

St. Johns Both/And Team

2025 Strategic Plan Proposal

Purpose:

The intent of this document is to outline the strategic plan as defined by the Both/And team. This is intended to help set goals, priorities, and financial planning for use by the Congregation.

Background:

Complete background information about the Both/And Team's work and the Master Plan is available here: <https://stjohnsuu.org/community/master-plan-capital-campaign/>. Beginning in 2018, congregational leaders created a Master Planning Team to examine needed improvements to our facilities. Foremost among possible areas of attention was our sanctuary facade which had experienced leaking for some time. There were also many other ideas for how to make St. John's more welcoming and functional.

The pandemic interfered with our process, putting on hold the planning for fundraising and decisions about the possible designs that had been initially created by an architect. The Team resumed work in January 2021. That culminated in a very success a very successful capital campaign with pledges totaling over one million dollars and, and last year the restoration of the Sanctuary façade.

As the Master Planning team moved beyond restoration of the Sanctuary façade, it became clear that the complexities of such discussions within the church required additional insights, and clear and direct communication across vested parties. The board organized a series of "Both/And" conversations to look at our deferred maintenance needs, our capital improvement desires, and how to have the financial resources to accomplish both of these important things.

Team Assumptions:

The team made several assumptions in the formation of this plan. They included the following:

Finances

- We have reasonable cash reserves, but we also continue to pass deficit budgets
- We should leverage our assets, but not compromise our Future

Deferred Maintenance

- We have a substantial backlog of deferred maintenance & need to ensure critical aspects are addressed
- We don't have to address every item today however

Opportunities for Improvement

- We have real gaps in what our facility offers, and how facility supports our congregational mission.

Estimation Methods

Estimating project costs, fundraising options, and potential endowment fund valuations brings with it inherent uncertainties, of which each topic could warrant substantial discussion. For the purposes of this planning, the following methodologies were used:

- Project Costs were estimated using professional contractor estimates or bids where possible. When not possible, estimates were provided by team members with relevant experience, or from a prior reserve study performed.
- Endowment fund valuations were estimated by using historical averages for the UU Common Endowment Fund over a 30-year timespan. Similar estimates were used for historical averages on inflation, money market accounts, and nominal current interest rates.
- Fundraising estimates were based on insights provided by Capital Campaign team leaders, and congregants with relevant experience. In addition, insights were provided by an external consulting firm who supported us during our prior Capital Campaign.

Proposed Plan

The Both/And team proposes that the following work be prioritized and performed by the Congregation, as presented within alphabetical order. The planning, phasing and pace will be developed in consultation with the team, contractors, and other key stakeholders.

Project	Cost (\$)
Bema Improvements	\$10,000
HVAC Unit Replacement	\$75,000
-- Additional Cost Increase for Heat Exchanger / Heat Pump	\$25,000
Kitchen Stove, Exhaust and Deferred Maintenance	\$38,000
Rosa Parks Renovation including Asbestos Mitigation	\$50,000
Welcome Center, including ADA & other Restrooms, Offices, and Haehnle Renovation. Includes HVAC, ductwork and Plumbing	\$552,000
*New Minister Transition Expenses	\$20,000
Total:	\$770,000

*Anticipated Non-Property Expense that may utilize endowment funds

This combination of projects addresses a substantial amount of deferred maintenance within St. Johns, while additionally providing new functionality in line with our Congregational mission.

The Both / And team additionally recommends the utilization of the following financial assets:

Assets	Cost (\$)
Contribution from Cash Reserves	\$0 *
Contribution from Capital Campaign	\$435,045
Contribution from Legacy Fund at 4% x 2 Years Withdrawal and Unspent Funds	\$89,345
Contribution from Miller-Lorentz at 4% x 2 Years Withdrawal and Unspent Funds	\$83,886
Contribution from Music Fund	\$19,100**
Total:	\$627,376

* Due to deficit year-end budgeting, the proposal was to not leverage approximately \$70K cash reserves in funding the Both/And plan.

** The specific use of the Music fund as proposed by the Music Director and Choir team to offset additional costs has been discussed and widely viewed as acceptable by various parts of the Congregation. The specific use may be deferred until the appropriate operational details are understood, and it is connected to a specific year's operational budget.

In order to bridge the gap between the expected cost of the plan, and estimated funds available for it, the Both/And team recommends the following actions be taken:

- A 'Second Ask' within the existing capital campaign. This is a fairly common approach, where the second ask would be designed to "Fill the Gap", and doing MORE than we thought we might.
- A valuation of some artwork, to understand assets of the church.

At this time, the Both/And team does not suggest the pursuit of a loan.

Recommendations

The Both/And team recommends moving forward with this plan as enumerated above. This would include utilizing financial resources from the Capital Campaign and endowment funds to execute both the Master Plan Phase II and deferred maintenance needs; approval of the plan will initiate work on priority projects.