

St. Martin's Lutheran Church Congregational Meeting DRAFT

December 10, 2023, 12:30 PM - Sanctuary

Called to order at 12:31 PM

In attendance: 91 voting members registered

Parliamentarian: Ann Graham

Tellers: Bob Gibbons, Norm Hummell, Gray Mitchell

Opening Prayer

Pastor Ellen Williams

New Business

President Stephen Ottmers

1. Sale of West Avenue Lots

President Stephen Ottmers gave an overview of the proposed sale of Lot D, a portion of the church's western block (between Rio Grande Street and West Avenue). Tract D is a 13,905 square foot portion located at the northwest corner of the block (at the corner of West 16th Street and West Avenue). Portions of the utility building and retaining walls are located within Tract D.

Treasurer David Dunn gave an overview of the financial circumstances and the series of congregational conversations that led to this decision. A key reason for the proposed sale is the decline in our cash reserve, which has been maintained close to its historical level only by the receipt of the Child Care Relief Funding (CCRF) grant. The current debt service is \$15,269 per month. It is expected to increase in May 2024 due to a contracted adjustment in the interest rate for one of the loans from the current 5% to an estimated 9%. That will increase the monthly payment for both loans to approximately \$19,000 per month. The proposed sale would retire both loans with a small portion leftover.

Motion from Council Executive Committee: Sell the property on the western block identified as 1500 Rio Grande Street - Tract D per the negotiated offer of \$2,350,000 and within 30 days after the closing date, remove structures encroaching on this property line.

Discussion

- Norm Hummell: The property line goes across the west line of the building, where the men's restroom is located. We will need a restroom if we want to use that property. The building is also used for storage. Tract D includes a live oak that is almost 200 years old.
- Mike Bruemmer - Is it possible to remove just the portion that is over the lot line?
 - Jane Harvey - The current sales contract includes removal of the entire building. I have asked the realtor if we could remove just the men's restroom at this time and remove the remainder of the building within 2 years. The building is 55 or 60 years old and is not handicap accessible.
- Bob Daemmrch - I suggest that we task the church council with writing letters to the realtor and buyer asking for a time period to determine what to do with the building. But this should not get in the way of the sale of the property to solve our financial situation.
- Tom Friedrich - If the sale is approved and goes through, how would the property be defined. Will there be a fence?
 - Jane Harvey - Due to the cost of the property, we can anticipate that the buyer will build a substantial fence.
- Natalie Archer - Are we planning to keep Tracts B and C for the foreseeable future?
 - Stephen Ottmers - Yes.
- Donna Cordes - What is the net we will receive after realtor's fees? What is the balance on the loan? Is there a prepayment penalty?
 - Stephen Ottmers: The current loan balance is \$2.05 million. By the time we close, it will be about \$2.036 million because we will have made at least one more payment. Projected net proceeds after closing fees are estimated to be between \$100,000 to \$150,000.
- John Howard - Thank you to the people who have worked on this. It is very exciting.

Motion to call for the question: by Kay Zunker, 2nd by Blaine Grenell. $\frac{2}{3}$ majority approval by a show of hands.

Vote by secret ballot on original Motion (no amendments) from Council Executive Committee

- 86 in favor, 3 opposed. The motion is approved.

Meeting adjourned at 1:06 PM.