

BHBE Board Meeting Minutes 1/31/24 @ 7:30 PM - Hybrid

Present: Harris Miller, Cynthia Lerner, Jon Clemons, Rochelle Leff, Ellen Sered, Joan Meyers, Gail Swerdlik, Jessica Littmann, Adam Goldfarb, Carla Banoff, Fran Diamond, Fred Rosenwasser, Irv Zagorin, Greer Braun, Zvi Tannenbaum (Zoom), Carter Greene, Shoshanna Reynolds, Leah Buchbinder (Zoom), Steve Bucksbaum (Zoom) Carol Pellish (Zoom), Elle Rousso (Zoom), Allison Kamen (Zoom), Larry Plawsky (Zoom), Judy Levey, Keri Bahar (Zoom), Gail Schnitzer-Eisenberg (Zoom), Sam Rodin (Zoom), Marsha Lyons (Zoom)

Excused Absence: Minnie Goldsmith, Harriet Robbins-Ost

Future of the Building Committee Members: Arthur Braun, Jennifer Oppenheimer, Wayne Caplan (Realtor and congregant)

Staff/Clergy: Michael Kahn

Congregants Present: Harold Primack

Meeting was called to order at 7:30 PM.

Cynthia Lerner began her report:

Thank you to Fran and Eric Diamond for putting together the presentation.

There's no "white knight" to save us.

Negotiations need to be completed before we finalize plans for our future.

Board will vote first, must be  $\frac{2}{3}$  majority to pass once the contract is negotiated and ready to review.

Then, a vote will be taken by the congregational community. We're here to build a consensus on why the Building Committee supports the recommendation. Need  $\frac{2}{3}$  majority vote from the congregation to pass.

The roof outlived its useful life (\$300,000 to repair). Poor repair and insurance won't cover it. Also, sanctuary seating isn't flexible.

The HVAC system needs extensive repairs and had a "band-aid" placed on it. Percy had to come in the middle of the night to clean it up. Repairs would be very expensive. It's located in the Academy (8 different boiler/HVAC components that don't include blowers.) Lots of room, but lots of small classrooms - not flexible.

The systems are old and constantly in danger of failure. Money isn't used towards programs/events, but for the building instead. The Wilmette Fire department must know everything including the curtains are completely up to code.

\$500,000 a year or \$1,370 a day for building operations.

\$140,000 a year or \$11,667 a month for utilities.

Cannot reconfigure the building to our liking.

Right-sizing our space was a major outcome of the strategic plan.

Pandemic sped things up. Bottom line is we'll run out of cash in the first quarter of 2025.

If an option requires a substantial donor, it isn't viable.

We need to have the least financial risk to the congregation going forward. The board are the fiduciary agents of the congregation.

First option: Do not sell, but fundraise within 6-12 months. Previous capital campaigns have proved that this option does not resolve BHBE's problems. We only have funds left for BHBE to continue as is for 1 year.

\$1.7 million for Academy building. Little interest to buyers. Decorating and bringing things to code would be very difficult plus legal, parking and operational issues. Selling the property would be more difficult in the future. We would co-occupy the building.

\$2.7 million for sanctuary. Low interest in half the property. Buyer is inexperienced. Not familiar with buyer. Could be issues with the Village of Wilmette such as fire code and upgrades. Would need to pay sale proceeds overtime. It's a church, which would co-occupy the building.

Selling the building to a developer would be \$5.375 million. Would need to depend on the Village of Wilmette to approve development plans for building homes around zoning. Not enough money to stay here while we wait on this outcome.

**Best Choice Recommendation:** This option is our best choice for \$5.4 million: Sell to municipal entity. Financing is not required. Can stay through 2024 High Holidays (negotiable). Perhaps stay one full year. We would be responsible to pay for anything that falls apart. It's a great opportunity to pay debt and we'll earn interest.

Wayne Caplan, realtor and congregant: 18 showings plus additional ones. Churches are interested outside the municipal entity. Consider a full sale, partial sale or lease-back. A Municipal entity wants to invest in the property and make a decision on what they want to do for the taxpayers. They would consider leasing back or "master leasing" the entire property for 3 years. We would be responsible for our tenants' rent income and for paying our rent to the entity. We'd be responsible for all repairs and utilities. Haven't decided if they want the building or not. Must be approved by the congregation via voting. Originally it was 60 days due diligence and 30 days to close in September. Can stay through October when we get money from the municipality for high holidays and prepare for move. Lawyers will help with agreements. Some

flexibility on time. Building a synagogue is extremely expensive at 15,000 square feet = \$6 million + \$1 million an acre. Zoning is a major issue.

Why leave so quickly? Buyer does not have money to upgrade the building. Can negotiate short term lease-back. If we stay longer, we'll have hard choices to make for repairs, maintenance, etc. due to high costs. Must take care of the building until we move.

Greer Braun stated we must first consider the best real estate deal. We must move forward and negotiate what we want to do.

Where would we go? Looking into where to move. In negotiations with property owners. Determining cost and where we'll be. Short-term options for the next 1-3 years. Long-term plan to help with our future needs. Rabbi willing to go (possible rental 8/10 of a mile from his home.) has stated he is uncomfortable driving on Shabbat/Yom Tov.. B Mitzvah families were contacted and know what to expect. Options would be available within 6-8 months. If we become bankrupt, our property could go into foreclosure.

Leaseback - short-term.

Partner with another synagogue: Allows us to use existing infrastructure.

Rent or purchase commercial space: Office park, retail - short term or long term lease.

Adam Goldfarb - Treasurer: Inflation, high security, utilities and maintenance/repairs are high. Could go bankrupt in Q1 in 2025. Using all money we have. Must sell or close doors. Yes or no vote will come soon for the congregation. Adam will explain the situation. Vote YES and start fresh or vote NO and close for good due to high expenses.

First year membership grew. Lots of young members/families. We'd take the sanctuary items that the Rosenwassers gave us. The history from the building we bring with is important. Committee is looking at plaques and artwork. Letter to go out to members when ready. Will need a transitional phase/home. The congregation is the most important.

Meeting adjourned at 9 PM.