

TOWN HALL MEETING

31 March 2019

Purpose: To update the congregation on the state of the Building Expansion project and its budget shortfall.

Meeting called to order at 11:30 by Dora Harrison, President of the Board. "Love is the spirit of this church."

Dora extended recognition to the Building Expansion Team for their hard work and uncountable hours spent on this project.

Gus M expressed appreciation for Dora's extensive efforts as President during this project.

Recap of BE votes and authorizations (Dora):

- 3 June 2018 Annual Meeting: Capital Campaign fell short of goal. Congregation approved motion for CC and BET to investigate increased funding and a modification of the scope of the building project.
- 29 June 2018 Annual Meeting: Congregation approved (by large margin) selection of alternative, cheaper design, designated "B". (The plan we are working with today is very similar to what was voted on then, minus the handicapped-access ramp.)
- Board was also authorized by Congregation to undertake financing and contracting for building services *within the constraints of the Capital Campaign funds and the BE Reserve Fund.*

Overview of progress since June 2018 (Theresa deBoer of BET):

- Highlights of Design B: addition of a multipurpose room, addition of a kitchen/social room, staff offices moved downstairs, additional quiet corridor for latecomers, additional attic storage space.
- Budget estimate in July 2018 was \$398,806--\$304,236 for the contractor and the rest for Beacon's direct costs and enhancements.
- BE activities from August-December 2018: cottage demolition, sewer and gas modifications, permit applications, completed architectural plans obtained.
- BE events from January-March 2019: new, greatly increased contractor's estimate of \$430,870. This cost is prohibitive.
- City building permit received (after a lot of back-and-forth with the city) on 21 March.
- After much negotiation and cutting of features (principally added features and the outside access ramp), the contractor issued a final bid of \$333,357 on 25 March. This figure is

much reduced from the prior bid, but still exceeds the funds available and pledged by about \$22,500.

- Building and Grounds committee is committed to doing much ancillary work, such as playground construction, parking striping, landscaping, and interior painting. In addition, \$10,000 budgeted for construction contingencies could be applied to known costs, which would reduce the shortfall to ~\$12,500. However, Barry B cautioned that it is unwise to re-allocate the contingency budget, since there are always unexpected expenses.

Options going forward (Theresa):

Options **not** requiring a congregational vote at a congregational meeting:

- acquire more pledges to make up the shortfall.
- find a new builder--but this is considered unlikely in this market and our price range.
- delay construction--but this will entail increased costs.

Options **requiring** a congregational vote at a congregational meeting:

- acquire a short-term loan for the amount of the shortfall--but Barry pointed out that our current shortfall in the Stewardship Campaign makes it unlikely a bank would give us a loan, which requires (additional) monthly payments.
- use various church reserve accounts--but Dora's research indicates these funds are needed for their original purposes.
- cancel the project.

A Congregational Meeting has already been provisionally called for 14 April, should we need to authorize a loan, re-allocate funds, or return funds. Dora encouraged members with any questions or concerns to approach her or the BET for any information they might need to make their decisions for this meeting.

Dora, Carl, and Skip provided testimonials encouraging the congregation to go forward, as we have accomplished the difficult tasks and our budget shortfall is small, about 5% of total budget. Carl also offered that the contractor is willing to wait a year after construction (slated to take 14 weeks) to receive the final ~\$23,000. This would qualify as a "retainage", an amount that is often held back for a defined period until all construction mistakes have been corrected. This would give us more time to raise the needed money.

When Dora explained that she had already received additional pledges for \$3,000, other member of the congregation spontaneously chipped in during and immediately following the meeting.

The Stewardship Campaign has raised \$119,000 for 2019-2020 operations, less than needed per the budget developed by the Finance Committee. It was expected that the Capital Campaign

would negatively affect the Stewardship Campaign. Dora has identified items in the budget that can be cut for a year to achieve a balanced operating budget.

Meeting adjourned at about 12:15pm.

The figure for additional Capital Campaign pledges obtained during and after the meeting is \$19,000. (!) This covers the \$12,500 minimum needed, plus adds back \$6500 for the contingency line item. This appears to negate the need for a dedicated congregational meeting in two weeks.

Minutes submitted by Diana M. Roy, Secretary of the Board