



Special Meeting of the Congregation Sunday, June 7, 2009 Following the 8:30AM and 10:00AM Worship

The Church Council of Faith Lutheran Church upon recommendation by the Capital Appeal Team and Facility Task Force Team unanimously recommends the following motion to be approved at the June 7, 2009 congregational meeting scheduled to begin at 9:30AM, and to reconvene at 11:00AM, following each worship service.

- **A.** The council moves that the congregation of Faith Lutheran Church approves the construction loan with Thrivent Bank and the mortgage loan with Thrivent Financial for Lutherans to refinance and extend funding for needed building renovations and expansion; authorizes the officer(s) of the congregation, as recommended by the Facilities Project Committee and approved by the church council, to execute the necessary loan documents for the construction loan and mortgage balance at the time the project is completed, not to exceed \$3,000,000.

-And-

- **B.** That the congregation of Faith Lutheran Church approves the selection of Miller Architects & Builders to create construction drawings and specifications, secure bids and serve as general contractor in construction of Faith Lutheran Church's renovation and expansion project (Appendix A, Page 2); authorizes the officer(s) of the congregation to enter into contracts with Miller Architects & Builders and others, as recommended by the Facilities Project Committee and approved by the church council (the contracts may include general construction, as well as the direct purchase of materials necessary to complete the project); the total project costs shall not exceed \$1,650,000.

Informational Meetings are scheduled for Sunday, May 31, 2009 at 9:30AM and 11:00AM and Tuesday, June 2, 2009 at 7:00PM in the Luther Room.

Trusting GOD'S Call, Forward with FAITH!

The Capital Appeal response we have received to date has shown we are committed to provide for today and years (even generations) of enhanced ministry ahead! As of May 27, \$873,000 has been pledged for a three year period.

We believe now is the time!

- As Coon Rapids grew, Faith experienced rapid growth as well; more quickly than many imagined possible, increasing worship attendance and ministry participation at Faith meant expanding the original building. The people of Faith, TRUSTING GOD'S CALL, responded by providing the ministry space that's so critical both to growing the gathered Body of Believers, and to reaching out to the surrounding community.
- Then, just 14 years ago, the people of Faith built again. The beautiful Sanctuary and spacious Fellowship Hall additions were designed to meet the growing worship and ministry needs of Coon Rapids and surrounding communities.
- Remarkably, Faith Lutheran once again stands at a crossroads. Signs of growth abound; a thousand people gather each week to worship; church membership is approaching 4,000. New leadership and new staff have brought a new sense of purposefulness and vitality. Participation in all kinds of ministry is increasing, even as a vision for more programs, more growth in discipleship and greater impact for the Gospel's sake continues to unfold.
- What a combination exists at Faith today: the tremendous message of grace in Christ Jesus; a talented, enthusiastic and visionary staff; a nearly endless mission field outside our doors... and yet – once again – the congregation finds its holy work hindered by its physical plant. And it's not just a challenge for the future! Sadly, already there are planned programs and events – genuine opportunities for spiritual growth for people of all ages which must be postponed or canceled because of the lack of available and appropriate space.
- The time is now for this long term solution to mesh multiple projects into a single effort that takes advantage of a comprehensive schedule of renovation, installation, construction and all the other processes required to achieve our many goals.

Meeting Faith's Critical Ministry and Building Needs

Appendix A

The scope of the project would be as follows:

West End Renovation and Additional New Space

- A new entrance, designed to reflect the look and feel of the sanctuary and its main entry, will provide an inviting and highly visible "front door to Faith."
- A new and larger Luther Room that can be configured to serve two functions at one time or a single gathering for 180+ persons. This same space can be used for large group Sunday School gatherings, ministry events, as well as community events.
- A prominent, welcoming and secure office entrance that is immediately accessible to those entering the building. All church staff will be in the same area of the building. This will result in four current offices being reclaimed as classrooms.
- The new hallway beginning at the new entrance extends to the center of our building. The crossroads will have a new check in and entrance to the Children's Education wings.
- New restrooms and a kitchenette make it possible for this area to serve as a "stand-alone" facility – locking doors keeping the rest of the building secure.

Essential Updates for Existing Spaces

- HVAC Repair and Upgrades. Removal of original boiler and abandonment of the system; installation of higher efficiency rooftop heating and cooling units in education areas; installation of variable-speed pumps in support of remaining boiler; replacement of existing rooftop units serving fellowship hall; installation of computer-based controls for heating and cooling; establishment of appropriate zones throughout; replacement of critically corroded valves and pipes as needed.
- Upgrade of current electrical system, which is inadequate unable to meet increased current and future needs.
- Redesign and replace roof structure at current Hanson Boulevard entrance.
- Acoustical Treatments. Self-installed acoustical panels/batting in fellowship hall; subcontractor-installed drywall and acoustical batting in walls separating current choir room, chapel, and library.
- Carpet, Paint, Interior Windows, Lighting Improvements. Aesthetic improvements and modernization through education areas; replace carpet throughout facility (except sanctuary and narthex/gathering space.)
- Furnishings and Technology Improvements.

Identified as potential future projects and are not included in this project

- New Fellowship Space (by the Narthex/Gathering Space) and Canopy (East Worship Entrance)

Why refinancing our Current Mortgage is in the Plan!

Excerpts from Letter written by Brad Barthels

As a member and former chairperson of the Business Management Committee, I have been asked some very good questions about the proposal for the building renovations and expansion plans in the informational meetings that we have held. How we plan to finance the potential projects has been one of the main topics we discuss. However, the following three questions have rarely been asked at the informational meetings, but always come up in general conversation later.

- Why are we looking at refinancing our current Mortgage?
- With less than 8 years left on the Mortgage, why not tough it out and just get it paid off?
- Won't it make more sense to look at taking out a second mortgage to fund the current needs we have?

These are very good questions, and they do need to be asked. Do we refinance, and streamline our monthly payments by simply adding and extending our current Mortgage balance or do we take on additional financing and payment (i.e. second mortgage) to fund our building renovation plans and save on interest costs? I would be the first one to want to "tough it out" and pay off our Mortgage as it stands, if that made sense. However, when you look at the whole picture, we simply cannot logically budget to take on additional financing, or in other words, add a new sizable payment in addition to the current payments we already support.

Our current Mortgage payment is \$20,990 per month and we have a balance owing on the Mortgage of approximately 1.5 million (we originally borrowed 3.2 million back in 1996). This means we need to receive gifts of \$251,880 every year to fully fund our current Mortgage payment. For the past several years, we have run in-house appeal programs and they were not as successful. This resulted in a current negative building fund balance, as of April 30, 2009, of \$60,000.

We need to get back to Consultant-led Capital Campaigns. We have done that with \$870,000 pledged to date. Secondly, we need to look at how we can fully fund our building renovation needs and expansion plans in such a way that it will not financially impact our day to day operations and ministry programs. Refinancing our current Mortgage balance will allow us the flexibility to leverage the additional project funds and achieve the monthly payment structure we can support based on the results of the Capital Campaign. Taking on any secondary sizable debt, and in turn, adding another monthly Mortgage payment in addition to our current monthly Mortgage payment will simply not be a wise decision, even if we achieve the highest goal in the Capital Campaign.

At current market rates we have been approved to borrow up a total of \$3,000,000 from Thrivent Financial for Lutherans. A June 2010 completion date would have an approximate existing current mortgage balance of \$1,350,000 and a project cost of \$1,650,000 to equal \$3,000,000. Terms and rates will be determined at the end of the construction phase of the project.

Proposed Timeline Pending Congregational Approval June 7

- Full "Design Development" 4 – 6 Weeks
 - Review with staff, ministry leaders
 - Complete investigations, consultations with structural, civil engineers, Geotechnical services, city officials, etc.
 - Financing secured
 - City approvals, other applications
 - Local and preferred sub-contractors and materials vendors identified
- Construction documents completed (drawings, specifications) 4 – 6 Weeks after Design Development
- Bidding, selection of bids and granting contracts for work 4 – 6 Weeks after Construction Drawings
- Construction, renovation begins Sept 15 – Oct 15
- Project completed June 2010

**Faith Lutheran Church
11115 Hanson Blvd. NW
Coon Rapids, MN 55433-3798**

NON-PROFIT ORG.
US POSTAGE PAID
PERMIT NO. 394
ANOKA, MN

Return Service Requested