

May 24, 2019

To the Congregation of Christ the King Lutheran Church
420 W. Whitefish Rd.
Port Washington, WI 53074

Dear Sisters and Brothers in Christ,

Peace be with you! I am writing to you to inform you that the church council has requested a special congregational meeting be held on June 9th at 10am in the Fellowship Hall. I would like to share some information about what will be discussed at that meeting.

Last year, we started hearing reports of some major issues with the building that need to be addressed. During a major rain storm, the grass between the parking lot and the main worship room started to flood, and water infiltrated the worship room via the north door. Dedicated volunteers put sandbags in front of the door and dried out the carpet, but the drainage needs to be improved in order to properly address the problem. During another storm, it was noticed that water was leaking from the ceiling and down the west wall in the main worship room. Water has also been leaking from the ceiling in the fireside room into the electrical fixtures.

Roofing contractors have informed us that the current roof, which was installed over 35 years ago, needs to be replaced. The cost of this project is expected to be between \$60,000 and \$80,000. Because this is a major capital improvement, we would also like to take the opportunity to address other building issues, such as the drainage issue by the main worship room and the flooring in the south hallway and the room at the back of the fellowship hall.

In addition, it has come to the council's attention that our building tenant, Prime Horizon adult day care, is a for-profit company. The council is investigating whether the church might owe taxes because they are a for-profit company utilizing our facility five days a week.

As of May 1, 2019, the church's checking account balance is \$30,092.77, we have \$20,286.61 in the synod's Mission Investment Fund, and we have \$29,114.92 in the Memorial Fund. Our mortgage balance is \$95,066.46 and our monthly payment varies with interest rates and was most recently \$855.35.

Our mortgage holder, Port Washington State Bank, has informed us that we could refinance our current variable-rate mortgage to a 20-year mortgage with a 5-year fixed 5.5% rate. For example, if we refinanced to a balance of \$175,000, we would receive approximately \$80,000 for the building improvements and would have a new payment of approximately \$1,210 per month. Please note that the interest rate is an estimate and may vary depending on when the refinancing takes place.

Therefore, the council is requesting that:

- 1) The congregation amends its 2019 budget to include \$100,000 for building-related capital improvements and \$10,000 for taxes related to Prime Horizon. Furthermore, the congregation authorizes the treasurer to pay any taxes owed, even if such taxes are in excess of the budgeted amount.
- 2) The congregation authorizes the council to refinance the mortgage to cover the building-related capital improvements. The new mortgage balance shall be determined by the council based on anticipated needs and shall not exceed \$200,000.

A written ballot will be conducted on these items at the congregational meeting. Please feel free to reach out to the office at (262) 284-5411 or to me by email (fwalls@live.com) if you have any questions about these proposals.

I am very excited about what God has in store at Christ the King, and I hope that you join us for this important congregational meeting!

Yours in Christ,

A handwritten signature in cursive script that reads "Fred Walls".

Fred Walls
Council president, Christ the King Lutheran Church