

MEETINGAGENDA

- Welcome / Opening Prayer Pastor Johnson
- Review of December Meeting Notes Secretary, Trish Klare
- Presentation of 2024/2025 Annual Budget Finance Chair, Michele Castro
 - 2024/2025 Budget Vote
- Expansion Event Follow Up Council President, Jackie Todaro
 - Recap
 - Responses to Feedback Forms & Question Cards
 - Presentation of Preschool Cost Model Analysis
 - Next Steps
 - Q&A
- Closing Prayer Pastor Johnson

Review of December Voter's Meeting Minutes - Secretary, Trish Klare

Presentation of 2024/2025 Budget - Finance Chair, Michele Castro

Vote on 2024/2025 Budget - Finance Chair, Michele Castro

Expansion Event Recap

- Presentation of Conceptual Design and high-level cost estimate (detailed design and refined cost estimate would follow in the next phase).
- 64 Feedback forms and 7 Question cards were submitted.
- All input was reviewed and summarized.
- Responses have been developed by the team.

Expansion Event Follow Up Summary of Support Feedback

Support the Plan	Support an Amended Plan	Do Not Support the Plan	No Response
39%	39%	17%	5%

Note: A total of 78% of the responses are in favor of an expansion.

Consider Supporting Financially	Currently Not Able to Support Financially	No Response
40%	20%	40%

Large Expense & Questions About the Depth of the Plan:

- This is the first stage for conceptual design. More detail and fidelity will come in the detailed design phase.
- The four (4) new preschool classrooms, along with other increased income will fund the proposed mortgage.
- Additionally, increased congregational giving will close the funding gap.
- General contractors responding to our RFP in the detailed design phase will have to include a phasing plan on how to continue to use the campus during construction, plus a safety plan.

Expansion Event Follow Up The second back Forms & Comment Cards

Responses to Feedback Forms & Comment Cards

Too much expense for membership that is largely over 50 years old. Expand membership first:

- The plan does not require congregational growth, but our hope is that it will grow.
- This plan supports preschool growth, which will facilitate benefits for the congregation.
- This plan also supports community outreach growth, such as Adult Day Care and events we can do with a large kitchen.

The church is becoming a big company:

- The school is key to our congregational growth through young families, and it currently provides significant funding for the congregation.
- The congregation on its own is operating at a deficit.

Suggestions to expand the preschool instead of the church

- We are adding four (4) additional classrooms.
- There is potential to finish the lower level of the expanded space in order to add classrooms if needed at a later date.
- We need to expand the church for the congregation and the preschool, camp and VBS use.
- Does not meet the needs of our entire wish list.

Some services there is low attendance:

There are many services and functions where we fill the church, and it is tight

Not meeting our weekly budget:

- We are meeting our annual budget.
- Note, that the current year's deficit was for capital expenditures. Without those, we would meet the annual budget projection.

UPK Impacting Enrollment Projections:

 We presently do not see an impact on our enrollment with UPK offered in public school districts we serve.

Maintenance & insurance costs:

- Maintenance expenses are included.
- Preliminary insurance costs are included.

Gymnasium Excluded:

- A gymnasium would be cost prohibitive.
- We do plan to use the Fellowship Hall for indoor activities.

Concerns about impact to our neighbors:

 The architect has reviewed all town codes and subsequently during the detailed design phase architects & engineers will address all town codes.

With renting the hall, will open bar be allowed?

 Yes. We will ensure that we are in compliance with our insurance policy and will address security concerns.

Entrance, Handicap Parking and Driving Concerns:

- We will work with the architect in the detailed design phase to see how we can best accommodate the handicap spots and crossing the drive.
- The handicap spots out front will actually be closer to the front door than having to walk around the whole building.
- The handicap parking is closer to the front door entrance.
- The Sanctuary entrance is about twenty (20) feet further, but access is easier to navigate, with less obstacles.

Concerns about the size of the Fellowship Hall:

 Using standard square footage calculations, the architect calculated the space to accommodate 200 people for functions.

Expansion Event Follow Up

Responses to Feedback Forms & Comment Cards

Use of the hill and green space for the children:

- We can discuss clearing the property further back to extend the hill / green space.
- There will be temporary disruptions on campus during some phases of construction.
- During the detailed design phase we will include a path to the green field/gazebo area for better access.

Questions about the seating style – chairs, pews, etc.:

 During the detailed design phase, the seating style, including handicapped access, will be addressed.

Where will we store the Christmas Tree:

 In the detail design phase, we will discuss with the architect where we can accommodate the Christmas tree.

Video screens viewing from the rear:

Audio visual details will be addressed during the detail design phase.

Rehearsal space for the musicians:

- Better for the musicians to practice in the space they will perform.
- With a large new narthex, parishioners can enjoy coffee and fellowship while practice is in process.

Security – Locks and Surveillance:

Will be evaluated during detailed design.

Communion Handrails:

- Communion handrails will be discussed during the detailed design phase.
- We will consider access handrails at the back of the altar.

Office for Deacons:

 Meeting rooms are available, and the deacons will share the Vestry with Pastor.

Church steeple facing Candlewood Path:

The cross will be more prominent.

Pick up and drop off lane specific to the preschool:

This would be hard to navigate.

Church garden to feel the food insecure:

Currently being evaluated.

What are you asking for per family in donations?

- No specific amount.
- Every additional \$100,000 per year of giving can fund an additional \$1M in mortgage value.

Development of a Plan B:

 We have discussed the possibility of developing a Plan B if we are not able to raise sufficient funds to support the current plan, which does address all of our needs.

Expansion Event Follow Up Presentation of Preschool Cost Model Analysis

- Approach Used
- Results
- Conclusions

Expansion Event Follow Up Presentation of Preschool Cost Model Analysis

Approach Used:

- Committee included Exec Board, Finance Chair/Committee & Preschool Director (Johnson, Todaro, Geed, Castro, Winiarski, Lentsch, Probst, Marsh)
- Allocation method was developed for each line item of the budget (income and expense) – i.e. direct expense, specific use, square footage, etc.
- Dollars allocated based on the allocation method

Expansion Event Follow Up Presentation of Preschool Cost Model Analysis

Results:

Budget Year			
	Category	Preschool	Church
'23-'24	% of Total Revenue	63%	37%
	% of Total Expense	54%	46%
	Net Revenue/Expense	\$82,981	-\$153,902
'24-'25 Proj.	% of Total Revenue	66%	34%
	% of Total Expense	56%	44%
	Net Revenue/Expense	\$246,100	-\$94,100

<u>Expansion Event Follow Up</u> <u>Presentation of Preschool Cost Model Analysis</u> <u>Conclusions:</u>

- The preschool is profitable.
- With each additional classroom added, the profit grows.
- The preschool is a well proven avenue for growth financially for St. Luke, as well as for congregational membership growth.
- Church giving is not meeting the church related expenses.
 (Giving has remained flat over the last 20 years no growth)
- A conservative increase in giving to close this gap would be sufficient to cover a large portion of the mortgage for the new expansion.

Funding Status

Funding Category	Source	Firm	P	rojected	TOTAL
Donations / Fundraising	Two Donations / Congregation Match	\$ 559,000	\$	50,000	\$ 609,000
Interest on invested funds	One year		\$	50,000	\$ 50,000
Funds kept as reserve	\$ 900,000 as of 5/1/24		\$	-	\$ -
Employee					
Retention Credit			\$	280,000	\$ 280,000
Grants	TBD			TBD	\$ -
GRAND TOTAL					\$ 939,000
ESTIMATED MORTGAGE	15 Year 5.5% = \$20,427/month (Other options 20-yr = \$17,197, 25-yr = \$15,353, 30-yr = \$14,195 - OR - borrow more funds @ longer term)				\$ 2,500,000
TOTAL FUNDS PROJECTED					\$ 3,439,000

ADDL FUNDS NEEDED (To achieve \$6.5M for Conceptual Design Phase cost estimate)

\$ 3,061,000

Expansion Event Follow Up

Next Steps

- Launch Capital Campaign Committee.
- Determine if/when sufficient funds are raised by either the Capital Campaign and increased congregational giving.
- Congregational vote to proceed with Detailed Design Phase, with a cost of approximately \$400k.
- Prepare RFP (Request For Proposal) for major building contractors to submit bids, with detailed cost estimates.
- Review bids and assess status of fundraising.
- Congregational vote to move forward with the expansion.

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Q&A Opportunity

Closing Prayer - Pastor Johnson