

LUTHERAN CHURCH OF  
OUR SAVIOR  
CONGREGATIONAL  
MEETING

27 MAR 11

# Agenda

- Welcome / Prayer
  - FY 10 Budget Report
  - Expansion Project Way Forward

# FY 10 Budget Report

- Chrissy Killillay
- Overview and Highlights

# Expansion Project Way Ahead

- LCEF and Building committee met 01MAR11
  - Options presented by LCEF
  
- Building committee met 08/15/19/22MAR11
  - Discussed options for Congregational Approval
  - Council / Building Committee members will discuss the options with anyone who has questions but will not provide there position.

# Expansion Project Financial Requirements

- Pledges are approximately 300K over the next three years
- Loan required for 6,400 square foot building is \$1,170,000.00
  - 25 Year Loan
    - Annual payment \$83,000, Interest = 5.125 (ARM)
  - 30 Year Loan
    - Annual Payment \$76,400, Interest = 5.125 (ARM)

# Expansion Options

1. Move forward with LCEF loan application in order to break ground upon final permit approval. (Start Now)
2. Wait for two or three years and use the accumulated Building Fund to buy down principal. (Delay)

# Start Now

- We do not qualify for a loan under normal guidelines.
  - Establish One Year (\$83K) Collateral account
    - Members would be required to maintain funds in the account until the loan is paid off or the funds to pay for the loan are fully accounted for within our operating budget.
  - Insurance/Operating expenses not included
  - Using our current pledges, the loan would start in 2014 and if income remained static would be paid off in 2029.
    - Pledge drive is for the next 27 years

# Delay

- Utilize the current pledge drive to establish a down payment for the loan
- Begin construction in 2013/4

# Start Now

- Pros
  - Approximately 80 additional seats in the sanctuary
  - Additional classroom space
- Cons
  - Significant financial burden on the church
  - Establish \$83K collateral on top of current fund drive
    - GREAT NEWS: ~ \$60K of \$83K pledged
  - Large maintenance expense not accounted for

# Delay

- Pros
  - Down Payment reduces interest charges
    - Estimated \$60K annual loan payment
- Cons
  - Permit extension
    - New zoning laws
  - Current space constraints
  - Interest rates increase – higher loan payment

# Congregational Decision

- Pray
  - This decision is best left to God
- Pray
  - Over the next month ask God to lead you
- Pray
  - April 10<sup>th</sup> cast ballot either, “Start Now,” or “Delay”
  - Ushers will hand out ballots, return with offering
  - If you are not going to be at the church on April 10<sup>th</sup> please cast your ballot prior by placing it in my box in the hall way.
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