

UNITARIAN UNIVERSALIST CHURCH OF BERKELEY

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Report to the Board of Trustees
Coordinating Team
February 9, 2007

Introduction

Welcome to you who are newly elected members of the Board of Trustees. We look forward to working with you as, together, we envision the future of UUCB. We embrace the mission statement: The work of the church is to create loving community, inspire spiritual growth, and encourage lives of integrity, joy, and service. We look to you to create the Ends to which we aspire as a congregation, and we commit ourselves as the Coordinating Team to manage as effectively as we can efforts to achieve these Ends.

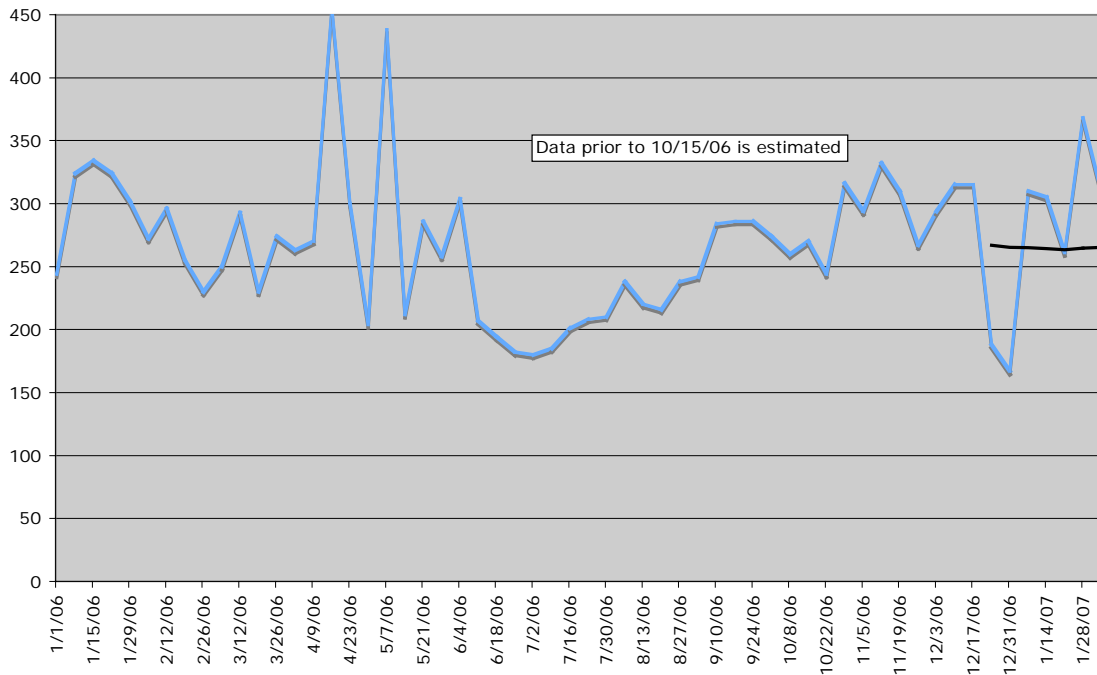
This monthly report includes as an attachment (emailed separately), a Draft Strategic Plan. Over the last six months, we have been creating this draft, and have provided the Board of Trustees with sections of it, and updates in several of our monthly reports. This is the first time you have received a “full” draft of the Strategic Plan. We emphasize this is a *draft* because we intend it as a stimulus for conversation among you and the congregation, as together we create the next chapter of the Unitarian Universalist Church of Berkeley.

I. Global Ends Statements

A. Worship: *The Unitarian Universalist Church of Berkeley celebrates the human spirit and fosters lifelong spiritual growth. We are a vibrant and joyful community where religious seekers of all ages find connection, support and spiritual growth individually and in groups.*

We began measuring Sunday attendance before children and RE teachers left the Sanctuary (closer to the UUA guidelines for attendance) in mid October. This chart estimates what attendance would have been from Jan 1 to mid October under the same conditions, so that we can continue to see trends:

UUCB Total Sunday Attendance Adults and Children



The dark heavy line is the 52 week moving average for Sunday worship attendance, which had been dropping throughout most of 2006 (under the old count taken after children and RE teachers left the Sanctuary), but has shown a slight increase since the beginning of January. This slight increase in January is mirrored in our first time guests.

We note that 2006 was unusual in that Christmas Eve and New Years Eve fell on Sundays. The two evening Christmas Eve Candle Lighting services were well attended, negatively impacting attendance at the morning service. This was true in 2005 when Christmas Day fell on a Sunday and the Christmas Eve services were well attended the night before. The low attendance on these Sundays does not amount to much when spread over the 52 week trend, but it is helpful when seeing the low point in December to understand the reason.

B. Service: *UUCB is a community where people of all ages actively participate in ministry, service, and outreach, and work for peace and social justice in the world.*

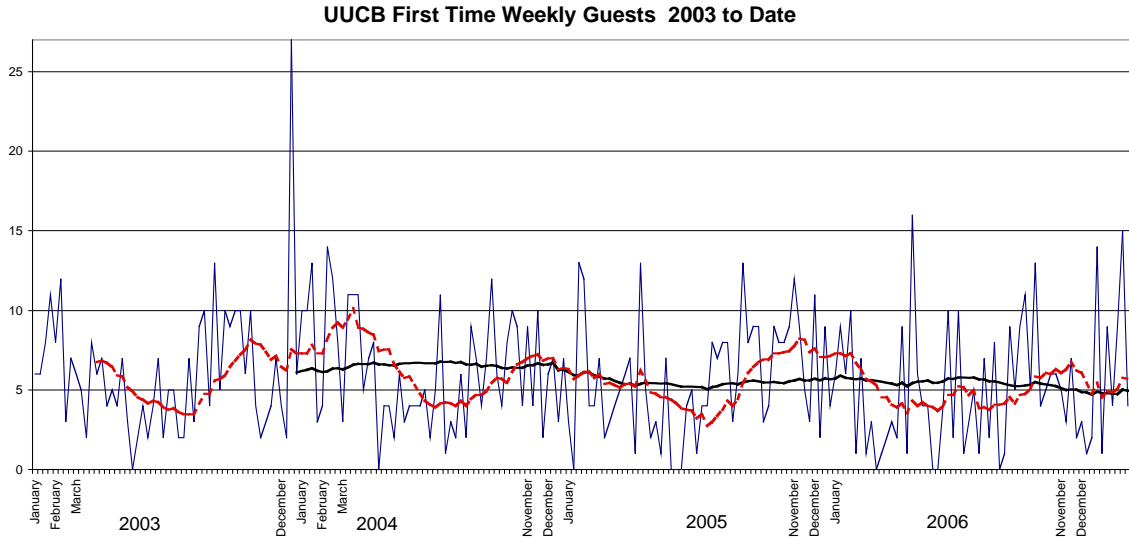
The Greater Richmond Interfaith Program received in January \$1551.64 as our Good Neighbor Organization.

C. Education: *UUCB is a community in which human talents are nurtured and religious education and spiritual understanding are fostered, one where people of all ages are encouraged to express Unitarian Universalist values in their daily lives.*

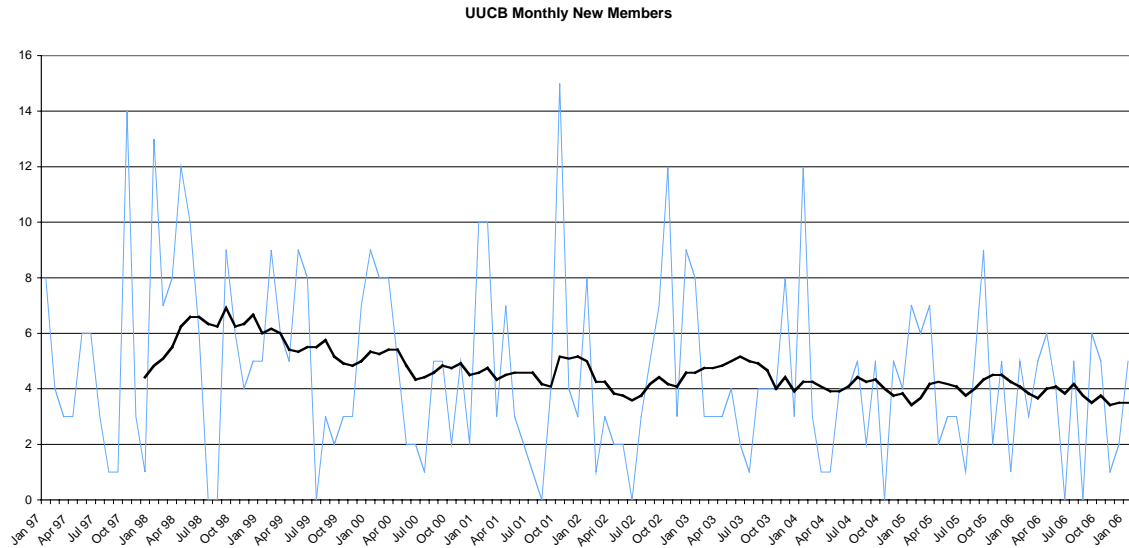
Our annual in-depth report on Education was submitted to you last month.

D. Fellowship: *UUCB is an intergenerational community where we interact with one another in trust, reverence, joy, and love. UUCB is a welcoming, caring, vibrant and ever more diverse congregation, overcoming barriers that divide the human family.*

Guests and New Members



First time guests have been running a 52 week average of 5 per week. This is down from 6-7 per week in 2004 and 2005, a drop in total guests from 323 in 2004 to 311 in 2005 to 235 last year. This drop, by itself, can account for about 15 fewer members this year, as one in six of our visitors typically end up joining the church.



We had the fewest new members in a calendar year (42) than at any point in recent history. Combined with an unusual number of moves and deaths, membership dropped from 511 last year to 486 this year. The Pacific Central District also dropped in total membership, reflecting a general decline in liberal protestant religions that has been going on for some years.

We lost 13% (67) of our membership total last year. Of the 67 members removed from the membership list:

- 14 (2.7% of membership) died. This is higher than normal for a church of our size.

- 30 (5.9% of membership) moved away. This is also higher than normal, and may be reflecting the high cost of living in this area.

- 23 (4.5% of membership) still remain in the area but are not part of the UUCB community. This is also slightly higher than normal, but there appears to be no one primary reason for this.

Though UUCB does not have a group devoted to outreach, there have been a number of activities over the past year that will be covered in more detail in our in-depth report on the Fellowship End next month, along with additional plans to encourage more visitors and tighten up our “path to membership” over the next few months.

We believe we are in an excellent position to make use of the benefits of the Bay Area “Imagine a Religion” campaign this fall. Visitors who do attend UUCB receive a warm welcome, and a higher than “normal” number of them come back at least a second time. We feel high energy in the Atrium after services as well as in so many other programs - this is not in keeping with a shrinking church! What these visitors tell us is the same thing many of us have experienced: Unitarian Universalists have a message our society needs. It would make a difference if there were many more of us! We truly believe we ARE poised for growth, and offer the following look at the fall campaign:

Imagine it happening here...

Potential Impact of the Bay Area Imagine Campaign on UUCB

Fall 2007

If we experience the kind of results as the Kansas City area (10-25% increases in attendance):

UUCB's average service attendance this fall could go from 300 to between 330 and 375.

Membership could increase from its current 486 to 556 by 2009/10. [This uses data from All Souls, which is the most comparable in size to UUCB.]

If we experience the kind of results as the Houston area:

UUCB's average service attendance this fall could go from 300 to between 350 and 385.

Membership could increase from its current 486 to between 530 and 562 by 09/10.

If we experience the kind of results as Southern California (50% increase in first time visitors):

UUCB's average service attendance this fall could go from 300 to 315.

It is too early to measure the impact on new members in Southern California.

The challenge for all of us is to prepare to make the most of the gift of public exposure this campaign will bring us.

Church Council

The work of the Church Council in the last month has focused on managing the "dot voting" to establish priorities for the coming 2007-08 year. The Council will help to translate these priorities into a proposed budget to be presented to the Board of Trustees at your April meeting.

Covenant of Right Relations

The Covenanting Project Task Force is compiling the many covenants created by groups within the church and drafting a proposed all congregation covenant. Their intention is to present this proposal for consideration at the Annual Meeting in May.

In-Depth Report on Fellowship

Next month, in March, we will submit to you our annual report on the Global End of Fellowship.

E. Stewardship: *UUCB is a congregation where all members and friends share human and financial resources generously to support our vision and the common good. Our buildings and our grounds are welcoming, inspiring, well maintained, and accessible to all.*

Financial Notes

Repeatedly, over the last six months, we have reported to you problems in getting financial reports useful in managing church operations. With the conversion to a new accounting system over the summer we have addressed the recommendations of the auditor to update our accounting practices. We continue to work with our

accounting staff to provide reports that are clear and useful for management. The reports you are receiving separately are an improvement over past reports, but we still have improvements to make.

INCOME

Concerning January's budget, we have received \$11,000 less in Pledge Income, as fewer pledges came in. However, we're still ahead for the Year to Date by \$10,000. Overall, for all forms of revenue, we are still \$27,000 ahead; but, part of that is contributions to cover the cost of the new Fireside Room tables and arm chairs.

EXPENSES

January expenses show an overrun of \$16,000. Part of this is due to the outlay for the Fireside Room table project of \$4000 and the re-covering of the armchairs for \$1500; but, we also have an increase in the cost of health insurance, retirement benefits, workman's compensation, and postage, to name the most obvious.

We will be monitoring our income and expenses very carefully.

We are still ahead, but we do know that, in addition to keeping up our pledges, we will need at least \$6,000 additional in budgeted "other fund raising" to make our budget for this Fiscal Year

NET RESULT

We are \$12,000 net ahead in Income vs. Expense; however, at this time last year, we were \$29,000 ahead, so our cushion was bigger. January was \$16,000 worse because pledges were lower. Part of the reason for the lull could be because there was so much pledge activity in November and December. We will keep a close watch on this.

MONTESSORI UTILITIES

We are in contact with PG&E about the feasibility and cost of metering the R.E. buildings. This would be very helpful in future leases as the cost of utilities tends to increase and we don't know what percent of the total cost is attributable to those buildings. It's possible that the two buildings use quite a bit of energy compared to the rest of the Church, which doesn't have all the lights on, nor is it all heated. Up to now, utilities have simply been included in the rent and we may be subsidizing those programs. We will report back to you when we actually have an estimate, which will take some time.

BUDGET FOR 2007-08

As you know, membership is trending down at present, and yet we all want Fair Compensation for our staff and have made it one of the top priorities. This, plus the Orel Wolters subsidy ending, means that we have a very real, big, challenge to come up with the funds to cover a budget for the next Fiscal Year.

The budget forms have been sent out and we will use the returns to formulate a budget for FY 2007-2008 for the Church Council to reconcile. You will receive their presentation at your April meeting.

LADD GRIFFITH BUILDING FUND

The combination of previous funds and bequest designations gave us a total for the Ladd Griffith Building Fund of \$47,561. Expenditures for roof repair on the Education Building, the asbestos clean-up, and the repair of the Atrium floor leave a balance in that fund of \$21,026. We are investigating the cost of adding some parking spaces on the east side of the Education Building, believing use of the Ladd Griffith Building Fund would be appropriate to fund this project.

Solar Panels

We have an approved vendor with available panels, a waiting installer, an incentive package from PG&E worth over \$100,000 and a contract for the installation and operation of solar panels by an investment group managed by SolarGen Properties. So why aren't the panels installed?

One of the potential advantages of the solar investment arrangement we have been pursuing was that it could be replicated in hundreds of churches, through California Interfaith Power and Light (of which we are a member) and/or other UU churches. This would require each church to bring its own set of investors, who would be willing to take a slightly less favorable rate of return to allow the benefits to accrue to the church. The SolarGen Properties investment manager, Rob Gold, met with potential investors at UUCB in early December to describe the investment opportunity, leaving a number of copies of a prospectus for those interested. A review of the prospectus raised questions that have not been satisfactorily answered until very recently, and suggests that this may not be a good match for UUCB investors. We will update you at the Board meeting as this continues to unfold.

In the mean time, we have been investigating three alternatives: continuing to work with Rob but with his own set of investors, another investment group, or the possibility of owning and operating the system ourselves. The latter became more feasible on January 1 of this year when incentives for power generation for non-profits were raised significantly and may equal most or all of the (lost) tax benefits. This would require the approval of the congregation (because we would borrow against the endowment) and we would need to start

the application process for the incentive over, which could delay the project significantly. Our current incentive is transferable to any other investment group.

II. Coordinating Team Limitations

Nothing to report this month.

III. Board-Coordinating Team Linkage

Nothing to report this month.

Attachments

Emailed to you separately is the Draft Strategic Plan.

Conclusion

As we write this report, Susan Lankford, Winnie Sayre, Raymond Miles, and Bob Moore are still Board of Trustees members. We express our gratitude to them for their generous service to UUCB and we wish them well as they take their leadership skills to other facets of church life. We express a special Thank You to Susan, who has been a President of the Board exemplar for the last two years. Susan has helped us all to understand and create an evolving governance model that frees the Board to envision the future and empowers a management team to make timely and, hopefully, effective day-to-day decisions. Thank you all for your generous gifts of your time, talent, and treasure to support the mission of UUCB.

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Pat Schwartz