Agenda for
Special Congregational Meeting
Solar / Education Wing Flat Roof Replacement Project
10:00 A.M., May 15, 2022, in the Nave

Call meeting to order — President Seth Maurer

Opening prayer — Pastor Horner

This Special Congregational Meeting was called by council for the sole purpose of voting on congregational approval to enter into a solar agreement and roof replacement, and the associated financing investment that comes with it and no other business may added to the agenda or be discussed. A motion will be made and then it will be discussed and then the motion will be voted on in its entirety.

Establish Quorum

Presentation with slides

Motion:

The congregation moves to approve to finance and/or raise money for the replacement of the main flat roof over the Education Wing and the installation of a solar array. The financing amount will not exceed $400,000 and will fulfill the buyout option that will occur after year five of an agreement that Congregation Council will approve for the project.

Motion to 2nd

Discussion on Motion

Vote on Motion

VOTING members are confirmed members who have communed and made a contribution of record during the current or preceding year.

Vote Results

Motion to adjourn.

End with Lord's Prayer.

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SCENARIOS REGARDING THE ROOF REPLACEMENT AND REQUIRED FUNDING

Scenario A: Trinity enters into an agreement with Solar Renewable Energy to get a new roof plus a solar array system **and after year 5 of the agreement we get a loan to purchase the system per the agreement.** The benefits of this option include the following:

- Solar electric generation, which will cover annual electric usage.
- Approximately $8,000 of income/year from energy credits (SRECs).
- No upfront cost for roof replacement, which would be approximately $209,000.
- Negative cash flow of approximately $5,500/year for the first 5 years.
- Trinity will need to **buy out the agreement for approximately $330,000 after 5 years and 1 day.** At that time, Trinity will need to get a loan for approximately $330,000 to complete the buyout and will need to make payments on the loan.
- Even while making principal and interest payments on the loan, assuming a 3% interest rate, and while covering any maintenance costs to the solar array system, Trinity will see a positive cash flow of approximately **$10,000/year** after year 5 because of energy savings and the income from energy credits (SRECs). If the loan has a 5% interest rate, the positive cash flow reduces to approximately $6,000/ year.
- Based on this scenario and a loan interest rate of 3%, **a total positive net cash flow of $325,000** is expected over the remaining life of the solar panels. If the loan rate is 5%, the total positive net cash flow would be $210,000.

Scenario B: We enter into an agreement with Solar Renewable Energy to get a new roof plus a solar system **and after year 5 of the agreement we purchase the system WITHOUT the need for a loan.** The benefits of this option include the following:

- Solar electric generation, which will cover annual electric usage.
- Approximately $8,000 of income/year from energy credits (SRECs).
- No upfront cost for roof replacement, which would be approximately $209,000.
- Negative cash flow of approximately $5,500/year for the first five years.
- Trinity will need to **buy out the agreement for approximately $330,000 after 5 years and 1 day.** If funds have been raised and/or saved so that no loan is needed, Trinity will see an anticipated positive cash flow of approximately **$28,000/year** after year 5 because of energy savings and the income from energy credits (SRECs).
- Based on this scenario, **a total positive net cash flow of $950,000** is expected over the remaining life of the solar panels

Scenario C: We do not enter into an agreement with Solar Renewable Energy. Instead, we have a new roof installed at a quoted approximate cost of $209,000. We will need to immediately take out a loan and begin to make payments on the loan. Trinity will not receive any positive cash flow because, without the solar array system, there will be no energy savings or income from energy credits (SRECs).

Scenario D: We allow the roof to fail and start planning to collect two of every animal.

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Are you curious about Trinity's roof replacement and solar panel installation? Here are some questions and answers that help provide an understanding of our needs and this project.

Q. Are we sure our roof needs to be replaced right now?

A. Trinity's building is a large facility which has been built in phases, so each section of the building has a roof at a different age. The most recent roof areas that have been replaced include the portico (2021) and office areas built in 1980 (roof redone in 2019). The Nave built in 1959 (has a shingled roof last replaced in 2008 - with 50-year life). The entire Education Wing is the oldest section of the building now - with the roof over the preschool being the oldest (last replaced in 1998) and the middle section (the addition completed in the 2000) is now 22 years old.

Q. How long will the installation take and will there be any disruption to the church or activities at the church?

A. Under ideal conditions the installation will take 6 months, 3 for roof and 3 for solar panel installation. Start date will be determined by material availability and roofing material is currently limited so it could be as long as 9 months until till the roof installation begins. There should be no disruption to any church activities.

Q. Why not just replace the roof and skip out on the solar?

A. That is certainly an option. We NEED to replace the roof within the next 2 to 3 years, and we can do that by taking out a loan. We previously received proposals to replace the roof and the costs associated with the proposals have already increased significantly over the past few years. With the solar agreement, we are getting the cost of the roof covered within the agreement and the solar panels will help to cover energy costs, which will provide funds to pay for the investment. In addition, the solar will help stabilize our energy costs.

Q. What if Solar proves to be a complete flop and doesn't produce any energy or save us any money?

A. Solar is a proven technology, and we are working with a reputable firm that has done hundreds of these installations. Even with an analysis of the "worst case" scenario regarding the long-term costs, the investment we are making with solar will help to pay for our roof and will also help to offset our energy costs. Based on the calculations, we find it difficult to see any "worst case" scenario ending up costing Trinity any funds in the long run, but more likely this investment will provide funds to Trinity.

Q. Who is responsible for the costs and maintenance of the solar system once Trinity buys the panels?

A. Trinity will enter into a maintenance agreement with the company installing the panels. Any maintenance is projected to be very minimal, but all costs regarding anticipated maintenance are already included in the overall calculations for this investment.

MORE ON BACK

Q&A about solar and roof project, continued

Q. What is the expected life of the roof to be installed as well as the life of the solar panels?

A. The roof generally will last for 25 to 30 years, but this lifespan should be extended since the panels will be protecting the roof from UV and the elements. The panels are warrantied for 30 years, and we expect to get 40 years out of the solar panels. The solar panels should help increase the lifespan of the roof because they cover and protect the roof.

Q. What is an SREC and how do SRECs benefit us?

A. SRECs are Solar Renewable Energy Credits which we will own and will sell in the energy market. You can think of them as like shares of stock.

Q. What is the best way for us to get the most value out of this so Trinity can further our ministry?

A. The best way for us to get the most from this investment so we can invest even more into our ministry is to make sure that we generate the funds to pay off the roof and solar investment after year five of the agreement, therefore avoiding any debt related loan and subsequent interest. This will allow us to then invest money we would have been paying for electricity along with the SREC revenue into both the ministry and maintaining property where we worship and enjoy fellowship events.

Q. Why is solar power not widely used?

A. In the past, solar was not as efficient or cost effective as it is today. Rising energy costs and low interest rates are now contributing to the improved efficiency of solar. More and more homes, facilities, and companies are installing solar for energy savings, environment benefits, and financial benefits.

Q. How does solar power work at night?

A. During the day, our solar system will make more energy than Trinity actually needs to function throughout the day. The excess energy goes back onto the grid, and the meter keeps track of the extra power going back onto that grid. At night, when the solar isn't producing any power, any energy we need comes from the utility grid. The meter then measures how much power is coming into our property. If the solar system is sized correctly (ours will be), the power going out to the grid will balance out the power coming into our property from the grid. Basically, we are using the utility grid as our solar system's battery or storage system.