

# Southwood Church

## MINUTES

**SPECIAL COUNCIL MEETING**  
**October 8, 2021**  
**Location: ZOOM Video Conference**  
**7:00 PM to 8:00 PM**

<b>Council Members</b>	<b>Position</b>	<b>P=Present</b> <b>R=Regrets</b>	<b>Other Attendees</b>	<b>Position</b>
Abawana, Million	Member	P	Bruce McIntosh	Trustee
Annesley, Sandra	Member	P	Phil Rodd	Trustee
Carroll, Derek	Treasurer	P		
Chikinda, Neena	SCW Rep.	P		
Hanley, Bill	Regional Rep.	P		
McLean, Jan	Chair/Acting M&P	P		
Pearson, Donna	Non-Voting	R		
Grottenberg, Samuel	Min. Personnel	P		
Nain, Corinne	Min. Personnel	P		
Soriano, Jeriel Joseph	Min. Personnel	R		

### **ACTIONS SUMMARY FOUND AT BOTTOM OF MINUTES**

**Meeting called to order at 7:11 PM**

- 1. Opening Prayer & Thanksgiving (Rev. Samuel Grottenberg)**
  - Reading: Psalm 106

**MOTION 2021-SPECIAL-010: To appoint Corinne Nairn as recording secretary for the duration of the current special meeting. Moved by Bill Hanley. Seconded by Derek Carroll. CARRIED.**

- 2. Review/Confirm of Agenda**
  - Review/discuss the RBC loan request approval.
- 3. Review/discussion of the RBC loan request approval**
  - Sam screen shared/read the email from Lori at the bank.
  - \$570,000 approved. \$500,000 new plus the existing mortgage. To be rolled together at end of a 1-year period (approx. October 2022).
  - Current payment is approximately \$2700/month on the existing loan of approx. \$70,000 remaining.
  - Derek gave some comments on meetings with the bank. Bank was given 2020 financial statements and current 2021 numbers, as well as an ad hoc budget for the 2022 fiscal year.
  - Payments will be tight for the next few months.
  - Derek sees three concerns:

1. We need to recover and be back to normal people in pews ASAP; he believes that this will impact giving significantly
  2. The outcomes of the provincial grant program and our capital campaign (we need to rise to this challenge as a congregation).
  3. The outcome of the United Church grant for energy efficiency.
- Sam has spoken to Faithful Footprints grant coordinator (UCC) and we are prepared to move forward for the \$20,000 grant and it should come through.
  - Funds raised for these projects will be applied to outstanding balance.
  - Derek: Positive is that we're entering into a higher giving season.
  - Neena asked if we can make lump sum payment without penalty. Derek stated we have a year before we lock into a term and we should know about the outcome all of grants and major fundraisers before that time.
  - Sam noted that a month or two before it comes time to lock into a term for the new loan (roughly August 2022) we can decide between having the ability to make lump sum (extra) payments without penalty or having a lower interest rate and not being able to pay down the debt more quickly

**ACTION: Discuss preferences about lump-sum payment options and interest rates for the new term loan.**

- We are paying interest-only on the new portion we're borrowing for 1 year.
- Sam shared spreadsheet with the full scope of the project and budget, with comments from Bruce on details about the quotes and contractors.

**ACTION: Sam/Derek to ask RBC about logistics of draw-downs on the loan, as we are only allowed three.**

- Neena asked how much we would be paying on interest each month in addition to our current payments during this first year. Answer (Derek): Worst case scenario would be \$2,000, if we were to spend all \$500,000 almost immediately and received no grants over the course of the year. (This would be in addition to our current loan payments of \$2,700 per month). This is an unlikely scenario.
- We'll have reduced our \$70,000 to about ~\$40,000 by the time we refinance and roll everything into the new term loan.
- Corinne asked about cost reduction on energy costs. Faithful Footprints (UCC grant partner) will figure projections for that for using their system.
- Bill asked about timeline. Bruce responded: HVAC may be a hold up but roofing may be able to go ahead almost immediately. Waiting a bit to determine full timeline. Could be into the spring before HVAC units are available. Intention to move forward as soon as the CW Region's Property Group approves us to go ahead (hopefully at their Thursday meeting).

**ACTION: Bruce to communicate with roofing and HVAC contractors RE: waiting for final approval at the end of next week.**

**MOTION 2021-SPECIAL-011:** That the Council approve the proposed Royal Bank of Canada (RBC) financing offer, which includes the following terms and conditions:

- (1) The “Facility” is a \$500,000 interest-only, one-year drawdown term loan to be taken out by a 14-year reducing term loan 12 months from advance; after the relevant capital projects have been completed, the balance of the drawdown line + any remaining balance on Southwood United Church’s existing term loan shall be transitioned into a new term loan agreement, and monthly payments shall commence;
- (2) The “Collateral” required is a \$570,000 collateral mortgage; RBC will register an amendment to the existing Mortgage listed on Southwood United Church’s Certificate of Title (Registration No. 121 207 576), increasing the principal amount from \$390,000 to \$570,000;
- (3) The “Fees” include a \$250 application fee due on advance and \$100 per draw, to a maximum of three draws;
- (4) RBC may require covenant agreements with Southwood United Church requiring that any grants received for the relevant capital projects or capital campaign funds raised shall be applied directly towards the credit facility.

Moved by Derek Carroll. Seconded by Neena Chikinda. CARRIED.

**MOTION 2021-SPECIAL-012:** That the Council approve of Southwood United Church entering into a “congregational property transaction,” as described in *The Manual (2021)*, §G.2.3.1.(c, d, f); this approval applies to: (1) the borrowing of up to \$570,000 via a new credit facility with the Royal Bank of Canada (RBC), secured by congregational property; and (2) to the completion of major capital renovations/projects that will be conducted using these funds (i.e., tree removals, an energy audit, roof replacement and drainage system upgrades, roof consultant fees, replacement of the rooftop cross, repairs to the building envelope and landscaping/drainage system, indoor restoration and remedial renovations, the purchase of a new outdoor storage shed, and major repairs to/reconstruction of the Elbow Drive sign). Moved by Bill Hanley. Seconded by Derek Carroll. CARRIED.

**MOTION 2021-SPECIAL-013:** That the Council direct the Board of Trustees to: (1) proceed with the transaction mentioned in MOTION 2021-SPECIAL-012 by approving the proposed Royal Bank of Canada (RBC) financing offer under the terms outlined in MOTION 2021-SPECIAL-011; (2) seek approval from the Chinook Winds Regional Council for said transaction; and (3) authorize the Church Administrator to engage the services of a qualified lawyer to complete the necessary legal agreements as soon as possible. Moved by Neena Chikinda. Seconded by Derek Carroll. CARRIED.

**ACTION: Trustees to hold a meeting to approve financing and request approval from Chinook Winds.**

**4. Meeting Adjourned**

- Time: 08:03 PM

**SPECIAL MEETING ACTION ITEMS SUMMARY**

#	Action Item	Responsibility	Due Date	Completed
1.	Discuss preferences about lump-sum payment options and interest rates for the new term loan.	All Council Members	August 2022	<b>ADD TO REGULAR MEETINGS ACTION SUMMARY</b>
2.	Sam/Derek to ask RBC about logistics of draw-downs on the loan, as we are only allowed three.	Sam Grottenberg, Derek Carroll	October 15, 2021	
3.	Bruce to communicate with roofing and HVAC contractors RE: waiting for final approval at the end of next week.	Bruce McIntosh	ASAP	
4.	Trustees to hold a meeting to approve financing and request approval from Chinook Winds.	Sam Grottenberg, Bruce McIntosh, Phil Rodd	ASAP	October 8, 2021