

Fairhope United Methodist Church – Board of Stewards
February 17, 2022
Special Session

Attendance: Mike Lockwood, Darren McClellan, Bob Walsh, Ann Pearson, Michelle Butler, Thomas Slone, Wanda Harris, Phil Webb, Steve Pearson, Elizabeth Hammock, Emily Garner, Vernon Colbert, Mary Corbitt, Gene Lammers, Mark Mathias, Jennifer Myrick, Jeff White

Rev. Darren Presented the terms of the terms proposed for the sale of the property located at 19570 County Rd 33, Fairhope, AL, in Baldwin County. (Copy Attached)

The initial discussions began around the possibility of FHUMC purchasing the property. Darren offered two pertinent updates on the situation: 1) The seller contacted our realtor, Adam Metcalfe, to inform us that she was reducing the list price on the property to \$800k and would be willing to entertain an offer from us for the purpose of an emergency homeless shelter at \$700k. 2) Mr. Newton Allen, a faithful member of Trinity Presbyterian, has reached out to Darren to express his support of this project. He has offered FUMC an interest free loan for a year to help cover the expense of the purchase price. A draft of Mr. Allen's Terms and Conditions (T&C) for the loan were also made available for review of the BOS.

The discussion shifted to how to present a contract for the purchase to reflect representation for the group offering donations.

The terms of a potential contract raised several issues for discussion:

- Who would own the property—FHUMC?
- Item 6 in the T&C is perceived as a problem going forward.
- What happens after the end of the first year?
- Is Trinity Presbyterian donating any money?
- In a meeting with other Fairhope churches, are they on board for contributions?
- Grant application to the Louis Mapp Foundation could be a source of funds.
- How much money has been pledged? \$426,600
- The current owner has indicated some flexibility in the purchase price.
- Will Mr. Allen's involvement cause problems, in the way we write the contract proposal? We need to be careful to protect our tax-exempt status.
- Can we convert the pledges into a "cash on hand" status in a reasonable amount of time?
- Are the pledgers aware that the management of the operations will be turned over to Dumas-Wesley? That may be important to some?
- Does FHUMC need to own the property? No. On the contrary, it is believed that having Dumas Wesley own the property is our ultimate goal.
- How do we address the possibility of somewhere down the road in time, that Dumas-Wesley does not want to continue operation for whatever reason?
- Darren has asked Gene Lammers, Jennifer Myrick, Elizabeth Hammock, and Steve Pearson to put their heads together to define some of the terms/details/assurances which we would need to go forward.
- Concern expressed that the congregation understand that the responsibility we take in this endeavor will not burden the church with unmanageable debt.
- The offer we make is an offer representing the entities/pledges of the people who made those pledges.

After thorough discussion, it was identified that Mr. Allen's offer of a loan, while generous, is not in the best interest of the church at this time. The preference is to continue to pursue funding in the form of other upfront pledges and offerings throughout the church and community. Furthermore, a motion was made and accepted by the BOS to make an offer for this property. Following discussion around the recommendation of possible contingencies (necessary window of time for inspections, ability to assign to Dumas Wesley) Steve Pearson was asked to work with our Realtor, Adam Metcalfe to help navigate the appropriate conditions of the offer. Also, Darren will be working with the aforementioned group to develop a proposed outline of whatever assurances FUMC will need for an agreement with Dumas Wesley. This draft will be submitted to the BOS as soon as possible.