

Executive Director Report, TUCW

18 October, 2016

Lift Update:

The Lift construction is moving along well. The progress has been documented with photos posted on social media and there is growing enthusiasm that so much visible progress has been made.

We have encountered cost overruns. In August the BOT approved an initial increase in the project budget. We have recently had to accept an additional increase. The latest increase is roughly \$11k to the total contract with APC, stemming from an error made in measuring the height of the ground in various spots. APC is working with Dan Valentine to deal with the necessary changes that this implied without stopping work. It is anticipated that John Turmelle and/or Chuck Colletti, together with Dan, will be able to find ways to reduce this additional cost. It would appear that we are holding to our original timeline of a November completion.

In August the BOT approved an initial overrun of \$10k. Due to various complexities of the conference call, the board overlooked an additional amount of nearly \$4000 which should have been approved at the same time. The Memo that was sent to the board contained the following:

- “BOT approval is requested for:
 - The use of \$9,567 B&G Project Line Item funds for the hiring of A. Pappajohn to serve as GC for the Lift project and a total overrun for the lift project of 14.5%, or \$13,484.”

As a result the August overrun of \$13,484 is added the roughly \$11k increase for a total project cost at this point in time of \$117.7k, which is \$24k (27%) over the original estimate of \$93k done in 2014-15. Catherine has been informed of and approved the various Change Orders that have been finalized to date. Please recall that the 2016-17 budget has \$122k as the total amount for the B&G Projects Budget Line.

Property insurance update:

The Finance Committee has finished its assessment done jointly with Endowment and Chuck Colletti and John Turmelle on what is needed to rebuild our facilities if a major destructive storm or fire struck. The conclusion was to increase our Multi-peril policy from \$5.793mln coverage amount to \$10.00mln. Part of the increase is to cover additional costs that stem from the new ordinances that the Town of Westport would likely apply today as compared to 1961. The premium will likely increase from \$9,625 to just over \$12k on an annualized basis. Some of this increase was already anticipated but not all. The difference will be taken from the reserve to keep the overall effect on the budget neutral (according to Net Income Budget View level).

In conjunction with this policy coverage increase, the Finance Committee agreed to hold a floor of \$25k for the total of the Reserves for Building and Grounds. Also, there was discussion of requesting from

Endowment an amount to be earmarked for emergency contingency to cover about 6 months' worth of operating costs as well as the cost of an insurance adjuster.

Financial Reporting timing:

In order to maximize the coordination between the Finance Committee and the BOT, and allow the BOT to benefit from the expertise of the Finance Committee, it would be preferable to have the Finance Committee review the financials of TUCW prior to the BOT. Given the timing of when the information after a month-end is ready for review, the Finance Committee reviews the month-end financials at their meeting on the third Thursday of the following month. Then, BOT receives a summary the month following the Finance Committee's review. So for example, the Finance Committee will review the September Q1 Financials at its meeting on the 25th of October (a Tuesday exception) and the BOT will receive the summary of the September Q1 Financials at its November meeting. For quarter-end financials and selected other months in addition as we approach fiscal year end, there will be text highlights accompanying the table.

Committee-Staff Linkages:

As discussed briefly at the last workshop, the committees that were aligned to staff were to be divided up between executives and senior managers. Please see separate 2016 Committee-Groups list sent by Rev. John for the name of the staff person assigned to each committee and group.

Status of Pledges:

The pledges for 2016-17 stand at \$628k as of end of September. This level should be compared to the original target given to the YRSC of \$700k and a budget which was based on \$656k of actual income from current year pledges (net of uncollectible pledges). Both the Stewardship Committee and the Finance Committee are closely tracking the development of the pledges. The Stewardship Committee will be meeting soon for their October meeting and reviewing plans for an energetic Holiday appeal. The Finance Committee plans to wait for the budget relook in January to see what amount of the planned down-side contingencies, if any, would be needed to end the fiscal year without a loss.