

FPC FELLOWSHIP BUILDING COMMITTEE

BULLETIN INSERT #2

The FPC Fellowship Hall Building Committee has been seeking answers to the questions raised by various Congregational members and has decided to share our findings with the congregation via a series of inserts in the Church's weekly bulletin. Furthermore one or more members of the committee will be available in the conference room during the social hour following each service to provide clarification or address additional questions you may have.

Status of Up-Front and Monthly Pledges as well as Discussion with Columbia Bank

The Up-Front Pledges met the goal of \$75,000 while the monthly pledges totaled \$2,835 per month, which is \$465 short of the \$3,300 per month required for loan repayment of the original project design with a total cost of \$656,000. However, utilizing the original design as our Master Plan, we can consider Phase I to consist of the Fellowship Hall and Parking lot Expansion at a total cost of \$512,800. Phase II would consist of the four classrooms at a cost of \$131,200 to be completed at a later date. Furthermore, the original plan required allocating \$85,000 of current cash reserve funds which would have left the Church a risky cash reserve of \$5,000. The overall reduced cost for Phase I would require only \$40,000 of the Church's cash reserve, leaving cash reserve of \$50,000. With these concepts in mind we met with Blaine Hendrickson at Columbia Bank to discuss the potential for loan to complete Phase I. We discussed a \$400,000 loan (with 5% interest) with amortization over 20 or 25 years. The proposal was favorably received and Blaine recommended that we go with the 25 year amortization, which would provide more flexibility and security of the Church. Thus, the committee is preparing a recommendation for the congregation and session to approve construction of Phase I with the following finance plan:

Up-Front Pledges	\$ 75,000	Monthly Pledges	\$2,835
FPC Usable Cash	\$ 40,000	Monthly Re-payment	\$2,338
Bank Loan	<u>\$ 400,00</u>	Excess Monthly Income	\$ 497
Total	\$515,000		

The plan provides another level of protection for the Church as the mortgage will the allow yearly excess payment to reduce the principal as we are able, but at the same time allows accumulation of excess pledge amounts to cover any unanticipated shortfalls during the fiscal year. However it is still expected that the loan will be paid up within 10 years or refinanced at that time at the then, current interest rate. Interestingly the bank indicated that with a significant pay down of principle the bank would consider refinancing the loan and adding sufficient funds for the construction of Phase II if and when the Church was ready to proceed.

In conclusion, the bank was very pleased with the proposed finance plan and data submitted in support of the proposal (i.e. up-front pledges, monthly pledges, number of pledges, membership and attendance reports, etc). However, a thorough analysis of the building plans (blueprints) will be required prior to formal loan approval. Thus, the committee is requesting authorization to issue a contract with Jim Michaels to complete the building plans for review by the bank as well as to be available to solicit bids for the construction.

REVISED TIMETABLE FOR FELLOWSHIP HALL PROJECT – PHASE I

Congregational Meeting for project Approval
Blueprints Completed for review by bank & bidders
Construction to Begin
Project Completion

August 20, 2017
September 30, 2017
Mid-March, 2018
Prior to September 1, 2018

July 17, 2017