

January 20, 2005

Congregation First United Methodist Church

Re.: New building expansion

In response to questions related to the building expansion, the following building expansion project data applies:

-Authorized new construction	\$2,100,000	
-Pledged	\$1,919,716	
Difference		\$180,284
-Received	\$1,490,565	
-Paid on new construction	\$2,139,160	(incl' s kitchen/chapel)
Difference		\$648,596 (bridge loan)
-Contract status		
Contract w/Change orders	\$1,919,861	
Original Contract	\$1,784,745	

There will be questions as to why the authorized amount of \$2.1M has been exceeded. Throughout this contract, there has been the need to delete items from the work schedule in order to stay under the authorized amount. As those deletions were made public during a Sunday morning presentation several months ago, various parishioners asked "if I put up some money, could we put an item back in the project?" The answer was yes. The amount of those "special donation add backs" total almost \$34K to date.

Additionally, the project encountered what we have labeled "existing conditions" that were unidentifiable prior to the start of the project, or found to be defective and in need of repair while the project was ongoing. An example would be the revisions necessary to the sanitary sewer line because it wasn't actually located where the "as built" drawings indicated it was. Grade beams had to be relocated to accommodate. Other examples would include the floor level alignment issues and drain pipe issues in the existing building.

The total of the categories we have noted as "existing conditions," "special donation add backs," "city requirements," and a few miscellaneous items is \$121,440. When one deducts those from the "Paid on new construction" total, the project is within the authorized guidelines.

Summarizing, the project will be completed essentially on target financially, albeit longer than anticipated from a construction standpoint. We will begin the development of the substantial completion punch list during the week of January 23rd, 2005. Given a few

days to complete the most significant of those open punch list items, we will begin the occupancy phase of the project. The elevator has been inspected, passed, and accepted by our project management staff.

This project has gone on longer than any of us had hoped, but in the end, it is the sincere hope of the building committee that you find it worth the wait and that you will enjoy the additional space, the improved accessibility, and the beauty of the finished product.

Thanks be to God for his patience with each of us and his assistance to all of us.

FUMC Building Committee
Larry L. Allen, Chair