

Saint Peter Evangelical Lutheran Church
2018 Capital Improvements Spending Plan

The following charts, Capital Improvement Projects and Capital Improvement Plan, constitute our second attempt in recent years to establish a budget program for significant capital expenditures. The first was in 2016, and was a similar format. This represents our projected capital needs in the next five years, based on the Property Committee's projection of needs. We felt that we had to look at least five years ahead to make sure that we do not exhaust any available funds, and thereby prevent being able to provide for needs in the future. We have taken into account current available assets as well as projected income for that time period.

The approval of this plan does not constitute final approval to fund a specific project. Any project on this list still requires Council approval following the designated process for presentation of plans, and, when necessary, estimates and/or bids for contracts.

The **Capital Improvements Projects** chart is based on current identified needs and projected life-spans of equipment and building components. Each year, this chart should be updated. If necessary, projects may be postponed or others may be identified, and the Finance Committee will continue to monitor and advise the Congregation Council on our ability to accomplish the plan or need to alter it. So approval of the plan will allow the Council to go ahead with planned projects, *as long as funds specified in the second chart are available.* This prior approval of anticipated projects will allow them to be accomplished without the delay having to go back to the congregation for approval as the schedule for each project is carried out.

The **Capital Improvements Plan** is a graphic way of showing our ability to pay for these projects based on the use of current assets and projected income. The first column headings are for 5-year Project Costs and the various sources/accounts to pay those costs. Each is described below.

- **Capital Reserve Checking** – This is the amount currently in our checking account and immediately available for payments. It comes partly from an annual designation (currently \$8,000) of tithes and offerings. In the past this was the only source and it was often inadequate to meet needs as unexpected projects surfaced. The Council recently moved the proceeds of maturing CDs into this fund in anticipation of project expenses.
- **5-Year Challenge** – This is the amount that must be found from other sources in order to fund later year projects. This could come from end-of-year surpluses, fund raising plans or the **Highway 211 Fund** – This fund was established in 2017 to fund the cost of projects related to the condemnation of our property adjacent to the Highway 211 improvements planned by the Department of Transportation. These projects include such things as storm water management and parking area adjustments. Around \$43,000 was initially offered by the State and has been placed in the fund. It is anticipated that successful litigation over a fair adjustment will result in additional funds. The "Start" figure of \$65,500 is what would be needed to cover the anticipated engineering projects.
- **Annual Transfer to Capital Reserve** – This is mentioned above as an annual allotment – currently \$8000. With our growth and current trends in giving, we hope to be able to increase this amount in \$2000 increments over the next five years, starting with \$10,000 in 2018 and increasing to \$18,000 in 2022. So the total amount of \$70,000 is a five year projection.

This plan does not take into account the possibility of end-of-year surpluses, which could supplement any other shortfalls. It also does not take into account unforeseen equipment or structural needs. There are many variables involved in determining whether or not we can accomplish this plan. But without any plan, we do not have the agility to overcome any obstacles in the way. It is not a commitment of funds, but only a plan to use to achieve our goal, while being good stewards of God's gifts.