

Sunnyhill Capital Campaign

Q&A from Informational Session held on March 24, 2024

- Why are we considering paying off our mortgage debt before addressing the safety issues?
 - Both issues are urgent and important (debt and capital upgrades). To sustainably address the safety issues and other facility needs requires substantial capital funds. Following receipt of capital pledges, time is needed for design and permitting. Assuming we receive sufficient pledges, we will begin design and permitting as soon as possible.
 - As the campaign progresses, we will continuously assess the facility needs while also receiving feedback from the congregation. If needed, we may set aside some funds in preparation for future short term fixes.
 - We are trying not to spend operating budget on short term repairs except when necessary.
 - We regularly inspect the building, especially the garage and the kitchen foundation.
- Would we start paying off the mortgage immediately as capital gifts start coming in?
 - Generally yes, but please note these clarifications. Gifts specifically earmarked for capital work would be set aside and not used for mortgage payments. Also, as the campaign progresses, we will continuously assess the facility needs while also receiving feedback from the congregation. If needed, we may set aside some funds in preparation for future short term fixes.
- Has anyone given initial consideration as to whether we have space available on our property to do what we're hoping to do?
 - We are sharing a set of plan sketches (basement and first floor) illustrating three options for capital improvements.
- When would payment of our pledged gifts become due?
 - Payments are preferred to be complete by March of 2027, but can be extended to the end of 2027 if needed.
 - Payment plans can be flexible.
 - Financial advisors will be available, confidentially if requested, during the campaign to assist with assessing and structuring donations, and to help consider tax implications.
 - Based on congregational feedback, we will extend the timeframe for pledge commitments until the end of 2024 instead of fall 2024.
- What is the current interest rate on our mortgage?
 - Our current interest rate is four percent. Although this is favorable, if we are forced to refinance some or all of this debt in March of 2027, we would expect a higher interest rate.
- The capital plan should incorporate sustainable / green design. We should also consider the environmental impact of demolition.
 - In keeping with the commitment of our previous capital campaign, every effort will be made to incorporate sustainable and green design. We will engage Sunnyhill's Green Sanctuary committee, and others who may be interested, in the design process once we know the total amount of pledges and can start considering specific capital options.
- If we revitalize our physical space we need to plan for more people coming into our community – not just the building but also the grounds and the programming. Do we know how much growth our current space brought into our congregation, and how much we can plan for if we proceed with capital improvements?

- At the start of our previous capital campaign we had approximately 170 members. Currently we have 345 members and we are growing. The upgrades we are proposing would accommodate some growth and would maximize our ability to physically expand within the current restrictions and size of our lot. It's difficult to accurately predict growth, but with multiple services we believe we could accommodate 500 members with the expansion we're proposing. That growth would not happen overnight.
- There is not enough engagement regarding the campaign with newer members, and older members who contributed at the last capital campaign may not give their best gift this time.
 - We recognize that many members contributed very generously in the last capital campaign. We expect all members to give their best gift based on their ability to do so.
- For the last capital campaign, we hired a fundraising consultant who provided valuable guidance and insight, and we should do the same this time.
 - As mentioned during the informational session, we don't plan to hire a fundraising consultant again because currently we have a professional fundraising consultant in our congregation who has generously offered to serve as co-chair of the capital campaign. Based on this, and given our current budget challenges, we don't feel that hiring a fundraising consultant is the best use of member donations at this time. We paid \$40,000 to the fundraising consultant for the last capital campaign and we can only assume the fee would be even higher now.
- Prior to kicking off the last capital campaign, we had many group discussions and interviews, and we should do the same this time.
 - Following a Yes vote on April 14 to proceed, the fundraising committee will begin organizing group meetings, cottage meetings, and individual outreach efforts. During this process we will gather and consider feedback from the congregation regarding members' giving capacity, the proposed capital improvements, and other ideas related to the capital campaign.
 - It was well known following the last capital campaign that additional capital upgrades would be needed, and communication regarding another capital campaign began at least as early as 2018. We lost some time due to Covid. We believe it is appropriate at this time to kick off a capital campaign, thereby assessing members' giving capacity, due to the urgency of the debt and capital needs.
 - At this time we are asking the congregation to vote only on whether to proceed with a capital campaign, which will positively identify our giving capacity.
 - Based on congregational feedback, we will extend the timeframe for pledge commitments until the end of 2024 instead of fall 2024.
- It would help to see a visual of the proposed capital improvements.
 - We are sharing a set of plan sketches (basement and first floor) illustrating three options for capital improvements.
- We also have a parking problem – e.g. not enough parking spaces.
 - Additional parking will not be addressed with this campaign unless required by the municipality during permitting.
- What does the \$800,000 mortgage balance represent – the amount due in 2027?
 - The \$800,000 is our current mortgage balance.

These additional comments were provided by congregational members after the group Q&A session:

- It feels rushed to make our capital campaign pledges by the fall of 2024.

- Based on congregational feedback, we will extend the timeframe for pledge commitments until the end of 2024 instead of fall 2024.
- We should consider taking out a loan to pay for the necessary improvements, instead of holding a capital campaign. This is a different philosophical approach that would require the people who will benefit from the improvements in the future, also to pay for them.
 - While taking out a loan for capital work is not unreasonable in some situations, unfortunately it's not a viable option for Sunnyhill at this time. As outlined during the informational session, our budget already includes an annual \$63,000 debt payment which limits our ability to hire additional staff and expand programs. We cannot afford to take on additional debt at this time.