

**HONOR**  
OUR  
HERITAGE  
**BUILD**  
OUR  
FUTURE

THE CAMPAIGN FOR  
  
**TEMPLE SINAI**  
— WASHINGTON DC —

## CAMPAIGN OVERVIEW

Temple Sinai's Honor our Heritage Build our Future comprehensive capital campaign has three objectives:

- To renovate and expand Temple Sinai's building and grounds
- To create a \$2 million Sustaining Fund in support of programs and clergy
- To strengthen and increase participation in the Annual Fund

Our campaign is about much more than a building: our goal is to ensure that Temple Sinai will remain a vibrant center for Reform Judaism for the next generation

**Our fundraising to date is sufficient to move forward confidently with the Renovation project — but fundraising will continue**

- We have over \$9.75 million in total campaign pledges<sup>1</sup>
- We will scale or phase the Renovation project as needed to ensure affordability, but are pleased with our campaign progress to date
  - We are confident we can raise the additional needed funds from our generous and committed congregation
  - More than 500 members (40%) have pledged, and we hope to inspire our other 700 member families to join us

**On January 29, 2020, the congregation will vote to authorize the Board to secure financing to support the objectives of the comprehensive campaign**

- Financing is needed to:
  - Allow the Renovation project to proceed before multi-year pledges are fulfilled
  - Ensure funding for the Renovation project
- Loan terms are tailored to support these targeted needs

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<sup>1</sup> Best practices in fundraising suggests that, despite best donor intentions, some pledges may not be fulfilled. For this reason, \$10 million in pledges likely won't yield a full \$10 million in gifts.

- Line of credit up to \$4.5 million for up to 7 years to support cash flows during construction
- Term loan option of up to \$1.5 million for up to 10 years
- The line of credit and term loan are sized to cover possible needs. We are **not** obligated to use either loan in any amount. We will pay only for what we use.
- The congregation will be asked later this spring to approve the final Renovation project, after a chance to review detailed plans and pricing documents. Construction will not move forward without another congregational vote.

**If the congregation approves the financing resolution, Temple Sinai will accept the highly favorable financing proposal of Eagle Bank**

- Line of credit interest rate of 1.625% over the 30-day LIBOR (or successor index) rate<sup>2</sup>
- Term loan interest rate of 1.75% over Treasury bonds of the loan maturity selected by Temple Sinai
- Both loans are highly flexible and do not require us to borrow
- We obtained proposals from several banks; Eagle's was clearly superior

**Benefits of authorizing financing**

- Allows Renovation planning to proceed on our proposed schedule
- Produces immediate savings by replacing our existing higher-cost HVAC financing
- Minimal closing costs

**More to come**

- Look for additional congregational briefings and meetings this spring, including
  - Presentation of final proposed Renovation plans
  - Campaign updates at scheduled information sessions and personal meetings upon request
  - Detailed project and pricing details available for review
  - Congregational vote on final building plan

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<sup>2</sup> As of 1/24/2020, that was equivalent to 3.3%

## **Campaign FAQs**

### **FINANCING**

#### **Why do we need financing?**

As Temple Sinai moves forward with a renovation and expansion of its facilities – the first major construction since 1991 – we are seeking approval for financing to bridge the building project's implementation with fulfillment of multi-year pledges to Temple Sinai's Honor our Heritage Build our Future campaign and to create flexibility around the final project cost as we continue our fundraising efforts. While many gifts will be fulfilled over a five-year period, construction is slated to occur over 18-20 months beginning in Spring or Summer 2020. In addition, fundraising may continue after construction has begun.

#### **Why do we need to approve financing now?**

The process of planning and building is a long one. Temple Sinai needs to have financing options in place as we price out project costs with contractors. We want to be ready to start construction soon after the scope is approved by the members in the spring.

#### **Why a Special Congregational Meeting to approve financing?**

Temple Sinai bylaws specify that agreements with significant financial value exceeding 10% of the operating budget or for longer than five years' time must be approved by a congregational vote.

#### **What are the loan terms?**

We have secured a commitment letter from Eagle Bank for two loan instruments. If the congregation authorizes the financing, we will accept Eagle's proposal, including:

- A line of credit for up to 7 years
  - Up to \$4.5 million
  - Interest rate is 1.625% over the 30-day LIBOR (or successor index)
- A term loan for up to 10 years
  - Up to \$1.5 million
  - Interest rate can be fixed at 1.75% over the applicable Treasury rate (if we select a 10-year term, the interest rate would be fixed at 1.75% over the 10-year Treasury rate; a 5-year-term would be fixed at 1.75% over the 5-year Treasury rate).

## **Why do we need these loan options?**

First, the line of credit can help to cover renovation expenditures that can't be met immediately from cash-in-hand, but that will be met as capital campaign pledges are paid over a 5-year period. This is essentially a bridge loan since construction will start and finish before all pledges are collected.

Second, the plan includes a term-loan option that allows us to borrow up to \$1.5 million for up to ten years, following the line of credit period. At this point, access to a term loan will provide necessary flexibility for the congregation to consider the appropriate scope of the construction project in the spring. Assuming that term financing is required to provide building space that is in the best long-term interest of the temple, we will propose a project scope that we can comfortably finance. The renovation plan and estimated cost will be subject to a later congregational conversation and vote.

## **Who is making the Financing Decisions?**

Temple Sinai's members are making the ultimate decision on January 29, 2020 whether to authorize financing. The Board unanimously approved the package — subject to congregational approval — based on recommendations by the Financing Subcommittee.

## **Who is on the Financing Subcommittee?**

Temple President Deborah Lewis launched a Loan Financing Subcommittee of the Temple's Finance Committee, chaired by **David Antonelli** and including **Niesa Halpern**, **Julian Josephs**, **Marcie Solomon**, and **Michael Zelin**. We are fortunate our temple members are willing to lend their deep professional expertise on a volunteer basis.

## **What process did we go through to choose our loan?**

The Financing Subcommittee solicited bids from multiple banks for a loan package that includes a line of credit and a term-loan option. Following an intensive negotiation period with three finalist banks, the Subcommittee recommended Eagle Bank's loan offer to the Temple Sinai Board, which unanimously approved the package being presented to the full congregation at the January 29 special meeting.

## **When will we need the financing for the Renovation project?**

Our construction timeline calls for work to begin this summer. Based on rough project cost estimates that will be refined in coming weeks, we have collected about 40% of the pledges made to date for the Renovation project and anticipate needing to access the line of credit for the Renovation project by the end of 2020.

## **Will we use the line of credit for anything other than the Renovation project?**

Yes, the new line of credit will immediately reduce Temple Sinai's debt service costs on the congregationally-approved loan taken out in 2011 to finance HVAC upgrades. The remaining loan balance of approximately \$500,000 will be rolled into the new credit line, reducing our current interest rate of 4.89% to approximately 3.3%.

## **What are the costs of establishing the financing?**

The cost to establish both the line of credit and term loan, including appraisal fees and surveys, is approximately \$20,000. This is highly competitive and will pay for itself with lower debt service costs for the outstanding HVAC loan, as described above.

## **COMPREHENSIVE CAMPAIGN**

### **What is the Honor our Heritage Build our Future campaign?**

Temple Sinai has embarked on a comprehensive capital campaign with three primary objectives:

- To renovate and expand Temple Sinai's building and grounds
- To create a \$2 million Sustaining Fund in support of programs and clergy
- To strengthen and increase participation in the Annual Fund

Our campaign is about much more than a building: our goal is for Temple Sinai to remain a vibrant center for Reform Judaism for the next generation.

## Who is leading the campaign?

Our campaign depends on volunteer leadership, with Development Coordinator Noah Benjamin serving as the administrative lead for our campaign activities. **Please reach out if you would like to join the team!**

- Rabbi Fred Reiner, Honorary Chair
- Naomi Camper, Co-Chair
- Andrew Engel, Co-Chair
- Deborah Lewis, President
- Jonathan Roos, Senior Rabbi
- Ellen Agler, Executive Director
- Campaign Executive Committee
  - *Cornerstone Division Co-Chairs:*
    - Elaine Binder
    - Richard Binder
  - *Board Division Co-Chairs:*
    - Sue Fratkin,
    - Nancy Golding
    - Seth Speyer
  - *Congregation Division Co-Chairs:*
    - Matthew Frumin
    - Deborah Jaffe
    - Kenneth Jaffe
    - Aaron Panner

We are also grateful to numerous additional volunteers who have helped to inspire members to join our campaign, including:

- Jill Chenok
- Larry Freedman
- Cathy Goldwyn
- Katie Herman
- Jim Jaffe
- Robert Molofsky
- Kevin Mulshine
- Dan Rosenblum
- Laura Steel
- Darwin Walker
- John Yochelson

## How much money have we raised?

Originally, our development consultants projected we could comfortably raise \$8 million from our congregation. As of January 2020, dozens of Temple Sinai campaign volunteers have inspired more than 500 generous Temple Sinai families to pledge over \$9.75 million to secure Temple Sinai's future.

While our fundraising efforts will continue, we are very pleased by our progress in a relatively short time. Strong community commitment is demonstrated by support from:

- Every member of Temple Sinai's Board
- Every member of the Temple's Senior Staff
- Temple Sinai Nursery School
- The Women of Reform Judaism
- The Men of Reform Judaism

## **How much money do we need to raise?**

The goal of the campaign is to raise at least \$10 million. This goal is not only about renovating our physical space; it's about our congregation's future. We would like to raise enough money so that we can comfortably build and service the current draft building plans (which are still being priced); enhance and sustain Temple Sinai's dynamic programming; and continue to attract incredible clergy and staff. And we want to have the broadest possible participation in the campaign: we hope that the majority of our 1,200 member families are ultimately inspired to join us.

As with any fundraising campaign of this type, we have built in a "bad debt allowance," meaning not all pledges will be fulfilled. Simply put: \$10 million in pledges isn't the same as \$10 million in gifts. For this reason, we will continue to ask members to give to join the campaign. Ultimately, we will build only what we can comfortably afford, even if that means making tradeoffs or phasing construction of some of the features.

## **How were the campaign priorities established?**

The campaign priorities were established in multiple phases.

In 2017, we convened a Planning Study Committee to help our development consultants at the time, CCS, gather input from a broad cross-section of the congregation about priorities and to shape the contours of the campaign. The Planning Study Committee included:

- Naomi Camper
- Andrew Engel
- Pamela Kurland
- Ellen Leibenluft
- Rosann Wisman
- Barbara Yellen
- John Yochelson

Later in 2018, we formed a Campaign Cabinet to further develop and help launch the campaign. Members of that group included:

- Claudia Ades
- Richard Binder
- Naomi Camper
- Andrew Engel
- Kirsten Chadwick
- Matt Frumin
- Marjorie Geldon
- Rusty Greiff
- Ellen Leibenluft
- Billy Mann
- Tracy Mann
- Ruth Uhlmann
- Ilene Weinreich
- David Wessel

More recently, the Temple's Strategic Planning Committee undertook a rigorous process to ensure that the proceeds of the Honor our Heritage Build our Future campaign will be spent consistent with congregational priorities. The current members of the Strategic Planning Committee are:

- Marsha Shaines, Chair
- Ellen Agler, Executive Director
- Emily Berman
- Deborah Lewis, President
- Marta Goldsmith
- Herb Mintz
- Kevin Mulshine
- Thorn Pozen
- Rabbi Jonathan Roos
- Dianne Rudo
- Marcie Solomon
- Emily Waldman
- Rosann Wisman

On January 28, 2019, after analyzing and integrating results from the most recent congregational survey and our Campaign Planning Study against Temple Sinai's strategic plan, the Strategic Planning Committee issued a detailed report to guide the Renovation & Expansion Committee in deploying campaign resources to reflect congregational priorities. The chair of the Strategic Planning Committee sits on the Renovation & Expansion Committee.

In addition, scores of congregants have provided input on the Renovation plans through group briefings and one-on-one meetings. The Renovation & Expansion Committee has relied heavily on feedback from various congregational stakeholders including, among so many others, the Religious School, the Nursery School, the Women and Men of Reform Judaism, the Green Team, and the Board of Trustees.

### **Who is leading the Renovation project process?**

Immediate Past President Gary Friend set up the Renovation & Expansion Committee, which comprises the following members:

- Senior Rabbi: Jonathan Roos
- Temple Executive Director: Ellen Agler
- Temple President: Deborah Lewis
- EVP/Finance Committee Chair: Marcie Solomon
- Building/Grounds Committee Chair: Marta Goldsmith
- Strategic Planning Committee Chair: Marsha Shaines
- Capital Campaign Co-Chairs: Andrew Engel and Naomi Camper

Creation of a committee comprising individuals in key leadership roles is consistent with Temple bylaws and past practice.



## **What's in the current Renovation project?**

CGS Architects, guided by the Sinai Renovation & Expansion Committee, has created indoor and outdoor space plans to meet our needs as determined by our Strategic Planning Committee. Priorities include enhanced security, improved accessibility both inside and outside the building, flexible meeting spaces to accommodate the overflow of energy and activity in the building, an upgraded Sanctuary, and environmentally sensitive use of our site and improved stormwater management. Complementing the project are several classroom upgrades that, together with the broader project, will benefit the entire community. The most recent building plans — which may be refined further — are available on Temple Sinai's [website](#).

## **How much will the Renovation project cost?**

Our building project will ultimately be scaled to match what we can afford. While we are still waiting for more specific construction projections from contractors, our budget will include development and other “soft costs,” as well as conservative assumptions to absorb any construction cost overruns. As the Renovation & Expansion Committee analyzes cost projections against available funds, they may recommend that we prioritize and/or phase components of the Renovation project, consistent with guidance from the Strategic Planning Committee.

## **Have we planned for construction cost overages?**

Yes. Our project budget includes a number of conservative assumptions, including contingency line items for both soft costs and construction costs.

## **Have we planned for increased operating costs?**

Yes. We are anticipating that a larger building will cost more to operate and maintain, although we do expect benefits from a new physical plant. These costs will be paid via the operating budget. Temple Sinai is refining and planning for these costs, which will likely not be incurred until the FY 21-22 budget. The new building spaces may also provide additional revenue opportunities and we will explore those as well.

## **Who will approve the final Renovation plans?**

We all will! Our final Renovation plan will be approved by the Renovation & Expansion Committee, the Finance Committee, the Temple Board and ultimately the congregation as a whole later this spring. We will offer briefings and post detailed materials in the coming months so congregants will have a chance to review the plans, costs, and fundraising projections. As a congregation, we have always been fiscally conservative. And while we believe this transformational Renovation project will allow Temple Sinai to remain a vibrant center of Judaism for generations to come, we will only move forward with what we — as a community — agree we can afford.

## **Who is running the building project day-to-day?**

In October 2018, the Renovation & Expansion Committee issued an RFP for a Project Manager, whose duties include working on both the schematic design as well as implementation phases of the Renovation project. Following a competitive bidding process, Adam Prill of Artisan Partners Construction Services was selected. Adam, who was raised in our congregation, was an active member of the Building Committee until his hiring as Project Manager. In addition to managing high-profile projects like the Holocaust Museum and the MLK Memorial Welcome Center, he served as the Project Manager on Temple Sinai's HVAC construction about a decade ago, and that project came in on time and under budget.

The project itself continues to be overseen by the Renovation & Expansion Committee as well as the Board. These bodies will conduct ongoing oversight of the project.

## **What governance safeguards does the congregation have in place so we don't spend more than we can afford?**

Temple Sinai's bylaws require that we maintain a balanced operating budget. To that end, the Temple Sinai Board receives monthly updates from the Finance Committee. Like most nonprofits, Temple Sinai's operating budget draws not just from membership commitments, but also from generous donations to the Annual Fund, endowment income, as well as a number of other funds that provide flexibility for the annual budgeting process. Raising money for a Sustaining Fund and the Annual Fund through the comprehensive capital campaign is part of ensuring that Temple Sinai is on a solid long-term financial foundation. Finally, any final construction project will require the approval of not just the Board, but the full congregation.