

#	Date Received	Question/Comment	Answer	Answered By
1	5/22/2020	Why would we borrow \$911.5K when we know we can apply \$200K+ of our cash reserves to the project? Should we borrow \$700K?	LCEF recommends not using our cash reserves too early in this process. Congregations have gotten themselves into a cash bind by trying to minimize the loan amount. It was recommended that we borrow the whole amount and not use our cash to pay down the balance until we are sure donations are sufficient to cover ongoing operations.	Bob Hea
2	5/22/2020	Should we take the Construction Loan option?	It is recommended. It protects us from liens but does cost an extra 1% on funds drawn during the construction phase (3 or 4 months). When the work is finished, the balance is rolled over to the regular ARM.	Bob Hea
3	5/22/2020	Do we know for sure that construction costs will rise in the future?	No, we do not. Historically they have and were rising rapidly pre-pandemic.	Bob Hea
4	5/26/2020	I'm all for Phase 1 and 2. Phase 3 is a different story. Part of Phase 3 is required for security and I'm all for that; however, renewing the facade on the north side (parking lot side) is another story. Far more important in my opinion is renewing the bathrooms adjacent to the Fellowship Hall to bring them up to ADA standards (e.g., replace "low rider" toilets), plumbing fixtures and so forth. Their functional use and aesthetic appearance will make a necessary difference for our congregants and visitors. The north facade is for looks only. The Phase 3 vote should be broken into two, one for the necessary changes and one for the rest. (Sorry that this formulation is more of a statement but I think you understand.)	Regarding the bathrooms, we do believe that the toilets were replaced within the last 2 years with taller versions per ADA. Granted the stalls are narrow. Rather than drop portions of the exterior remodel, we would rather <u>add</u> an update of the adult bathrooms to the project. If we do not spend all of the contingency, this would be a possible source of funds. Regarding the exterior, Pastor originally asked for the remodel and it was extremely well received by the congregation when the artist drawing was shared.	Bob Hea, Roger Koester
5	5/26/2020	Have the LCEF interest rates been reduced? Your statement is factual regarding the lowering of interest rates in general, but I'd sure like to know what our interest rate will actually be (or very close to it) for the project.	LCEF's variable rate for May is 4.375%. In June, it is going to 4.25%. The rate for your loan will be the current rate at the time of closing. Since it take 4-6 weeks to close, most likely July's rate will be the one you have. If I get the paperwork in June, we can "lock in" the June rate. If it goes up in July, then you get the 4.25%. If it goes down, you would get the lower rate.	Kevin Grein (LCEF)
6	5/26/2020	Note that the LCEF interest rate is not fixed but variable. If over the life of the loan, the interest rates increase (likely), what is the anticipated range? No one has a crystal ball but I'm sure the finance people at LCEF have projections.	LCEF does not cap its rate. We do not follow any government indexes. Simply the need for the LCMS to grow. We move slow, up or down. It does fix the payment. Which means if the rate goes up you pay less principal, if it goes down, you pay more principal. Over the life of the loan it tends to balance out, while bringing you the lowest payment possible. Most congregations make an effort to buy down the loan. This type of stewardship is encouraged by LCEF (no prepayment penalty). Prepayment is a good hedge against rising interest rates.	Kevin Grein (LCEF)
7	5/27/2020	I have thoroughly read the building committee's recommendation for the renovation of Ascension Lutheran Church. I am in total agreement with the recommendation of not doing the renovation in stages, do not use reserve funds, and because of historically low interest rates, borrow the entire finances needed to complete the renovation. I also believe it is an appropriate time to establish a "funding program" such as "Project Peter".	Thank you for the comment.	N/A
8	5/27/2020	Is there a possibility of getting a breakdown of what exactly is being done in the renovation with a cost estimation associated with each task? A breakdown more specific than just phase 1 is estimated to cost X.	Unfortunately not. Bids were supplied in standard format by phase broke down by trade such as demolition, drywall, painting, general conditions (labor), etc. I will attempt to post the Architectural plans that the contractors used to bid on the website and you can see what is changing in each area. It's very detailed but answers part of your question.	Bob Hea
9	5/27/2020	Does price include the Contractor Pulling Permits? The Littleton Building Dept. will surely demand some changes unless the Architect has already Coordinated with them and that is no guarantee that they will require changes during construction.	Yes	Bob Hea
10	5/27/2020	Are Architectural Fees included in the Construction Phase?	No. They are considered sunk costs behind us. If we run into problems and need Architectural support we will pay the hourly fee for work. (Lewis Himes & Associates has been very reasonable with hours and fees thus far.) This would be considered part of the 15% contingency we added.	Bob Hea
11	5/27/2020	Are the West Wing South Side Windows included in the bid?	Yes	Bob Hea

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12	5/27/2020	Additional information that I consider extremely important in regards to question 4. I do not believe that the primary reasoning behind the change of the windows was for aesthetic purpose, although that was an added benefit resulting from the change. In my opinion, new windows are needed to improve the energy efficiency of the building, reducing utility costs, and increasing the comfort levels of staff, congregation, and visitors. The current windows make any heating/ac improvements far less efficient. They let heat in during the summer and out during the winter.	Thank you for the comment.	N/A
13	5/27/2020	How many days is the bid good for from the Contractor?	60 days from May 26, 2020	Bob Hea
14	5/27/2020	Who is the Point of Contact during the Construction Phase and approve the Completed Renovation?	To be determined.	Bob Hea
15	5/27/2020	How much money has been spent on the ALC Renovation to get to this point in time?	Just under \$32,000. We've paid out \$9,000 on the original Architect and \$23,000 to the current Space Planner/Architect.	Bob Hea
16	5/27/2020	Actual amount of Cash On Hand at this point in time dedicated to Renovation?	The \$200,000 amount continues to be our best estimate.	Bob Hea
17	5/28/2020	Is the bell tower concrete roof repair included in the Renovation Bid?	No. That repair is being handled by the Board of Trustees.	Bob Hea
18	5/28/2020	The primary reason for the renovation is to increase the overall efficiency of the building and to enable the staff, congregation, and other groups that utilize the building to better provide and perform their vital ministries to the community as a whole. The building will be more appealing (which will hopefully draw people to it), the building will be more comfortable (important for all who attend Worship, receive assistance, and those who provide said ministry), and it will work more efficiently, allowing us to focus funds and attention on doing His work. And that, ultimately, is the purpose. All that we have is His and everything we do needs to be done to His glory and with great joy!	Thank you for the comment.	N/A
19	5/29/2020	First I like the project and would be happy to see it built and completed, its about the 900\$ cost to the project that sets me back some. I'm concerned about taking on this size obligation and debt in our current economic unsettled state. The surprise in our "virus" economy takes a lot of optimism off the table and pushes thoughts more toward a table motion until we have a better footing on the economy outcome thru this year. Additionally will this current blip in our economy effect our giving contributions? It may take 6 months or so to determine the stability of our giving going forward. We are in uncharted waters on these type of predictions. A number of us have taken a setback in our projected personal income giving us concern about being able to participate in the carry payments of this monthly [annual] cost. I feel this project does not have any urgency that would keep us from putting a decision on hold allowing for a more secure economy for future financial evaluation. Additionally, I am in favor of viewing this project in total and not in favor of dividing it in phases or separate parts for construction. Gods Blessings.	Thank you for the comment.	N/A
20	6/1/2020	Please see the new exterior rendering of the North side which has been posted on the website. The vertical I-beams which support the building will not be behind the new brick and will be seen. They will be clad with the same material as the window frames to match. It's a slightly different look.		Bob Hea

**ASCENSION LUTHERAN CHURCH
PROJECT QUESTIONS AND ANSWERS**

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21	6/2/2020	How does the allowed one-time change in monthly LCEF loan payments work?	Best to use an example. Let's say we finish the project and spend \$900,000 on the construction loan. It rolls over to an adjustable rate mortgage with an estimated \$5573/month payment (4.25% for 20 years). We then undertake a 3-year capital campaign with a three annual commitments, year one typically donated up front. Let's assume that we raise \$150,000 for year one. If donations are safely covering all monthly operating costs, we can combine our \$200,000 in surplus cash plus the \$150,000 from our year 1 capital campaign for a total of \$350,000 and pay down the debt to \$550,000. Assuming interest rates have not changed, our new payment going forward would drop to an estimated \$3450/month. The funds raised from years 2 and 3 of the capital campaign would just shorten the loan, not reduce the monthly payment.	Bob Hea
22	6/3/2020	What is the expected monthly payment on the loan that Ascension will pay?	If we borrow the full amount (\$911,500) and do not pay it down with our available cash before setting the monthly rate, it will be \$5644/month (estimated based on 4.25% over 20 years).	Bob Hea
23	6/3/2020	Has the City of Littleton approved these renovations yet or is that necessary?	Not yet. Our application requires approximately \$5500 up front in fees (50% of our expected total) so we will not apply for permits until we know the project is approved by the voters.	Bob Hea, Jim Riebling
24	6/3/2020	Are there any pledge drives being considered?	Yes. This has been discussed this with Council. We will likely put together a committee to manage a capital campaign.	Bob Hea
25	6/3/2020	Are there any funds available to lower the loan total, or are available funds already addressed and they have lowered the loan amount to \$911,500? If so, what is the project total including what we have already spent or allocated?	We have ±\$200,000 in cash that could be contributed to the project. The \$911,500 is the total project cost with 15% contingency included. How we finance it is up to us. Most likely we will use the \$200,000 cash plus year one of a 3-year capital campaign very early to reduce our loan balance.	Bob Hea
26	6/3/2020	What is the anticipated length of the loan?	Between 7 and 20 years, we get to pick. I recommend taking the 20 years to get the lowest monthly payment but then paying it off early. There is no penalty for early payoff.	Bob Hea
27	6/7/2020	Printed on M-1 & M-2, "PRELIMINARY PLANS NOT FOR CONSTRUCTION". When will the final drawings be available so that accurate bids can be obtained?	They are final now. When we apply for permits that comment will be removed and the drawings will be stamped final. The bidding is done and our costs are firm.	Corrie w/ Lewis Himes
28	6/7/2020	Are the boilers, located in Rooms 104 & 115, being considered for replacement or updating in this ALC Renovation Proposal?	No. They are working fine right now despite their age. Our main problem is finding replacement parts when something breaks but we are getting by.	Bob Hea
29	6/7/2020	Is the Electrical Service coming from the South Side Power Pole Easement going to need updating due to additional loads required the new HVAC systems or other additional electrical needs?	No. This was reviewed by the Electrical Engineer. Our current service is sufficient and we have room in our existing electrical panels for additional circuits.	Jim Riebling
30	6/7/2020	Has the money been included in the Trustees Budget for the Bell Tower roof repair?	Repairs would be split between maintenance and reserve funds in the Trustees budget.	Roger Koester
31	6/10/2020	I am definitely NOT in favor of undertaking a near million dollar construction project at this time nor at any time where we have to commit to a decade or more of a significant addition to our annual budget. First: These are uncertain times and we are ill equipped to make such a commitment. According to The Economist magazine, the worldwide pandemic is just beginning to expand in the southern hemisphere: maybe we should be looking outward (Lutheran World Relief) rather than in Littleton CO. Further, I note that we are falling behind in meeting current Budget demands. Second: We have had recent experience with such efforts that were painful and not easily accommodated. Before mounting a determined move to debt reduction, we were forced into a near "interest-only" payoff mode of a sizable LCEF loan which we would still be trying to repay...as we speak. Finally: We have proven that such such endeavors have not been necessary. Immediately following our debt reduction efforts in 2016, we established a monthly "future capital needs" item of several thousand dollars monthly which is still a part of our Annual Budget. Accumulation within this account has allowed such items as: 1) Building out the Sanctuary air conditioning (\$65K), 2) Sanctuary lighting (\$180K), 3) Narthex upgrade (\$?), 4) Most recently the Parking Lot (\$500K), ALL without borrowing a penny! Note: The \$\$\$ may be off, but the principle remains. Building upgrades will always be with us, but we have demonstrated that they can be accommodated without debt. Good Stewardship, I would add. As a counter to the existing proposal, I suggest that we immediately add a \$6,000 monthly line item, "Renovation" to our 2020 Budget. This would test our appetite for a decades long commitment.	Thank you for the comments.	

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32	6/16/2020	<p>Appreciation is extended to those who have contributed their efforts to this project. The recommendations in the plan are desirable suggestions. Ascension has a history of sound reason and good stewardship of our treasures. Current events dictate extreme caution in proceeding with a project of this magnitude. 1) A significant percentage of our congregation is retired and elderly. Persons in this stage of life have less financial ability to finance a major project. Personal investments have decreased and are not stable due to the double crisis of the Covid-19 virus and the economy. The Federal Reserve has stated interest rates will remain low for another 18-24 months. 2) Membership and contributions to our budget are significant considerations during this unprecedented current environment. 3) The first proposal for the building expansion was voted down and the space analysis recommendation was to renovate existing space. It appeared the congregation wanted to limit the cost of a major renovation. Suggestions: A) The current plan for solicitation of comments online with ensuing mail-in ballots does not allow adequate opportunity for in-depth questions and interchange of ideas. We need a physical voter meeting with a free exchange of questions and suggestions to thoroughly vet this project. The congregation needs the opportunity for their input into the project, including the timing of the three phases of renovation. B) My recommendation would be for the project be tabled until we have a better understanding of the depth of the impact of the pandemic on us individually and as a church. This would give us an increased understanding on the impact on our personal finances and the national economy. We could consider starting a fund-raising campaign now to decrease our loan amount when the project is begun.</p>		<p>Thank you for the comments. These very issues were discussed w/ Council. After discussion, the vote was to proceed now with the entire project.</p>