

UUCLV ANNUAL REPORT 2011

| | |
|--|----|
| Report of the Board of Trustees..... | 1 |
| Report of HAVEN..... | 3 |
| Committee Reports | |
| Stewardship..... | 4 |
| Membership..... | 5 |
| Denominational Affairs..... | 6 |
| Worship..... | 7 |
| Ministry..... | 8 |
| Social Action..... | 9 |
| Green..... | 10 |
| Religious Education..... | 11 |
| Adult Religious Education..... | 12 |
| Church Family..... | 13 |
| Building Use..... | 14 |
| Finance..... | 15 |
| Fact Finding Report Concerning Existing Church Building..... | 17 |

UUCLV Board of Trustees' Annual Report 2010 – 2011

UUCLV can be proud of the many accomplishments of 2010-2011.
Some of the most obvious are:

- Calling Rev. Don Garrett as our settled minister, thereby revitalizing our worship and other aspects of congregational life.
- Refinancing our mortgage to pay for the new roof, but with lower monthly payment
- Replacing an unsound roof with a much stronger and better insulated one
- Addressing the most serious structural masonry problems
- Hiring Jansen Wendell as Consulting Lifespan Education Coordinator
- Conducting a Second Sunday concert series
- Ending “in the black” for 7 years in a row
- Program Council assumed a much larger role in UUCLV's governance
- A “Fact Finding” task group elected at an Oct. 2009 expired without producing a report, so the Long Range Planning Committee was charged with making a study and has submitted their report to the congregation.

While those were happening we continued to benefit from the services of experienced staff: Kate Scuffle, Jansen Wendell, Dr. Larry Lipkis, Tara Stephenson, Dennis Leib, Zoe Briggs and Rafa Zimmerman

We saw improvement in many areas such as “new blood” participation in church leadership --- “thank you” to those who are stepping up to the plate. As a community, we have taken great strides toward becoming more supportive and nurturing of each other, as well as more welcoming and inclusive of visitors and newcomers.

A significant area of improvement was in district and interfaith interaction. In addition to the many things Rev. Garrett is doing to reach out to other local religious groups, UUCLV has dramatically increased its participation in UU denominational affairs. In Nov. we attended a gathering in Wilkes-Barre to organize a “cluster” of 6 UU churches of NE PA. April 6 of us attended the Joseph Priestly District Assembly in Harrisburg. We have participated in JPD “webinars”, subscribe to various UU mail lists, and participate in JPD's monthly web teleconference call of congregation presidents. And Board meetings are productive, but characterized by good will, mutual respect, and even fun.

Naturally some ongoing challenges remain. We face many expensive repairs. That makes it difficult to increase the budget for social action and outreach to levels we would like and that are recommended. Conflict is inevitable and can be healthy. {But we have a lot to learn about how to handle conflict constructively without damaging relationships and damaging the congregation.} However, to continue to grow and mature as a faith community we must constantly work at developing positive responses to change processes

One of the most important tasks that remains to be addressed is revising our mission statement. Not to have flowery words to hang on a plaque. But to have a short statement of a shared agreement as to what is the purpose of UUCLV existing. A statement that we all can commit to

memory. A statement that can guide us as to which course of action is better. The LRP Committee produced a Fact Finding report about UUCLV's options for our present building. But it difficult to choose among the alternatives if we do not have a shared vision of UUCLV's "reason for being"/

This annual report would not be complete without some Thank Yous. We want to thank:

- George Miller for a great job in the difficult position of Temporary RE Coordinator
- Those who chaired standing and ad hoc committees this year
- Jan Philips and Allen Zinnes for serving as Treasurer and Assistant Treasurer
- Those who are leaving the Board – Fran Kennedy and Bill Thompson
- And all of you who have pitched in to help do your part and to make this a kinder, gentler, and more committed congregation.

Submitted by your Board (Pres. Bill Thompson, VP Mark Albright, Clerk Pete Pellegrino, plus Trustees Phil DePietro, Erica Hoelscher, Deborah Hunter, Fran Kennedy, Ira Lerner & Sue Weber, plus ex-officio member Rev. Garrett)

HAVEN Annual Report 2011

HAVEN is the teen group for gay lesbian bisexual transgender and questioning youth and their friends, ages 14-20. Haven was founded by the UUCLV about 9 ½ years ago and has been going strong ever since. The meetings are open to the entire teen community and meetings are at the UUCLV every Wednesday from 7-9pm rain or shine including holidays.

Meetings are facilitated by trained volunteers who are members of the UUCLV as well as caring adults from the wider community.

We are celebrating this fall our 10th anniversary.

The big highlight this year was again the PrizmProm. We moved it this year from the UUCLV gym to the elegant Gallery of the Banana Factory. We had 135 young people attend – that was 35 more than last year. They came from the Lehigh Valley and surrounding region. It was a fabulous event. Several members of the UUCLV (mostly the new Young adult group) were chaperones. Pride of the Lehigh Valley sponsored the catering from Allentown BrewWorks and came with 8 facilitators, we received donations from PFLAG, several church members and the family of a departed HAVEN facilitator. Thank you!!!

Other activities this past year included guest speakers from Planned Parenthood, the ACLU, and the Bethlehem Health Bureau. Next week, we will have a presentation on HIV/AIDS by St. Luke's hospital. We had poetry and theater workshops w/Marilyn Hazelton. We also had a holiday party and died eggs.

Most of the youth attend for the great sense of community and friendship with each other and to have a safe place to meet on a regular basis. We have an average attendance of about 15 youth each week.

As last year we will again participate this summer in the Lehigh Valley Pride Fest in Allentown. We had about 20 teens participate last year and hope for participation again this year.

We trained 5 new facilitators in the past year. Anyone interested in becoming a trained facilitator, please contact the co-chairs.

We did two mailings of brochures as well as the Prom announcement to guidance counselors at middle and high schools of Lehigh and Northampton counties.

Thank you to the UUCLV to continue to see the importance of this program and to all who had a part in last year's events and in the future.

Peter Pellegrino [peterp10@ptd.net]

Ilse Stoll Zinnes [Zinnes@verizon.net]

Co-Chairs

COMMITTEE REPORTS

STEWARDSHIP COMMITTEE

Serving on the **Stewardship Committee** this year were Don Barry, Frank Claps, Henry Davis, Pat Herring and Jan Phillips. The committee was co-chaired by Christine Davis and Ann Stuart Thacker.

The campaign brochure was updated by John Kennedy and Kerry Jones visually improved the Stewardship page on our website.

Many volunteers provided service by being Captains and Canvassers. The 2011 Stewardship Campaign officially kicked off with a souper luncheon at church on March 13. Wine and Cheese receptions, which were open to the entire congregation, were held at the homes of Cookie and Phil DePietro, Drew & Mary Stock Keister, Jan and Sue Phillips and Sue Weber. Don Barry along with Chris and Henry Davis hosted a reception at Moravian Village. As part of the pledge process, people were once again encouraged to complete a time and talent survey in order to help committees fill empty spots.

Online pledging was also available again this year and PayPal was offered as an option for payments. The final count on pledges was \$221,800. We received 19 new pledges averaging \$1,000 per pledge.

Next steps are to get feedback from the Captains and Canvassers and the committee will meet to discuss ways in which this process can be improved.

MEMBERSHIP COMMITTEE

We had a good year for membership. Although only a handful of members these are our highlights:

Our mantra this year was “make connections” and we did

Sponsored 3 of parties: October Halloween Party, January New Member/Old Member dinner, Cinco de Mayo in May and June the Annual Church Picnic. We had excellent attendance and all had a good time

Held 5 successful circle dinners

Started a Young Adult group in May 2011

Updated the pew brochures for Newcomer and Path to Membership

Sponsored every other month a New UU class and welcomed 16 new members during 2010-2011

Had the first membership book scanned to pdf and started the second membership book

Contacted all inactive members and reduced our reporting Feb 2011 number to the UUA to 200.

Continuing to work with the stewardship committee to identify inactive people and either reconnect them or update their membership status

Additionally, Marie Tweed found 2 smiling greeters each Sunday; and Megan Hartlaub created new nametags through out the year; Tara Stephenson staffed the Newcomer Table each Sunday after the service.

New members to the committee are welcome for 2011/12.

Great thanks Rev. Don and to a vibrant and dedicated committee consisting of Dora Davenport, Linda Hanna, Colleen Albright and Ilse Stoll Zinnes, Chair

DENOMINATIONAL AFFAIRS COMMITTEE

Henry and I are co-chairs of the **denominational affairs committee** at this church. This has given us the chance to meet UUs from all over the country. We particularly love GA and UUMAC.

We hosted Bruce Knotts of UU-UNO before he gave a service and forum to discuss is organization.

We attended the district meetings for JPD. Anyone can attend these meetings and they are a source of inspiration where we can learn what other congregations are doing. This year was especially great because other members of our community attended including Don Garrett, Tara Stephenson, Bill Thompson and Ira Lerner.

We attended the UU Homecoming in Murray Grove, NJ the last weekend in September. GA (or General Assembly) is the governing body of our association of congregations. Unlike other faiths, our basic unit of governance is the congregation. At GA, we share what works, attend a lot of entertaining programming and meet a wonderful group of people. We also vote for officers and bylaws and make resolutions on social issues. It is unbelievable to worship on Sunday with 4000 other UUs. Last year, we had a great time in Minneapolis. This year, GA is in Charlotte and we urge all of you to consider attending.

The UU group closest to our hearts is UUMAC. This is an intergenerational camp held at DeSales University right here in the valley at the end of July. We raft the Lehigh River, hear an interesting speaker, attend workshops of our choosing and talk and dance the night away at night owls. We would like more people to consider joining our committee.

If you would like more information on any of these activities, please contact us.

WORSHIP COMMITTEE

2010-2011 Annual Report

Historically, the mission of the worship committee is to assist the minister in planning, organizing and preparing the Sunday Morning Worship Service as well as any other additional service throughout the year. The worship committee also provides ushers, trains and provides readers, provides candles for Joys and Concerns, straightens the sanctuary before each service, sets up the community room for service and coordinates flowers for services.

We meet the 1st Monday of every month at 7 pm in the Freda Marie kitchen. We discuss upcoming services, music, order of service and other issues related to worship.

Members of the committee for 2009-2010 were: Maggie Spilner, Chair, Joanna Herren Co-chair, Julie Brooks, Fred Bomberger, Sharon Beckhard, Ann Gastinger, Christine Smith, Music liason.

Since finding recruiting ushers seemed to be our most problematic task last year, I devised a new system, utilizing the bulletin board in the community room once every three months and allowing people to sign up over a 1 week period. This worked very well and without stress. I sent out weekly emails to remind ushers of their duties.

With a settled minister in the pulpit most Sundays, and a full time Music Director, the Worship Committee had limited involvement in planning services. The order of service was prepared by the minister and this year Don made limited use of readers.

Attention was given to refining the announcements. We established a new, less austere and list oriented welcoming statement for our announcements that seemed to be well received by the congregation. We refined the usher instructions and purchased permanent live plants for the sanctuary.

Don brought a new chalice and a rainbow panel to the altar.

We also worked on trying to make intergen services more child-friendly, with the help of Karen Rodgers. She prepared special materials and packets for the kids to work with in the sanctuary. She tried to get children more involved in chalice lighting, ushering with parents and readings. But we found that interest wasn't there. Once the new DRE came on board, Karen stopped coming to meetings.

We established Fred Bomberger as Head Usher and we wrote up instructions for the things that Fred does and has done every week for a long time, so that someone could take over in his absence. Those instructions are on the usher clipboard and in the Worship Notebook also.

Worship associates that had been trained by by our interim minister helped out this year with some services. And we had guest speaker, Bruce Knotts from the UU United Nations office back for another service and sermon.

I am stepping down as chairperson for the committee and Joanna Herren will be the new chairperson.

Respectfully Submitted, Maggie Spilner, Committee Chair

COMMITTEE ON MINISTRY

The Committee on Ministry has been meeting monthly with the Reverend Garrett. At present there are five members: Jean Davis, Bill Vogler, Salli Wood, Karen Berry and Jerri Wood. We are looking for a sixth member to complete the committee. When the committee is complete two members will leave the committee and two will join the committee each year, with members serving three-year rotating terms. One committee member is leaving the committee this year and one vacancy exists, so two spots need to be filled.

This year the CoM has discussed the history, traditions and expectations of the UUCLV and the expectations and visions of Reverend Garrett as the ministerial leader of the church. We believe that ministry is the work of the whole congregation and that we are responsible for nurturing and caring for one another through the UUCLV. We are refining a mission statement for the committee to reflect our desire to develop and sustain a beloved community of justice, learning and worship.

Jean Davis

SOCIAL ACTION COMMITTEE

Here are some of this year's highlights from the **social action committee** for the annual report .

This past year has been both challenging and rewarding for me, as this was my first attempt at heading a committee I felt the members who regularly attended were polite and helpful as I tried inexpertly to find good ways to do get things done. Early on our minister Don said he felt one main goal we should have as a social action committee was working together and building relationships within our committee, our church, and our community. We've tried working on that and other issues with some small measure of success.

As far as I know our church has now completed the requirements as a church to be recognized by both the Unitarian Universalist Service Committee and The Unitarian Universalist United Nations Organization. One of the books that our book discussion group chose was "Half the Sky" dealing with empowering women worldwide. There were a number of initiatives implemented such as 10,000 villages sale of items ; global exchange's reverse trick or treating and the Kennedy's trip to Ghana and their subsequent, Ghana night to raise awareness and money for children in that part of the world that seem to mesh with that ideal .Last November we were successful in helping to prevent a major new immigration prison being built in the Lehigh Valley through attending a number of public meetings where we voiced strong opposition. More recently we cosponsored a 'no hate in our state' event at the Hope United Church of Christ in Allentown.

Environmental concerns such as the extraction of natural gas in Pennsylvania, catastrophic man-made climate change and peak oil have been discussed and actions have been taken. A second Tuesday six-month course about transition towns which we feel may present some solutions for climate change and peak oil has been implemented as a joint effort with adult religious education. We will continue to work with groups such as clean water action, Community Environmental Legal Defense fund, 350.org and the Alliance for Sustainable Communities of the Lehigh Valley.

Folks have been encouraged to try to keep up with happenings by going to the Lehigh Valley Progressive Events website and to make direct monetary contributions to Second Harvest as a vastly more effective way of contributing rather than buying food and sending it. We helped with sheltering homeless men on Wednesday evenings this past winter.

I recall two times seen our community room filled to capacity, they were for that 25% solution regarding military spending and later in the year for the showing of the movie "Gas Land" about the Marcellus Shale Fracking. I hope to see more full rooms this coming year and will work to make it happen.

GREEN COMMITTEE

The Green Committee has been reactivated at the UUCLV. Last 12 months we ran 2 native plant sales and sold over 1500 potted perennials into the LV community.

We maintained our native perennial Garden at the UUCLV and received NWF certification for it with the help of the property committee. We labeled most plants in the perennial native garden for educational purpose.

We joined with the Bethlehem Backyards for Wildlife and held a breakfast forum discussion Bethlehem becoming a Natural Wildlife Habitat by household certifications of Bethlehem residents.

We will hold a RE gardening class in June 2011 trying to reduce the grass mowing needed to maintain the property.

We are looking for other members who would like to join this committee

Ilse Stoll Zinnes
Green Committee Chair
(610) 868-2153

RELIGIOUS EDUCATION COMMITTEE

Annual Report

Unitarian Universalist Church of the Lehigh Valley

Robin Capoor, Chairperson

During the 2011-2011season, the Religious Education Committee has been busy providing a full slate of classes and activities for the young people of our congregation as well as insuring the continuation of the program long term by hiring a new Lifespan Education Coordinator. We had seventy-five (75) young people registered and an average weekly attendance of thirty-two (32) young people.

The Religious Education classes were set in the following groups: nursery; pre-kindergarten, kindergarten, and first grade; second and third grade; fourth, fifth and sixth grades; seventh and eighth grades; and senior high. These classes met approximately three Sundays a month, with the fourth Sunday set aside for multigenerational Sundays (children in service for the entire service) or festival Sundays (children had separate activities from the service). Our multigenerational services included the Blessing of the Animals in October and the truly multigenerational Holiday Showcase which included the Hannukah version of Star Wars and the Nativity Story complete with the three motorcycle wise guys and a real baby Jesus! Our most recent festival Sunday was a gardening day to improve the church property under the supervision of Ilse Stoll Zinnes. The Senior High group had overnights in the church and a Sober City Open Mic Night.

The Religious Education Committee worked diligently to provide for the long-term growth of the program by identifying and hiring our new Lifespan Education Coordinator, Jansen Wendell. This was accomplished through the committee working closely with the Personnel Committee. Jansen came on board in February and we are delighted he is here.

This program was possible because so many members of UUCLV volunteered their time, talent and services. On behalf of our children, many thanks to each of you.

Respectfully Submitted,
Robin Capoor, Chairperson

ADULT RE COMMITTEE

May 21, 2011

The July 2010 - June 2011 program year is best characterized as a transitional year in which volunteer leadership began the process of assuming more responsibility for program development as much of the professional and staff leadership at the church transitioned from interim leadership to settled ministry.

It is also characterized by beginning efforts to determine which programs properly fall under the auspices of specifically religious education and which might better be classified as adult enrichment programs. These enrichment programs were often generated through a serendipitous meeting of interests on the part of the congregation and others associated with Adult RE who happened to have the professional or technical skills needed to address those interests.

The program year included the following highlights:

- * Better promotion for events sponsored by both the Covenant of Unitarian Universalist Pagans (CUUPS) as well as the Unitarian Universalist Christian Fellowship;
- * Coordination with Social Action Committee and many local peace and justice organizations throughout the valley to present quality programs addressing issues such as reducing the percentage of our nation's wealth that is used for militarization ("The 25% Solution"), one person's peaceful response to his father's involvement in the sub-culture of terrorism ("Zak Ebrahim") and creative responses to the problem of diminishing oil production and the onset of global warming ("Sustainability, Community Resilience and the Transition Initiative");
- * Quality enrichment programs such as Frank Stone's, "DNA, Genes, and Applications," course, which looked at current genetics research and resulting changes in medicine and society;
- * Friday Night Movie Madness, co-sponsored by the Lehigh Valley Humanists, which examined issues ranging from Asperger's Syndrome, the impact of fracking on our water supply, and the nature of human existence;
- * The Sunday morning Breakfast Forum that provided an extraordinarily diverse program whose topics run the gamut of religion, national and local politics, art history, music, poetry, philosophy and world cultures.

Next year's goals include even better coordination amongst the various groups offering adult religious education and enrichment programs, a closer look the specific contributions of our Unitarian and Universalist heritages as well as possible programs that helps each of us explore our understanding of the UUCLV's particular mission in the Lehigh Valley and what role each of us might have in that mission.

We are always looking for new input and programs in Adult Religious Education and, if that is your particular mission or concern, please contact Jansen Wendell, our Consulting Lifespan Education Coordinator or myself.

Respectfully submitted,
Bill Bekkenhuis
Chair, Adult Religious Education Committee

CHURCH FAMILY COMMITTEE

2011 Annual Report

The Church Family Committee is dedicated to service within our own church community during times of need or crisis. It coordinates volunteer help from the congregation to respond to situations which already exist or which arise. The committee, in cooperation with the congregation, acts much as a loving family does to extend a hand to members and friends in times of need.

In the 2010-11 church year, the CFC issued requests for food, calls and visits for 36 members of the UUCLV. There were 11 other notifications/requests of a “miscellaneous’ nature.

Transportation was provided or coordinated for 5 people on multiple occasions.

Grateful appreciation is expressed to all who so generously volunteered to provide comfort, food, financial assistance and transportation when needed by members and friends of the congregation.

It is also important to acknowledge those members of our congregation who operate “silently”, helping on their own initiative.

Co-chairs:
Sue Phillips
Janet Warren

BUILDING USE COMMITTEE

ANNUAL REPORT JUNE 2011

Committee Members: Frank Claps, Maggie Brown, Dennis Lieb, Pat Herring – Chair
Kate Scuffle – Administrator acting as an adjunct member.

The purpose of the committee is to oversee the rental operation of the UUCLV facilities. This includes making decisions concerning the amount of the rents and on the rules for renting. The committee also ensures the proper environment for the renters and the church members to co-exist in our facilities. We are working on a new brochure to advertize our rental facilities

During the 2010-2011 fiscal year, nine long term renters used our facilities and paid a total of approximately \$41,000 for the year in rent. A number of people used our facilities for weddings, parties, meetings or musical events on a one time basis for which they paid us rent . The Gateway School continues to be our major renter. For outside, onetime, renters we pay a chaperone to oversee the people using our facilities.

We are looking forward to renting the kitchen on a long term basis starting June 1, 2011. We are expecting \$600 per month for this rental.

Pat Herring - Chair

ANNUAL REPORT OF THE FINANCE COMMITTEE 2010-11

Committee members during the year were: Cease Blocker, Sue Weber, Jan Phillips, Allen Zinnes, Chuck Smith, Don Davis, and Bernie Bunjowski. We also are very pleased to have a new member, Korey Ann Castillo who joined mid year. The Committee met on the first Wednesday of every month.

As of the end April, we project that the 2010-11 fiscal year will end with income about even to expense and possibly with a little surplus. (For details, see the Treasurer's report for April.) This would be the eighth consecutive year we have ended "in the black." The winter was tough once again and we had some issues with our heating system but pledge payments (including new and prior year) have been strong and rentals have picked up including a new renter for the big kitchen. The Music Committee and Larry Lipkis coordinated our first UUCLV concert series to bring well known musicians to the church for Sunday afternoon concerts of which there were four. This will continue next year. We thank those who fulfilled their pledge commitments during the year.

Serving on the Stewardship Committee this year were Don Barry, Frank Claps, Henry Davis, Pat Herring and Jan Phillips. Co-chairs were Chris Davis and Ann Stuart Thacker. The 2011 Stewardship Campaign officially kicked off with a luncheon at church on March 13. The kick-off receptions were held at the homes of Cookie and Phil DePietro, Jan and Sue Phillips, Drew and Mary Stock Keister, Sue Weber and at Moravian Village hosted by Christine and Henry Davis. These were open to the entire congregation. A redesigned campaign brochure was created by John Kennedy and Kerry Jones updated the Stewardship page of our website. The captains and canvassers worked very hard contacting members and friends to solicit their financial contributions. As part of the pledge process, people were once again encouraged to complete a time and talent survey to help committees fill empty spots. Pledging online has grown in popularity. PayPal has become an option for pledge payments. The campaign goal was \$235,000. As of May 5, pledges have been received for a total of over \$215,000.

The Building Use Committee is a subcommittee of Finance. The committee members during the year were Pat Herring, Frank Claps and Maggie Brown. The committee met monthly to review building use items, develop protocol for renters and discuss current rents and potential renewal increases. They worked closely with Kate Scuffle our Administrator.

We promised to post the budget proposal 30 days prior to the annual congregational meeting so we began working on the Program Budget for 2011-12 with input from the other committees, groups and staff in April. Staff hours for the coming year will remain unchanged. We no longer have the income from the Chalice Lighters Grant which went toward the Music Director's salary. We will be able to reduce some of our operating expenses thanks to the diligent efforts of the Building Committee and the Sexton. We added funds to upgrade our sound system and purchase a new database for membership information and a folding machine for "The Link" as we will be going with paper copies again. We also are going to utilize a payroll service to take some of the burden off our treasurer. With these additional expenses and

our anticipated revenue the budget that was posted to the website is about \$14,400 short. We will either do a transfer from reserves or if there is surplus from the current year we will utilize that. The committee and the Board felt strongly that all the expenses were worthy ones. We will have one more review of the budget in June prior to the annual meeting and unless there is a last minute surge in pledges we expect we will still be unbalanced. We were not able to address the building items identified by the Property Committee and Sexton that will need a larger solution.

We gratefully acknowledge the efforts of many people who organized and contributed to fundraising activities in 2010-11, especially Dora Davenport and Ilse Stoll Zinnes (Service Auction), Ilse Stoll Zinnes (fall and spring plant sales), Brian Hartlaub and the men of the church (Spaghetti Dinner), and Rory Marushak and her team (Grocery Cards).

Heritage Society: Twenty-four individuals have pledged through an annuity, will declaration, stock, etc over \$400,000 to the church Endowment Fund upon their passing. We are hopeful that other church members and friends will join the Heritage society by setting up an annuity or well with the Church Endowment Fund as beneficiary.

The Chair and other members of the committee attended the Board Retreat and found it to be a very good experience.

We have transferred the handling of our endowment funds (\$69,000) to the UUA. We have seen good returns in the short time they have handled our account. We also conducted our first outside financial review per the congregational vote and the results will be posted on the web. We are recommending that we make this a bi-annual event due to the costs and the fact that items do not change that much.

During the coming year the Committee will continue its work monitoring the church's finances and expenses, fund raising activities. There will be a new Chair and we hope to continue to attract new members, we are one of the bigger committees in the UUCLV.

In closing, we wish to thank Treasurer Jan Phillips and Assistant Treasurer Allen Zinnes for capably fulfilling their duties in 2010-11.

Respectfully submitted,

Sue Weber, Finance Committee Chair

A FACT FINDING REPORT CONCERNING THE EXISTING CHURCH BUILDING

I. Purpose and Introduction

Two years ago the UUCLV Board of Directors proposed a fact finding study to examine options with respect to the existing church building. There were several factors that contributed to the proposal including a significant decline in real estate values following the economic downturn of 2008, declining interest rates, the closing of a number of Catholic churches in the Allentown Diocese, and the prospect of having to continue to make significant investments in our existing building. One of the proposal's considerations was whether there was merit in considering a move to a new location given potentially favorable market conditions. The congregation approved the proposal at the 2009 annual meeting and a fact finding committee was established. In 2010 the Long Range Planning (LRP) Committee assumed the fact finding charge after the Fact Finding Committee's term expired.

The LRP's approach concerning future church options involved conducting interviews with church leadership, collecting relevant data about the church building and membership, and an examination of the real estate market. The LRP's findings are summarized in the next section.

II. Findings

1. Church membership stands at 200 in 2011, down from 229 the previous year. The growth anticipated with the move to the Center Street church has not materialized and membership growth can be characterized as static at best. A new minister and other membership initiatives will hopefully result in an increase, but there is no quantifiable basis for projecting significant growth in membership in the near future.

2. Church revenues have exceeded expenses since 2004/05 and have created a financial stability which has improved the church's ability to finance at least one major capital project, i.e. sanctuary roof renovation. However, operating income has not shown any growth during the period 2004-2010 and had declined to \$301,300 (budgeted) from a high of \$327,000 in 2005-06.
3. Both the membership and financial trends suggest significant challenges for any near term capital campaigns.
4. A significant portion of the church's operating budget supports the church building. \$137,700 (46%) of the proposed 2010-11 operating budget is allocated for building and related staff costs. However, the cost of supporting the building enables a significant amount of programs related to the church's mission including the emergency shelter program, fellowship events, hosting community programs, the RE program, etc.
5. Based on 2009 data, the current church population is skewed towards an aging demographic. 61% of the congregation is over 50 and 40% are over 60.
6. Church participants are roughly evenly divided between Lehigh and Northampton counties. Approximately 2% of church attendees are from outside these counties.
7. Interviews with various committee chairs and other church leadership revealed the following attitudes concerning the church:

Positive Characteristics

-Meets current space needs -Central Location/attractive neighborhood -High Utilization of Community Room -Many highly positive feelings about building -Available off street parking

Negative Characteristics

-Will continue to be expensive to own and operate -Future needs likely to include expensive capital items including masonry work on building and church grounds, air conditioning for sanctuary, RE and community room, handicapped access to sanctuary and RE building -Current heating system troublesome-banging pipes -Community Room unwelcoming in appearance -Appearance a significant issue in ability to rent space -Gym Kitchen requires work

-Limited Handicapped Parking -3rd floor of RE building underutilized for RE purposes, i.e. rented to other users

8. In a congregational survey undertaken by the Search Committee in 2009, one open ended question asked respondents to list their major concern(s) about the church. 41 of 93 responses indicated the church building and related finances as a major concern.

9. The appraised value of the church (\$720,000 in 2010) appears to overstate the market value of the church in today's market. A more realistic figure is probably in the range of \$540, 000 or less.

10. Construction of a similarly sized new church would cost \$4.2 million to \$5.5 million, exclusive of land costs. Buying or building a new church would appear to be beyond the current financial capabilities of the church.

11. Preliminary discussions with a developer suggest that the 'highest and best use' of the church could be for multi-family purposed, i.e. conversion to high end townhouses. Significant work in terms of engineering and financial studies would be required to determine actual economic feasibility. In addition, acquiring appropriate zoning and historic review approvals would pose significant challenges.

12. Remaining in the existing building will entail significant additional investment as detailed in the long range plan updates. In the short term, however, the church building is basically sound and has benefited from the ongoing

maintenance and capital improvement investments. The condition of the property and building is significantly improved since it's acquisition in 1994.

III. Background

A. Some Information about the Congregation and Church

1. Membership: 1990-current (selected years)

1990: 257 members 1997: 264 members 1999: 274 members 2009: 262 members 2010: 220 members 2011: 200 members Source: 2009 Congregational Packet

The above data, suggesting a significant drop in membership over the last several, are a little misleading. Since 2009, the Membership Committee and Finance Committee have been working to cull the membership roles of inactive members. Assuming the figures for 2010 and 2011 are more accurate than prior years, it still suggests a drop in membership for that period.

One of the reasons for moving from the Fountain hill location in the mid-90's was that the church seemed on the verge of significant growth and that a larger facility was needed to accommodate that growth. Clearly that growth has not materialized and the congregation's membership growth can be characterized as stagnant at best. A new minister and other membership initiatives will hopefully result in an increase, but there is no quantifiable basis for projecting significant growth in membership in the near future.

2. Church Finances: 2004-current

| ACTUAL | | | | |
|---------------|---------------|----------|----------|----------------|
| | Income | | | Expense |
| Fiscal Year | Pledges \$ | Other \$ | Total \$ | Total \$ |
| 2005-06 | 208,000 | 119,000 | 327,000 | 313,000 |
| 2006-07 | 222,000 | 100,000 | 322,000 | 320,000 |

| | | | | |
|-----------------------|---------|--------|---------|---------|
| 2007-08 | 203,000 | 94,000 | 297,000 | 295,000 |
| 2008-09 | 213,000 | 96,000 | 309,000 | 304,000 |
| 2009-10 | 204,000 | 97,000 | 301,000 | 285,000 |
| 2010-11 (budgeted) | 202,600 | 98,700 | 301,300 | 301,300 |

The above data suggest several trends. Significantly, church revenue has exceeded expenses for every year listed. This financial stability has improved the church's standing among commercial lenders and allowed the recent refinancing of the church's mortgage at favorable rates. Secondly, operating income trends have been erratic with little overall growth. Similarly, pledge income has not grown significantly and in fact has declined to a projected level of \$202,600 in 2011 after reaching a high of \$220,000 in 2006-07. One encouraging trend is a slight increase in average pledge. Average pledge in 2009-10 was \$1325 compared to \$1480 in 2010-11.

a. Where Does the Money Go, i.e. how is it allocated?

| 2010-11 Operating Budget (Expense) | | |
|---|-----------|--------|
| Building and Related Staff | \$137,700 | 46.00% |
| Staffing (inc Minister) | \$127,300 | 42 |
| Programs | \$18,300 | 6 |
| Denominational Affairs | \$18,000 | 6 |
| Total | \$301,300 | 100 |

It should be noted that the above breakdown captures expense items by line items as reflected in the church's official budget and may be somewhat artificial in terms of distinguishing how the church building supports various church programs. The large amount of space we have allows us to:

- participate in the Bethlehem emergency shelter program;
- have a vigorous and diverse RE program
 - provide service to the community by hosting many events, such as the ACLU meeting --- often we are a venue for events that are not welcome elsewhere;
 - hold many events such as the concert series, line dancing group, Buddhists etc. that have a significant aspect of community service;
 - hold fellowship events like the Spaghetti Dinner, the Cinco de Mayo party, etc.

In short, the cost of supporting the building enables a significant amount of programs related to the church's mission.

Furthermore, the Volunteer Coordinator wages and much of the minister's salary, could be considered as "program", even that's not the way they are presently reflected in the budget.

2010-11 Building
Budget Breakdown
(Expenses)

| | | |
|---------------------------------------|------------------------------------|--------------|
| Operating (oil, electricity, etc.) | | \$66,100.00 |
| Debt | | |
| | Member Loans (Interest) | 7200 |
| | Mortgage (Principal & Interest) | 23000 |
| Insurance | | 5400 |
| | Subtotal | 101700 |
| Building Staff | | 36000 |
| Total | | \$137,700.00 |

The above data clearly indicate the significance of our building as a component of the budget. Given the age and condition of the church building, it may not be unusual to have so much of our operating funds applied to the building. In the last 10 years, the church financed two large capital projects (new roofs for the RE building and sanctuary). Projected capital improvements (additional masonry work, handicapped access, air conditioning, etc.) will also require additional funds to be raised through financing and/or a capital campaign.

3. Rental of Church Space

The church has available space that has contributed significant revenue over the years. There are currently 8 renters of church space, five of whom are long term (monthly) renters:

- ▲ Ashgen
- ▲ Heitman Massage
- ▲ Gateway
- ▲ Karate Group
- ▲ HeadStart
- ▲ Lehigh Valley Folk Dance
- ▲ Embrace Your Dreams
- ▲ Contra Dance

The revenues generated over last several years from these sources are significant and relatively constant, exhibiting some growth over the past several years. They cover a significant portion of the church's operating expenses:

| RENTAL INCOME | |
|---------------|---------------|
| <u>YEAR</u> | <u>AMOUNT</u> |
| 2006 | \$43,766.00 |
| 2007 | \$41,620.00 |

| | |
|------|-------------|
| 2008 | \$43,653.00 |
| 2009 | \$47,660.00 |
| 2010 | \$49,234.00 |

Source: UUCLV Year End Financial Reports

4. Assets/Liabilities

The Church's current assets as of March 31, 2011, are \$785,230. Most of these assets are represented by our church building, \$642,577. The balance consists of reserves (\$33,220), endowment fund (\$62,017), and various cash accounts (\$47,416).

Most of the Church's liabilities are also related to the building. Long term debt (member loans and current mortgage) is \$404,871. There is an additional \$3786 in short term liabilities.

5. Attendance

Unfortunately, there is not a history of attendance figures for the church. There are recent data for the current church year which indicate that average Sunday attendance is 107.

It should be noted that the attendance data does not include Breakfast Forum attendees which consistently attracts 30-40 participants weekly, not all of whom are church attendees.

RE enrollment data is similarly spotty but suggest RE enrollment is also down. Available data indicates 79 RE enrollees for the current church year compared to 112 enrolled last year. The data for 2008/09 indicates 44 enrollees but the data may be incomplete. No other data is available.

5. Demographics

a. Age Distribution

The following data is a not based on historical data but instead reflects a 'snapshot' based on responses to the Search Committees 2009 Congregational Survey.

| <u>Age Category</u> | <u>%</u> |
|---------------------|----------|
| Less than 18 | 3 |
| 19-29 | 1 |
| 30-39 | 12 |
| 40-49 | 23 |
| 50-59 | 19 |
| 60-69 | 27 |
| 70-79 | 12 |
| 80 and over | 3 |

Source: 2009 Congregational Packet The data suggests and older congregation; 61% of the congregation is over 50 and 40% are over 60. These data may have implications for developing new lay leadership in the church community as well as sustaining the overall community.

b. Geographic Distribution

By Postal Address

| | | | | |
|------------------------------|----|-------|-----|-------|
| Warren Co., NJ | 1 | 0.4% | | |
| Bucks Co., PA | 1 | 0.4% | | |
| Lehigh Co – Atwn | 46 | 20.2% | | |
| Lehigh Co – Beth | 5 | 2.2% | | |
| Lehigh Co – Other | 51 | 22.4% | | |
| <i>Lehigh Co. Total</i> | | | 102 | 44.7% |
| Montgomery Co | 3 | 1.3% | | |
| Northampton Co – Beth | 74 | 32.5% | | |
| Northampton Co – Easton | 29 | 12.7% | | |
| Northampton Co – Other | 18 | 7.9% | | |
| <i>Northampton Co. Total</i> | | | 121 | 53.1% |

Source: Bill Thompson

Not surprisingly, church participants are somewhat evenly divided between Lehigh and Northampton counties. Historically, there has been greater representation from locations in western New Jersey and the Stroudsburg area. Newer startup UU churches in New Jersey and Stroudsburg have reduced attendance from these areas at the UUCLV.

B. Current Attitudes about Church Building

1. Interview Highlights

In order to assess how members and friends felt about our church building. The process involved interviews with various leadership positions in the church including the chairs or members of Finance, Worship, Membership, RE, Property, Breakfast Forum, Building Use, the Minister, and others. The interviews were not intended to represent a formal database and it is recognized that the results may not be representative of the church community as a whole. The results of the interviews are summarized below:

Positive Characteristics

-Meets current space needs -Central Location/attractive neighborhood -High Utilization of Community Room -Many highly positive feelings about building -Available off street parking

Negative Characteristics

-Will continue to be expensive to own and operate -Future needs likely to include expensive capital items including masonry work on building and church grounds, air conditioning for sanctuary, RE and community room, handicapped access to sanctuary and RE building -Current heating system troublesome-banging pipes -Community Room unwelcoming in

appearance -Appearance a significant issue in ability to rent space -Gym Kitchen requires work

-Limited Handicapped Parking -3rd floor of RE building underutilized

The responses reflected very positive feelings about the church but also suggested church leadership was realistic about the building's needs. Another data point is captured by the congregational survey undertaken by the Search Committee in 2008/09 and included in the congregational packet. Although most of the questions required an objective response, there was one open ended question that asked respondents to list their major concern(s) about the church. 41 of 93 open ended responses to that question indicated the church building and related finances as 'major concern'.

C. Long Term Plan Update

The Appendix to this report contains an updated version of the Long Range Planning's list of projects compiled from input from the church's standing committees. Total cost for all activities is \$378,500-490,500. The project listing also reflects a suggested prioritization. \$140,000 of the above total is in Priority 3 (lower priority). Ability to proceed with any of the listed projects depends on available funding.

D. Real Estate Market Data

1. Appraisal of Church Building

In the course of refinancing the church's mortgage in 2010, a professional real estate appraisal company was engaged to conduct a fair market value appraisal of the building and grounds. The method used by the appraisers was to examine comparable sold properties in the region, calculate a price per square foot, and develop an average square foot price for all properties.

The appraisers examined the data for seven church properties that were sold between November, 2007, and March, 2010.

Property locations included Allentown, Bethlehem, Easton, and Reading. The results of their analysis are included below:

| No. | Location | Sale Date | Sale Price | Size (SF) | Price/SF |
|-----|---------------------------------|------------|------------|-----------|----------|
| 1. | 301 North Fifth Street | 11/16/2007 | \$325,000 | 16,352 | \$19.88 |
| 2. | South 10 th Street | 03/20/2008 | \$251,000 | 19,345 | \$12.97 |
| 3. | 225 Porter Street | 04/01/2008 | \$360,000 | 16,960 | \$21.23 |
| 4. | 15 West 4 th Street | 04/07/2008 | \$450,000 | 13,878 | \$32.43 |
| 5. | 24 South 5 th Street | 04/21/2008 | \$450,000 | 23,850 | \$18.87 |
| 6. | 1201 North Ulster Street | 09/03/2009 | \$350,000 | 6,869 | \$50.95 |
| 7. | 54 North Eighth Street | 03/24/2010 | \$190,000 | 10,000 | \$19.00 |

Their analysis reflects an adjusted average sales price of \$26/SF. Applied to the approximately 27,000 SF of our church, their resultant fair market estimate for our property was \$720,000. The church was purchased in 1995 for \$470,000.

Although the appraiser's methodology is consistent, one could question the result based on the appraiser's own data. Of the seven locations, only two are higher than the \$26/SF average applied to our property. The remaining properties are significantly below the average figure. Eliminating the 6th property (on the grounds that it may not be a comparable property), the resulting price/SF figure is \$20, or \$540,000.

A more recent examination of listing/sales for church properties suggests that price/SF is widely variable, but for older, larger buildings, the price is below the \$26/SF appraisal figure.

| <u>CHURCH</u> <u>#</u> | <u>SQ. FT</u> | <u>LOCATION</u> | <u>PARKING</u> | <u>SALES/</u> <u>LIST</u> <u>PRICE</u> | C O S T P E R |
|---------------------------|---------------|-----------------|----------------|--|---------------------------------|
|---------------------------|---------------|-----------------|----------------|--|---------------------------------|

| | | | | | | S Q · F T. \$ 8. 6 0 \$ 1 1 9 \$ 2 3 \$13.09 \$25 \$ 6 6. 8 2 \$6.17 |
|---|--------|---------------|-----|-----------|------|---|
| 1 | 4604 | Bethlehem | no | \$40,000 | sold | |
| 2 | 5039 | Center Valley | yes | \$600,000 | sold | |
| 3 | 15,168 | Allentown | no | \$350,000 | list | |
| 4 | 26,735 | | yes | \$350,000 | list | \$13.09 |
| 5 | 7592 | | no | \$199,000 | list | \$25 |
| 6 | 5612 | Wind Gap | yes | \$375,000 | list | |
| 7 | 14,584 | | no | \$90,000 | list | \$6.17 |

Source: Liza Gerstenblitz

2. Cost of a New Church

A comparable facility (approximately 27000 SF) at an estimated SF cost for new commercial construction of \$150-200 SF would range from \$4.2 to 5.5 million, exclusive of land costs.

IV. Observations on Future Building Use

A. Building Re-Use

Situated as it is in the heart of Bethlehem's Historic District, the church building offers an attractive location for alternative uses other than a church. Under the City's proposed zoning ordinance, permitted non-residential uses include bed and breakfast, assisted living, museum, and adult day care. In addition, multi-family uses are permitted, subject to an approved variance.

Based on proposed regulations, multi-family use would be permitted based on one unit for every 2300 SF of building lot area. Based on this guideline, approximately seven units could be permitted.

The church's past experience with construction (exterior) projects demonstrated that there are significant challenges associated with these activities requiring the retention of design and construction expertise, compliance with the requirements of local codes and the Historic Architectural Review Board, and construction oversight/administration responsibilities. In addition, our current site is significantly constrained by the absence of off-street parking.

In April, the Long Range Planning Committee met with a local developer, Mr. Lou Pector, with experience in the redevelopment of existing structures for re-use. He was asked to give an opinion on the reuse potential of our building for a multi-family dwelling. Based on a preliminary walk through, his opinion was that the church had a number of positive qualities that lent themselves to re-use including numerous windows (good natural light conditions, good interior circulation easy to get around), and high ceilings. He further indicated that a true appraisal of the church's actual redevelopment potential required the development of more specific data on redevelopment costs. He indicated a willingness to look more closely at these costs through a detailed inspection.

B. Build/Buy New Church

There appears to be no compelling reason at the current time to pursue this option. As indicated earlier, the church is not experiencing membership growth that taxes either worship services or programming. Similarly, adequate classroom space is available to meet current RE needs. The cost of building a new church is beyond our current financial capabilities. Additionally, it is not clear what proceeds would result from the sale of our church that could be applied to a new facility.

C. Remain in Existing Building

Remaining in the existing building will entail significant additional investment as detailed in the long range plan updates, close to \$.5 million. In the short term, however, the church building is basically sound and has benefited from the ongoing maintenance and capital improvement investments. The condition of the property and building is significantly improved since it was acquired in 1994.

Submitted by the Long Range Planning Committee:

Bernie Bunjowski, chair

Cecelia Eberhart

Lisa Gerstenblitz

Craig Moore

Chuch Smith

Erol Ulucakli