

**Report on the Congregational Meeting  
Christ Presbyterian Church  
May 7, 2017**

At a congregational meeting on May 7, 2017, members of Christ Presbyterian Church voted unanimously to proceed with the *Forward in Faith* project by approving the following motions:

- 1) *that the members of Christ United Presbyterian Church of Rancho La Costa proceed with plans for a renovated sanctuary / fellowship hall and approve indebtedness not to exceed \$1,400,000 at terms not to exceed a twenty-year amortization at 4.5% interest.*
- 2) *that our corporate officers be empowered to sign documents on behalf of the congregation, currently: Ann Collins, President; Bob Hamcke, Vice-President; Carol Satterstrom, Secretary; Loyd Wright, Treasurer.*

It was noted that \$1,357,842 have been pledged by 110 households over the next three years! Many thanks to all for such a generous, faithful response!

The following updates were presented for information:

Additional projects

A team is exploring the design and cost of renovating the kitchen, and we are getting estimates on much-needed new flooring and paint in our education and preschool buildings. When these figures are in hand and the construction contract is finalized, decisions will be made about these additional projects. These projects would be included in the loan approved on May 7.

Financial Plan

We are currently awaiting loan approval from the Presbyterian Investment and Loan Program (at an expected rate of 3.8%) and from First Citizens Bank.

The construction estimate is \$1,540,000 which includes \$233,000 for contingencies (unanticipated expenses). CPC will likely borrow between \$1,250,000 and \$1,400,000. The final loan amount depends on:

- a) actual cost of construction
- b) actual cost of potential extra projects: kitchen (\$100,000?), education building (paint and carpet -\$20,000?), and preschool: (paint and tile \$20,000?) which could bring the loan amount up to \$1,400,000
- c) the amount of our down payment, which depends on previous building fund amount (about \$250,000) and prepaid pledges (about \$260,000 so far).

Mortgage

A mortgage is needed because funds will be given over three years. The cost of borrowing \$1,400,000 at 4% interest with a 20-year amortization is \$8,484 per month or \$101,808 per year. We anticipate either monthly payments of as much as \$30,000 per month or periodic large, lump-sum payments, which will reduce the principal quickly. The payment plan will be determined by the final loan amount and the anticipated cash flow from pledged donations.

At the end of three years, some indebtedness will remain, and we will retain at least \$100,000 in our building fund. At that time we will deal with the remaining indebtedness with either a follow-up capital campaign or by refinancing the debt and including it in the annual budget.

*Loan Options*

Assumptions:

92% Pledge Payup: \$1,240,000  
Loan at 4% interest, 20-year amortization

<i>Loan Amount</i>	<i>\$1,250,000</i>	<i>\$1,400,000</i>
Monthly mortgage payment	\$7,574	\$8,484
Annual mortgage cost	\$90,888	\$101,800
Annual payment \$30,000 / month	\$360,000	\$360,000
Interest paid in 3 years	\$94,000	\$113,000
Indebtedness after 3 years	\$264,000	\$433,000
Building Fund balance after 3 years	\$160,000	\$160,000
Remaining debt if balance is used against the mortgage	\$104,000	\$273,000

Construction Update

- 1) Our architects at Domus Studio are preparing construction drawings, after which the permit process with the city of Carlsbad will begin. Because our project is a remodel and not new construction, it is expected that the permit process will be less demanding than for the synagogue's new, modular building.
- 2) The Session is prepared to contract with Watkins Landmark Construction to oversee the construction of our redesigned sanctuary/fellowship hall. Watkins Landmark is already seeking subcontractors and receiving bids on the work.
- 3) The Jewish Collaborative of San Diego has received all necessary permits from the city of Carlsbad. Installation of its building will begin on or around May 18 and take 7-10 days. CPC plans to worship in the synagogue during construction.
- 4) Timeline: the goal is to begin construction after the Fourth of July. Construction is expected to take a maximum of four months.

Giving to *Forward in Faith*

Giving to our capital campaign has begun; we have received about \$260,000 already. Please be sure to specify gifts to *Forward in Faith* either by marking your check or envelope FIF, or by using the "Building Fund" envelope that is sent to each household. Gifts that are not designated for a particular purpose are all placed in the operating budget. Beginning in July, our building fund envelopes will be marked *Forward in Faith*.

Because *Forward in Faith* funds will be kept separate from the operating budget, it is very helpful to use separate checks/envelopes for giving to *Forward in Faith*.