Building Project – Questions and Answers January 19, 2020

The Building Project held gatherings after both Sunday services to give the congregation opportunities to ask questions of the Building Task Force leaders. Two handouts, one with financial numbers and the other with FAQs, were offered to supplement the leaflet providing updated information and graphs that was inserted in the order of service. (Materials are also available on the website.)

Building Project representatives in attendance to answer questions: Brad Kosiba (building construction); Andrew Wright (finance); and Bonnie Nelson (gap strategies). Also participating were Gail McKinley (communications/convenor); Sindy Barker (communications/ scribe); Andy Henke (microphone & logistics); and Becky Waibel and Susan Blanchard (communications/handouts).

Each session began with a brief overview of the timeline graph showing where we are to date on fund raising, anticipated costs, and the gap (shortfall) projected for June 30, 2021, when payment of the original three-year pledges will be completed. The graph shows the effect over time of ongoing "Strategy A" initiatives to narrow the gap, and the role of "Strategy B" aimed at closing the gap by June 30, 2022.

Questions and answers were similar in both sessions, and are summarized here:

Question 1. Where are we now with respect to the construction? Tell us good news about when we can expect to use the newly constructed space.

Answer 1. We are hoping the new space will be ready by December 2020. We have selected the bidder and are in the process of filling in the blanks. We should have a contract ready for the Board to sign later this month. With respect to permits, we expect the zoning permit to be issued within one to two weeks, followed by the building permit sometime in March. Once we have the building permit, we can break ground, and we anticipate the new facility will be completed in nine months. And good news in the meantime - because so many pitched in to help fix up existing Jones Building space, we have the use of five freshly-painted rooms for small meetings and classes on Sundays and throughout the week.

Question 2: How much disruption will there be on the outside?

Answer 2: There will be periodic disruption because of large machinery which will be coming and going. Some of the parking spaces out front will need to be set aside for construction traffic. Six or so parking spaces in the big lot will be withheld from rental so that if we need parking spaces during the week, they are available. Because we are able to offer the contractor an inside office space (the unrenovated "purple room" in the lower level) with an outside door to the construction site, the company won't need to bring in a construction office trailer, reducing environmental impact and cost.

Question 3. Where are we now with respect to the money?

Answer 3. After paying off the old mortgage, we had about $1.1 million in pledged funds available for the construction project. That would have been about $400,000 short of the $1.5M construction cost, but thanks to the congregation's responsive participation in both fundraising and interest-cost-reducing initiatives by the Gap Strategy Task Force, the June 2021 shortfall (the Gap) is now estimated at $289,000. An additional amount of about $19,000 in interest for the period between June 2021 and June 2022 brings the needed amount to $308,000, to pay off the loan balance in full.

Question 4: How much have we already spent?

Answer 4: Of the $1.5 million for the project, we have already spent about $100,000 for design and permitting.

Question 5: Do we have a contingency plan for higher costs?

Answer 5: The contract will be fixed-price, so potential higher costs for the agreed-upon plan are covered. Of course, change orders are possible if a design change is necessary. Our $1.5 million cost estimate includes a 5% contingency factor, which our experts who've reviewed the proposal say should be ample.

Question 6: Are furnishings included in this cost estimate?

Answer 6: New furnishings are not included, as we have enough chairs for the large multi-purpose room (the colorful stacking chairs that were in the original sanctuary) and the class/meeting rooms (the indestructible metal folding chairs and the boxy wooden seats with loose cushions). We may wish for new furniture, but making sure we have enough money to pay for the construction is a higher priority.

Question 7: We won't have all the money from pledges when the building is finished. How will we pay?

Answer 7: Banks are being more cautious in their lending practices since 2008, but because of our congregation's success in paying off the old loan (with BB&T) and our positive response to the Capital Campaign, BB&T has authorized a bridge loan of up to $600,000. As construction invoices come in, we will first use the pledge money on hand and then begin to draw on the bridge loan. Note: this means the more pledge payments and fundraising receipts we gather by mid-2020, the longer we can wait before incurring interest costs and the smaller loan we'll have to take out.

Question 8: What is Strategy A?

Answer 8: Since January 2018, we have been promoting ways to narrow the Gap. In addition to a grant from the Endowment Fund, that has mostly meant raising funds thorough individual and group efforts such as collecting game-day parking fees, selling items at the Pop-Up Mart, and sharing proceeds donated from events such as concerts. We have also been able to reduce future interest costs by encouraging early pledge payments (75% of the original capital pledges have already been paid!). The leaflet inserted in the order of service provides more detail. Recently, as part of Strategy A, we have been reaching out to share information with some new members who missed the capital campaign in 2018 but are interested in what's going on.

Question 9: What is Strategy B?

Answer 9: We'll continue Strategy A fund-raising, but it's clear that more will be needed. Basically, we will be asking the congregation to pledge again for the year after June 2021 (when the original three-year pledges expire), with the goal of eliminating any gap remaining by June 2022, so as not to burden future church operating budgets with debt service.

Question 10: And we will only need how much more money to meet that goal?

Answer 10: A total of $308,000 by June 2022.