

Information Sheet for Young Israel Members

Questions about the sale of the building in advance of our meeting on September 6, 2017.

Why are we Selling the Shul Building?

The decision to sell the Young Israel building was not taken lightly. There are many reasons it was considered and then proposed to the membership. First, the congregation has obviously shrunk to the point where the building is empty most of the week and then mostly empty when it is used. Second, there has been no serious maintenance of the building for about the past 35 years and the current state of the building is a less than completely dignified place to hold our services and our social gatherings. But while these could be remedied, the synagogue does not have the funds to make the necessary improvements and keep them maintained. Third, the synagogue does not have the funds necessary to meet the expenses of maintaining a building from month to month.

The Board's reasoning in approving the sale was that the funds received from a sale could generate income from which the synagogue could focus on programming. Moreover, a facility which would allow for a separated children's area (in addition to all of the other requirements) would reinforce the success of such programming. These in turn would lead to a revitalized membership and momentum in rebuilding our congregation.

Could We Fundraise to Meet These Obligations?

The Board has looked at our fundraising success over the past years. While we have several very generous donors of time and money our success at fundraising over the years has declined. The Board compared rough estimates of the amounts needed to renovate the synagogue building, keep it maintained, and provide programming to amounts that could be expected from membership dues, donations and fundraisers. **The Board concluded that the funds do not exist to meet even the synagogue's most basic needs and that fundraisers would have to be wildly successful on a regular basis in order to do so. This is not a sound basis for financial planning.**

What's Next?

Clearly, the sale of the building is not precipitated by a desire to move, it comes from the financial and physical need to move on from our building. This does not mean that we cease to be Young Israel nor does it mean that our identity is gone.

The current offer to purchase gives us the option to rent the synagogue building back from the owners on a temporary basis. It is expected that the term of this period is no more than a year.

The Board has struck a number of committees to be populated with volunteers from the larger congregational community. These committees will explore our various options and report back to the Board. The directors will then evaluate the results and put them to the Congregation for a vote. We hope to hear back from the committees within the next three months and to schedule a meeting of the members to evaluate the options within the next six months.

The committees are:

- 1) A committee to accept suggestions and ideas from the community that require exploration.
- 2) A committee to look at the overlap of services and resources with the Kollel and discuss with the Kollel ways to resolve the inefficiencies that have been created.
- 3) A committee to look at using the JCC, OJCS, or other property in the neighbourhood.
- 4) A committee to look at co-operating with other Jewish organizations to share resources (such as administration) in order to strengthen our professional presence.

We remain a congregation. Our congregation is an Orthodox one that adheres to the Ashkenaz tradition and the principles of Young Israel. This is our vision.

In addition to our intention to continue offering all religious services to our members, our vision is to conduct programs for Orthodox and non-Orthodox Ottawans to encourage their attendance at services and Synagogue programs.

How Will the Money from the Sale be Handled?

As stated above, the plan is to invest the funds generated from the sale to earn an income which will be used to support the shul in its ongoing program efforts. This means that the shul will need to form a finance committee to choose a money manager(s) and monitor its efforts, providing guidance where needed and reporting to the congregation. The forming of this committee has begun and will be constituted with people experienced in financial management and investment.

The vote on the current offer will be accompanied by a resolution that will allow the Board to use up to \$80,000 of the sale price in the first year after the purchase for synagogue purposes. After that, the Board will be restricted to accessing only 1% of the principal amount invested each year, and even then only with extraordinary reason. The Board will require approval of the membership to access more than that.

What is the Offer?

The offer is available by [clicking here](#) . Fundamentally, the purchasers are offering us \$1.93 million and the right to rent the basement back from them for a period of 6 months to 1 year (after they have fixed the leak and the mould).

How Do We Know It's a Good Offer?

Over the past eight months or so the Board has received several informal valuations from reputable valuers putting an upper limit on the value of the building at \$2 million. Furthermore, the Board has received a number of offers over the months ranging from a low of \$1 million to the current bid (the highest received) of \$1.93 million. As this bid is on the high end of the spectrum we were given, contains reasonable conditions, and is the highest of several bids received we believe it is a good offer.

Can the Building be Used to Generate Income for the Shul without Selling It?

Any building can be used to generate rental income. But there are laws which restrict the nature of a business that a charity can undertake. Furthermore, any ongoing business requires investment of both finances and workers which is currently beyond us. Finally, we have been assured by real estate lawyers that rezoning the area to accommodate a mixed use facility in which Young Israel would own the land and receive income from the use of a high rise type of building is highly unlikely.

What Process Was Used to Solicit Bids?

The Board retained the services of a real estate agent. This agent solicited several bids (including the bid that was recently rejected by the membership). However, several bids came to the Board privately when it became known that the building was up for sale. The offer currently being considered did not come through the real estate agent.

Do any Directors or Shul Members have any Financial Interest in the Sale?

Directors must legally declare if they any financial interest in the purchaser so we can definitively say that no director will gain anything from the sale of the building. While members do not have this obligation we do not believe that any member has any personal interest in the purchasers. Moreover, as the offer must be approved by 60% of the members it is highly unlikely that any one individual could orchestrate the offer to benefit themselves.

Is It Halachically Acceptable to Sell the Shul?

Rabbi Tanger has assured us that it is halachically acceptable to sell a shul building so long as the congregation does not cease to exist.

Things to Consider

Notwithstanding the emotional difficulties in selling a shul building the potential sale represents an opportunity for the congregation. While the building has served us for 40 years, the congregation needs to focus on the building of community. The Organization will focus on community life, not to the exclusion of religious life, but as a way to enhance it.

The question of what type of community we want to build is open but not without restriction. Clearly, the congregation will continue as an Orthodox Ashkenazi Minyan. If we add to this mix the goal of a community which includes many young families much of our vision comes into focus as our religious life is determined and the nature of many of our programs is obvious.