

Bethlehem United Church of Christ
Congregational Meeting
Minutes, September 23, 2018

Number of members attending meeting were 68. A quorum is 25.

Pastor John began the meeting with a prayer.

President, John Samford called the meeting to order and called on Ron Dechert, Phoenix Project point person to update the congregation.

- After receiving bids from their contractors, the proposed budget from Phoenix came in \$13,000 less than expected at \$529,000. This price includes: 1.) The remodeling of the Fellowship Hall, and 2.) Sanctuary air conditioning.
- The final bid includes tile flooring, rather than carpeting. It does not include the fireplace shown on the drawing that was displayed in the Fellowship Hall during this meeting.
- We will receive a detailed schedule from Mark Hiser of Phoenix.
- Phoenix is close to getting a building permit for this project and expects to be able to start possibly by the week of October 9 but more likely they would start the week of October 22. Both projects are expected to be finished by the end of January - early February 2019. The use of the Fellowship Hall will be restricted during this time period until the project is completed.

Finance Ministry Chair, Jeff Wortman was called to present recommendations for paying for this building project.

- Funding requirements for completing both air conditioning in the sanctuary and renovations to Fellowship Hall are estimated to be approximately \$530,000.
- Finance Ministries is proposing financing this project using 3 sources
 1. Existing donations from Memorials & Gifts - \$210,000
 2. Direct funding from the church investment fund - \$200,000
 3. Taking out a 3 year loan for the additional \$120,000 with Bank of Ann Arbor
- See attached presentation for further details on financing this project

After open discussion and clarifying questions from the congregation were answered the following motion was made, seconded and passed unanimously by vote of the congregation:

Move that we approve both projects [air conditioning of the sanctuary and renovation of the fellowship hall] and also approve suggested funding.

Meeting was adjourned.

Minutes submitted by Susan Wortman, Church Secretary

PowerPoint attachment from Finance Ministry Team:

Funding Considerations for 2018 Church Renovations

- Estimated funding requirements - \$529,909
 - Sanctuary air conditioning
 - Renovations to Fellowship Hall
- Funding Sources
 - Existing donations from Memorials and Gifts - \$210,000
 - Donors and/or specific amounts asked to not be identified
 - Direct funding from Investment Fund - \$200,000
 - Donations or Loan - \$120,000
 - 3 year loan planned to allow construction to start near term

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Funding from Investment Fund

- Investment Fund Balance is 1,146,613 (8/31/2018)
 - Balance will be approx. **\$1,108,613** after planned \$38,000 withdrawal to fund operating budget
- Proposed Funding of \$200,000 from unrestricted / undesignated funds
- All restricted funds “principal” remain untouched and along with unrestricted funds totaling over \$908,613
- Leaves over \$312,000 plus \$20,000+ in annual investment income without restrictions
 - Contingency to cover future unexpected expenses or operating budget funding

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Loan Arrangements & Terms

- Bank of Ann Arbor recommended as lender
 - All Bethlehem banking is with BoAA, a local banker
 - Loan rates are competitive
 - Many intangibles in working with local contractors (Phoenix), explaining processes and providing general support/guidance to Bethlehem, Lending unit focused on Charities and Churches
- Loan Terms
 - \$120,000, 6 month draw
 - Interest Only paid during the draw period
 - Draw period would start after Bethlehem funds have been used
 - After draw period, 3 year, Fixed Rate, interest only note
 - Interest Rate = 5.74% est.
 - Actual rate set at closing
 - \$650 Fee at 0.5% of loan amount
 - Repayment – Monthly interest only, Principal payments from collection of capital campaign funds

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Cost Analysis Loan Repayment

Total Renovation Cost Estimate (examples)	\$ 529,909
Funds from M&G & Investment Fund	\$ 410,000
Amount to be Financed	\$ 119,909
<u>Loan Related Fees @ 0.5%</u>	<u>\$ 600</u>
Total Loan Amount	\$ 120,509
Loan Interest Rate (Fixed)	5.74%
Max. Interest Only Monthly Payment	\$ 576
Monthly Loan Payment (3 year amortization)	\$ 3,652
Total Cost - Level Monthly Payments (P & I)	\$ 131,469

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