

**First Unitarian Church of South Bend  
Special Congregational Meeting  
June 5, 2011**

**Call to Order**

Meeting was called to order at 11:50 p.m. by our president Don Wheeler. It was determined there was a quorum. (see list of members present attached).

**Presentation of the Resolution**

Don Wheeler read aloud the resolution that was written by the chair of The Building Feasibility Committee, Anne Mannix.

WHEREAS, The First Unitarian Church needs a permanent church building: and

WHEREAS, the building at 801 E. Washington (“the Building”) is available for sale;

NOW THEREFORE BE IT RESOLVED that the membership of the 1st Unitarian Church authorizes the Board of Trustees to submit an Offer to Purchase the Building, subject to the following conditions:

1. Purchase price not to exceed \$350,000
2. Architect's cost estimate for renovation not to exceed \$350,000.
3. Positive feasibility analysis by Capital Campaign Consultant, Dave Rickard.
4. Clear Title, survey and all the other standard conditions that are contained in the realtor's purchase offer form.
5. Approval of a parking variance and any other required zoning change.
6. Purchase price reduction of \$25,000 for roof replacement.

BE IT FURTHER RESOLVED THAT any of the above conditions can be removed or revised by the Board of Trustees *except* the Purchase Price.

BE IT FINALLY RESOLVED THAT this resolution will take effect immediately upon approval.

Elizabeth Scarborough seconded the motion.

**Discussion**

Anne explains that we have \$168,000 in pledges already. We need to raise about \$200,000 more so we can do the transaction with cash. Melanie Smith-Guillaume asks for clarification about changes that can be made. Anne explains that the resolution gives the board freedom to change anything but the price once we start negotiations with the realtors. Tama Crisovan asks what our current operating expenses are. Anne responds now it is at \$20,800.00 and the new facility will be about \$25,000.00. Anne suggests using rental fees from tenants to cover this gap. Dave W. asks what the church is going to have in reserve when this is all said and done. Anne explains that the Tudor money [endowment] will not be touched so all of this money will remain in the endowment.

Chuck Leone adds that our Tudor account [endowment] makes about \$3000.00 in interest [gains] per year. He suggests we could use this money to make up the gap in operating expenses in the short term. Dave W. asks how certain are we of the operating expenses. Anne has called a number of different people including maintenance companies and cleaning services, etc. and she feels pretty confident of these numbers. Tama Crisovan asks if we have spoken with TCU about using their parking. Anne explains that we need to decide if we are going to proceed with the property and then work on all the details. Bob Asplund mentions that he does not have an aversion to having a mortgage or using some of the Tudor money if it helps us get where we need to be. Eric Morgan raised a question of whether we could raise \$200,000 in our community. He is concerned that our pledge drive was very difficult this year and he is not sure our members will be willing to give this large sum of money. He is scared that we are banking everything on a capital campaign. Drew Lodder adds that the rental space is approx 4000 sq/ft. He has done local research and this area seems to rent for no less than \$7.00 per sq./ft. Chuck Leone mentions that any project of this scale is financed with a mortgage. He realizes this can be abused but it is a fundamentally normal procedure in this type situation. He explains that you can spend the money up front and it is then amortized over the years. Chuck wants to be clear he is not adverse to borrowing money. David Mayfield explains that a mortgage is not a problem for him if we have it covered by the money we have in our endowment. He asks if this resolution will allow the board to actually purchase the property. Anne explains that we will negotiate with the board and have another meeting with the congregation for ratification in September. Kay Azar asks if we would get the mortgage through the UUA. Anne would like to use them if possible. Susan Siemers adds that our expenses will most certainly go up at our current facility and we do not how much at this point. She likes the idea of owning our own space so we are in more control of our finances. Melanie Smith-Guillaume asks what the tax issues would be with rental property. Chuck explains that if we rent to a non-profit organization, there would be no change in the tax structure. If we rent to a for profit group, we would work our tax cost into the rent. Joseph Gress asks if we have spoken to a consultant from the UUA about our capital campaign. Ann answers yes, we spoke to a consultant and he gave the committee guidelines of what we can hope to make in the campaign. We can hire him to come and conduct the capital campaign for around \$13,000.00. Lynn McDonald is not clear about the difference in the \$450,000 price and a \$350,000 price. Drew explains that we took some of the rehab costs out thinking we would be doing some of the rehab ourselves. Drew also explained we could do some of the aesthetic rehab in phases. Mary Bethe asks what they are asking for this property. Anne answers that the list price is \$697,000.00. Barb Carmichael is uncomfortable about “doing things on the cheap” and feels if we got a mortgage we could use more of our capital campaign money for improvements. Heather Eschbach would like clarification about the rehab costs. She asks whether the cost for rehab is just for upstairs and not for the RE area in the basement. Brendan explains that some of the money will be adding a second staircase in the basement as well as egress windows and a fire door and wall separating possible rental space. Michelle Richards states that she feels the congregation was mislead. She believes it is going to cost much more than the number the committee has presented today to fix this property. She is very upset that the RE space is not even getting new carpet or wallpaper. She is concerned about allergens in the floor covering and feels we are “once

again going to shortchange the RE program.” Barb Carmichael responds by saying she feels this is the best option we are going to get. She feels we have a tremendous opportunity and we need to move on. Heather adds that she feels the RE program is being pushed by the wayside. She claims she is voting yes because she knows we have talented, hardworking people and she feels we can do this if we work together. Anne explains that she does not feel we will get a deal like this again. Roger Birdsell reminds everyone that St. Joe School will be completed soon and this should send the property values in this area up considerably.

Bill Stevens Calls the Question

**Vote**

Roger Birdsell seconded. The vote went unopposed.

The vote on the motion was taken and counted by show of hands. 60 votes in favor of the motion, 7 opposed, and 4 abstentions. The motions carries.

Kay Azar moved to adjourn which was seconded by Bob Shuman. The meeting was adjourned at 12:50 p.m.