

Webster Presbyterian Church
Finance and Stewardship
March 24,2015

MOTION TO SESSION

Motion

After further financial analysis, the Finance and Stewardship committee proposes to pay for the roof repair for the WPC building as follows:

- \$17,757 – repurposed designated funds 8056 and 8105 (no interest)
- \$7,800 – borrowed 10% of balance as of 12/31/14 from Webster Presbyterian Endowment Fund (no interest) – 36 monthly payments of \$216.67
- \$15,000 – borrowed from The Presbytery of New Covenant Weaver/King Fund (1.625% interest – 60 monthly payments of \$260.46) Interest will be rebated if we are able to pay off loan in 2 years.
- \$5,000 -- borrowed from the Amegy Bank Line of Credit (floating interest rate, minimum 4%)
- Remaining (~ \$15,000) from cash on hand, by carrying a negative balance on exchange fund 8575 which was established for roof repair (no interest)

Background and Rationale

Session in December 2014 passed a motion to approve the roof repair, which read:

The Campus Management Committee moves that Session approve the expenditure of \$60,000 for replacement and repairs to the roofs over the education, administration and sanctuary buildings.

Subsequent repair bids have affirmed that the cost of full repairs will be in the close vicinity of \$60,000.

Session in February 2015 passed a motion on how to fund this repair, which read:

- **The session voted to approve** a motion to re-purpose money currently in designated funds 8105 and 8056 for roof repairs. In addition funds will be borrowed from the Webster Presbyterian Endowment fund, up to 10% of the balance as of 12/31/2014. Further funds as they are needed will be borrowed from the Amegy Bank Line of Credit up to \$10,000 or the minimum required to maintain our Line of Credit. Finally, if necessary, funds will be borrowed from The Presbytery of New Covenant Weaver/King Fund; WPC has been pre-approved for a loan up to \$15,000.

Since the Amegy checking account balance as of 2/28/15 was \$148,660, it was felt that there is no compelling reason to use more of the line of credit now. If/when the checking account balance falls below a safe level we can borrow more money using the line of credit, but save some interest expenses in the meantime.

This motion clarifies and enlarges the sources of funding, and lowers the total interest rate required to achieve this repair

BUDGET IMPACT

Since total interest is lower, impact on the operational budget is expected to be lower than under the February 2015 motion.