

Assets Enhancement Task Force – Inventory Report Summary

Members: Ed Coleman, Tim Croll, Don Guthrie, Carol Ingram, Joyce Jackson, Cristin Miller, Carol Nelson, Rev. Amy Roon, Kyna Shilling, Kathy Williams

Introduction and summary of AETF process and scope

In May 2022, the Church Council formed the Assets Enhancement Task Force to examine UCUCS asset usage and expansion to meet both short-term and long-term challenges facing our church. Assets include monetary assets, people/membership assets, financial assets, building/property assets, relationships assets, and reputational assets. The AETF has been meeting weekly since June 2022 and providing monthly updates to council and periodic updates to the congregation in the Church & Home newsletter.

Scope of work:

- Address immediate concern of staff turnover and staff retention– *initial step completed.*
- Inventory and review all UCUCS Asset Categories (People, Financial, Building, Relationships, and Reputation) – *mostly completed.*
- Full congregational awareness and access to AETF processes and information – *in progress.*
- Formulate strategic response to anticipated needs – *immediate next steps identified.*
- Creation of a tool/value statement to determine if assets are utilized for church goals – *future work.*

Assets Inventory - People

Worship & Membership/ Congregational participation

- In spite of the pandemic’s disruption to our worshipping patterns, average worship participation for 2023 (online and in-person) exceeds our average in-person worship in 2019
- 754 members
- 68 lay leaders serving on 8 ministry committees
- 45 active committees, subcommittees, action teams, or task forces
- 37 children & youth ministry average weekly participation, 2022
- 300+ adults participated in Christian Formation programs in the past 12 months
- 461 individuals from 291 households participated in 2023 Pledge Campaign

2022 Church staffing levels

- 2 Pastors (2 FTE)
- 9 Administrative/Building staff (7.35 FTE)
- 13 Program Ministry staff (~4 FTE)
- *Total staff members: 24*
- *Total FTE: ~13.35*

Wage justice recommendation

- The first action of AETF was an analysis of UCUCS staff compensation, in conjunction with the Personnel Committee, in response to our difficulty hiring and retaining several key staff positions.
- Other than the pastors and our director-level staff, all were found to be significantly below a “Living Wage” (by 30-45%) based on the cost of living in Seattle, and also below “Market Rates” for the various job categories.
- AETF recommended and Church Council that these salaries be increased as of July 1, 2022. This would be a total increase of approximately \$50,000 in the six months remaining in the year 2022 to adjust these salaries

Assets Inventory - Relationships

- The church’s Love & Justice and Outreach partners with 29 organizations
- Partners also use our UCUCS buildings
 - Six organizations use our building for free or for nominal amounts, based on our love and justice values
 - Six organizations are regular monthly tenants who pay rent for the use of space in our building

Assets Inventory - Property

We established that the church has some significant properties beyond the church building whose use could be considered to address church financial needs or/and community needs.

Property	Sq Ft	Assessed value of land & structures	Use by love & justice partners
Parking Lot A (across 16 th)	12,960	\$3.6M	--
Parking Lot C (across alley)	15,168	\$5.3M	Tent City 3 is a periodic guest
Gold House – (across alley)	4,320	\$1.7M	University District Youth Center (Part of Youth Care)
Lin House (7025 16 th Ave NE)	4,080	\$835k	SOUND Health (formerly Sound Mental Health agency)

Capital Improvements in our church building

AETF inventoried the many investments the church made to improve COVID-related safety and to adapt to the technology of online worship/meetings.

Assets Inventory - Financial

- The church has \$7 million in endowments invested with United Church Funds
- 2023, the church had \$500,000 in 100+ restricted accounts with specific restricted use
- Personnel costs are our single largest expense, and the fastest growing
- We have seen a decrease in total members and pledging households over time, but at a slower rate than national trends
- Despite this decrease in pledging households, the last 20 years have seen a rise in total pledge income and mean pledge amount

Assets Inventory - Reputation

Not yet reviewed by AETF.

Next Steps: During March and April 2023, the Assets Enhancement Task Force has been focused on coming to consensus on options which could potentially improve UCUC's financial position. The Church Council has approved the AETF to take these next steps:

- Creating a 5+ year strategic financial outlook, to be submitted to council prior to the 2024 pledge campaign and budget process.
- Researching actionable options for our UCUC property assets of Lin House, Gold House, Lot C and Lot A. *Potential financial impact: may include specific recommendations for short- to long-term monetization of some of these assets.*
- Taking steps towards planning a UCUC capital campaign, including a feasibility study and case statement, and presenting a plan to Council. *Potential financial impact: medium- and long-term.*
- With the UCUC Finance Committee, increase our emphasis on planned giving by providing members with information, education, encouragement, and support around their planned giving decisions. *Potential financial impact: long-term.*
- Undergoing a UCUC programming and staffing analysis, in coordination with the Personnel Committee, which can inform the 2025 budget process.

Three other steps were considered but were not recommended to Council:

- a proposal to increase rentals (determined to have significant time impact on staff for a comparatively small financial impact)
- a proposal to look for grant funding (could be part of a strategic plan, but in the short-term determined to have significant time impact on staff for an unknown or zero financial impact)
- a proposal to leverage our property assets for short-term liquidity (AETF determined taking on debt is not worth pursuing at this time and complicates possible future development options).

Conclusion: Underneath big questions like “what is our money for?” is the core conviction that everything we have, and everything we do, should be for the glorification of God and the work of God in the world through this church. The process of inventorying our assets is a matter of leveraging all of the gifts at our disposal to do God’s work in this time and place, and into the future, to the best of our ability.