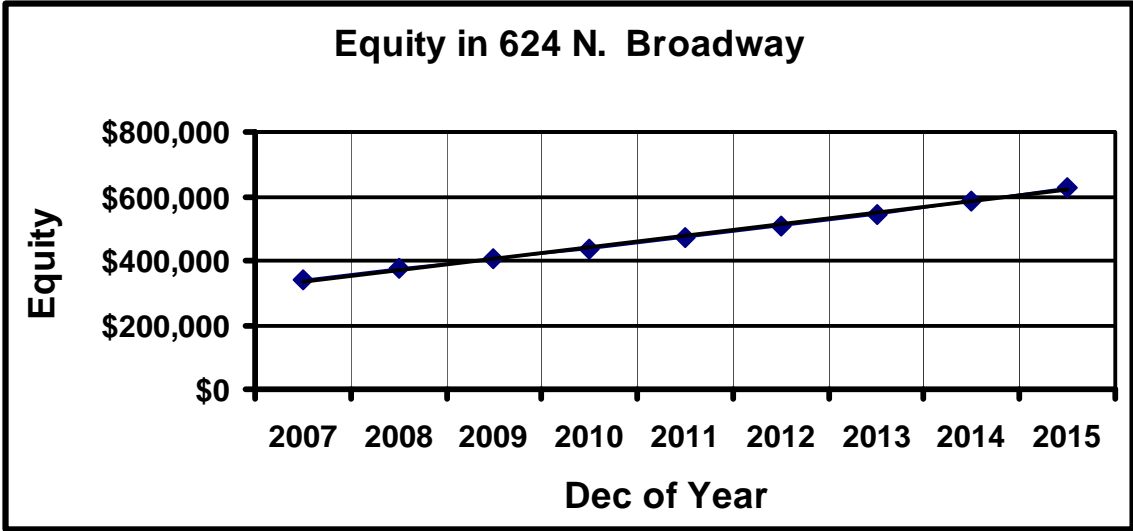


2. Potential Sources of Future Funds

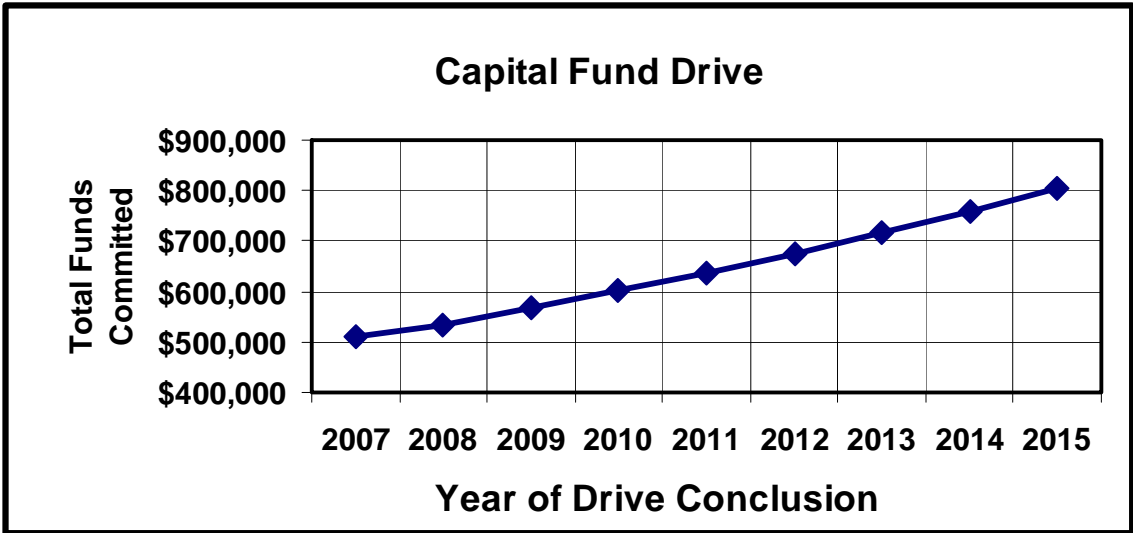
In order to forecast future capital/building funds, we may consider several different sources. These are: equity growth in our current property, expectations for a future capital fund drive, any endowment or other sheltered funds, capital potentially available from operating funds and finally an “affordable” new mortgage. These we discuss in turn.

Property Equity: We have received two separate and independent appraisals of the value of our property at 624 N Broadway: one appraisal in August 2006 estimated a value between \$450,000 and \$500,000, a second evaluation in November 2007 estimated a value of between \$559,000 and \$599,000. Furthermore, the agency which provided the second estimate reported to us that they had a potential buyer who would pay the full price and further would allow us to remain in the building for two to three years with the payment of rent to cover utilities and taxes. There is good reason to believe that the market for our excellent property location will remain strong in the coming years.

In order to project the growth in the value of our property, we have taken \$560,000 as the estimated sales value in December 2007 and subtracted the outstanding mortgage loan balance of \$221,615 in December 2007 as a starting point. If we assume an increase in property value of 4% each year and calculate the value of the property in December of each subsequent year, an approximate indication of the growth in equity of our property is shown in the plot below. As a specific example, the sale value in 2015 is about \$627,600.



Expectations for a Future Capital Fund Drive: There is general agreement among fund raising consultants that a multi year (2-3 years) fund drive can be expected to bring in between 3 to 5 times the annual fund (Pledge) drive. However, we must be careful not to launch any fund drive until our annual pledge drive crosses some minimum threshold. If we use a figure of 4 times the annual fund drive and extrapolate the pledge drive data in Figure 1 using a conservative pledge income increase of 6% per year, we can see in the Figure below how a capital fund drive could grow in future years. This represents our next source of future capital funds. The graph shows the possibility of receiving around \$805,000 in a capital fund drive starting in the year 2015.

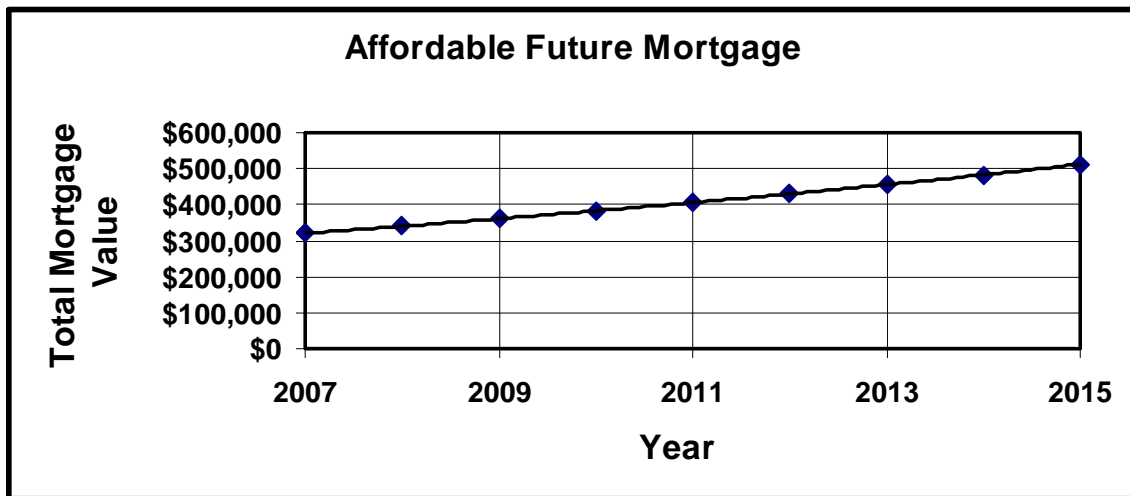


Endowments/Sheltered Building Funds: Unlike other churches thinking to finance a major new building, our congregation has no Endowment Fund and no Planned Giving Program. This is a major shortcoming given our ambitions for a new home. When we visited the Albany UU Church to learn about their \$3,000,000 new building expansion, we were told that they were able to borrow \$500,000 from their endowment fund at no

interest. One of the recommendations of the LRPC is to establish both a Planned Giving Program and an Endowment Fund at the earliest possible time.

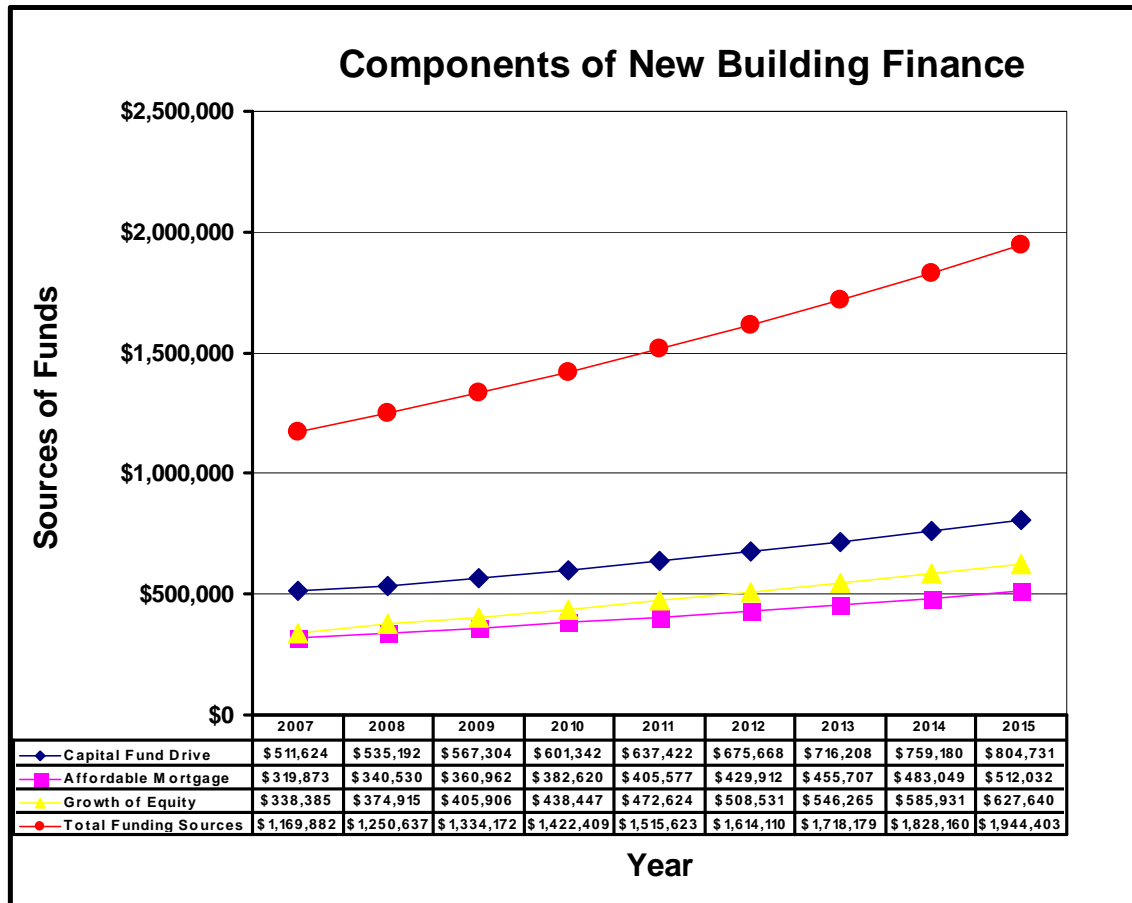
Use of Operating Funds: We have examined the possibility of diverting annual operating funds into capital funds for a new building in our previous LRPC Interim Report. The conclusion remains the same now as then. As we continue to expand the staff necessary to effectively operate our church, we are doing well to be able to raise enough money in our annual Pledge drive to pay salaries. While our pledged income will undoubtedly increase so too will our desire to increase the currently part time staff hours. In addition we may want to add additional staff positions or other services such as the use of a professional bookkeeper. In summary, we must not count on the use of any operating funds for capital projects.

Affordable New Mortgage: This is the final component of the sources of funding for a new worship space. In 2007 we paid about 14% of our total budget or about 18% of our pledge income for mortgage debt service. This is a very desirable situation. We will assume that in the future up to 20% of budgeted operating funds could be applied to debt service. Then using a 6% increase in our annual budget and a 20 year mortgage at 8% interest, we can obtain the result shown below. This shows the viability of a \$512,000 mortgage by the year 2015.



We are now in a position to assess the growth of all of the above possible funding sources for a new worship space. This result is shown in the Figure below. To discuss a specific example, the figure shows that in 2015 we could have available up to \$1,944,000 for a new building. This might appear to be within reach of taking action on a new building. However, we have estimated that the cost of a new building including land on a vacant 3-4 acre plot of land would be between \$2,500,000 and \$3,000,000 in 2007 dollars based on our research discussed in Section IV above. Given that building and land costs can be expected to increase significantly between now and 2015, it becomes evident that we are unlikely to catch up to these cost increases unless there is some heroic action or windfall. This is not an encouraging result. It suggests that for our next spiritual home, we should be looking to purchase a suitable existing building rather than to build. In either case this

result highlights the importance of developing a “nest egg” consisting of a Planned Giving Program and Endowment Fund at the earliest possible time. These two separate actions are also among our recommendations to the Board and the Congregation.



VII. Consideration of Sunday Rentals

As it became increasingly clear that our congregation could not presently afford to purchase land and build a new church, nor could an affordable existing building be identified, we began to look for a Sunday only rental possibility which would relieve any present or future worship and/or RE space crunch at 624 N Broadway. A number of possibilities were investigated and several more remain to be evaluated.

First there remains the possibility that the situation at the 1st Baptist church may change in the future. Their financial situation may further deteriorate or the few families that strenuously objected to space sharing with UUCSS may either leave or be overruled.

A second very attractive possibility which was thoroughly investigated was Sunday rental of Preservation Hall which is located just next to the Baptist church. Preservation Hall would provide a marvelous venue for our worship. This structure is currently undergoing total restoration and renovation as a new Arts Venue for Saratoga Springs. George Kirouac met with Mat Kopans, Managing Director on two separate

occasions to evaluate this possibility. Mr. Kopans said that there is sufficient funding available for this restoration work and it was clear from our tour that work has progressed very well. He says that they are hopeful that the work will be completed by the fall of this year. Unfortunately, Matt responded late in December that their Board was not interested in long term rental relationship with a religious organization at this time. He said they already have enough “religious visibility”. (The Baptist Congregation which owns this land has permanent entitlement to occupy their worship space in the basement.) Their Board was also uncomfortable in quoting a rental fee at this time because some of the operating costs, especially heating cost, were not yet well determined. Matt said that Preservation Hall would be willing to provide us Sunday rental space at their standard half day rental rate of \$1200. This is clearly out of our financial reach.

As an outgrowth of the meetings at Preservation Hall we were able to obtain a listing of their competing venues for large gatherings. This list includes the following venues and the evaluation of each if already determined.

Canfield Casino- up to 240 people-typical wedding rentals cost \$2500-too expensive.

Spa Little Theater- good size fit but not interested in long term rental relationship

The Dance Museum- Space available for about 200 people- but judged too stark for worship and lacking storage space-requires weekly setup of chairs, etc.

Hall of Springs-Ceremonies and rehearsals cost \$800-this site remains to be evaluated.

Saratoga National Golf Course- Up to 300 people- this site remains to be evaluated.

Skidmore College- available space remains to be evaluated.

Saratoga Music Hall-3rd floor City Hall- deleted as impractical.

The Long Range Planning Committee will continue a low level of effort to try to find suitable Sunday rental space since an RE or worship space problem may well occur in the future due to improved RE attendance and in spite of our present use of two services.

VIII. Discussion of Recommendations

We discuss below six separate recommendations which the Long Range Planning group believes are either necessary or very helpful in positioning ourselves to obtain a new spiritual home in the foreseeable future. Three of the recommendations focus on controlled growth and three on financial pre-conditions.

1. Active Membership Development: The Long Range Planning Committee is convinced that our membership numbers need to grow in order to improve our financial base for a future new building. Although some of our members prefer the intimacy of a single worship service, it was clear to us that remaining at a single service cuts off all possibility of future growth.

What is far less clear is just where in our congregational structure the responsibility for promoting growth resides? Certainly reaching out with advertising and

good visibility and strong internal and external communications are essential. However, our Communications Committee has been doing a wonderful job in their short two year existence. The new web page combined with the database, the excellent newspaper articles and recently the possibility of pod casting our Minister's sermons are all steps which we can expect to pay growth dividends. Promoting growth through our Child and Adult RE Programs is also critical and is discussed separately below. Our Membership Committee also plays a key role in welcoming new members and tracking current member attendance and participation. Consideration should perhaps be given to strengthening the latter role of membership retention.

As trivial as this may sound, it seems to us that the responsibility for promoting growth resides in each and ever one of our committed members, from the Minister, the Board and all of our Committees right down to the very last member. We must all rededicate our commitment to being Ambassadors and not only at Sunday services. Perhaps a sermon on welcoming guests and a new effort to train members to be ambassadors could help us. We have all been guilty of chatting with our friends and acquaintances on Sundays at the expense of our visitors.

Finally, another useful possibility may be to promote each of our Committees to work through a "*System Change Index Exercise*". This is an instrument which Linda Hody obtained through the Alban institute. It is intended to foster conversation about the congregation's progress through the transition zone between pastoral and program size. The exercise asks many pertinent questions about a congregation's readiness for growth and serves to point out the weakest areas.

2. Revitalization of RE: The committee feels strongly that a strong RE Program is essential for the growth of our congregation. We are well aware of the enormous amount of volunteer labor which has been committed to the RE Program and the resultant issue of volunteer burnout. Over the past year or more program attendance has been steadily slipping in spite of the addition of a half time RE Director. In 2005-2006 the average Sunday attendance was 16 children not counting the nursery. In contrast, for the past 2007-2008 season, the attendance has dropped to 10 children. The reasons for this are not fully understood but it is clear that something needs to be done to revitalize the program. Shelley Carter, current Chair of the RE Program offers the following thoughts on the importance of RE to our growth.

Parents often enter the church because of their interest in providing religious education for their children. In many UU churches these entering families provide one of the strongest - if not THE strongest - engines for growth in the congregation. Even people who have not been religiously active themselves still want to give their children some knowledge of religious history, and provide exposure to the spiritual and moral values taught in a church.

Another important function of RE is the enthusiasm and energy that young people provide to us. How often do we enjoy the comments of the children during story hour, or have the satisfaction of watching people who have entered as elementary school-aged children become young adults? The presence of young people in our congregation makes us all a kind of family and helps to keep all of us a little younger.

Lastly, RE is essential for our denomination. A church that can not attract and teach young people will eventually die – e.g. the Shakers. While not all children who are

educated as Unitarians will remain so, there are many people who do remain UUs and become an important core of people who have a deep commitment and understanding of the meaning of liberal faith.

3. Offering Adult RE Courses to non Congregants: Just as the children's' RE Program is an important portal to entry into our congregation, we believe that it will be helpful to our growth to attract "like minded" individuals by offering courses of intellectual and religious interest to the residents of our Saratoga Springs community. At least one or two of the courses offered each year should be publicized and open to people outside our congregation. At least three of the courses offered in the past have attracted a significant number of outsiders. These were World Religions, Cosmology and the Nature Writing Course.

4. Develop a Planned Giving Program: This action is judged by the Long Range Planning group to be absolutely critical to any future action to purchase an existing building or to build on vacant land. Planned gifts can take many forms but most fall into two categories:

Testamentary Gifts (bequests) are by far the most popular. These take the form of specific provisions within the donor's will, stating that all or some portion of the donor's estate will be a charitable gift to the congregation. *Life Income Gift Arrangements* are also a popular form of planned giving. These take the form of charitable trusts or gift annuities. For example, a donor makes a gift of \$5000 or more (\$100,000 in the case of a trust), enjoys an immediate income tax deduction, avoids some or all capital gains, and receives a quarterly check for the rest of her or his life. After the donor dies, the gift is distributed to the congregation. George Kirouac has obtained considerable descriptive material from the UUA and other sources.

To begin this work, the Long Range Planning Group would suggest that the Board empower a small committee (perhaps three individuals) to complete the research on Planned Giving, develop a plan such as visits to perhaps six potential member families each year and report back to the Board for agreement to proceed. Clearly such an effort needs to be widely publicized within the congregation with the help of the Communications Committee. We can not overemphasize that this effort needs to begin now.

5. Formation of Endowment Trust: In order to support any planned giving program, it will be necessary to establish an Endowment Trust for the purpose of prudently managing *inter vivo* gifts and testamentary bequest made to UUCSS. This will necessitate a Board action and a congregational vote. George Kirouac was able to obtain the *Declaration of Trust* document describing the trust established by the First Unitarian Society of Albany as well as the Bylaw changes required and other very helpful information. The Albany churches trust fund is managed and directed by five Trustees and the Society's Treasurer who is a non voting member of the Endowment trustees. The five trustees serve overlapping three-year terms, with one or two being replaced each year. They are nominated by the *Nominating Committee* and elected by majority vote at the annual meeting.

6. Publicize Existing Building/Emergency Fund: Recently, the UUCSS Finance Committee did establish a separate, *sheltered* bank account to contain contributions to a Building or Emergency Fund. Our Minister has already contributed money derived from fees for a wedding and a few other individuals have also contributed. The existence of this fund needs to be publicized. One simple way to do this is to make this fund one of the multiple “Sunday Give Away Half the Plate” collections. This will achieve some level of visibility to the congregation. We must emphasize that this fund is not intended to compete with any pledges or contributions needed to support our ongoing operational funds but merely to develop a sensitivity of the congregation to contribute whenever possible to a future building or emergency need.