

Growing With Faith: Generous Giving and Value Engineering August 13, 2008

Here's the latest information on our Facilities Expansion project.

Generous Giving: The congregation's response in support of the Classroom Addition project has been amazingly generous. The current estimate of giving in support of the project is \$252,829 over three years which represents an increase of \$75,000 over the estimates from November 2007. Once you account for gifts already received, the estimated average yearly giving in support of the project will be approximately \$76,426. A complete summary of the giving is available in the Growing with Faith Giving Summary.

Value Engineering: When you combine additional lower bids with moving the HVAC unit (heating and air conditioning) to the roof, removing the movable walls, changing from point source water heaters to a traditional water heater, plus a few other changes, the estimated cost of construction was reduced from over \$750,000 to \$662,549. Although there was some discussion of delaying the construction of the small bathroom between the classrooms and removing the sinks and cabinets from the classrooms, the price quoted by Lionberger includes construction of the small bathroom and installation of all sinks and cabinets in the classrooms.

Total Cost for Construction: When you add the septic system, water connection fees and loan fees to the project, the total estimated cost for construction will be approximately \$683,549.

Lionberger	\$662,549
Septic System	\$ 15,000 (Projected Cost Range is \$12,000 to \$15,000)
Water Connect Fee	\$ 4,000
Loan Costs	<u>\$ 2,000</u>
	\$683,549

Projected Loan Amount: When you consider money already given in support of the project and estimated giving during construction, the amount of our loan with Thrivent would be \$599,249. The yearly loan payment would be \$55,284. Based on your estimates of giving, the projected giving will exceed the projected payments by \$21,142 per year which should allow us to make additional principal payments on a regular basis and reduce both the cost and length of the loan.

Total Cost of the Project: The fees for architectural and design work total approximately \$57,200. These fees were approved at a congregational meeting in December 2007 and have already been paid using gifts given to the project. When you add those fees to the projected construction cost of \$683,549, you get a total cost of the project of approximately \$741,000. Since the design fees have already been approved and paid, the projected construction costs plus associated fees are all that will be considered at the congregational meeting on August 17.

Space for Growing Ministries: God has blessed the ministry of St. Michael. The proposed classroom addition will meet our current needs and allow us to support additional ministry opportunities as they arise in the future.