

Country Club Christian Church  
Congregational Board Minutes  
November 29, 2022

**Attending:** Jennifer Austenfeld, E.J. Becker, Kathy Buckley, Sara Engber, Dana Flora, Shelle Jensen, J.J. Jones, Phil Klever, Becky McElduff, Glenn Mills, Matt Moeder, Kay Moffat, Tom Thornton

**Not Attending:** Liz Copeland, Erin Feitz

**Staff:** Carla Aday

**Guests:** David Forsee, Amy Guthrey, Lesley Holt, Dan Jensen, Mary McClure

***Call to Order***

Jennifer Austenfeld called the meeting to order at 7:01 p.m.

***Welcome***

Rev. Carla Aday introduced and thanked the Centennial Building Committee for their resilience and commitment. The seeds for this effort were planted in 2017 in anticipation of the congregation's 100th anniversary in 2021. We are initiating the construction phase later than expected due to the pandemic and cost inflation. Tonight's work is the reason boards of directors exist—to consider and act in the best interests of the organization to address major undertakings.

***Next 100 Project Overview***

David Forsee presented the background and key aspects of the Centennial campaign and events leading up to the construction phase. More than 60%, or \$7.7 million, of the project cost is for infrastructure and safety improvements—systems behind the walls, a sprinkler system throughout the building and what is necessary to ensure the future and security of the building and its Early Childhood Program. The project is now divided into a Phase 1 and Phase 2. The Building Committee has pored over every detail of the construction plan and financing strategy more than once to value engineer where to best spend the earmarked resources.

In addition to infrastructure improvements, Phase 1 includes a welcoming east entry and outdoor plaza, sanctuary improvements for audio/video, an expanded children's wing for safety and growth, plus opening up the last supper sculpture to an updated parlor.

Phase 2 is roughly \$1.5 million based on today's estimates and excluded from the current bid. Only Phase 1 is being presented for Board approval at this meeting. Until Phase 1 has substantially cleared risks for contingency spending, we do not know where we stand financially on Phase 2, and what projects are planned and separately bid out in Phase 2, if any.

Phase 2 is anticipated to be considered in a natural pause in construction no sooner than Fall 2023.

The timing for tonight's presentation is that the subcontractor bids that work into the general contractor's bids are due to expire in the next few days. A conceptual timeline for the phased work and fundraising was included in the presentation.

Mr. Forsee summarized the expected costs, contingency planning, committed contributions and received contributions. More than \$5 million of pledged contributions has been collected to date. In past campaigns, pledge payments increase significantly after construction starts.

Spending up to \$14 million is the recommendation from the Building Committee and approved by the Finance Committee on November 21st. This is based on total costs including full contingency spending and mission commitment of \$500,000. The specific mission commitment is not determined other than (1) affordable housing in Northeast Kansas City and (2) not paying the mission commitment out of debt. The congregation still controls the timing and recipient(s) of the \$500,000 mission commitment which is included in the \$14 million spending recommendation.

Matt Moeder asked about the outlook for giving considering the economic downturn since the project began. Mary McClure responded that the fundraising consultant has relayed that lead gift prospects have not diminished their pledges or payments of pledges on other major projects. Phil Klever followed up on the risk of pledges going unfulfilled. Rev. Aday said our experience is that more than 100% of pledges come in due to people who did not pledge contributing and lack of attrition on lead gifts.

Mr. Forsee addressed the items excluded from the A.L. Huber bid—furniture, some A/V work, and the security system. Furniture is typically outside of master contract, A/V is already part of in-house planning with a consultant since the pandemic brought about expanded streaming, and the security system is already independently managed. Breaking out these costs avoids the overhead of the general contractor managing the projects under the primary contract.

Mr. Moeder asked about expectations for cost changes if the Board delays action. Dan Jensen said it is very difficult to predict. There is no indication costs will trend down to where they were before bidding began.

Amy Guthrey detailed the financing strategy. The bank loan the Board agreed to in March 2022 is still in place. The bank has shown tremendous flexibility on the timing, and several options exist if we encounter stress points during construction. The expectation under current modeling is to start drawing on the loan in the third quarter of 2023 with a maximum draw of \$2.6 million in fourth quarter 2023. Interest payments on the line of credit will not be paid out of the congregation's operating expenses. Mr. Forsee shared that the 2019 survey feedback on the congregation's tolerance for long-term debt was well within the range for the debt in the proposed financial plan for Phase 1.

### ***Resolution Approving Expenditure of Funds***

Mr. Forsee reviewed the Finance Committee approval from Nov. 22nd and the Building Committee's recommendation. An expected funding gap of \$2.1 million exists between the \$14 million Phase 1 costs and the \$11.9 million current fundraising if the \$1 million contingency reserve is fully spent. The Building Committee considers this a prudent and reasonable approach given the unknowns in updating the aging infrastructure and the congregation's financial tolerance level and history.

Glenn Mills asked about Phase 1 spending that anticipates Phase 2 work. Lesley Holt said targeted planning was done to avoid re-doing recent updates and Phase 1 work. She gave examples of not redoing the Youth Center and of including work that is required to restore the construction staging area in the Social Hall, such as new carpet and new ceiling, which can remain in place for any future improvements.

Mr. Forsee reviewed the Board resolution, which describes the financing strategy, the Finance Committee's approval of the strategy and the Building Committee's request for authority to enter a construction contract with A.L. Huber in accordance with the submitted bid. There was discussion of the resolution provisions.

With a quorum of the Board present, the Board unanimously approved a motion to approve the resolution. Ms. Austenfeld expressed her gratitude for and confidence in the Building Committee for their work on this project.

### ***Approval of Motion for Board Chair to Sign Deed Consolidation Document***

Mr. Jensen explained that in reviewing for permits, the city of Kansas City, Missouri, asked the congregation to consolidate three parcels of land that make up the church grounds on the south side of 61<sup>st</sup> St. The congregation's general counsel advised on this process and drafted a deed consolidation document Ms. Austenfeld is prepared to sign. Consolidation avoids a public re-platting process. In the eyes of the county and the state, the three parcels will become one. This brings an advantage for construction building codes in that the east entrance is currently near a property line which will no longer exist when the property becomes one parcel. The consolidation has no impact on the zoning for uses of the property.

The Board unanimously approved a motion to authorize the Board Chair to sign the deed consolidation document.

### ***Closing Prayer***

Mrs. Austenfeld called the meeting to a close at 8:20 p.m. and Rev. Aday gave the closing prayer.