

FIRST UNITARIAN UNIVERSALIST CHURCH OF SAN DIEGO
Board of Trustees

AGENDA: JANUARY 2009 BARD HALL FORUM
As of December 24, 2008

- 1.) **Introduction** Church President/Past President
- 2.) **Why Bard Hall Now** Campus Renovation Team (CRT) Representative
- 3.) **What Banks Have Told Us** Loan Committee Representative
- 4.) **What's Happening at the Congregational Meeting:** Church President/Past President
- 5.) **Questions & Answers** Church President/Past President

HANDOUTS:

- **Participant's Outline**
- **HANDOUT "A" - 1 pg., B-t-B - WHITE:** Covenant of Good Relations
- **HANDOUT "B" - 6 pgs., B-t-B - WHITE:** Board Subcommittee Information on Bard Hall Reconstruction Debt
- **HANDOUT "C" - 1 pg, Single-Sided - GREEN:** Proposed Motion - January 25 Congregational Meeting
- **HANDOUT "D" - 1 pg., Back-to-Back - TAN:**
Side D-1: 12/9/07 Special Congregational Meeting Minutes
Side D-2: Resolution Approved by Board on 11/18/08
- **HANDOUT "E" - 1 pg., Single-Sided - WHITE:** Bard Hall Design Development;
12/20/08 (Draft)
- **HANDOUT "F" - 1 pg, Single-Sided - LAVENDER:** Wachovia/Wells Fargo
SAMPLE Loan Information Spreadsheet

PARTICIPANT NOTES:
JANUARY 2009 BARD HALL FORUM
As of December 24, 2008

I. CHURCH PRESIDENT/PAST PRESIDENT: Jan Garbosky or Jan Gallo

▪ **INTRODUCTIONS & OVERVIEW:**

- Our opportunity & our legacy.
- Our programs & special events will take place in a space that:
 - > Is accessible to EVERYONE
 - > Is approx. 2,000 sq. ft. larger than our current building—allowing for:
 - 3 new meeting rooms,
 - a library/conference room,
 - office & storage space,
 - a new kitchen & appliances
 - an elevator, AND
 - NEW BATHROOMS!!
 - > Is climate-controlled so we're comfortable no matter what the season.
 - > Is as green & energy efficient as possible within our cost limitations.

▪ **WHY WE'RE HERE:**

- To present information needed to make an informed vote about the proposed financing plan to renovate Bard Hall & the patio & narthex areas.
- To address questions & concerns.

▪ **HOW WE'LL PROCEED:**

- Brief presentations by:
 - > Campus Renovation Team (Kath Hillery or John Holl or Karen Walter) on “Why Bard Hall Now”
 - > Loan Committee (Susan Weaver or Karen Walter) on “What Banks Have Told Us”
 - > Board President/Past President (Jan Garbosky or Jan Gallo) on “What’s Happening at the Congregational Meeting”
- Time for questions:
 - > Unanswered questions/those needing more information to be logged & answers posted
 - > Use note cards provided to write your questions during presentations; turn in if not time to ask them.

II. CRT REPRESENTATIVE: Kath Hillery or John Holl

▪ **WHY BARD HALL NOW:**

- The cost of continual repair to the old building is staggering.
- No heat in Bard Hall.
- Rooms available for church meetings are extremely tight.
- Further loss of meeting space will reduce programming & the potential for member growth.
- Considerable time has been devoted to assessing member needs and wishes in our building design, architectural options, green features, required permits, and member / staff / school needs during the construction phase.
- To date, approximately \$435,000 has been invested in the planning and design of the campus renovation.
- Continued delay would only increase costs.
- Current 1950 plumbing, heating, & electrical in Bard Hall is not up to code. All repairs made require meeting current codes.
- City approval of Meeting House renovation requires that next project must bring patio up to code.
- Since 2005 when CRT formed, many thousands of dollars in repair costs for Bard Hall/Narthex/Patio areas.
- This is a good time to be building:
 - > Banks are courting us.
 - > Construction costs & interest rates are as low as they will ever get.
 - > Sub-contractors are hungry for work.
- The new building will be a source of pride for the congregation & visitors.
- Saturday services & new South Bay Campus have brought many new visitors.
- Since July 2008, 32 new members. July 2007 – June 2008 = 61 new members. Several folks from South Bay have already expressed interest in becoming members.
- Since 10/14/08, 11 new pledging units.
- Handout “B:”
 - > Fact-finding document presented to Board in November.
 - > Includes most of this section’s findings plus some of those to be discussed next about what banks have told us.

III. LOAN COMMITTEE: Susan Weaver or Karen Walter

▪ WHO'S ON THE COMMITTEE:

- Betty Boone
- Joan Cudhea
- Doug Diamond
- Iris Masotti (Board Treasurer)
- Susan Weaver (Board Vice-President)

▪ WHAT BANKS HAVE TOLD US:

- Bank Contacts Made - 2 Banks & Scheduling a 3rd:
 - > San Diego National Bank:
 - Where church does its banking
 - As of 12/20, aren't doing commercial loans
 - If still not doing them when we're ready, will help find another lender.
 - > Wachovia (soon to be Wells Fargo): As of 12/24, sample loan spreadsheet not yet received.
 - > Union Bank: As of 12/20, just sent church's financials for review.
- Construction Loan:
 - > 16-18 month initial construction loan
 - > Likely interest rate = Prime rate + 1% - 3% margin
 - > As construction milestones reached, portion of loan funds released.
 - > A 3rd party (hired by bank) will supervise payouts from bank.
 - > Bank will probably establish interest reserve account.
 - > Interest charged as construction funds disbursed.
- Post-Construction Secured, Amortized Loan:
 - > Construction loan converted to fixed 5 yr. loan amortized over 25 years.
 - > 1st 5-yr. loan period rate could be locked in with initial construction loan.
 - > Accrued construction loan interest will be added to principal amount of loan.
 - > Terms refinanced after initial 5 yr. period.
 - > Each year, up to 20% of outstanding principal amount can be prepaid during 5-yr. period with NO PENALTY.
- Loan Security:
 - > May be deed of trust on campus & parking lot—until learn otherwise.
 - > May be able to negotiate that, if default, lender required to foreclose on parking lot revenues first.
- Annual Payment:
 - > Revenue exists to make payments.
 - > If 7.5% (we expect a lower rate, however) would be less than 1/3 of parking lot revenues (\$546,000 for fiscal yr. ending June 2008).
 - > Example - If 7.5% Interest Rate & \$1.5 million Loan Principal (excluding soft costs such as appraisal, loan fee, recording, etc.):
 - Monthly payment = \$11,085
 - Annual payment = \$133,020
 - 1/3 of 07-08 Parking Lot Income = \$182,000
 - > Annual Pledge income needed to replace that revenue in church budget.
- For years, talk of NOT using parking lot to fund church operations:
 - > This is a start.
 - > Use funds for social justice work, etc.

IV. CHURCH PRESIDENT/PAST PRESIDENT: Jan Garbosky or Jan Gallo

▪ **WHAT'S HAPPENING AT THE CONGREGATIONAL MEETING:**

- Presentation of financing plan
- Motion to approve financing plan. (See HANDOUT C" [Proposed Motion] - GREEN)

▪ **Q&A TIME:**

- Remind everyone of Covenant of Good Relations & everyone's investment in the future of our congregation

- **Ground Rules:**

- > Wait to be called on.
- > 1 question/turn
- > Additional opportunities as time allows.
- > If time runs out, turn in note card with unasked questions.

▪ **CONGREGATIONAL MEETING INFORMATION:**

- **Date & Time:** January 25, 2009 - After 2nd Service (12:45 p.m.)
- **Who Can Vote:** Must be a voting member. If unsure, check with:
 - > **Voting Members ONLY:** If unsure, check with:
 - **Suzette Southfox:** Bond of Union Date. (Must be prior to Nov. 26, 2008).
 - **Jim Faris:** Minimum Annual Pledge Payment (At least \$90 paid on annual pledge prior to casting ballot—unless waiver from a Minister).
 - > If can't make meeting, submit absentee ballot.