



## ***Taking the Journey***

***Embracing the Challenge with the Confidence We Can Get There***

**Channing Memorial Church  
Newport, Rhode Island**

- Throughout this year, we have been discussing the opportunities and challenges we face as work to craft a consensus-based vision of our future.
- We've learned what our needs and desires are (results of FD #1), and the resources we need to meet them (results of "Month of Education" and FD #2).
- Now we are ready to ask ourselves some questions – the questions we provided to you before this focus discussion.
  - These questions have been derived from some things we've learned:
    - Congregation wants to expand programs and outreach.
    - Most in Congregation are inclined to remain at our current site and repair our Sanctuary – there appears to be no wide-spread, strongly-held sentiment to move.
    - We need significant resources to achieve both goals.
    - Many are not sure how we could achieve these goals – uncertainty is what is keeping us from moving forward.
  - Tonight we hope to grapple with these questions. To set the stage for this discussion, the Transition Team has done a feasibility analysis to gain insight (because analysis doesn't provide answers, it only provides insights) into whether we can achieve the goals the Congregation has expressed a desire to achieve – to enrich our ministry and solve our infrastructure problems.
  - We think we can although it will be a long journey and a challenging one but, if we decide to take it, perhaps a rewarding one.



## **Resource Questions We Face** *From Discussions Thus Far*



- 1. Stay in Newport and preserve the Sanctuary?**
- 2. Increase resources to sustain / enhance programs?**
  - a. Staff**
  - b. Space**
  - c. Membership & Pledges**

**Can we do one, the other, or both?**

- In our first two focus discussions and in numerous discussions in our committees, we have grappled with two basic questions:
  - Should we stay at our present location in Newport and repair and preserve our Sanctuary – to include repairing the steeple?
  - What should / can we do to meet the Congregation's desire for maturational and incarnational growth? Should we:
    - Hire more staff, pay them more, increase their hours?
    - Develop our space – taking back some from rental and / or developing it to increase its value?
    - Increase the number of pledges and / or members? If we do, by how much?
- On the face of it, it seems like we can't do these things. After all:
  - Won't it cost us as much as \$4.4 million dollars to repair all of our buildings – the steeple costing \$0.75 million alone?
  - With that kind of challenge, how can we even think about taking back more space or hiring staff? We barely make ends meet now as it is.
  - Won't it be hard to increase our pledge base or number of members?



- Believe it or not, the answers are already at hand. We've done a number of studies (On-site / Insight, Presidents' Task Force, etc.), held a number of discussions (focus discussions, "Month of Education") and gathered a lot of data.
- The Transition Team has read and evaluated all of this information and has conducted a cost analysis to gain insight into whether it is feasible to achieve our goals.
- This analysis has led to some interesting insights.



***We read, we studied, we listened, we talked . . . and then did some analysis.***

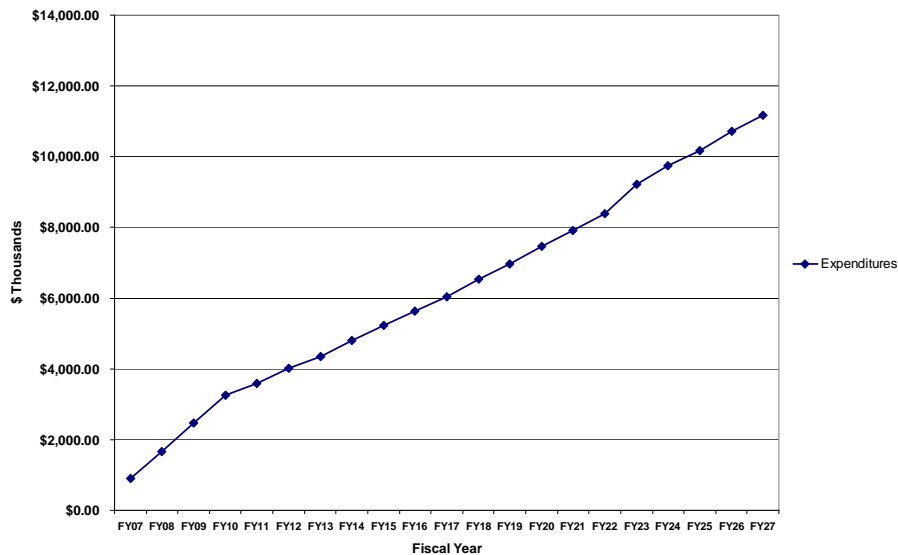


- **From this analysis we derive the following insights:**
  1. **If we stay where we are, we have two challenges (we already knew this):**
    - a. **Preserve the Sanctuary.**
    - b. **Meet the needs of a growing (maturational and incarnational) Congregation.**
  2. **We don't have to find the resources to meet these challenges all at once. A 20-year strategic plan can guide us to a successful and feasible future. Elements:**
    - a. **Preserve the Sanctuary with a capital campaign, grants, and leveraging value of our assets.**
    - b. **Meet Congregation needs through more staff and more space – paid for by increasing pledge base.**
- **Can this be done?**

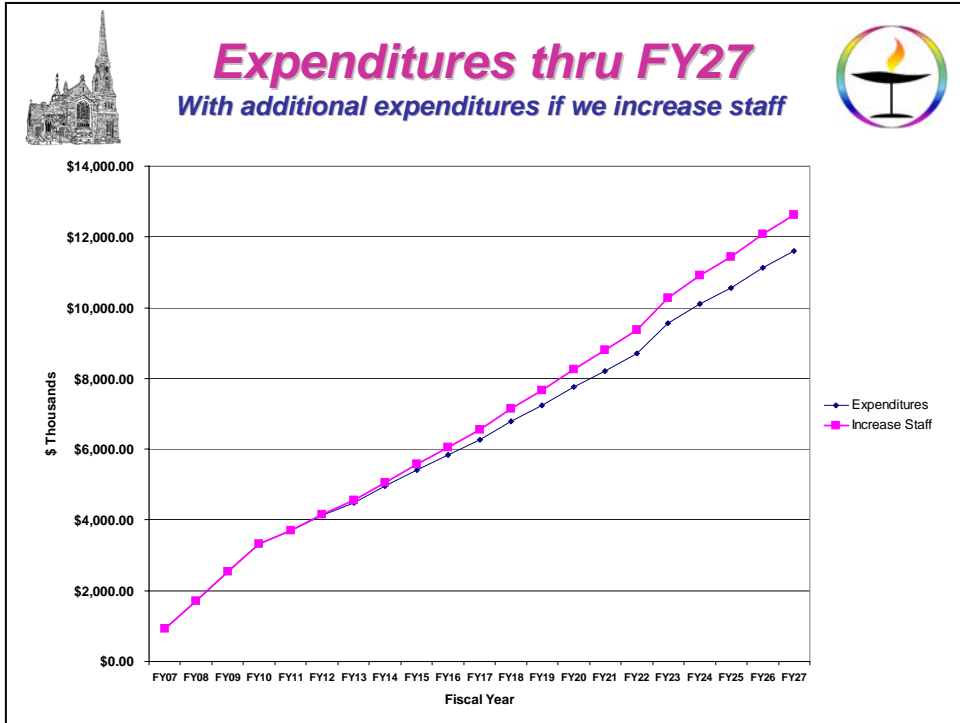
- Given the basic questions we need to answer, we projected our income and the costs to achieve our goals if we were to implement a strategy to do so over a 20-year period.
- Let me briefly discuss some of the assumptions that went into the analysis:
  - We used next year's projected operating budget to forecast operating costs for the next 20 years.
    - Property taxes and energy costs were inflated annually based upon federal and state historical data on tax rates and energy costs.
    - All other costs were inflated at a rate of 3% annually - a standard inflation factor.
  - We used the On-site / Insight Capital Needs Assessment to forecast building repair costs over 20-years, including the steeple.
  - We used UUA salary guidelines to forecast staff salaries, inflated 3% annually.
- From this cost analysis, we conclude that it would be feasible to repair and preserve our Sanctuary and provide resources for growing programs – to include more staff and more space – provided we commit to a strategy that raises money for our buildings through a capital campaign (including grants and matching gifts as well as our own funds) while providing for maturational and incarnational growth by expanding our pledge income – more members and / or more pledges.
- Let's look at how we might do this.



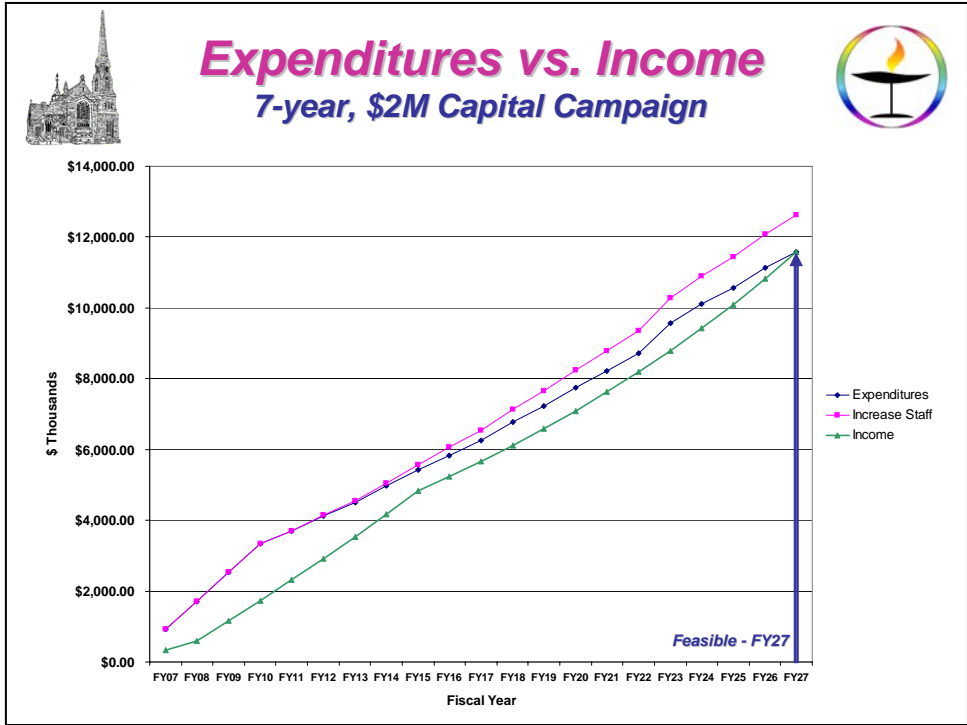
## Expenditures thru FY27



- This graph portrays a forecast of our expenditures over a 20-year period if our operating expenses (adjusted for inflation) remain stable and we were to execute the On-site / Insight building repair plan (including repair of the steeple) over the forecast period.
- The line reflects the cumulative increase in our expenditures – each data point reflects the expenditure of the current year and all previous years shown on the graph.
- Note that our expenditures (including inflation) would likely exceed \$11M.



- This graph portrays the same basic expenditure line as before. The second line portrays expenditures if we, in addition to funding our normal operations and the building repair plan, were to increase our staff in a measured fashion over the next 10 years:
  - Full-time Office Administrator.
  - Full-time DRE.
  - Other staff options such as hiring a Volunteer Coordinator or Full-time Sexton or Music Director.
- Note that the cumulative expenditures exceed \$12M by FY27.

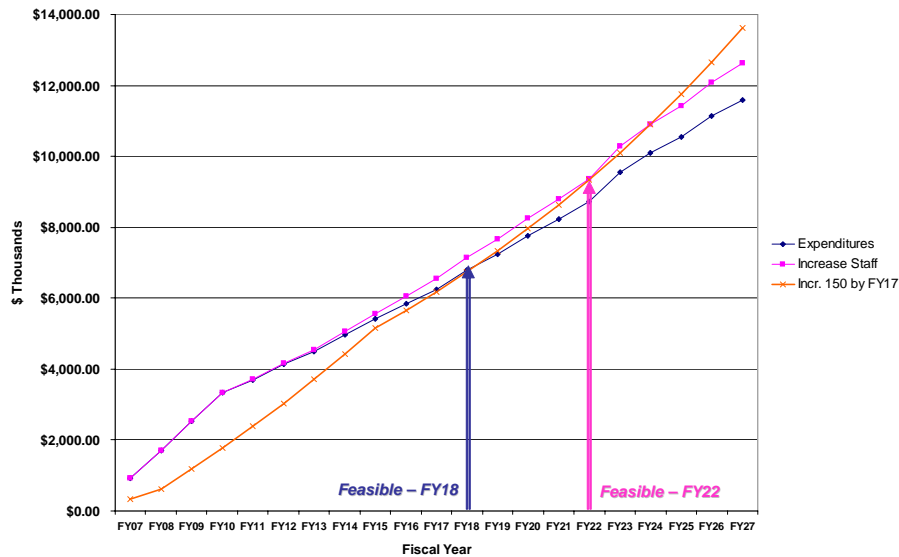


- Now comes the fun part.
- This graph portrays the same two expenditure lines (one assuming an increase in staff, one not).
- The green line portrays our cumulative income under the following assumptions:
  - The number of pledges remains constant but the total amount pledged increases an average of 7% annually. We derived this percentage increase projection from an analysis done in conjunction with the Presidents' Task Force's work.
  - We raise \$2M (from amongst ourselves, through grants, through matching gifts, etc.) over a 7-year period from FY09 through FY15.
- Given these assumptions, you can see that the cumulative income line meets the cumulative expenditure (without staff increases) line in about FY27.
  - In other words, we will raise enough money to pay for all capital repairs and improvements (while sustaining our current operating budget level annually) within that timeframe.
  - Note, however, that the income line never crosses the line portraying expenditures with increased staff.

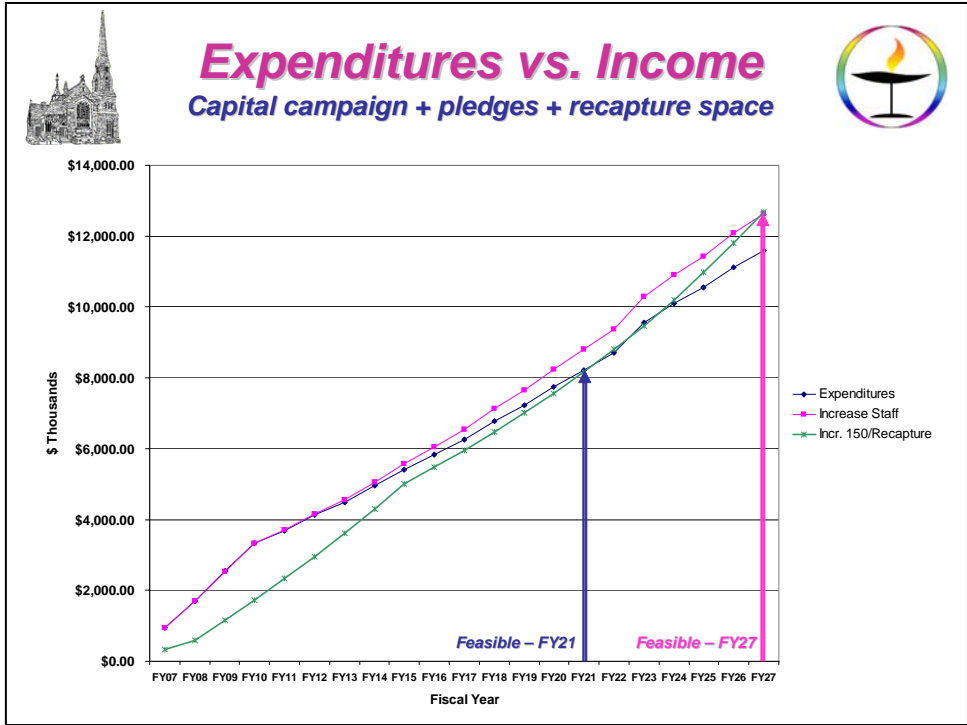


## Expenditures vs. Income

Capital campaign + 150 pledge increase over ten years



- This graph portrays the same two expenditure lines (one assuming an increase in staff, one not).
- The orange line portrays income under the same assumptions as before but with the added assumption that we will increase the number of pledges by 15 each year over a ten-year period.
- Note that the orange line crosses the expenditures (without staff increases) line in approximately FY18 while it crosses the expenditures (with staff increases) line in approximately FY22.
  - In other words, while we are paying for the capital improvements through the capital campaign, we are paying for the increase in staff with the increase in pledges.



- Finally, this graph portrays the same two expenditure lines (one assuming an increase in staff, one not).
- The green line portrays income under the same assumptions as before but with the added assumption that we will recapture our rental space (and lose the rental income) in a measured fashion through FY20.
  - Note that the income line crosses the expenditures (without staff increases) line by about FY19 and the expenditures (with staff increases) by about FY26.
  - In other words, we can repair our buildings with a capital campaign and hire more staff and take back more space through an increase in pledge income if we commit ourselves to a 20-year strategy to do so.
- At this point, I'd like to emphasize that we are talking about a 20-year strategy. Further, all of the initiatives we would need to take – including a capital campaign, pledge and membership increase, staff increase, take back space – would take place over a period of at least 7 – 15 years. Channing would evolve gradually – with plenty of time to take stock and adjust as necessary - just as it has done up to now.

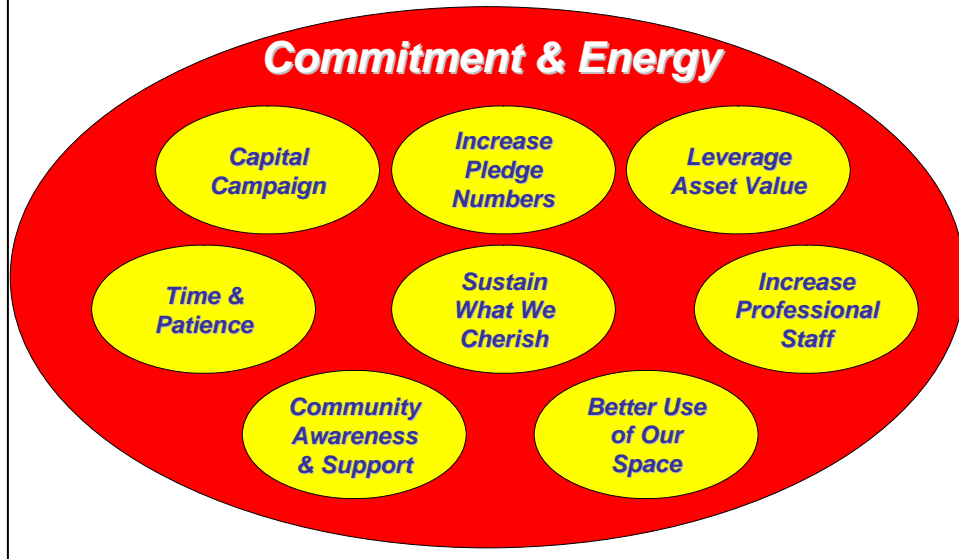


- We, the Transition Team, conclude that it is feasible for us to realize our dreams if we commit to a long-term strategy to do so. Elements of that strategy include what you see here:
  - A commitment to sustain what we value and cherish. What we value about Channing and why we come here were clearly articulated at FD #1. We must never lose sight of what we value and cherish as we move forward.
  - A commitment to pursue a strategy to expand our resource base including a capital campaign and an increase in the number of pledges.
  - A commitment to use these resources to repair our buildings and expand our programs and outreach by, among other things, expanding our professional staff and making more of our space available to us for programs.
  - A commitment to find ways to make the best use of the considerable assets we possess to help us achieve our goals.
  - The patience to do all of this over as much as 20 years.



## **The Glue That Binds It Together!**

**The real question: Do we have the  
commitment and energy to take the journey?**



- Most importantly, however, we need the commitment and energy of all of us. This can be an exciting time in our faith community. We can forge stronger bonds, derive satisfaction from accomplishing significant goals, and have a lot of fun. Commitment and energy are the keys. With them, we can accomplish anything.