

Proposal from Finance Ministry  
Property Committee approved  
by Council



# What We Need

- Heating and Ventilation System (HVAC)

- Airflow to solve moisture problem on lower level
- Air circulation system to conform to COVID precaution standards in the Sanctuary
- Provide individual climate control to offices and music room
- Replace 30 year old boiler with energy efficient system
- Remove underground oil tank to conform to state standards

- Renovation of Lower Level

- New, level flooring
- Ceiling design solution to hide mechanicals
- Efficient LED lighting
- Wall repair and painting

## Text of the Motion

- "Borrow \$500,000 at 3.9% interest from Northfield Savings Bank over 10 years, and paid back from proceeds from the Murray fund. The money will be spent on HVAC and the renovation of the downstairs."

# How We Can Pay for It

- **PAYING \$500,000 CASH**

- Lost opportunity cost**

- $\$500,000 \times 4.50\% \times 10 \text{ yrs.} = \$740,122$

- Lost earned income = \$240,122

- **BORROWING \$500,000**

- Cost of borrowing**

- $\$500,000 \times 3.39\% \times 10 \text{ yrs.} = \$590,228$

- **Benefit of borrowing**

- \$240,122 Income from retained cash

- 90,228 cost of interest on loan

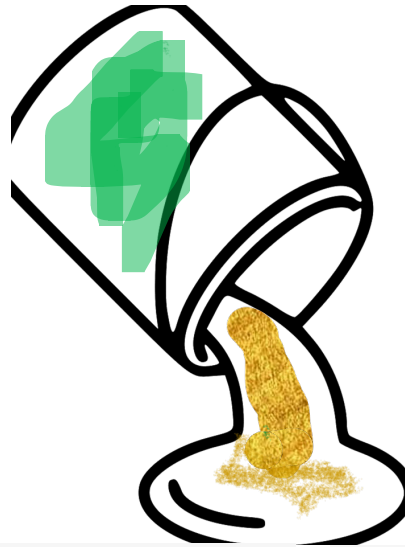
- \$149,894 net retained income

- Plus, we kept our original \$500,000

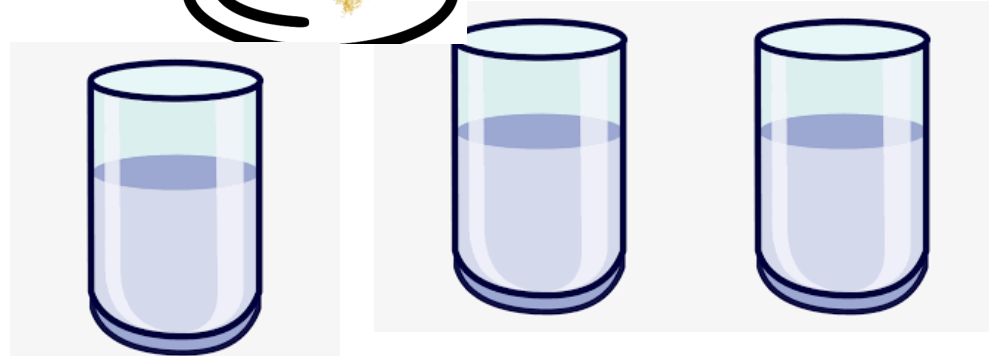
**Murray Beneficial Trust  
at TDBank (the maple tree).**



**Income from Murray Beneficial Trust  
(the sap) deposited into our  
Community National account. This  
money can only be used for work on  
the building.**



**Income from our Murray account  
at Community National pays loan.**



- **Payments on  
NSB loan from  
Murray income  
for HVAC and  
Fellowship Hall.**

# The Complicated Part

The money to pay back the loan will come from two sources, future Murray Beneficial Trust (the sap) deposited into our Community National account and our existing Murray account at Community National.

**\$590,228 principal and interest we will owe**

- 300,000 in future Murray Beneficial Trust deposits( \$30,000 x 10 yrs.)
- 290,228 from our Murray account (current balance \$312,170)
- 0 owed (leaving \$21,942 in Murray account based on today's balance)

## Why now?

- The heating and ventilation system must be addressed in order to gather safely in the building and to correct issues with moisture in the lower level.
- We want to be faithful to Lynne Reid's vision for the Fellowship Hall and Fireplace Room

# Why so much money all at once?

## Why not do it in stages?

- That was the initial plan. But -
  - Experts project that the cost of building materials will rise steeply in the next two years.
  - It will be more efficient to do these projects at the same time, before the building is being fully used.
  - Paying cash would deplete capital in the invested funds.
  - Interest rates are still at record lows, but expected to rise soon.



## What about the organ project?

- The organ builder will be part of the planning. Temperature and humidity controls will keep the organ in good shape once it is installed. The organ blower will be installed in the current furnace room.

## When will it be done?

- It depends on many factors. The contractor who drew up the plan estimates two months, but no one can be sure.

## What about worship and other church activities?

- We hope that the design of the ventilation system will minimize disruption of Sunday worship. The Conference room will be available for meetings. The library will also accommodate small groups. We can't gather in large groups now anyway.