

## Memorandum

To: Program Council  
From: Capital Campaign Exploratory Committee  
Date: Nov. 7, 2016  
Re: Recommendations for capital campaign

### ***Introduction***

Follen is at an important point in its history. It has shown substantial growth over the last several years and is positioned to continue that growth, a development that the congregation broadly welcomes. However, it needs to make some important changes in its physical plant to better accommodate its current size and to allow for further growth.

### ***Recommendations***

The Capital Campaign Exploratory Committee recommends that Program Council authorize a Capital Campaign to raise a capital projects fund, and an associated Construction Committee to plan and oversee the construction projects at the direction of Program Council. The committee further recommends that Program Council take appropriate steps to establish a Capital Campaign Committee that can begin operating in January 2017.

The committee also recommends that Program Council immediately begin a program of communication with abutters and other stakeholders to inform them of the planned capital campaign (if it is approved) and the scope of the potential changes in Follen's physical plant.

The committee strongly urges that Program Council act on this recommendation swiftly so that:

- If approved, public fund-raising for a capital campaign can be carried out next fall. The committee will need to begin organizing and planning its efforts in early 2017 if this schedule is to be met.
- The FY2018 annual pledge drive can be carried out with clarity on the question of a capital campaign. The annual drive is scheduled to begin the day before the next Program Council meeting (Jan. 9). Training and materials development will take place in December and early January. Lack of a December decision by Program Council would leave the pledge drive in a difficult position.

The committee is reasonably confident that a capital fund on the order of \$1.5 million to \$2 million – and conceivably more – can be raised. It recommends that the projects be undertaken in the following order of priority, and firmly believes that this investment agenda would enable Follen to at once affirm our heritage and embrace growth.

The initiatives have been grouped into three main categories:

1. **FUNDAMENTAL** - Includes development priorities with near universal support and urgency from the congregation.
2. **CORE** - Includes development priorities that received broad support and that will position Follen for mid- to long-term growth in membership and staff.

3. **OPTIONAL** - Includes important development options that surfaced in the committee's work, but that can be considered independently and did not elicit the same general level of support as the CORE items.

### **1. FUNDAMENTAL**

**Universal access** - This issue received overwhelming support by the congregation and was identified as priority number one by Program Council last year. It is the cornerstone of the recommended building projects.

Achieving this means a great deal more than simply replacing the elevator. Achieving Universal Access for the congregation would mean realizing a vision:

“That any person attending Follen could move to any place in the building without any assistance from another person.

This could mean a reconfiguration of the south side entrance and exits of the church, the installation of a new elevator, as well as dramatic impact to the layouts of the existing ground and second floors.

**Greening Follen** - Make sure that any changes made in this or any other phase will help reduce the church's carbon footprint. This would be a basic principle of any work undertaken. It would add a premium to initial cost of the projects, but that cost would be recovered in part or in total by reduced operating expenses.

**Temporary quarters** – Any major construction will require temporary relocation of some or all church activities to temporary quarters for the duration, which could be as long as a whole church year. Some degree of such disruption likely would be the case for the Fundamental project and definitely would be the case for any elements of the Core projects. The cost of this temporary relocation would be taken from the capital fund.

### **2. CORE**

The work involved in properly improving access will require, at minimum, a realignment of the space on the ground and second floors, reducing the usable space for offices and meeting rooms in the existing layout. The universal access project is likely to require a significant portion of the funds raised. However, the intention is to raise sufficient capital to re-think the space behind and below the sanctuary - and the HVAC infrastructure - as outlined below. The following three projects all have broad support and, from a design and construction perspective, would best be approached in concert with universal access.

***The specifics of a final plan would be determined by the total raised in the capital campaign and more detailed planning and costing.***

The broadest concept would be to, in effect, swap the current layouts, moving the second-floor office and meeting-room space to the ground floor, and constructing a larger Community Center on the second floor. Cost and other considerations would guide the

choice among multiple variants of this new Community Center, but the committee believes we can aspire to a comfortable and attractive space with a vaulted ceiling and floor-to-ceiling windows at either end.

**More room** - After universal access, the most strongly supported feature of any capital campaign project was, generally, “more space.” This was articulated in many ways, some specific and some very general. But the congregation feels the need for more space.

The Community Center swap-and-improve vision, coupled with more effective use of current ground-floor space and a better, more compact heating system, would allow for a significant increase in the amount and variety of space available for use by the church.

In redesigning the ground floor, every effort would be made to maximize the usable space and to make it fully available for Follen activities. An attractive suite of offices for Follen staff would be created, allowing for growth in staff. The current layout at Follen does not allow for the addition of any new office space, except at the expense of needed meeting room space.

Making the maximum use of the ground floor may call into question our current relationship with French for Kids or, possibly, bringing that relationship to an end. The requirements of French for Kids currently prevent the use of its space by Follen as fully as the church needs: for weekday meetings; or for more casual gatherings of, for example, FUUY or covenant groups. It is possible that a different relationship with FFK can be negotiated, but it is also possible that French for Kids might move elsewhere, particularly as the space they currently lease might not be available during major construction, for a minimum of a year, in any case.

Ending the lease with French for Kids would mean a loss of revenue, which is \$11,505 for the 2016-17 fiscal year, scheduled to increase by about 3% to \$11,850 in 2017-18. However, this could be considered a relatively small price for the space involved.

**Heating, Ventilation and Air Conditioning** – Follen’s current heating system is old and inefficient, and the boiler room space could be reduced and relocated. The system could be replaced with an efficient, modern system as part of the renovation of the ground and second floors. This also could include air conditioning for all or part of the main church building. New, more effective insulation in any part of the church under renovation would also make for a greener church.

Reducing the cost of heating – in dollars and carbon emissions – would be a positive in any event, and installing a new system during a renovation would be far less expensive than doing so as a standalone project.

The greater use of the church in the summer, including the highly successful summer services, has brought the importance of air conditioning to the fore. Air conditioning could be provided to the offices alone, to offices and meeting rooms, or to the full building, including the sanctuary.

**Bigger, Brighter Community Center** – The current Community Center, built in 1956, was the first real expansion of the church since its construction in 1839. The CC has been improved several times, most recently in 2003, but not substantially expanded. Many Follenites today say they find the current space crowded and noisy at Sunday coffee hour; the kitchen feels cramped and not equipped to meet its tasks; and large gatherings, such as the annual Fellowship Dinner, stretch the facility to its absolute limits. And, at the end of the day, it is not a particularly attractive, inviting space.

By constructing a new Community Center on the second floor, the footprint of the room could be expanded, potentially by cantilevering out beyond the existing foundation. This could be topped by a vaulted ceiling and glass faces at either end, creating a large, bright, airy space able to accommodate the full array of activities in a much less crowded, more pleasant setting.

### 3. OPTIONAL

**Storage** – Storage space in the church and the Marshman Center is currently quite full and a large volume of seasonal material, such as East Village Fair equipment, operetta sets, and Christmas tree gear is currently stored in the Vandiver barn. The committee suggests building a barn-like structure on the property at the rear of the parking lot across Massachusetts Avenue. As conceived, this would be an unheated structure. This would require the relocation of “Polly’s Park,” the memorial to former Follen minister the Rev. Polly Guild, which currently occupies the space behind the parking lot.

**Social justice** – A portion of the funds could be dedicated to a social justice effort. Examples from capital campaigns at other churches have shown that in many cases, rather than reducing the available funds for other projects, this can increase overall giving. Brad Howe has put forth a suggestion that a “Lexington Center for Social Justice,” a/k/a “The Eliza and Charles Follen Foundation for the Publick Goode” be established in the Stone Building. This could be a focal point for nurturing and developing social justice programs in Greater Lexington. It would require some seed funding from Follen, but there could be substantial Community Development funds available to cover the substantial costs of renovating the building and operating such a center.

**Children’s chapel** – The creation of a special space to serve as a children’s chapel is a matter that can be addressed in the future. The concept of beginning RE with a service for all the young people together has been discussed by RE and church leadership, but has not been broadly addressed in the congregation. If the idea of a single service for young people gains support, a chapel could be created by partitioning off a section of the Community Center. If a new, light-filled CC is constructed on the second floor, it could have the backdrop of a wall of glass.

### ***Other issues***

**Sanctuary untouched** – The committee did not identify any major improvements for the sanctuary. There is no way to materially increase the seating capacity without doing serious damage to the unique qualities of the space.

**Respect architectural integrity of sanctuary** – The committee took as a basic principle that any changes or additions to the physical plant would have to respect the integrity of the sanctuary building.

**Budget for Capital Campaign** – The committee expects that a capital campaign would, essentially, self-fund. Expenses for, for example, architectural and engineering work for planning and development, would be paid out of the fund receipts. The capital campaign might require a loan from the endowments for working capital, with the funds repaid once payments are made against pledges.

**Effect on annual pledging** – The church should expect that a capital campaign will have a dampening effect on annual pledging, with commitments from existing pledgers remaining flat or with little increase. New pledgers, joining the community for the first time as members or friends, could still provide an avenue for growth in overall pledge receipts.

**Background and history** – The Capital Campaign Exploratory Committee was established by Program Council in December 2015 to investigate the feasibility of a capital campaign in the near future, to explore what projects the church might undertake with financing from such a campaign, and to make recommendations to Program Council on these matters. Financial and Human Resources Action Team Representative Brian Cali was authorized to assemble the committee and the CCEC (Alice Dunn, Jack Donahue, Stephen Ervin, Brad Howe, Trapper Markelz, Herman Marshall, and Mark Metzger, chair) began meeting in late March.

The committee spent the spring gathering input from leadership, staff, and individual members and friends through meetings, interviews, and emails. It received a total of 135 suggestions, from very broad advice on the goals of a capital campaign to recommendations of very specific projects. The committee spent the summer reviewing the input, exploring the viability of particular options, and synthesizing these into 10 basic initiatives, eight of which could involve capital expenditures.

In September the CCEC surveyed Follen members and friends to assess the relative support for these 10 initiatives. The survey received 105 responses, and while the survey was not strictly scientific it did suggest clear priority ranking. Combining the survey results with the practical coherence of construction projects, the committee formulated the aforementioned set of priorities.

The committee also engaged a professional capital campaign consultant, Dan Hotchkiss, to carry out a feasibility study, based on detailed interviews with 39 Follen pledgers. His research showed support for a capital campaign on the order of \$1.5 million to \$2.0

million and broad excitement about the prospect for growth in the church. A copy of his report is attached.

*Follen's last capital campaign* was in 2001-02. It raised more than \$550,000 in donations. The campaign financed renovations to the Community Center, kitchen, classrooms, and offices and the conversion of the Marshman Center from rental housing to meeting and classroom space. It also retired the mortgage that was taken as part of the previous capital campaign. The 2009 renovation of the sanctuary was partially financed by this campaign, along with contributions specifically solicited for that project.

The previous campaign, in 1986-87, raised \$336,000 in donations and a \$185,000 mortgage was taken out. That campaign made possible the addition of the second-floor meeting rooms and offices over the community center. Construction was carried out from 1987 to 1989.

### ***Summary of recommendations***

The CCEC recommends that:

- Program Council authorize a capital campaign
- Program Council take appropriate steps to establish a Capital Campaign Committee to begin operating in January 2017
- Program Council immediately begin outreach to abutters and other stakeholders, including French for Kids.

### ***Attachments:***

Feasibility study report from Dan Hotchkiss

Survey Monkey survey results

Analysis of Survey Monkey results

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