



Resolutions to Expand Project Scope for 2nd Floor Buildout

Church Conference
August 3rd, 2025



Outline

- Background/Update on Project Status
- Ministry and Missions Benefits of 2nd Floor
- Scope and Cost of Proposal
- Funding Plan
- The Resolutions (full text in handout)
 - No. 1 – To authorize construction
 - No. 2 – To authorize necessary supplement to mortgage

Background/Current Status Of Work

- Re-roofing of all buildings is complete
- Phase 1 preparatory works complete (except punch-list items)
 - Choir room risers
 - Air conditioner condenser moves
 - Temporary modifications for rear playground access during construction
- Cleared final departmental approval for building permit
- Construction financing in place with the Texas Methodist Foundation
- Construction drawings and actionable change order for 2nd Floor Buildout completed (as authorized by May 4th Charge Conference)

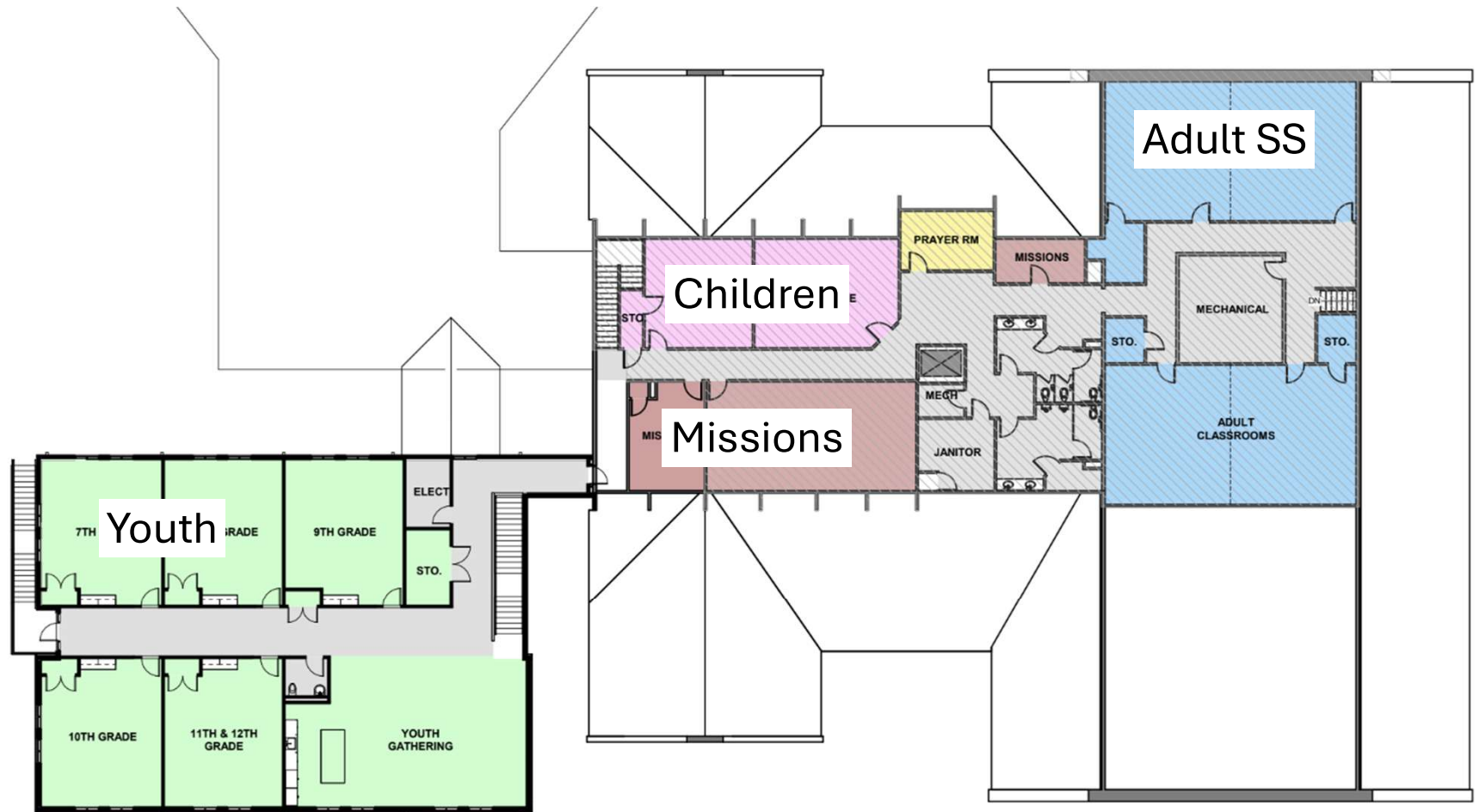
Second Floor Buildout Proposal

- Our generous member has offered to lend more funds on the same generous terms to finish the second floor
- Major benefits to our Ministries and Mission Programs:
 - Large gathering space and 5 classrooms for youth
 - Dedicated rooms for Missions activities
 - Fully meets need for Adult SS – 4 additional rooms
 - Additional robing area and storage for music program – move Bride's Room functions to Room 151 (shared as an adult SS room)
- Doing this now would:
 - Allow immediate use of our investment in building the shell of the 2nd floor
 - Avoid ~\$100,000 in re-mobilization charges for future construction – planning to complete on same schedule as new building (May 2026)
 - Avoid future disruption due to major construction in the new building
 - Avoid cost escalation over time

Youth Gathering Area



Proposed Second Floor Plan



Incremental Cost Estimate

Component	Cost
Capital Campaign Costs	\$ 94,553
Parking Lot Design Costs (spent)	\$ 48,238
Building and Renovations	\$ 5,379,814
Net Interest on Reserves/Construction Finance	\$ (50,000)
Reroof Existing Buildings	<u>\$ 220,000</u>
Current Project Subtotal	\$ 5,692,605
Add for Finishing Out Second Floor (incl. owner costs)	<u>\$ 560,000</u>
Total Cost	\$ 6,252,605

Proposed Funding Plan

Component	Base Project	2nd Flr	Total
Capital Funds available prior to campaign	\$ 460,000		
Capital Campaign Pledges*	\$ 3,400,000		
Non-Pledge Contributions	\$ 340,000		
SUMC Member Loan in Lieu of Selling Lots	\$ 300,000		
2nd Member Foundation Loan**	<u>\$ 1,190,000</u>	<u>\$ 560,000</u>	<u>\$ 1,750,000</u>
	\$ 5,690,000	\$ 560,000	\$ 6,250,000

* Have collected \$2.05 M to date

** No increase to net budget impact over 1st 5 years – limited to \$50,000 per year of principal payments. Plan a 2nd capital campaign or re-finance after 5 years – if refinance @6% for 25 yrs - \$135,000 per year (including interest)

Recommendations and Approval

- Submitted by: The Embrace the Spirit Steering Team

John Swank – Team Chair and Church Council Chair

Shirley Astwood – Trustees Chair

Rev. Todd Jordan

Lynn Noesser – Finance Chair

Rev. Beth Chenault

David Klosterboer & Adam Mowery – Co-chairs of Capital Campaign

Jerry Dusenbery

Bill Koerner – Lay Leader & Chair of Architecture and Engineering

Burke Watson

Kevin Larson

- Endorsed by: SUMC Finance Committee
- Subject to Approval by: TAC Southwest District Building and Location Committee (TBD)

Resolution #1 (per handout)

SUMC shall build out the 2nd Floor of the new building now:

- Scope:
 - New youth area consisting of a large gathering area and 5 classrooms
 - Furnishings as necessary for re-allocation of existing space for missions, additional adult classrooms, and choir robing/storage
- Execution Plan:
 - Done in parallel with construction of the new building
 - Construction by Mission Constructors under a change order
 - Existing SUMC project management team and controls procedures
- Cost: \$0.56 Million
- Funding Plan: Total cost to be borrowed from member foundation

Resolution #2 - Mortgages

- Charge Conference approval of mortgages on church property is required by the United Methodist Book of Discipline
 - Note that a Church Conference is in effect an expanded Charge Conference
 - Resolution approves obtaining a loan in the amount of \$560,000 from a member Foundation secured by a mortgage
- Furthermore, the Chairperson and Secretary of the Board of Trustees are authorized and directed to actions necessary to execute and deliver such documents as may be necessary to obtain the necessary loan in the amount shown above
 - Including mortgages on existing SUMC properties and liens on certain personal property within as necessary
 - Also authorized to make such amendments as may be necessary to complete the project and service loans over their term



- Discussion
- Voting by members of Strawbridge UMC including retired ministers associated with SUMC
- Reminder – Groundbreaking Ceremony on August 24th after 2nd Service – Snow Cones for All!
- Adjourn Charge Conference