



FINANCIAL FEASIBILITY STUDY



October 2015
Bill Clontz
Stewardship Consultant



Unitarian Universalist the Fellowship of San Dieguito ***Financial Feasibility Study***

Executive Summary

This report is provided to the Unitarian Universalist the Fellowship of San Dieguito (UUFSD). While the elected leadership and the Dream Funding team will want to review this report before discussing it with the members and friends of UUFSD, and they should be allowed adequate time by the community to do so, this report is intended for the entire membership without delay or filter, as one would expect in a Unitarian Universalist setting. This report is one source of information and reflection the voting membership should consider in deciding on the next course of action recommended by the leadership.

UUFSD has initiated a two-phase, multi-year program to expand and improve its campus to better serve its members, facilitate growth, and serve the wider community.

The priorities followed in deciding what physical aspects of the campus are to be invested in by this program have been on enabling the membership, the leadership, and the staff to better serve the Fellowship and its programs. This Financial Feasibility Study (FFS) was conducted in support of these goals.

The assessments and recommendations in this report are based on data analysis over the past several months, extensive interviews, and the experience of other Unitarian Universalist congregations with similar projects. The process of evaluation has been one of objective data analysis and subjective judgment as to how ready and capable the congregation is to move forward.

As detailed in this report, I believe the Fellowship is capable of reaching a capital campaign result that supports completion of Phase I of the program. Some significant leadership-level gifts not yet in evidence would be exceptionally helpful in ensuring success without financial burden, but it is equally essential, if not more so, that every member contribute as they can, at levels they can rise to and sustain. It will take gifts of all sizes to bring this to fruition. What each of you brings to the table counts.

As is explained in the main body of this report, the capital campaign results would most likely come in the range of **\$730,000 to \$960,000**, with a low side estimate of \$650,000 and a stretch goal of \$1,040,000. Any additional large scale gifts not yet confirmed, either directly or as matching funds, would increase these totals accordingly.

The UUFSD Financial Feasibility Study sought to answer the following specific questions concerning a potential capital campaign:

- What is the level of awareness in the membership of the decisions and decision processes to proceed with this specific project to improve and expand facilities?
- What is most important to people about having these new and improved facilities?

- What questions or concerns do people still have about the project?
- Do people believe that this should be a high priority for the Fellowship at this time, and if not, what do they think does deserve attention?
- What is a feasible financial goal to be raised over a three-year period?

There are activities and systems relating to the larger life of the Fellowship that cause members to be frustrated or concerned; such issues are known already to many members and leaders; the most important ones are noted in this report. It would be surprising were there not such issues evident in a dynamic community such as this, but this does not mean such concerns should be ignored or taken as unresolvable. These relate to broader and longer-term issues than just the capital campaign.

Take the citation of such issues in this report as an invitation to wrestle some old demons to the ground. Both the campaign and the Fellowship will be better for it. Addressing such issues where possible, concurrently with the capital campaign and afterwards, would put the Fellowship on a better footing overall and would substantially increase the probabilities of a successful Phase II capital campaign when that time comes.

The membership as a whole and the leadership in particular are to be commended for the efforts that have brought UUFSO to this point in its capital program. Over a four-year period, this has been a serious effort in terms of inclusiveness, planning, and balancing inputs, resources, and dreams. The effort has devoted adequate time to be ready to proceed, should you so choose.

It is not possible to make everyone happy in a project of this scope, and indeed some surely will be unhappy at any given time, often for perfectly valid reasons. So it is with capital programs. Nevertheless, I have been struck by how consistently the vast majority of those who took part in the study felt consulted, not just informed, and felt they had access to the information needed as the program developed. People generally have confidence in the project team, appreciate the efforts put forth on behalf of UUFSO, like the plans, and agree with the phasing of the plan.

The very few but still important exceptions to the satisfaction are also noted in this report. Those who have disagreements with the campaign or the plans expressed themselves articulately and civilly, in terms of substance, and with respect and affection for those with whom they have disagreements. You have largely stayed in community, and that is a gift in and of itself for the future of UUFSO. Continue to do so.

A capital project like this one has significant implications for the Fellowship:

- First, it calls on us to remember that we are building something for all of us and for posterity. This is not just about “my favorite areas,” but also about what the Fellowship needs as a whole to be its best.

- Second, it reminds us of the need to have “bifocal vision,” to keep an eye on the current environment, including our annual support of the Fellowship, as well as thinking out at least a generation ahead, ensuring that we are good stewards today and that we pass on something worthy to those that follow us.
- Third, a capital campaign reminds us that we come from the Congregationalist tradition: when major decisions are to be made, we make them in community, with the greater good in mind and with the expectation all will do what they feel is best for the congregation. Every member takes responsibility for the decisions made and the actions taken.

It is laudatory that the membership took the unanticipated departure of the minister in stride, welcomed a new interim minister, and continued on with planning and moving forward. This would have been an easy and natural time of transition to halt long-term programs until things are settled. This congregation decided that this was a project for all of us, that is was about our future, and that it should not be derailed or sidelined.

Almost all of the interviewees noted that while it was unfortunate that the minister departed as the campaign was in development, this was not a reason to stop the campaign. Many also specifically expressed confidence in the Interim Minister and rightly expect her to be a full participant in the capital campaign process. This is very much in the Unitarian Universalist tradition of assuming responsibility as a congregation for your future and your priorities.

As the inevitable tension points arise and some difficult decisions are to be made in the months ahead, leaders and members would do well to keep this frame of reference in mind. Staying in community is far more important than any building or financial issue.

Now the work must be done to determine what the balance is between your vision and the willingness of this Fellowship – each and every member - to provide the resources to realize that vision. Connecting these two components is surely doable for the Fellowship. It’s your decision as a community to proceed, how far, and how soon.

I encourage the membership, and not just the leaders, to review this report and use it to further your journey of congregational self-discovery and commitment in community. There is no reason the Fellowship cannot accomplish the goals it has set for itself, as long as you stay in community and recognize there is no “they.”

If the members intend to make a commitment for the long-term to this Fellowship in the lives of its members and the wider community, now is the time to step forward.

The more who answer that call, the more of Phases I-II become a reality without major financial burdens for the future. You can do this if you so choose.

You will build exactly the facilities the members and friends of this Fellowship choose to build – no more, no less. It is up to you, each of you, to decide what will be done.

If this project is to happen, it will be because every member takes up the challenge to do what he or she can to support the present and to secure the future the Fellowship as represented in these buildings and grounds. The level of participation is every bit as important as the amount of funds raised. Know that your leaders are working to serve the Fellowship and to provide the balance of living your vision, building something of quality, and controlling costs.

The Fellowship has the capacity to accomplish much – you have demonstrated this. I look forward to seeing you do so again.

You are entrusted with a unique site and a special community. Now each of you must decide what you personally and collectively will do with that gift and what will be your legacy.

If I or my colleagues on the *Stewardship for Us* team can be of service to you in the future in growing your stewardship environment, supporting your annual budget drives, development of mission and vision tools, or any of the other areas the *Stewardship for Us* team supports, I hope you will call upon us. It would be our pleasure to work with you to continue strengthening and growing UUFS, most especially in helping you grow your stewardship and membership culture following your capital campaign decision.

Good luck and best wishes. I look forward to seeing your future unfold.

With respect for what you have accomplished and affection for the Fellowship you are,

Bill

William R. Clontz
Stewardship for Us Consultant
www.stewardshipforus.com

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INTRODUCTION

This Financial Feasibility Study (FFS) study was conducted at the request of the Unitarian Universalist Fellowship of San Dieguito. The study is designed to provide the leadership and the membership sufficient information and assurances about the program and its standing within the Fellowship before any further major commitments are made by the Fellowship.

UUFSD is fortunate to have space to grow, a sense of roots where you are, a unique campus, and membership that is ready for additional capacity, challenge, and capabilities. Your current facilities and location fit well with the natural surrounding UUFSD has the capacity to grow and improve in this place.

Following a four-year period of study and consultations that considered a range of options, a plan was developed to improve and expand your campus. The attraction of this property and its location in the community were decisive factors in plan development.

Continued development of the proposal and conduct of this study are part of the ongoing program development. This process includes extensive information sharing and visioning, a process that continues today in various forums.

At the invitation of the leadership, stewardship consultant Bill Clontz began working with the Fellowship several months ago, through a series of emails, information exchanges, and video conferences.

Thirty-one households (forty-three individuals), representing a cross-section of UUFSD, were scheduled to participate in one-on-one interviews in October 2015 for this study.

Interviews were conducted at the Fellowship October 14-17, 2015; twenty-nine households (forty individuals) actually took part. The names of participants are listed in Annex A of this report. To a person, they were thoughtful, generous with their time, punctual, considerate, and appreciative of others; they represented UUFSD admirably.

The interview pool was chosen by UUFSD leaders, using a process recommended by the consultant to ensure that a representative sample of the Fellowship was assembled, considering a wide array of factors. After the selection of potential participants, the leadership group invited candidate households to participate in the study. The goal was to interview approximately 15% of the membership, which was accomplished. This is a large and representative enough sample to allow projections for the Fellowship at large.

A large portion of the leadership of the Fellowship has already expressed their commitment to this project, providing a starting point to ensure that the consultant has first hand knowledge of their level of support for the project. This provided background information and assurances of active leadership, but was not factored into FFS financial calculations. Similarly, any potential additional contributions not confirmed already by the leadership or discussed in the FFS interviews were not considered for this report.

Estimates of capacity were made solely on the basis of interviews and the resulting projections.

Beyond the leadership, one looks to include in the interviews ranges of long-term and short-term members, older and younger people, higher and lower annual pledging level households, active and not so involved people, RE parents, generally single focus members (e.g. social justice, music, etc.), and varieties of support/nonsupport/undecided.

The UUFSD Financial Feasibility Study sought to answer the following specific questions concerning a potential capital campaign:

- What is the level of awareness in the membership of the decisions and decision processes to proceed with this specific project to improve and expand facilities?
- What is most important to people about having these new and improved facilities?
- What questions or concerns do people still have which need to be answered?
- Do people believe that this should be a high priority for the Fellowship at this time, and if not, what do they think does deserve primary attention?
- What is a feasible financial goal to be raised over a three-year period to support such an effort?

Many questions in the interviews will sound familiar, especially for those who took part in visioning/informational meetings and read the various program documents. This is by design; these interviews should not be the first time such questions have been raised.

The FFS provides an opportunity to verify continuing interest and support expressed over past months, while the program was in a more formative stage and before members and friends began to think about specific financial commitments to make the plans a reality.

Having an outside consultant conduct these interviews offers increased opportunities for candor and an additional judgment on where the Fellowship is at this moment.

THE INTERVIEWS

The interviews were conducted during the period October 14-17, 2015. The consultant used a standard set of questions for each interview. When a couple was interviewed, the views of each were recorded separately.

The data from these interviews form the basis for this report. At the start of each in-person interview, the consultant introduced himself as the person hired by the congregation to determine the financial feasibility of the possible improvement and expansion of existing facilities.

Each interviewee was assured that, with any noted exceptions that would be clearly identified, all responses would be confidential.

BACKGROUND INFORMATION FOR INTERVIEWS

1. How long have you been associated with the the Fellowship? ____ years.

Table 1
Length of Association

Percentage	Length of Association
31 %	One to five years
21%	Six to ten years
24 %	Eleven to twenty years
24 %	Over twenty years

These participants provided a good range of time in and levels of experience within the Fellowship. It was important that the distribution of time and experience reflect the entire congregation.

2. Are you a member?

Table 2
Membership

Percentage	Response
99 %	Yes
<1 %	No

All but two participants in the FFS are members. Contributing Friends of the Fellowship certainly should be part of the capital campaign.

3. Have you been a member of another UU congregation?

Table 3
Other Congregations

Percentage	Response
64 %	Yes
36 %	No

This is an important element, as it demonstrates that for many members, this is not their first congregation, nor their first capital improvements project.

4. Gender

Table 4
Gender of Interviewees

Percentage	Gender
60 %	Female
40 %	Male
0 %	N/A - Other

Although not a balanced ratio, we had a significant enough representation spread to assume a reasonable representation across genders. Anecdotally, this ratio seems close to participation pattern in the Fellowship activities.

5. AGE

Tale 5
Age of Individual Interviewees

Percentage	Age
0%	18-30
10 %	30 to 50
36 %	50 to 65
54 %	66+

We had a reasonably good age distribution in the FFS group, with the exception of 18-20, which is a relatively small population at the Fellowship.

ENGAGEMENT

A number of questions were asked to help assess the level and type of engagement in the Fellowship experienced by survey participants. Their responses are as follows:

6. How often do you usually attend Sunday services?

Table 6
Sunday Attendance

Percentage	Frequency
33 %	About every Sunday
61 %	2-3 Sundays a month
3 %	About once a month
3 %	Rarely

The percentage of members who indicated that they attend services most Sundays was substantial. This is a testament to the quality and vibrancy of services, earlier and with the newly arrived minister, and the strong pull of community at UUFS. Kudos to everyone who makes Sunday such a special time for everyone.

7. Do you or did you have children enrolled in the religious education program?

Table 7
RE Attendance

Percentage	Frequency
44 %	Yes/ Previously
56 %	No

Those who indicated participation in RE included a significant number that no longer have RE age children but did earlier. RE was sighted frequently as a flag-ship program for UUFS, including by many who have not been involved in this program but see it as key to the future of the Fellowship and of Unitarian Universalism.

There was wide spread support for the to RE in the proposed building program, primarily in Phase II. This is members thinking about what was best for all, not just for themselves.

8. Do you currently (or previously) serve in a leadership position in the Fellowship, including committees or other activities have you participated in at UUFS?

Table 8
Leadership and Major Activities

Percentage	Frequency
100%	Yes/ Previously
0 %	No

FFS participants brought to this conversation a wide and deep range of commitment and investment of time and talent in the Fellowship, and as noted later in this report, shared their concerns and hopes for the future of UUFS. Survey participant indicated involvement in essentially every activity at the Fellowship. Many have served in multiple capacities in multiple activities. The following activities were cited most frequently:

Table 9
Leadership and Major Activities

Fellowship Board, Policies	Social Justice, Food Bank, Resource Center
Sacred Circles	Stewardship/ Capital Campaign, Strat. Plan
Finance/Treasurer	Auction, Fundraisers
Membership, Greeter	Worship Associates
Music, Choir, Band	RE/OWL/COA/ARE
Building & Grounds, Garden	Personnel
Pastoral Care	Circle Dinners
Kitchen Team	Camping, Benneville
Ministerial Search	Book Clubs/ Nook
Worship Team, Ushers	Men, Women's Groups
Dream Teams	Committee on Ministry, Communications

9. Household Income

The median income of those interviewed was in the \$100,000 to \$150,000 range; the most frequent response (the mode) was also \$100,000 to \$150,000, with over 30% of respondents reporting higher income than the mean/mode and 41% reporting less than the mean/mode.

Table 10
Household Income

Percentage	Income Range
0 %	Under \$25,000
7 %	\$25,000 to \$50,000
13 %	\$50,000 to \$75,000
21 %	\$75,000 to \$100,000
28 %	\$100,000 to \$150,000
21 %	\$150,000 to \$250,000
10 %	\$250,000 to \$500,000
0%	Over \$500,000

This data is informative in several regards. It confirms that the Fellowship is fortunate to have a largely middle class population that has relative economic security. Not reflected are the obligations that any given household may be addressing.

It should also be noted that a number of the members are retired and on fixed income, although many have additional assets rather than income, a not uncommon financial profile for this age bracket. Often these are also the members with the longest time and the deepest commitment to the Fellowship. So, too, are there a number of young families in the congregation just beginning to develop their earning power, their commitment to the Fellowship, and to Unitarian Universalism.

Many of the participants in the FFS expressed intentions to support this program in a substantial way, at times involving substantial levels of personal and resource commitment; a number indicated they may be in position and willing to support more than they indicated at this time, depending on number of family and personal variables. On the other hand, no exceptionally large gifts were indicated within this group.

CONGREGATIONAL LIFE

A number of questions were asked to establish or reconfirm how participants feel about the overall health of the congregation today.

10. What first attracted you to this congregation?

As one would anticipate, responses to this question were as wide and varied as the Fellowship itself. By far, the most frequent responses addressed the desire to find a liberal, non-doctrine based religious community, to find a place for moral and ethical education of children, a vibrant and varied set of programs, and to enjoy meaningful Sunday services and music. Many noted

how supportive this congregation is, providing an immediate and needed connection. I frequently heard comments along the lines of “Magic happens here.” Some came for the most prosaic reasons (“We saw the sign!”) and the wish to continue their UU lives begun elsewhere. Others cited the unique outdoor focused location (and the environmental consciousness here) and the warm welcome they received from the first visit. People were impressed early on with the Youth of this Fellowship and how many opportunities there are to become involved. Several people noted this was not the closest UU community to them, but it’s the one they chose.

Many celebrated that the Fellowship offers a large number of programs and activities for its members and friends, including but not limited to Sunday worship, religious education for all ages, social justice activities (including Proposition 8), and so many social gatherings.

11. What programs or activities are most important to members today?

The list here is long indeed. Sunday services in all their components (sermons, music, RE, etc.) topped the list for very many respondents. Music ranks high (choir and band included), as does the many meditation and small group opportunities, along with book focused groups, men’s and women’s groups, and the opportunities to grow, learn, and do.

Perhaps most valued are the compassion, acceptance, and diversity of views so many cited. And all those community meals and coffees count for building closeness as well. People often noted they enjoy the entire community and have found real friendships here.

People also clearly enjoy join-in opportunities, like the Auction, Buildings and Grounds work parties, and more. Most participants in the interviews noted they felt the building plans supported these activities effectively, especially all the plans around the Amphitheater.

12. What are the strengths of this congregation; what is going well?

By far, the intentional sense of community was the leading element cited. Many were pleased that this is a Fair Compensation community, while others cited how effectively the Fellowship attracts young families. The Religious Education program garnered wide and frequent support in the interviews. Quite a few interviewees were pleased that the membership has a mostly middle class economic profile and a population of intelligent, engaged members.

13. What areas of Fellowship life, if any, need attention? What are the most pressing needs?

Any congregation of this size and activity level will have issues that people would like to see improved. At this Fellowship two areas came up very often, more than enough to highlight them as serious systems areas that deserve focused attention for the long-term health of UUFSD. (No doubt some have the opposite view on any of these – we are UUs). This question is asked because such transitional, cross-functional issues often affect the life of the institution and the membership in important ways – and this eventually has impact on the capital program as well. To paraphrase the major response themes:

- A. Volunteers: Although many people are involved in multiple activities, almost all interviewees felt the same small group does most of the work. It would be helpful, I heard

so often, if we were better at training, mentoring, and recruiting, to spread the load and help others participate more fully for their own enrichment. We very much need a systematic approach to leadership and volunteer development. Many worry greatly about volunteer burnout and about continuity of important programs. It was noted not a few times that some of members don't seem to think the call to volunteer applies to them simply because they feel their lives are busy; people are missing out on the power of giving in "sweat equity."

There is fertile and important ground to be plowed here by the lay leadership, the minister, and the newly appointed volunteer coordinator.

- B. Administration and Management: A significant number of survey participants expressed concern that although the Fellowship was now a mid sized congregation with complex operations, much of the administration and management has remained informal and inadequate. Although it sounds mundane, functions like record keeping, policy and procedures development, and related matters impact life in the Fellowship in myriad ways. Examples cited range from it taking months to obtain name tags to significantly outdated pledge information to volunteer teachers lacking training in emergency medical procedures or dealing with disruptive behavior.

No doubt, there are varying opinions in these areas but they were cited enough to indicate attention by the leadership. With a number of new staff members on board, this is an opportune time to look to standards and expectations in these important supporting functions.

- C. Other areas noted with frequency, but not to the same degree as the previous two, included a more engaged pledging and stewardship environment, better facilities (as envisioned by the capital program), much more outreach and advertising, more variety in music, provision of Fellowship funded child care consistently for activities, better leading training and transitions, restart of the activities fair and circle dinners, and a desire to return to one service Sundays. A number of people noted they would like to see a more active membership development/growth program and more definitive outcomes in social action activities.

14. We asked: What do people wish were different at the Fellowship, if anything?

Most responses reiterated the responses in question 13, above, but by far the need for more space and better facilities came out loud and clear, almost universally.

EVALUATING THE POTENTIAL CAPITAL PROJECT

15. LEVEL OF AWARENESS – How well do you feel you know the capital project being proposed?

Table 7
Level of Awareness

Percentage	Familiarity
74 %	Very Familiar
23 %	Familiar
3 %	Aware of Them
0 %	Unfamiliar

Of the interview participants, 74 % indicated they were very familiar with the proposed plans. They felt they have been well informed of its progress and consulted for ideas. People feel they know where to find additional information if needed. In summary, an impressive 97 % of the participants felt well informed about this project.

These responses demonstrate high levels of understanding and confidence in the project by most people. This is a testament to the hard work done by the Dream Teams to educate and dialogue with people in a variety of ways.

16. BEST FEATURES OF THE PLAN - The consultant asked interviewees what was best in their view about the expansion and improvement plans.

There was strong agreement on the part of a large majority that the project teams had done an excellent job of bringing members into the process. People generally like what they see and the processes used to involve the congregation more than satisfy most. Following are selected, representative comments that represent the opinions of multiple interviewees as to what they like the most.

- Both phases seem appropriate, and in the right order
- Everything being done with the Amphitheater seems right for almost everyone
- More parking space garnered much praise.
- There is strong support for catching up on long deferred maintenance and safety issues.
- I trust the team that has done all this work
- The expanded walkway and doing away with the umbrellas will be great
- The new Admin building looks like a valuable addition
- The new bathrooms are REALLY needed
- The use of room dividers will give us good flexibility for needed spaces
- The new kitchen is much needed

17. CONCERNS - The consultant asked what concerns, if any, interviewees have with the current plans. Almost no one expressed any concerns strong enough to cause them to withhold support for the project, but a number of areas are on the minds of many people. How well these are

addressed will measurably affect the level of enthusiasm and financial commitment. The following were mentioned with some frequency:

- Not everyone feels a new kitchen is needed (most do) or that the location, so far from the Founders Hall, is the best choice.
- Parking is an often-cited area, in several areas. People want more and better parking, for practical and welcoming reasons. Almost everyone said they would gladly accept the cost of still more space if room could be found for them. Should the Fellowship grow at any appreciable level in the near term, parking will again be a challenge. Many also expressed an interest in knowing that there will be a good and safe flow of people, including handicap access. Several people mentioned that those without mobility challenges or small children should routinely look to park at the off site locations so that there are enough spaces for visitors and for those that need them.
- Acoustics were frequently mentioned, as a functional issue and as an accessibility issue. It was noted that there is a sound assist system in Founders Hall, but it is long on volume and short on clarity. For those with hearing challenges, events in Founders Hall or the Library are largely inaccessible. The question was raised more than once if sound assist and noise attenuation in these existing buildings are part of the plan (not cited in the brochure). Apparently studies have been done in the past, but no action taken. These are relatively easy, low cost accommodations to make and go a long way towards communicating that the Fellowship is caring and welcoming, and should be a part of Phase I efforts.
- Some would like to see resources developed to support landscaping and more visual appeal primarily with an automated irrigation system. Also called for was better signage on the road, and perhaps a sign along one of the busier roads on the other side of the nearby shopping center. Currently, one really has to be looking for UUFSO to find it.
- Several said they were excited about the construction plans, but worry about the costs, including unanticipated costs from government requirements, and whether the Fellowship can afford it. The people putting all this together have done a great job of laying out the plans and seeking input. Now, they said, we need to do the same on finances so we do the right thing. These kind of projects are subject to cost over runs and delays. Are we sure we have a good handle on this effort? Does the team have control or is the architect driving our process?
- People are looking for assurances that due diligence is being applied in selecting companies that support this project and in tight cost monitoring and management.
- Are we doing all we can on accessibility issues?
- Is the new Administration Building too much for our needs and cost concerns? Not clear to all that we really need a new kitchen.
- Founders Hall will still be too small and ill suited for many uses
- The added parking is not nearly enough
- Not clear why we are providing ample storage for an offsite charity

- With improved facilities, should we not expect increased rents from the pre-School
- Hope the overall appearance will not be too corporate in appearance
- Need an irrigation system
- Need more seating in the amphitheater
- Add at least one shower

18. **HOW IMPORTANT IS THIS PROJECT?** - The consultant asked whether this project and the accompanying capital campaign should be a high priority or not for this congregation today, ranking it from one (lowest) to five (highest).

The planned project is very strongly supported. The rating of 4 or 5 out of a possible 5 by 100% of those interviewed is reflective of the recent congregational vote and at a level found in other studies that led to successful campaigns.

Table 8
Level of Importance

Percentage	Familiarity
<1 %	1- Not Important
<1 %	2- Marginally Important
7 %	3- Moderately Important
56 %	4- Very Important
36 %	5- Critical, Major Importance

These numbers are strong; they show that the congregation is ready to move forward on the the program. Many noted that this has been under discussion for years and that delays could be encumbered with higher material costs and/or another downturn in the economy. Your consultant would point out that successfully completing a program like this, including financial support by the membership, would be a major plus consideration for a candidate settled minister

However, do not ignore those who still have some questions or concerns, or those for whom the proposal is not their top priority. It is important that the fellowship work together as a community as much as possible as you proceed in the months ahead.

The leadership and the membership should continue to both inform and seek input from all members and contributing friends. It's impossible to make everyone happy or completely knowledgeable about the project, but such should not be for lack of effort.

A sampling of paraphrased comments for each of these ranges of response includes:

Very Important or Critical (Ratings of 4 or 5)

- Space and facilities are the limiting this congregation.
- The need is clear. Let's get on with it.
- We have come so far. To stop now would be a setback.
- We should play a larger role in the community We need the facilities to do so.
- We have potential for rentals and for community events with improved facilities.
- This is not just about what we need or want now, but for what we want to leave to those who come after us.

Marginal or Moderate Importance (Ratings of 2 or 3)

- This is important and appropriate for us, but it's the people and the mission that are most important. We should be careful not to be overly focused just on buildings, and not get ourselves too over committed financially.

Not Important (Rating of 1)

- I don't feel the program is grounded in the long range plan and accordingly, may not meet our true long term needs.

19. HOW MUCH LARGE SCALE SUPPORT SHOULD WE EXPECT?

The consultant asked respondents to estimate how many of all the households currently supporting the Fellowship by pledges might make commitments in excess of \$10,000, payable over three years. One participant felt unable to make an estimate; all others did estimate.

Individual members would not, of course, have first hand information of this type, but the range of responses serve to underline both general commitment and confidence that the congregation is ready to support this project, and the impression members have of the ability of the membership to support this project financially.

Estimates from participants ranged all the way from 3 to 120 households likely having this major gift capacity. The average number, based on all estimates, would be 48 households, yielding a minimum of \$480,000 in gifts. This is likely an accurate, even conservative, estimate of actual capacity but is likely a high estimate of readiness to contribute at this level.

It would be welcome if capacity and readiness to give prove to be at or near the same number of households, but this is often not the case. In part, high estimates are another way of expressing confidence in the plans and in the likelihood that members will support the campaign. It does seem likely that the capacity for this level of gifts at \$10,000 and above exists within the Fellowship, if members and contributing friends are prepared to step up.

20. VOLUNTEER SUPPORT (RESPONSES WERE NOTED BY NAME)

A lot of volunteers are needed to run a capital campaign; participants were asked about their willingness to participate in this manner.

Respondents were asked if they would be willing to participate in a general support category (Office work, help with social events, telephoning, writing and editing campaign materials, etc.) were also raised and a good number of respondents indicated a willingness to pitch in, and some were already doing so.

Per agreement with in-person interviewees, a list of those willing to consider participating in these efforts is being provided to the leadership, with appreciation from your consultant for this willingness to serve.

21. WILLS AND ESTATE PLANS

Finally, each in-person interviewee was asked if the Fellowship was included in their will or estate plan/trust and if not, would they be interested in being contacted about how to do so. An unusually large and welcome percentage of respondents do have a will or estate plan/trust in place. All were encouraged to have such documents in place, to consider making the Fellowship a part of these plans, and to ensure the church knew if the Fellowship was so included. Responses were as follows:

Table 9
Wills and Estate Plans/Trusts

Percentage of Respondents	Response
14 % of respondents	No, I/We do not have a will or estate plan in place
86 % of respondents	Yes, I/We have a will or estate plan in place
36 % of wills/plans/trusts	Yes, the Fellowship is included in my/our Will/Estate Plan
64 % of wills/plans/trusts	No, the Fellowship is not in my/our Will/Estate Plan
55 % of respondents**	If No above, I/We would like to talk about inclusion.
45 % of respondents	If No above, I/We do not wish to talk about inclusion.

** These responses were noted by name to the leadership so that appropriate language for wills/estate plans may be offered. Respondents in this category were not interested in an extended conversation on this subject, but simply wanted sample language for inclusion of the Fellowship in wills and estate plans to be provided to them.

INDICATED PLEDGE AMOUNTS

Each household was asked what they expected to contribute towards the plan if the project goes forward. They were reminded that capital campaign pledges could be paid over three years.

94% of the respondent households plan to make a gift to the proposed capital campaign, an solid statement of community connection and support; only two respondents indicated either that they had not yet made a commitment decision or did not plan to contribute to the program. The potential pledge indications ranged from up to \$20,000 - \$30,000 to under \$1,000. Eleven households indicated likely pledges of \$10,000 or more.

If you were asked to invest in the capital program today, payable over the next three years, in which of the following categories would your gift likely fall? This is not a commitment, but your honest answer will help us make an informed estimate of the congregation's capacity to support the proposed purchase.

A number of the interviewees indicated their ultimate gift level might reflect a larger gift than indicated at the time of the interview. The particular circumstances in such cases were related to personal finances more than to any aspect of the proposal or factors at the Fellowship, although the areas of concern mentioned later in this report will be factors for some. It is possible that naming opportunities may also provide gift increases.

Table 9
Indicated Gift Amounts

# of Donor Units	Pledge Levels
	\$150,000 or higher
	\$100,000 to \$149,999
	\$75,000 to \$99,999
	\$40,000 to \$74,999
	\$30,000 to \$39,999
1	\$20,000 to \$29,999
4	\$15,000 to \$19,999
6	\$10,000 to \$14,999
11	\$5,000 to \$9,999
2	\$3,000 to \$4,999
2	\$1,000 to \$2,999
1	Under \$1,000
2	Unsure/ Nothing

CRITICAL ELEMENTS OF YOUR FINANCIAL COMMITMENT DECISION

When asked what were the most important considerations for respondents in deciding their response to the question as to what their gift may be, responses almost always cited a combination of commitment to the Fellowship and support for the plan on the one hand, and personal financial concerns and timing on the other. Most had already thought about this in some detail. All were thoughtful in their responses.

FINANCIAL PROJECTIONS

There are many ways to estimate the amount that a congregation might raise in a capital campaign. No single approach will assure the most accurate estimate, but in combination a high level of confidence can be attained. The reader will note quite a range of possibilities across the various models of estimation; by utilizing all these models, it is possible to arrive at higher assurances of an accurate projection. The following tools were utilized for this analysis:

1. A ratio of operating pledges to indicated capital campaign pledges
2. A quartile analysis
3. A ratio of major gifts to total gifts
4. A multiple of total operating pledges based on experience of other UU congregations
5. A multiple of the likely lead gifts

Ratio of Operating Pledges to Indicated Pledges: The first estimating technique is based on (a) the capital pledges indicated and (b) the percentage of the total pledges to the annual budget drive represented by those households. The expectation is that the pledges of those households to the capital campaign will represent a similar percentage of the total amount raised in the campaign.

The households in the feasibility study (discounting two that were undecided and one that does not plan to contribute) indicated that they would likely give a total of \$198,000 to \$318,000 with a mid range at \$256,000. These households have pledged to the 2015-16 annual budget representing approximately 30% of the Fellowship's total annual pledges. If the same approximate ratio holds for the capital campaign, the projected amount to be raised ranges from \$562,000 to \$998,000 with a mid range at \$800,000.

Quartile Analysis: A second technique is a refinement of the one used in the previous estimate. This involves a more focused analysis by quartile rather than in total. The annual commitment is weighted in each quartile against the amounts that the households indicated they were planning to give to the capital fund drive, using the mid range of their anticipated gifts. By totaling the amount that the households give to the operating budget and dividing it into the amount that they plan to give to the capital campaign, a separate multiplier is determined for each quartile. The projections for each quartile are added together to determine the basic range of potential giving to the capital fund drive.

In this feasibility study, the dollar amount for each annual giving quartile was approximately \$73,000. This technique produces a low estimate of \$819,000 and a high estimate of \$1,420,000 with a midrange of \$1,074,000.

Ratio of Major Gifts to Total Gifts: The third method is based on (a) the number of major gifts, (b) the size of the average major gift, and (c) the ratio of funds raised from major gifts to total funds raised in other capital campaigns.

Of the households interviewed, 11 indicated that they would make a gift of \$10,000 or more. The total for these gifts is \$140,000 to \$200,000 with an average for individual gifts between \$12,750 and \$18,200. This consultant estimates that as many as 20 more major gifts could occur in this campaign and that those gifts will average the same as the ones developed in this study.

The major gifts estimates are calculated by separately adding the 20 additional major gifts to the indicated 11 pledges for a total of 31. That produces a low estimate from major gifts of approximately \$395,000 and a high estimate of \$564,000. The median estimate is \$480,500.

Major gifts have constituted up to 50% of the total amount raised in most successful campaigns. If that were to hold true for the Fellowship, then the capital campaign could raise between approximately \$750,000 and \$1,125,000 with a median of \$940,000.

It is possible that the remaining possible major gifts will be at the entry level of \$10,000, or that somewhat fewer such donors will exist. Should that be the case, then the capital campaign would likely raise between \$680,000 and \$800,000, with a mid point of \$740,000.

Comparison with Other Congregation: In capital fund drives over recent years, most congregations assisted by UUA Stewardship Consultants have reported raising 2.0 to 4.5 times their current operating pledges.

When the project involves a new facility or a major addition to an existing facility, the ratio tends to be in the higher range. When the purpose is primarily for deferred maintenance and/or debt reduction, the ratio tends to be at the lower end. This project is a hybrid of the two models.

Congregations have exceeded these ratios, on occasion at the 5 times level and occasionally even higher, but to do so requires a sizable portion of the congregation to contribute at the 5-6 times annual giving range and/or additional significant gifts (those above \$10,000 over three years).

The congregation's 2015-16 operating pledges total approximately \$294,800. This project is addressing the congregation's strong desire to improve its home with a plan that has broad support. Therefore, this consultant has used ratios of 2.5, 4.0, and 4.5 times the current operating pledges to make these estimates: \$737,000, \$1,175,000, and \$1,326,000 respectively.

Lead Gift Analysis. Normally in a capital campaign, the largest gift will represent 10% of the total that will be raised. It is also often the case that the top three - five gifts together will provide 15% to 20% of the total raised. This feasibility study identified 1 gift in the \$20,000 to \$30,000 range, and 4 gifts in the \$15,000 to \$20,000 range. Taken together the 5 lead gifts would produce \$80,000 to \$110,000.

If those numbers represent 15% of the total raised, the results would be between \$535,000 and \$740,000. If those five gifts represent 20% of the total raised, then the capital campaign would likely raise between \$400,000 and \$550,000. A mid point between the high number on the 15% basis and the low point on the 20% basis is at \$570,000. This method suggests the most likely figures are \$550,000 to \$635,000 range, with a stretch range of \$700,000. The low range of possibilities in this calculation reflects the absence of any gifts in the \$50,000 and above range.

Summary of Estimates of Capital Campaign Results

Method	Low	Middle	High
Pledge Ratio	\$560,000	\$770,000	\$960,000
Quartile Analysis	\$819,000	\$1,074,000	\$1,420,000
Major Gifts-Large	\$750,000	\$940,000	\$1,125,000
Major Gifts	\$680,000	\$740,000	\$800,000
Other Cong.	\$737,000	\$1,175,000	\$1,326,000
Lead Gift	\$550,000	\$593,000	\$635,000 (stretch:\$700,000)

FINANCIAL CAPACITY ESTIMATES

The pledge ratio numbers are in the normal range for this method. The population taking part in the FFS represent a good balance across the congregation in terms of annual giving. The high end of this method likely comes close to the overall estimate using all methods of the campaign's high end.

The quartile analysis demonstrates a generally healthy giving rate across all giving quartiles, although it is of interest, and of some concern, that the lowest multiples were among the highest quartile givers, a population one normally expects to set the pace for the Fellowship. The multiplication rates ran from a low of 1.7 times annual giving all the way up to over 7 times annual giving. As a general guideline, rates below 3 times annual giving among a large percentage of donors makes reaching campaign goals more difficult.

The analysis of the Major Gifts method was conducted recognizing that there may yet be unspecified prospective larger donors, either direct or as matching funds. A second category, *Major Gifts-Large* was utilized to account for this possibility.

As a result of all of these factors, and based on the interviews and analysis, the three highest and the three lowest numbers in the summary of estimates were discarded as outliers. The remaining estimates between \$635,000 to \$1,125,000 provide the most likely limits at both ends of possibility.

The capital campaign results would most likely come in at the range of \$730,000 to \$960,000, with a low side estimate of \$650,000 and a stretch goal of \$1,040,000.

The most important variables that will assure the outcome are (1) A significant percentage of the membership committing close to three times their annual giving, with many committing beyond that level; (2) At least 10-15 % of the membership providing major gifts (i.e. \$10,000 or more spread over a three year period (this appears within range of membership capacity), and (3) the arrival of at least 1-2 more gifts arriving or stepping up already indicated gifts in the lead gift range of \$75,000-\$100,000.

To date, a major donor that would provide 10%+ of the total project cost may be ready to step forward but is not clearly identified at this time. Should a donor or donor family step forward at this level, this project would be far more assured of success at the full implementation level, without long delays or reconfiguration of the project.

The mindset for a winning campaign goes like this:

“This is a once in a generation project and now is our time to make it happen. I want it to succeed, and I want to be part of the solution. I’m not made of money, but if I tried to commit four or five times my annual pledge over three years, what would that look like? What options could I exercise to do that?”

Starting from that frame of reference, rather than from the bottom up, is an empowering approach that can make a difference for each member.

OVERALL STATUS OF THE FELLOWSHIP

This Fellowship is generally healthy and the vast majority of the membership seems pleased with both the processes and the outcomes of this project to date, except as noted above, and with the

leadership that has developed around this project. People overwhelmingly indicated this seems to be the time to make this project happen.

This is naturally the point wherein more attention will move from plans to finances and to plan details and ever more refined costs. As noted later in this report, the Fellowship has significant capacity, but candid conversation and thoughtful reflection among the members who care so much about the Fellowship are needed to accomplish your goals.

Based on my experience, an unusually high percentage of those interviewed have wills, trusts, or estate plans in place, which is very good news (and an indicator that many know how litigious estate settlement can be in this state). Many of these members do not include the Fellowship in their estate planning in any way. Members should give this serious thought – a simple addition to a will, trust, or estate plan indicating a percentage of available resources going to the Fellowship enables one to make a gift for the ages, without worrying about specific amounts or affecting other priorities in estate plans or wills. Many of those interviewed expressed interest in doing so and in receiving sample verbiage to allow them to do so, which should be encouraged and gratefully acknowledged by the Fellowship.

This is YOUR Fellowship. No one else is going to step up if you don't. A successful capital campaign comes about when everyone feels the sense of opportunity and commitment to move forward.

A number of large donors need to step forward to provide a high enough baseline to make success possible. But then everyone else must step forward to do their part as well. A campaign that relies only on a few large donors or only on smaller donations is unlikely to succeed.

It takes everyone doing their part, together. When that happens, not only is the project a success, but the Fellowship finds itself energized, motivated, and more of a community than ever before. This is the path I hope and expect you will choose.

RECOMMENDATIONS

1. *Share Information* Immediately distribute this report in its entirety to all members and active friends of the congregation, both electronically and in hard copy. Print extra copies that can be used for newcomers in the coming months.

With the report, include a cover letter or a follow up notice from the Board, the Minister, and the Dream Team outlining ongoing and planned discussions about the report and stating agreement or not with the recommendations to the congregation in the Financial Feasibility Report, as is the case. Encourage the membership to thoroughly read the report. Indicate that a discussion session will take place before your planned vote; look for another date for a follow-up discussion during subsequent weeks. The letter should clearly reiterate what is expected to transpire at the planned congregational meeting to take action on the plans.

As I understand your bylaws, absentee ballots, or at the least a “straw vote” document for people who can't attend a congregational meeting are not allowed. With the goal to have as

high a percentage of the congregation as possible to indicate where they stand on important votes to be taken, consider reexamining this policy in future to ensure you have a good balance between process and voting opportunities .

2. *Financial Planning* Continue developing a detailed financial plan for the project, including provision of the next stage of drawings, construction cost estimates, and operational costs and other costs should be developed and shared throughout the congregation. Assess how your financial capacity and the initial project plans match up; be prepared to adjust phasing elements of the project as needed. This plan should include contingencies and risk management steps, as well as noting when any further congregational vote might be required.
3. *Capital Campaign* Hold a congregational meeting to vote on moving forward with the plan and whether to authorize a capital campaign for that purpose, as you are already planning.
4. *Conflict Resolution* Ensure there is a congregational covenant of right relations, including a conflict resolution process in place, as you begin this exciting but sometimes stressful series of events. Expect some tensions and disagreements and be ready to address them forthrightly and in community. All teams and leaders must go out of their way to communicate clearly, often, and by all available means. Members have the obligation to pay attention and be active, respectful participants.
5. *Stay Financially Stable:* Review the existing stewardship structure and plans with the highest priority goal of strengthening the annual budget drive and ensuring the congregation does not become “house poor,” affecting ongoing operations and commitments as a result of the project. Do not allow an atmosphere of competition between annual giving and capital campaign donations and remind everyone that it is *never* a good idea for any funds be taken from an annual pledge to support the capital campaign.
6. *Build the Endowment:* The Endowment Committee, if active, should be contacting members and offering sample language for inclusion in wills or estate plans to include the Fellowship in such plans, while we are all thinking long term. Having an active Legacy Society program should be another goal.
7. *Plan for Changes* It’s a rare capital improvements project that comes in exactly on time and on budget. Factors beyond your control will likely occur as the project goes forward. Expect this, take all reasonable steps to minimize such events, but understand some will likely occur in any case. When they do, it is not necessarily an indication of poor planning or failure to anticipate, but a result of the vagaries of large-scale projects. Deal with them as best you can when and if they occur – and keep your eye on the prize.
8. *Expand Opportunities* Consider other opportunities to impact your giving to a Capital Campaign include the following:
 - a. Ensure people understand that while the giving period for the proposed Capital Campaign would over three calendar/tax years, some might consider making at least a portion of their gift in early and late on that calendar. In other words,

donors might think about a gift at the very start of the calendar year before a three year commitment and a month into the year after the three year payout, thus making it possible to spread total giving over five tax years.

- b. Consider including “naming opportunities” as an integral part of the campaign. This is an excellent way to attract higher level giving. We have held some discussions on this matter. Recognize that this is a sensitive area for some on both sides of the question, but new facilities provide opportunities to thank major donors and others whose contributions of service to the Fellowship can be commemorated and helps make your campus a “living memorial” to those who have supported the Fellowship with time, talent, and treasure.
- c. It is most important that you work with new members as they join to gain an immediate annual financial commitment for the rest of church year in which they join so that you expand the number of potential donors (members and friends) to capital campaign over time. Increasing the number of donor units is an excellent way to demonstrate that growth is already occurring in the congregation and to ensure new members feel they are fully members, with the same rights and responsibilities as other members.
- d. There are former members or friends of the Congregation, both within the area and now in other parts of the country who may well be open to considering a gift for the capital campaign, even though they are no longer contributing to the annual operating budget. Work to develop a comprehensive list and contact them.

Beyond this group there may be other individuals or organizations in your immediate area that utilize your facilities or are in sympathy with the work you do and may want to help support your moving to a new church home. Approach all that are appropriate to be contacted. Efforts with "alumni" and other “friends” can prove quite successful and strong efforts should be placed with them.

- e. Undertake efforts to investigate any potential local grant and gift opportunities that you might qualify for. Take your story to all of them, as appropriate. The odds of any significant funds becoming available are small, but every opportunity, especially those connected with environmental protection and historical preservation should be explored.
- f. The Fellowship has a large population of retired persons among its membership. Many are at an age wherein they are required to accept withdrawals from their IRAs (MRD - minimum required distribution). These members should be encouraged to consider translating their MRD if possible to a direct recurring gift to the capital campaign, thus making a major gift to the Fellowship and gaining a substantial tax advantage for themselves.
- g. Funds raised by the capital campaign do not represent the total funds that could be gathered for this project.

- 1) UUA Resources - Additional UUA sources potentially available to the congregation include the UUA Building Loan Guarantee Program and the UUA Building Loan Fund. In many cases, a congregation can do as well or better with local institutions, but all options should be reviewed. The UUA is prepared to support a congregation which raises **at least three times** its annual operating budget support and is financially sound. Learn more at <http://www.uua.org/finance/buildings/index.shtml>.
- 2) District/Region Chalice Lighter Program – The Chalice Lighter Program may well make an award to projects like yours and it should be investigated for eligibility. Don't delay in investigating this prospect.
- 3) Mortgage – A mortgage may be utilized to extend the level of the project if needed, and the UUA's Loan Guarantee Program may be helpful in achieving more favorable terms on it with local banking sources.

CLOSING OBSERVATIONS

- 1) It is essential that the annual budget not be seen as in competition with the capital campaign. After a successful capital campaign, you cannot afford to have poor results with the next Annual Budget Drive –a solid operating budget as you prepare to make facilities improvements is essential. Failure to emphasize this consistently will risk harm for years to come.

I strongly suggest that the Board formally name a Chair for the next annual budget drive (ABD) who will then NOT have a role of major significance in the capital campaign. The ABD Chair and the Capital Campaign Chair should be seen together often, speaking with one voice and encouraging the congregation to think responsibility and to think for the long-term. If a combined campaign is to be conducted, ensure everyone keeps their eye on both the near term requirements (the ABD) AND the capital campaign. Both are important, both deserve support, and neither should be depleted to support the other.

- 2) The Fellowship has set out on an ambitious set of undertakings in the coming months. This is a full plate by any measure. The Fellowship is up to it, but it will be important for the leadership of all of these components to stay in communication with each other, as they will effect each other. It is equally important that leaders constantly monitor the membership environment to ensure everyone feels informed, yet not overwhelmed with information and tasks.
- 3) Work hard and conscientiously to keep an open process for communication. When in doubt, more communication than less should be the norm. This is particularly true for the leadership. *Finally, keep a good sense of humor and be forgiving of each other. It will serve you well!*

CONCLUSION

There is a strong base of support for the capital program and growing your membership base as well. Be realistic in growth expectations. Better facilities will make a difference for current members and will be encouraging to potential new members, but do not expect dramatic growth simply as a byproduct of the facilities.

The Fellowship has outlined an ambitious project. Continuing a process of discernment by the leaders with the membership, solid financial planning for a campaign, and a good understanding of your financial and timing options will serve the Fellowship well.

Based on the totality of the study and the aforementioned recommendations, there is every reason to expect the Fellowship to succeed along the lines it has sought. You have momentum that should be built upon and a Fellowship that is energized and healthy in many areas. Take the time needed to do this right, but do not let energy and momentum dissipate needlessly.

The Fellowship can do this. It is your choice. Good luck!

Bill

William R. Clontz

Stewardship for Us Consultant

October 24, 2015

FINANCIAL FEASIBILITY STUDY PARTICIPANTS AND PROGRAM LEADERS

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In short, the leadership and volunteers of the various Dream Teams deserve special thanks from the Fellowship for the long hours and quality work they have already done, and will continue to do for many months. This Fellowship is fortunate to have such members and leaders.

Sincere thanks and deep appreciation also to these members of the Fellowship who made this study possible by participating in this survey. You have helped in an important way and your consultant thoroughly enjoyed working with you one and all.

STUDY PARTICIPANTS

Wenda Alvarez
Jill Ballard
Bev Connor
Julia and Jerre Darling
Mary and Vic Dhooge
John and Mary-Ellen Drummond
Alison Schlick & Joey Elwell
Todd Elvins
Chris and Kathy Faller
Pam Franzwa
Mary Lou Gibson
Elizabeth Gilpin
Ruth Gregory
Don and Alita Jones
Mike and Karen Kowalski

Richard Macdonald
Bev Majors
Susan Miller
Ben and Iris Platnik
Steve Rosen
Candace Sage
Ken and Mary Lou Schultz
Bob Quick and Alana Schuler
Pamela Parker and Michael Scott
Tricia Smith
Kathryn Sturch
Scott Thacher
Mark Tuller
Charlotte Wilson