St. Paul's Lutheran Church Special Voter's Meeting

Sunday, November 8, 2020 - Sanctuary

Minutes

Call to Order

- Carl Van Fleet, President called the meeting to order at 11:20 am with a welcome to in house and Zoom attendees. Pastor Christenson opened with prayer.
- It was established that the requirement of a quorum had been met (60 in house/6 online).

Originally, a meeting to seek the Voters' approval to proceed with the Sanctuary Renovation Project was scheduled for March 2020. When COVID hit, the Board of Directors decided that the meeting should be postponed to see how things played out in light of the pandemic.

COVID-19 Impact Update – Pastor Christenson

- Elementary School Enrollment – we began the school year with the same enrollment as we began the previous school year. Normally, we would have been disappointed in no growth. However, due to COVID this is a very positive position to be in.
- Church Offerings – through October, we are seeing a positive 19% in offerings over last year. Part of this increase is due to a one-time large gift. But the increase in giving shows the dedication of St. Paul's members even during these uncertain times.
- ECDC – we are down approximately 60 children from last year. This loss is not due to any unhappiness with St. Paul's, rather is due to parents deciding to keep their children home while they are either out of work or working from home. We expect this numbers to bounce back, we just don't know when. This will likely require significant cuts to our budget this year.

Building for the Future Campaign Update – Pastor Christenson

- 205 financial commitments totaling $1,293,853
- $481,000 has been received from these commitments
- $80,000 has been received from other gifts
- Total received to date = $560,897
- Total expected to receive = $1,373,750

Sanctuary Renovation Update – Pastor Christenson

- The original project cost was estimated at $3.5 million
- Funding sources for the campaign are expected to come from:
    - Building the Future Campaign
    - Scaling back the project: The Board of Directors asked that the project be reduced to $3 million. By eliminating the addition of rooms on the north side of the Sanctuary the project total would be reduced by approximately $500,000.
    - Selling the house at 2541 Hayford: this house is the smaller of the two homes that we own; is in better shape to sell; and has higher property taxes than the other house.
    - Additional Borrowing

How to Pay for the Project – Carl Van Fleet

- Building for the Future Campaign = $1,236,376 (10% of total campaign funds directed to the Endowment Fund)
- Sale of 2541 Hayford = $650,000
- Borrow = $1,127,624

Original 2013 loan totaled $4,280,000. Currently we owe $3,090,000 on this loan. With the addition of $1,127,624 to fund the renovation project, our outstanding debt would be $4,217,624. This replacement loan will be a 25-year loan at 3.875% (10 year fixed) with a monthly payment of $21,974 totaling a yearly outlay of $263,688. In comparison, on our current loan we have a monthly payment of $22,005 totaling a yearly outlay of $264,060.

Questions/Discussion
The following questions were answered by Pastor Christenson, Carl Van Fleet, Pike Lambeth and Byanca Smith.

Do we have to sell the house to get the loan?
No, the selling of the house is not contingent on the loan being approved. Not selling the house would just add an additional $650,000 that we would have to borrow.

Explain why the payment is lower even though the loan is higher than what we currently owe.
The original loan payments were based on $4,280,000 for 25 years. We have been making this payment for 7 years. The new loan payments will be based on $4,217,624 for 25 years.

Please provide an update for the property across the street.
Villa Ford continues paying rent. COVID stopped the progress of the approvements as the City of Orange was no longer approving new projects. The lease with Villa Ford has been finalized and signed. They are just waiting for permission from the City of Orange to move forward.

Has the pandemic changed any of the 205 commitments to the campaign?
Yes, a few commitments have changed, although the total of these changes is not very significant. Commitments are being fulfilled ahead of schedule.

What is the net impact of selling the house to the church budget?
The impact is a net negative of approximately $15,000.

Motion #1
Be it resolved that the Voters authorize the sale of St. Paul's home at 2451 Hayford Street.

Motion was seconded.

Discussion

Just to confirm, the sale of the house will result in approximately $15,000 in reduced income.
Pastor Christenson – Yes

Votes by raise of hands and online polling – ***63 in favor/3 opposed***. Motion carried.

Motion #2
Be it resolved that the Voters authorize a new loan of up to $4,250,000, to pay off our existing loan and complete the renovation of the sanctuary.

Motion was seconded.

Discussion

How soon will the loan be taken out and construction begin?
We will wait to take out the loan until we are closer to the start of construction. The anticipated start of construction will be June 2021.

Votes by raise of hands and online polling – ***65 in favor/1 opposed.*** Motion carried.

Adjournment & Prayer
There being no further business to come before the assembly, a motion was made, seconded and approved to adjourn. The meeting was adjourned with a prayer by Pastor Christenson at 11:58 am.

Respectfully submitted,
Gail Kanneg