Executive Summary

From January through September 2014 the MUMC FLC Review Team has conducted a thorough review of the FLC project. The history of the project has been revisited and the current status has been assessed. Over the course of the evaluation the congregation was invited to share current attitudes and opinions about the viability of and need for the project. Having performed these activities, the team has arrived at a recommendation to continue the project with modifications.

Specifically, the project should be broken into phases the first of which is recommended to provide the new worship and assembly space originally envisioned for the upper floor of the new building. The first phase is recommended to be planned such that it can be substantially completed with funds currently on hand.

Additionally, the current plans for all new spaces should be re-evaluated to take into account the congregation’s current needs and projected future needs. This evaluation must take into account input from the current program and ministry teams.

It is anticipated that the changes that are built into a revised plan will require a new bid package to be generated and submitted to contractors. It is recommended that a minimum of three contractors be solicited to respond.

The Review Committee has faith that the congregation will support the project, particularly once more information is broadly available and visible progress is made. To that end it is recommended that the initial construction phase should be planned to commence as soon as practicable to preserve current financial support for the project as well as to reenergize former regular contributions and to promote new commitments.

The FLC Review Team recommends that the “MUMC Expansion Team” be commissioned. This single team is envisioned to be structured from among the church’s administrative and program committees to oversee all planning and execution activities related to design and construction, stewardship activities to ensure financial support of the project and communications and marketing activities to keep the congregation informed and motivated. Members of this team will be recommended for election by the Committee on Nominations. The MUMC Expansion Team is recommended to begin its work in early 2015. A recommended realization plan is included in the body of this report.

During the course of the congregational small group discussions a common theme of concern about accessibility to both the new building and the existing building was persistent. These concerns have been addressed in the current plans and are recommended to be a noticeable
part of any new design. In addition, the efforts by the Trustees to consider accessibility improvements for the existing buildings have been generally affirmed by this input from the congregational small groups. The FLC Review Team recommends that the Trustees continue to evaluate effective means of improving accessibility.

Problem Statement

For over a decade the Medford United Methodist Church (MUMC) has been planning for the improvement of the existing physical plant via a three-phase improvement project. The first phase has been considered to be the construction of a new facility on the current campus. The facility, named the Family Life Center (FLC) was envisioned and designed to accommodate a growing population for our non-traditional worship service as well as to provide additional classroom, meeting, nursery and office space for a growing ministry.

A significant amount of congregational energy and effort has been directed toward realizing this vision, from many phases of building planning through capital fund raising campaigns. The primary obstacles to realization have been financial. The capital funds raised to date, coupled with a mortgage the congregation was projected to have been able to sustain in early 2012 were not deemed to be adequate to complete the construction and to operate the new facility.

The ongoing groundwater contamination remediation project, necessitated by the church’s ruptured underground oil storage tank has complicated the project by causing restrictions to be placed on the church’s ability to build in the affected area. These restrictions are temporary, only in place until such time as the groundwater is restored to its non-contaminated state. In spite of that and the fact that contaminant levels in the groundwater continue to fall, the timing of the resolution of this condition is impossible to gauge.

With these conditions in place, pending activities related to the realization of the FLC were suspended in the Fall of 2012. A period of uncertainty has followed, which has led to the current effort to assess the state of the project.

Upon arrival at MUMC, Pastors Joe Monahan and Kathleen Stolz participated in a series of small group meetings with members of the congregation to allow the members of the congregation to become acquainted with the new pastors and to allow the new pastors to understand the current attitudes of the congregation. The question of the status of the FLC project was a common topic through this series of meetings, making it clear that a full review of the project’s history and its current state was necessary.

Charter

In the Fall of 2013, the MUMC Church Council approved a resolution from the Committee on Nominations and Leadership Development to form the “FLC Review Team.” The resolution was passed to the Church Conference, which commissioned the FLC Review Team. The charter of the FLC Review Team is recorded in the 2013 MUMC Church Conference and Ministry Report:
Let it therefore be resolved that the Nominations and Leadership Development Committee name the “FLC Review Team” to conduct a thorough review of the building project. The FLC Review Team shall consist of a mixture of people familiar with the project and those new to the effort representing a cross-section of the congregation.

<table>
<thead>
<tr>
<th>Total = 15 voting members</th>
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<tbody>
<tr>
<td>Also included ex-officio (with voice but no vote): Pastor &amp; Associate Pastor, Directors of Jr. High &amp; Sr. High Youth, Choir Director, Handbell Choir Director, Organist</td>
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<tr>
<td>1 – Trustees</td>
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<tr>
<td>1 – Finance</td>
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<tr>
<td>1 – Children’s ministry</td>
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<tr>
<td>1 – Youth ministry</td>
</tr>
<tr>
<td>1 – UMW</td>
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<tr>
<td>1 – UMM</td>
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<tr>
<td>1 – Preschool</td>
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The Nominations and Leadership Development Committee shall nominate a chair from among the fifteen members to guide the work. This team would design and lead a process to prayerfully review the project and solicit input from the congregation on the following points:

1) Review the original needs assessment vs. current needs – Are our original assessments of our facilities needs still valid? What are the projected demographics of the community and congregation, potential for future growth? What do we hear God saying we need the most at this time?

2) Review of the plans for FLC – What have we already accomplished? How do the plans conform to our assessment of the needs? What changes, if any, need to be made?

3) Financial review – How much have we raised and expended to date? What is the balance of funds we have on hand? What is the estimated cost to complete the project as currently designed? What are the projected budget impacts (including debt service, utilities, and insurance)? What projections can be made for future trends?

The team’s final report would be due to the Church Council by September 1, 2014 and include recommendations on the best way forward, choosing from among four options:

1) Go forward with the FLC plan as-is.
2) Proceed with slight modifications to the FLC plan (i.e., internal design changes only, no changes to building footprint).

3) Scrap the FLC plan and begin the design process from scratch.

4) Abandon the plans for any building addition entirely, along with a recommendation on how to deal with funds already received.

We expect the team to include in their recommendations a basic strategy for the realization of the proposed option, including whether to proceed with a capital campaign, whether and how much money to borrow, a communications strategy, and a timeframe and milestones on the path.

We will trust the Holy Spirit to lead us as we consider God’s vision for Medford United Methodist Church.

Planning and Meetings

Due to the breadth and complexity of the tasks outlined in the charter and the expected timeline, meetings of the FLC Review Team were planned to occur monthly.

February: Charter review, planning

March: Review original needs assessment, debriefs from historical committee activities

April: Small Group meeting planning

May: No meeting; small group meetings in progress

June: Recap small group meeting findings

July: Determine preferred course of action, formulate recommendations, plan final report preparation

August: Final report review

This plan was generally followed as written, with the exception of the July and August sessions. The development of the recommendations for execution slipped into the August meeting and consumed it entirely. The objective of completion by September 1 was not met. A September meeting was added to finalize the recommendations of the team and to set the format of the final report.

Over the course of the FLC Review Team’s activities several small “sub-teams” were assembled for specific tasks, including congregational small group scheduling and agenda planning, congregational small group meeting presentation development, and position description definition for future activities.
The minutes of the whole-group meetings were kept by Linda Campbell and Coleen Lombardi and are included as Appendix A of this report. The FLC Review Team owes a debt of gratitude to Linda and Coleen for their efforts.

Information Gathering Methods

Debriefs

The initial effort of the FLC Review Team was to gather as much historical information as possible from the committees who were responsible for the historical activities. The Building Committee, the Finance Committee and the Let It Rise Bridge Committee were invited to present summaries of their committees’ work products related to the FLC project.

While no true “revelations” resulted from these debriefs, it was important for the team to hear these presentations collectively so that all could start from the same base of understanding.

Building Committee

The Building Committee, represented by Bill Frame, presented a summary of the original needs assessment current plans for the entire FLC structure as well as the work done to date, including site surveys, design activities, permits received and the frequently difficult processes to gain them. It is important to note that the challenges associated with the permitting process were the largest obstacle to initiating construction during the first years of the initiative.

Bill further described the construction bid solicitation process, selection of Active Construction as the winning bidder during the bid evaluation, and subsequent “value engineering” activities to reduce the overall construction costs.

A copy of the Building Committee’s presentation, including some preliminary “phasing” options prepared by Active Construction is attached to this report as Appendix B.

Finance Committee

Jack Crosby and Dennis Courtright represented the Finance Committee to present the Finance Committee’s activities in support of the FLC project. The package of information provided to the FLC Review Team by the Finance Committee, which includes Let It Rise income and expense reports, is included as Appendix C to this report.
Most notable among the Finance Committee’s activities were their efforts in early 2011 to evaluate the church’s options for a mortgage that could be sustained by the congregation. At that time, considering the sustained giving to the Let It Rise campaign that was being demonstrated as well as the current market rates and capitalization requirements for commercial loans, the Finance Committee determined that a loan of approximately $1 million was realistically sustainable. A survey of local institutions yielded that TD Bank would offer the most beneficial borrowing terms to the church. Accordingly a commitment letter formalizing acceptance of those terms was finalized between TD Bank and MUMC.

Taking into account the value engineering efforts between the Building Committee and Active Construction to reduce the overall initial costs of the project, projecting administrative costs, reserves and contingencies, the Finance Committee estimates a total cost for the project of ~$2.8M. Balancing that against obligations already satisfied (~$364K), current available funds (~$1.2M) and financing (~$1.0M), the Finance Committee projected a shortfall for the first phase of the project in the range of $250K. Additionally, the current congregational support for capital funds has, in the opinion of the Finance Committee, dropped below a level at which a bank will extend the contemplated financing.

An additional identified risk is the increased expense which will be associated with the operation of the new building. The Finance Committee projects that annual cost of ~$130K, which must be supported by future operational giving.

Let it Rise (LIR) Stewardship Campaigns

John Cornue prepared and delivered a summary of the two “Let It Rise” capital fund raising campaigns. The summary is attached as Appendix D.

The financial results for the campaigns are given in Table 1.

<table>
<thead>
<tr>
<th>Campaign</th>
<th>Duration</th>
<th>Pledged</th>
<th>Raised</th>
</tr>
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<tbody>
<tr>
<td>LIR 1</td>
<td>June 05 – May 08</td>
<td>$750K</td>
<td>$707K</td>
</tr>
<tr>
<td>LIR 2</td>
<td>June 08 – May 11</td>
<td>$600K</td>
<td>$547K</td>
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Table 1: Let It Rise Capital Campaign Results

The campaigns were both regarded as successful, having converted over 90% of pledged amounts to contributions. Coupled with the national economic downturn that coincided with LIR2 and the lack of visible progress owing to the lack of necessary permits, the tapered results for LIR2 are somewhat easily explained. Presently, approximately 50 giving units have sustained regular contributions to the LIR fund.
Both campaigns were planned and orchestrated with the help of RSI, a church stewardship consulting firm based in Dallas, TX. The LIR report affirmed RSI’s performance, suggesting that elimination of the risk associated with attempting such campaigns with persons within the congregation was worth the consulting fees paid for RSI’s services.

The LIR representatives recommended that energizing the congregation with regular communications and visible progress would be critical to the success of any additional campaign.

Congregational Small Groups

The FLC Review Team’s charter stipulated that the congregation would be solicited in some way to give input to the team with respect to the attitudes and opinions about the project, whether for need, design, or any other relevant input. Early in the team’s activities the congregation was invited to provide any input or ask any questions via e-mail to a designated address. To date no messages have been sent to that address.

The team designed a small group session designed to remind the congregation of the details of the project, inform the congregation of the current state of the project and to provide a forum for members of the congregation to provide their opinions and suggestions about the future of the project.

Each meeting was limited to a capacity of approximately 15 attendees to preserve the “small group” environment. The meetings were limited to two hours’ duration. Thirteen meetings were originally scheduled on a variety of weekdays and times. Three were cancelled due to lack of participation. A total of 66 congregants attended the remaining 11 meetings.

A survey was created to gather information from the respondents on a broad array of topics related to the FLC project. The survey was constructed on SurveyMonkey® and available online via the church website. Paper copies were also made available. Each attendee of the small group meetings was asked to complete a survey prior to the start of the meeting’s discussions. Ninety-one completed surveys were gathered by the team. The completed surveys are attached as Appendix E to this report.

A basic presentation was prepared to provide consistent information to each of the small group sessions. That presentation was not changed throughout the execution of the meetings. The presentation is attached to this report as Appendix F.

The majority of the standard agenda for these meetings was discussion focused on a number of key topics:

- Current and Future Needs
- How should we proceed?
If we build, how will we pay for the project?

Notes for these discussions were kept and provided to the FLC Review Team. The notes are included in this report as Appendix G.

Analysis and Discernment

Following the completion of the congregational small group meetings the FLC Review Team reviewed and considered the results of the surveys and the feedback received from the congregation over the course of the small group meetings.

From these inputs, a number of common themes emerged in no particular order of importance or frequency:

- Handicap accessibility of the new building, including handicap parking proximity to entrances.
  - A related theme raised consistently was accessibility of the current building. This affirms the present activities underway by the Trustees to improve accessibility of the existing structure.
- Existing plans should be examined to ensure that space utilization is flexible and consistent with future needs.
  - Small group space
  - Wide ranging activities require more flexible space
  - More social space
  - More space for “people flow” for Sunday mornings
  - Additional storage space
  - Children/youth play/classroom space
  - Focus on “needs” rather than “wants”
- Phase the project to build what we can with the funds we have on hand.
  - Proceed with caution; avoid overextension
  - Address mortgage as fiscal strength improves if necessary
- More communication is needed.
  - Current status of LIR funds and giving
    - Condition – balances, usage
    - Placement (i.e., investment)
    - Restrictions on use of LIR funds
    - What is current giving by how many units?
    - How can I contribute?
  - Status of oil tank remediation
- Visible building progress will improve support for the project.
- The current pastoral team positions MUMC well for success.
Another part of this exercise was creation of lists of Frequently-Asked Questions, which have significant overlap with the common themes identified above. These are attached as Appendix H and may be used as inputs for further communications to the congregation by any currently standing or future-commissioned committee.

Recommendation

Having considered the inputs from the historical activities and the congregational small groups, the FLC Review Team recommends that the FLC project continue, building on the original footprint with potential interior space modifications based on current and anticipated needs.

Realization Plan

In order to enable quick initiation of the recommendation above, the FLC Review Team has developed a proposed realization strategy.

MUMC Expansion Team

The FLC Review Team proposes the creation of the “MUMC Expansion Team” to oversee all aspects of the ensuing project. The structure of the MUMC Expansion Team is envisioned to have the following composition and responsibilities:

1. Chairperson – This team member will plan the team’s work and keep the team on task and on target with timelines. He or she will call the meetings of the team, facilitate the meetings and provide reporting to appropriate bodies: the church council, the church conference, and the congregation.

2. Pastors (ex-officio) – The importance of this project to the life of the church is difficult to overstate. It’s critical that our pastoral leaders be engaged with the project as it unfolds. They will challenge us during that phase when we are making decisions about priorities for ministry needs and encourage us in faith when we are frustrated. However, they will serve ex-officio, with voice but no vote, and not subject to any term limit.

3. Visionary – This member of the team will remind us why we are doing what we’re doing – how it fits into our mission and our vision for the future of the church. This person will not focus on the details of what is happening. Instead, he or she will thoughtfully step back and evaluate whether all the pieces are still pointing in the right direction and together.

4. Secretary – This team member will keep accurate minutes of the meetings and help facilitate communication. This person will organize notes from all subgroups to keep all members informed, and act as recorder for ministry program and space planning workshops.
(1) Board of Trustees representative – Because Trustees are charged with care for ministry facilities (maintaining existing and planning for the future), they must have representation. The rep will remind the Expansion team of the ‘big picture’ about how the new building fits into the overall plan for the campus and ongoing maintenance/improvements to the existing facility. He or she will also help explore possibilities for use of Trustees’-controlled funds (e.g., bequests) to support construction.

(1) Finance representative – It is vital that the financial implications of the project (both capital and ongoing expenses for utilities, insurance, and maintenance) are well understood by the finance team and the congregation. It will be the role of the finance representative to help with estimating expenses, preparing budgets, evaluating financing (if necessary) and assessing financial risks.

Construction Subgroup

(3) Construction experts – These team members will be responsible for the nuts and bolts of discussions and negotiations between the church, the architect and the contractors. They will be experts in the details of the plans and oversee construction on behalf of the church.

(1) Architect (ex-officio) – We are in the unique situation where our architect, Mike Pagnotta, is also a member of the church. Because he is the expert in the design and understands both the choices made and the reasons behind them, we welcome him as part of the team. He will be ex-officio, with voice but no vote, but not subject to any term limit.

Communications Subgroup

(2) Marketing / Communications Experts – These two team members must have between them excellent written and oral communications skills. They will help us to communicate effectively in multiple media to maintain forward momentum, a sense of unity, and transparency throughout the process. The precise roles of these individuals will be affected by whether an outside stewardship consultant is hired. Thus, they should be capable of working not only with each other in an effective manner but also comfortable in working with a professional group to represent the Medford UMC congregational perspective.

(1) Stewardship representative – This member of the team will assist in communications tasks and help us to maintain a coordinated approach between the fundraising efforts for the new construction and the ongoing stewardship work in support of the budget.
The members of this committee are to be appointed by the Committee on Nominations and Development. In cases in which the MUMC Expansion Team member serves a dual capacity by representing a standing committee, the Committee on Nominations and Development will appoint the member to both committees. To the extent possible it is recommended that some members of the FLC Review Team be selected to fill positions on the MUMC Expansion Team to ensure the continuity of knowledge and experience of the FLC Review Team.

Activities and Timelines

With the objective of making visible progress as quickly as possible, the following activities and timelines are proposed.

Space Planning – With a focus on ministry and programs, develop and execute a plan to gather focused input to determine the primary needs of the church to be fulfilled by the new building (90 days)

Stewardship Planning – Evaluate options for consultant/external facilitation and select a stewardship partner (90 days). Plan stewardship activities, to include initiation of a formal campaign at a time appropriate to the physical project; initiate informal stewardship messaging in the interim. (90 days; by June 21, 2015)

Finance – Identify total funds on hand and timelines for availability of those funds for usage (60 days)

Refine and Rebid – Led by Construction Sub-Group but informed by all, determine the extent of changes required to current plans (considering results from space planning activities, building height and depth specifications and light management strategies, for example) and projected phasing options that allow meaningful construction to be started and completed using the funds presently available. Evaluate additional potential construction firms. Revise and release a bid package to Active Construction and at least 2 other firms. (120 days) Receive bids by May 31, 2015, select contractor by June 21, 2015.

Communications – Communication of status and progress will be essential to build congregational enthusiasm and to prepare the congregation for a post-construction capital campaign. Publish an article in each issue of The Messenger and at least one other communication event on a monthly basis. (Ongoing throughout the project)

It is hoped that with these aggressive timelines construction may begin in 2015 or, at the latest, Spring of 2016.
Conclusion and Acknowledgment

The FLC Review Team has employed a methodical and disciplined approach to the tasks given to it by the Church Council. The findings and recommendation to continue the project are believed to represent the current attitudes and desires of MUMC. This project is critical to the growth of MUMC and expansion of its ministry in this community and the greater South Jersey region.

On behalf of the pastors, I wish to thank all who served on the FLC Review Team. Without the dedicated participation of the large number of team members this task would not have been realistically completed within this timeline. Further thanks are owed to all who supported the process, whether offering historical information as a member of a former or current committee or as a member of the congregation participating in a small group meeting. This engagement, too, was critical to successful completion of the task.

On behalf of the entire MUMC FLC Review Team, this report is

Respectfully submitted,

Burton Rich
Chair