

Handout to Church Council, Building Project update, Aug. 10, '16 Dale Zimmerman & Al Brunsting

This is a financial summary of where we stand with our original building plan:

\$, millions	Comments/explanation
2.00	Total amount at start of project. Pledges paid & pledges yet to be paid.
0.50	Amount spent to date, mostly architectural fees & costs to get city approval.
1.50	Amount on-hand to complete the project, $\$2.00 - \$0.50 = \$1.50$
3.50	Total project cost from actual bids received.
2.00	Additional amount required to complete project without incurring debt, $\$3.50 - \$1.50 = \$2.00$.
0.50	Amount NB&T might loan us.
1.50	Additional amount required to complete project, assuming maximum debt load: $\$3.50 - \$1.50 - \$0.50 = \1.50

Question: Do we want to incur debt?

Answer: In the most recent budgeting cycle for our church we needed a 2nd stewardship appeal to raise enough revenues to support our 2016 \$809,217 spending plan. This indicates that our revenues were close to our limits. If we add additional building debt expenses onto this kind of budget it will be much more difficult to balance our future budgets, maybe impossible. Therefore, a clear goal is proposed to not add to our current debt. We can still be farsighted by pro-actively planning for future building phases.

Conclusion: We need an alternate plan so that we will not incur debt but still meet our most important building renovation goals.

What is the alternate plan being considered? This alternate plan provides everything we were looking for in the original plan except that the office complex is smaller and the nursery cannot be moved to the first floor. This can possibly be completed for \$1.5 million or less. Accordingly, we asked Jeff Zurlinden and our architects to provide realistic cost data to complete the proposed first phase of the July 11 plan. See page 2.

Anticipated next steps:

- Building committee reviews & probably approves alternate plan, which might be tweaked.
- A 2nd round of bids is requested.
- A total project cost is budgeted from the actual bids, including contingencies.
- Some changes may be needed so that we do not assume debt.
- A whole project plan is prepared, including architectural drawings, whole project budget, construction loan, project timeline, and a plan for how construction will affect church life.
- Building Committee, Church Council, & congregation review & approve.
- Project starts.

