

First Unitarian Church

Special Congregational Meeting

Sunday, June 6, 2010

President Richard Wallace opened the meeting. The required quorum of 25 was exceeded with 90 voting members registered and in attendance in person or by properly executed proxy.

- I. Anne Mannix, Chairman of the Building Committee, gave a brief history of the Building Committee:
 - A. Formulation of the committee
 - B. Prior Congregational vote to move, without specification of where and/or when
 - C. Failure of attempt to condominiumize Good Shepherd Montessori School, as the concept was too complicated
 - D. A brief recitation of the many other buildings inspected by the committee and their lack of suitability
 - E. The decision to sell the current property on the corner of Michigan St. and North Shore Dr. to Church Member Chuck Leone, who will convert it to condominiums
 - F. Rental costs from Good Shepherd Montessori School (GSMS) will provide space for growth, churchly aesthetics, space for parking, and time to raise money for our next step: purchase of owned space
 - G. The Committee continues to look at alternatives, such as the former mental health clinic of Madison Center located at the corner of St. Peter St. and Washington St.
 - H. The calculation of the risk/benefit ratio: space to grow, ability to function financially, timing of the decision to move.
- II. Chuck Leone, member of the Building Committee and purchaser of the current First Unitarian Church property on the corner of Michigan St. and North Shore Dr., detailed the finances underpinning this move
 - A. Chuck Leone will buy the current building at its current appraised value. He will convert it to 4 ecologically sound condominiums
 - B. His purchase of the building requires that:
 1. the congregation authorize the board to sell this property to Chuck Leone
 2. the congregation authorize the board to negotiate the terms of the lease of the GSMS property
 - C. The Building Committee recommends a 1 year lease, with option to renew in 1-2 year increments
 - D. Rental costs plus CAMS are estimated to be \$1723.65/month or \$20,683.38/year, including:
 1. \$1431.53/month rental, adjusted annually by the CPI
 2. \$292.12/month CAMS, adjusted no more often than annually
 - E. Our rental shall include exclusive use of church offices during normal working business hours, and priority use of the Sanctuary and **Cafeteria** during Off-hours and weekends
 - F. GSMS has no objections to any of our proposals for signage. All costs of signage changes are ours to bear.
 - G. GSMS is working toward a LEEDS certification. We find this entirely consistent with our own values and needs
 - H. Our current use of the First Unitarian Church building costs in excess of \$14,700 per annum, exclusive of capital improvements and/or repairs such as updating HVAC or

providing ADA accessibility. Our projected cost is 20,683.38 for the first fiscal year. The deficit is coverable by the interest on investment funds: (Projected Cost \$20,683.38-current cost \$14,700/Trust Funds \$225,000) = 2.7% interest yield to close the gap between current and projected building costs.

- I. We will require some capital funds to cover the costs of moving from our current quarters to our new quarters.
 - J. We will avoid the costs of updating our HVAC and ADA requirements...plus other costs of staying here and updating this building.
- III. Anne Mannix described our near-future actions.
- A. A moving committee must be formulated, to include Religious Education, Worship, Minister Harold Beu, Administrator Carlton Higginbotham
 - B. A Capital Campaign Committee must be created
 - C. A “new” building committee must be formulated, to adjust to and modify our new space, and deliberate our next moves
 - D. A celebration committee should be formulated to celebrate our new space
- IV. Gary Metzler, Treasurer, gave an overview of our Church Finances
- A. We are not impoverished. We had a balanced budget in Fiscal Year 2009, are on track to have a balanced budget for FY 2010, and plan to continue in balance
 - B. Our cash flow is adequate now to afford the lease hold expenses presented today by the Building Committee
 - C. Counting the Michigan St-North Shore Dr property, Trust Funds, and Cash we have about \$500,000 in net worth

DISCUSSION

Don Wheeler moved and it was properly seconded that:

- 1. the congregation authorize the board to sell this property to Chuck Leone
- 2. the congregation authorize the board to negotiate the terms of the lease of the GSMS property

The following discussion ensued:

- 3. Marcia Shuman read Melanie Smith-Guillaume’s statement (appended)
- 4. Diana Mendelsohn noted that an Asbestos-Free test should be provided by GSMS at the conclusion of the LEEDS certification
- 5. Fern Hamlin remains firmly opposed to both resolutions. The costs are prohibitive, growth is a phantom, that we have had a 25 year food fight over adequate space, that a rental home does cost money, that the move will place an extra strain on our congregational ability to cohere, and that these objections pertain “Despite the members of the Building Committee pledging to put their money where their mouth is”.
- 6. Jan Wilen read her statement (appended) noting extemporaneously that our building has never permitted us to meet the needs of the wider UU community available to us in the greater South Bend area. Meeting this goal should be articulated and accepted and fostered by this congregation. Jan urges a departure blessing upon this space.
- 7. Lydia Coppedge read a statement from the Church Teens (appended). They do note a concern about long term space options available to Religious Education if GSMS is persistently

successful in expanding their GSMS population.

8. Don Wheeler commented that the new quarters will diminish our needs and expenses for upkeep and maintenance. The new quarters should encourage greater focus on the articulation and execution of our mission, and foster progress to our next steps in obtaining a permanent church home. We should take heart that the new use of this old will be greenly eco-friendly.
9. Rich Wallace said that any fears of losing our leasehold can be dealt with by careful structure of the lease language.
10. Patricia Tollens noted that she has come to accept the change of venue gradually. She now realizes that the place is not as important as is the community, and the ability to grow the community.
11. Bob Asplund: This greater South Bend community needs a strong, vigorous secular voice of freedom and secularism. We need to grow in order to assure the continuation of that voice, and to strengthen it. We have used the limitations of this building as an excuse for growth failure. Now, we will try new, lovely space. The challenge is to grow. And then, face up to a deep internal failure if we cannot grow....
12. Heather Eschbach: A new building will provide the space to grow and nurture our youth community.
13. Kevin Barry: I am excited about the opportunities newly presented to us by leasing. This association will test the GSMS staff as well as us. This new relationship really might work, for both of our benefits.
14. Tama Crisovan. The relationship between GSMS and the Porch Coop has been healthy and mutually beneficial. In fact, the Porch Coop has had to move because its membership has more than doubled to 200 members now!, as well as gaining 50 new volunteers.
15. Michelle Richards: A visit to the GSMS church site stimulates feelings of passion, vision and excitement. We are now averaging 10 children per classroom, with no room for expansion. The new CR space provides wonderful space and wonderful opportunities.
16. David Wistreich: This congregation has a history of commitment to one another as individual members of the congregational community. This group now has good things going for it: We have a settled minister. We are on top of the world. The projected space looks good. The congregation is committed to this new space. BUT... We need physical help, people to effect this earth change, and money to effect it with style.
17. Darlene Catello: Rich Wallace says that the board needs latitude and discretion in negotiating the lease. But, I urge that we bind the board to authorize the lease from GSMS for only one year at a time.
18. Dale Gibson. The approval of a lease, whether it be a 1, 2, or 3 year term, is only the start of a process. We do not know that it will be better at GSMS than it is here. In the main, it is good to sell the building now, because we have a buyer (CL) now. *But*, we have not marketed the sale of this property, either. What plurality do we need on this vote?
19. Rich Wallace, Congregational President, responding to Dale Gibson: The by-laws require a simple majority. However, the board would like a stronger showing than a simple majority. We have agreed that we seek a majority of at least 75-80% to carry this forth.

THE QUESTION WAS CALLED

Resolved:

1. Authorizing the Board of Trustees to negotiate the Sale of the Current Church Building at 101 E. North Shore Drive for the current appraised value subject to approval of a zoning change.
2. Authorizing the Board of Trustees to negotiate a lease to rent space from the Good Shepherd Montessori School at the corner of Jefferson Blvd. and Eddy St.

Darlene Catello offered an amendment to resolution no. 2 and it was properly seconded:

Amendment:

The terms of the lease will be for one year (1 year) with options for an additional two years (2 years), one year at a time, with notice to be given by June 1 in the preceding option year.

Discussion

3. Michelle Richards. Trust the board. Deny the motion to amend.
4. Cindy Benedict. Deny the motion to amend. Trust the board. Let us not artificially limit our time (or other features for negotiation).
5. Walt Tomasch. Deny the motion to amend. It is onerous to move, and more so to do so annually. Let us strive for longer terms and longer stability.

Motion passed to close debate

Vote on the Amendment: 12 in favor; 30 opposed. The amendment is defeated.

Motion made to call the question on resolutions 1 and 2. Passed.

A secret/written ballot was conducted. The votes were tallied/ registered/certified by members Bill Stevens and Dave Wistreich:

Yea: 79 Nay: 7 Abstain: 4 Total Votes Cast 90

THE RESOLUTIONS ARE PASSED.

The results were announced to the congregation. A motion was made and properly seconded for adjournment. The Ayes have it.

Respectfully Submitted,
Robert M. Shuman, M.D.
Recording Secretary (acting)
Sunday, June 06, 2010 C.E.

Statement from Jan Wilen

I have belonged to this church for about twenty-five years. During this time, the subject of moving out of this building has been going on. Also, during this time, the building has been slowly deteriorating and the mold, mildew and dust continues to build up. The noise and handicap access does not improve. I personally cannot attend any events in the basement due to my allergies. Also, it has been pointed out to our congregation by several Unitarian experts who have visited, that we should be able to accommodate and satisfy the intellectual citizens of Michiana with more than 100 families due to our proximity to the faculty and students at Notre Dame, IU, etc.

I believe that moving to a physically more attractive and larger facility will be a positive shot in the arm for our current members and future visitors. I have trust in the members of the committee that are proposing this move. The members that make up this committee are excellent, educated and successful business people who are thoroughly familiar with finances and real estate.

I do not believe that our family's spirit resides in a building. However, we need a wonderful space to celebrate our fine community. The existing building challenges our community every day in many negative ways. At long last, it's time to move.

Statement from Melanie Smith-Guillaume

I'm sorry not to be here today, but I had to attend my last graduation at my school. I would very much like to be with you for this important discussion. But here are some thoughts, to be read in my absence.

I have been a member of this church for 11 years and a Unitarian for over 30. The Fellowship that I belonged to in CA started the process of building a new church when I was president there, and Alfred and I were married in it. Since I have been here, I have watched our approach to building and growth and it reminds me of a person wanting to dive into a pool.

We have been walking on the deck of the pool, looking over the edge and wishing we could get into the water of a new building. We walk by the diving board and every once in a while we climb on, only to climb down again. I was on a Building Committee shortly after we arrived and witnessed the climb up and the climb down. Is it fear of change, fear of risk, fear of not having enough money? Anyway, up until recently, just being on the height of the diving board had been too scary for us. In the last couple of years, however, with this hardworking, dogged, and determined committee working for us, we have climbed up, kept looking, kept talking and stood on the board for a lot longer than before. The long view down still scares us, but we've stayed on the board this time, even though we haven't ventured very far out.

Now we're asking ourselves if we can venture farther out on the board and make the first jumps on it to gather our momentum for the actual dive. I think we should do this. We won't be jumping into a new building right away, but we can use the time on the board for winding up, getting used to the height, assessing the risk of jumping and gathering momentum. In my opinion here are three positive things that we need to do in preparation for diving off.

1. We need to focus on building up our financial and congregational resources — people and money. The sale of the building will give us income and money in the bank, and we can use the time to find other creative fundraising avenues. The larger space will allow us to welcome newcomers and try out new programs that we might like to pursue.
2. We need to be sure what kind of building we want to dive into. I think we have a pretty good idea of what we want for us, but new possibilities may arise and we want to be sure what our priorities are.
3. I see this one as the most important. We need to use this time to figure out what we want to be in the community. What kind of a public church do we want to be? While I think that we have a pretty good idea of what we want for US, I don't feel that we know as much about what contributions we want to make and what role we want our facility to make to the surrounding area. Retreat center? Art gallery? Meeting or office space for non-profits? Child care center? Community clinic? Shelter for kids whose parents are incarcerated? Housing for people whose relatives are in the hospital? Community garden or environmental center? Model eco-friendly space? Support center for undocumented people? Meeting place for the GLBT population? And I'm sure that there are many other great ideas out there in a creative, active group like ours. We need to look at our principles and our talents and our resources to see where we can make the biggest impact in a new building in our community. The time we spend in a rented facility could give us the freedom to work out these kinds of questions so that when we dive, we do a perfect swan! Well, maybe not perfect, but pretty darned good!

I think that we should take advantage of having a buyer for the property, and I think we should use our time in the temporary space to perfect our plans and build our confidence, our resources and our momentum. I say "Let's go for it! Let's take the plunge!"

Summary of Proposed Lease Terms First Unitarian Church - Good Shepherd Montessori School 2010

Term of Lease

One year beginning on September 1, 2010, with options for an additional two years with notice to be given by June 1 prior to the option year.

Rental amount

\$1,723.65 per month (\$1,431.53 base rent and \$292.12 Common Area Maintenance charges). Base rent increases annually with the Consumer Price Index. CAM charges are recomputed annually.

Use of premises

Exclusive use of two offices and the nursery. Shared use of the sanctuary, library, board room/lounge, social hall and kitchen, and RE classrooms with priority on Sunday mornings and during regularly scheduled meetings.

Signage

Signs to be placed at the entrances; other signs to be described in the lease itself prior to execution.

Cross on the bell tower

The cross is part of the structure of the bell tower and can't be removed without considerable expense. Additional symbols will be added identifying the church and the school.

Contingencies

The lease is contingent on successful rezoning of the existing church building and closing on the sale.

LEED requirements

The School is applying for LEED certification for the building and all tenants must adopt certain green practices related to recycling and energy use.

In the event the congregation, through a decision made by the Board of Trustees following the June 6 congregation meeting, enters into a rental agreement, then the 2010-2011 budget approved at the May 16, 2010 congregational meeting shall be amended so that all expense items related to building operations (lines 220, 230, 240, 241, 245, 310, 320, 340) and some adjustment to line 210 (insurance) and payroll expense (line 430) shall be replaced by a new line for "rental fee," with the amounts previously assigned for building operations and some insurance and payroll expenses combined as rental expenses for the remainder of the 2010-2011 fiscal year.