

Lake Toxaway United Methodist Church

Report of the Building Committee 5-5-23

- Tom Blackstock
- Carol Guffey
- John Holbrook
- John Lefler
- Paula Markert
- Scott Walter

By its Building Committee, the Lake Toxaway United Methodist Church (LTUMC) requests this District Board of Building and Location (Board) to approve this report. If approved, our Pastor will seek the written consent of the District Superintendent to call a church conference for the members to consider and vote on approving the Building Committee's recommended architectural designs, cost estimates, and financial plans.

We ask the Board to recall that in early 2022 the Lake Toxaway United Methodist Church Study Committee issued a lengthy and thorough report assessing the need to build or refurbish its Fellowship Hall. When presented and reviewed by the Board in April of 2022, they permitted LTUMC to hire professional services and develop preliminary plans. Acting on that permission, LTUMC Building Committee retained the services of architect Ron Geyer of Good City Architects of Greenville, South Carolina. Good City Architects agreed to

provide architectural services through the design and construction phases.

To perform the actual building and get accurate expense projections, LTUMC interviewed three building contractors. After deliberation, the Building Committee selected J. Davis Construction from nearby Anderson, South Carolina, to provide preliminary cost estimates and serve as a construction manager at risk.

The Building Committee and Ron Geyer reviewed several ideas to improve the Fellowship Hall. Early concept designs contemplated only refurbishing the original area, renovating the space and creating some new area, or building a new larger Hall. However, on further review, the plans for any new area reduced parking in the adjoining parking lot. The committee examined several ideas and workarounds, but the best solution was to remove the current septic system from the North of Fellowship Hall and place it underground to the East at the side and front of the church. The reoriented septic system -now complete- allowed for an expansion to the North and for parking spots to remain unchanged. The Northside being open, presented the LTUMC Building Committee and Ron Geyer with an opportunity for a new design for a new Fellowship Hall. Ron Geyer drew up the new plans, and they are attached. This fresh design provides access to the lower and upper lots without a reduction in parking, and all accesses will be ADA-compliant.

This new design allows for achieving the stated goals in the Study Committee's report. By doubling the available space and making more efficient use of the area already constructed, we have room to grow. The changes in the design call for a refurbishment of the existing Fellowship Hall and to add 1150 sq ft of new space. Building the new 1150 sq ft area will not prevent the use of the current Fellowship Hall. The new design provides a kitchen, offices, a meeting room, three restrooms, a multipurpose room, storage, and a large area in the original Fellowship Hall to allow for improved traffic flow at events calling for snacking and dining.

The Study Committee's report detailed a Needs Analysis of the Community and the Church. The new space provides for those needs. The new area will improve worship, prayer, giving, study, and service. The refurbishment and new space give our church a more significant footprint from which the church may grow, and more people may attend as we have a larger overflow area. We will have an office for the current Pastor and for future pastors. More room means LTUMC can invite more people to come, pray, worship, and do the Lord's work.

The larger multi-use room will be available for worshipers overflowing from the sanctuary capacity. It will have an upgraded A/V system with large-screen TV to make worshipers feel like they are in the sanctuary. In addition, the multi-use room will be available to accommodate fellowship, coffee, and covered-dish dining. Weddings and funerals can now take place with a suitable

area for families and guests to have a modest reception after the proceeding. More will come if they feel confident there is room.

Space allows growth. Church members can now hold prayer groups, Bible studies, and meeting places for church activities. This new space empowers LTUMC's growing outreach services and allows LTUMC to participate in local issues with local people. LTUMC wants to grow, evangelize, be inclusive, and have new people join us to become Jesus Christ's disciples and help bring a more profound faith within our diverse communities.

The expansion does not require the purchase of additional property. Lake Toxaway United Methodist Church is blessed to have land upon which to build the addition. Although there will be no need to purchase property, there will be a cost to build the new Fellowship Hall. With almost twice the square footage of earlier designs, the current plan pictures a Fellowship Hall of 2,315 square feet and is projected to cost 1.1 million dollars. Therefore, the cost per square foot is \$475. The projected estimate is attached and within a 10% range of error.

LTUMC is in an excellent financial position and has more than sufficient capacity to resource the addition to the Fellowship Hall and come out of the project in a solid financial position. The project will utilize the existing balance sheet, a capital campaign, and possibly short-term loan financing through a local bank.

In 2022 Total Income for LTUMC totaled \$334,000, with staffing and operating expenses totaling \$145,000, enabling our

outreach programs to grow to \$180,000. The percentage of outreach to total contributions has become a very effective metric for the church, with the goal being 50% of every dollar contributed. Since implementing the metric several years ago, 2022 was the third consecutive year that LTUMC exceeded the goal. LTUMC needs to continue its commitment to its outreach programs while, at the same time, launching a capital campaign to address the Fellowship Hall.

LTUMC has carried a significant balance sheet for numerous years. (Note: the balance sheet for this discussion *does not include* LTUMC's real property and improvements; a local licensed real estate agent estimated its value at \$600,000 within a 10% margin of error). At the end of 2022, the balance sheet totaled \$847,000. Of the balance sheet total, \$567,000 would be available for the project. The other \$280,000 is encumbered, with \$80,000 being in an endowment and \$200,000 is committed to a minimum reserve balance. The project financing plan would use the balance sheet to finance the project's cash flow, avoiding a bank loan. If the capital campaign falls short of expectations, LTUMC's balance sheet could be tapped to make the difference.

An initial lead gift capital campaign has informally begun for LTUMC's Fellowship Hall Addition. Unsolicited funding of \$200,000 has already been received. During the last week of February, we will reach out to designated donors for lead gifts. We expect the lead gifts to total \$500,000, and early indications

suggest that LTUMC is already halfway to the goal even before the communications go out.

Once the church has the Charge Conference and votes affirmatively to proceed with the project, a public campaign will begin and last through the summer. Given that most of LTUMC's congregation is seasonal, the summer campaign should successfully raise another \$600,000. The campaign is structured for pledges over the three years of 2023, 2024, and 2025. Since project spending will be heavy in 2023 and early 2024, and gifting will continue to come in through late 2024 and 2025, a cash flow management plan will be required.

LTUMC's cash flow management model will track all the capital campaign pledges for timing and project costs by month. From the model, we will be able to manage the cash flow needs of the entire project. For example, if capital campaigns come up short and beyond the balance sheet capacity, a short-term loan can be pursued through a local bank. If, however, the model shows that such a loan cannot be paid off in a three-year window, then that would be grounds to delay or scrap the project.

LTUMC is on track to finance this project and has a schedule to begin building in Fall 2023 when attendance is less. A Fellowship Hall Project Schedule is attached.

The Building committee hopes this report answers the cares and concerns the Board may have. We are available to answer any questions and supplement this report as requested. Respectfully,

we ask the Board to approve this report. If approved, our Pastor will seek the written consent of the District Superintendent to call a church conference for the members to consider and vote on approving the Building Committee's recommended architectural designs, cost estimates, and financial plans.

Reverentially Submitted.