

Needs Assessment Group (NAG) Building 4 Recommendation

Recommendation

The Needs Assessment Group (NAG) recommends retaining Building 4 in order to control usage of the property and preserve the current St. Paul's campus for future generations.

Basis of Recommendation

After a review of information collected from the congregational meetings on July 14 and 22, as well as the community meetings on July 6 and 21, the NAG finds that the majority of comments favored St. Paul's retaining ownership of Building #4.

The Denny report indicated that there will be a future need for additional space.

Kevin Sikorski, Church Accountant/Treasurer, presented financial data pertaining to Building 4:

- Currently, \$26,000 of Building 4's annual \$50,000 rental income is allocated to support St Paul's 2010 General Budget.
- The current lease agreements are in place through 2017, with the tenant's option to extend for 5 additional years (to 2022). The tenant is responsible for all utilities, taxes and maintenance (except for roof and structural repairs). There is a Rent Adjustment Addendum provision allowing for a rental increase annually between 3% and 6% based on the Consumer Price Index (CPI-U).
- The current Building 4 loan balance is \$375,000.
- The rental income from the current tenant will be sufficient to service the entire debt by 2017 provided that a successful 2011 financial campaign will raise a minimum of \$65,000 (see below).

	2011	2012	2013	2014	2015	2016	2017
Rental Income	\$ 52,152	\$ 53,712	\$ 55,320	\$ 56,976	\$ 58,680	\$ 60,432	\$ 62,244
Capital Campaign	\$ 64,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$116,652	\$ 53,712	\$ 55,320	\$ 56,976	\$ 58,680	\$ 60,432	\$ 62,244
Interest Expense	\$ 21,255	\$ 16,352	\$ 14,010	\$ 11,417	\$ 8,559	\$ 5,419	\$ 1,975
Principle Payments	\$ 95,397	\$ 37,360	\$ 41,310	\$ 45,559	\$ 50,121	\$ 55,013	\$ 60,240
General Fund Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29
Loan Balance 12/31	\$289,603	\$252,243	\$210,933	\$165,374	\$115,253	\$ 60,240	\$ -

The NAG recommends that the entire Building 4 rental income be applied to the interest and principal of the Building 4 loan.

The NAG recommends that a Financial Campaign Committee be formed immediately to ensure that the \$65,000 is raised by December 31, 2011.

Faith Forward + 1 contributions received through December 31, 2010 shall be applied to the Building 4 loan reduction.

The NAG recommends that any monies received in excess of the \$65,000 Building 4 Capital Campaign be earmarked as seed money for the Building 2 (Wesley Building) pre-construction activities.

The NAG further suggests that the recommendations made herein be communicated to the Church Council and the congregation by the Trustees.

The NAG wishes to express its deepest thanks to John Denny and all who shared their concerns, comments, dreams and prayers with regard to Building 4, Wesley facilities, and future visioning for St. Paul's United Methodist Church. It is our hope and prayer that God will continue to guide our church family, and that all of our time, talents, gifts, service and witness will be to His glory.

8/31/10