First Unitarian Church of Oakland

Spiritually Alive, Radically Inclusive, Justice Centered

2026 SPECIAL MEETING OF THE CONGREGATION



SUNDAY, FEB 1, 2026

11:00 AM - 12:00 PM

685 14th Street, Oakland, CA 94612

www.uuoakland.org

Note: This document has been formatted to follow the American Council of the Blind (ACB)'s "Large Print" guidelines to increase reader accessibility.

Table of Contents

Our Covenant 3

Our Mission & Ends Statements 4

Land Acknowledgement 5

Meeting Rules of Order 6

Agenda 8

Excerpt from Our Endowment Policy 11

“Love Our Building” Project Summary 13

Explanation of Financing Options 19

Our Covenant

We, the people of the First Unitarian Church of Oakland, covenant to build a religious community sustained by relationships of understanding, mutual trust and respect.

Guided by our mission and collective inspiration, we will encourage all our members to participate fully in congregational life and to grow and learn together in faith and love.

Knowing that what one of us does affects the community, we covenant to act with loving kindness in all our endeavors by speaking directly and positively with one another.

We recognize that this calls for honesty in communications, valuing of diversity and inclusive process. We covenant to engage in ethical communications, to take our concerns to those responsible and to refrain from gossip.

Recognizing that conflicts have the power to strengthen or diminish our relationships, when they arise we will handle our disagreements with courtesy, fairness and forgiveness.

We promise to listen to one another, assume good intentions and identify common goals. In support of our shared ministry, we covenant to honor our commitments, keep our decision making processes transparent and give generously of our spiritual goals and material resources. This we covenant together.

Our Mission

We, the members of the First Unitarian Church of Oakland, unite to build a beloved community within and beyond our walls. Guided by individual conscience and wisdom from many sources, we gather in worship and service to nourish the spirit, work for justice and celebrate the divine in all.

Our Ends

The First Unitarian Church of Oakland embodies beloved community as an intentionally multigenerational, multiracial, multicultural, anti-oppressive Unitarian Universalist religious community. We work for spiritual and social transformation within, among and beyond ourselves in support of our vision, mission and ends.

TRANSFORMATION WITHIN Church members and friends discover and articulate personal spiritual growth. We lead lives of integrity and meaning that reflect our spiritual identity and values.

TRANSFORMATION AMONG People of all ages who are part of our church community experience caring relationships which connect us to an ever wider circle of life. We use our collective gifts and learning to nurture and expand beloved community. We overcome barriers that divide the human family.

TRANSFORMATION BEYOND Our neighborhood, the city of Oakland and the world community are more just and compassionate because of our prophetic role and ministries. We generously share our human and financial resources beyond the walls of our church.

Land Acknowledgement

We acknowledge the land and the Peoples who belong to this Land, the Lisjan (Ohlone) Peoples.

Our church, institutions, and homes are occupying their lands, ancestral and current. We acknowledge that the lands were stolen from the Ohlone Peoples, who have an ancestral relationship with this land, the plants, the animals, and the water–for millennia, continuous to the present day.

Ohlone People are still here. We also recognize that the Lisjan and Ohlone ancestors, in spirit and of the Land, are present. In solidarity with all Indigenous People and their right to self-determination and justice, we commit to working toward accountability of the theft, dispossession, and resulting trauma Native Peoples continue to face. We commit to being active partners toward the healing of the intergenerational trauma which persists to this day.

Amen. So may we live.



Meeting Rules of Order

Adopted by the Board of Trustees; Revised on March 12, 2011

1. The quorum for all business meetings of the Membership shall be twenty-five (25) percent of Members eligible to vote as of the most recent record date.
2. In accordance with the bylaws, only members of the congregation may vote. A simple majority of members present will be sufficient to act on behalf of the entire membership.
3. Except where noted, voting shall be by raising hands. Votes are “up or down,” with allowance for minor, “friendly” amendments at the discretion of the Moderator. If there is a need for discussion which cannot be completed within the time allocated on the agenda, the matter will be referred back to the Board of Trustees with the charge of arranging for an opportunity for congregational discussion and vote, if needed, within the next 60 days.
4. Nominations and other voted-upon issues, whether private ballot, show of hands or other means, must be passed by a majority (>50%) of eligible voters present at the meeting, unless a higher threshold has been called for. Only votes FOR are factored into deciding a majority vote. Votes against and abstention votes lead to the same result: a negative vote.

For instance if there are 110 voters, a majority is characterized when there are 56 votes in favor. But this is not the case if there are 54 votes in favor, 20 against and 36 abstentions, even though there are far more “yes” votes than “no” votes. Not marking the ballot or not raising your hand will be counted as an abstention and may affect the decision/outcome of a vote.

5. Discussion must be limited, in order to complete the agenda in the time allotted:
    a. Any person may speak only once to an issue;
    b. Comments must be brief and to the point;
    c. The Moderator may limit comment; and
    d. Any modification of the rules is at the discretion of the Moderator.
6. All speakers at the annual meeting must make use of the microphones to speak [when meeting in person].
7. Before speaking, speakers must be recognized by the Moderator.
8. These Robert’s Rules of Order apply, except that the above rules will prevail in the event of conflict.

Agenda

10:30 am	Service - Rev. Laurel
11:00	Welcome and Call to Order - Janet McFarland, President of the Board of Trustees ● *Recognition of Meeting Secretary, Marilyn McMahon* ● *Recognition of Parliamentarian, Malcolm Talcott*
11:05	Read the Covenant *(See Page 1 of Meeting Packet)*
11:07	Announcement of Quorum Count - *Marilyn, Meeting Secretary*
11:10	Congregational Business & Election of the Moderator - Marilyn (Show of hands) ● *Review Agenda and Rules of Order - Nicole Fitzhugh, Moderator*
11:15	Introduction & Summary of the Issue before the Congregation - *Nicole Fitzhugh, Moderator*

11:20	Analysis of Options • Endowment Policy re: loan from the principal - *Laila Ibrahim, Endowment Committee Member* • Comparison of Options for Funding - *Jodie Mathies, Finance Chairperson* Q&A - *Moderated by Nicole Fitzhugh, Moderator*
11:35	Invite a motion and second - *Nicole, Moderator* *"I move that the Board of Trustees take a loan of up to $250,000 from the Wendte Building Endowment to close the funding gap for the building repairs under consideration. The loan will be fully repaid by 2/1/2036 at 7% per year interest, a rate which restores the borrowed principal and any funds which would have been earned. The status of the loan will be in the Annual Report until the loan is paid off."*
11:40	Discussion - *Nicole Fitzhugh, Moderator*
11:55	Invite a motion from the floor to call the question - *Nicole Fitzhugh, Moderator*
12:00	Explanation of Ballot and Voting - *Nicole F. (Paper), Patsy (Zoom)*
12:05	**Recess to Wendte Hall** pending announcement of results - *Nicole Fitzhugh, Moderator*

	Zoom Link will remain live for social time until 1 pm
12:25	Announce the outcome of the vote in person and on zoom - *Nicole F.*
12:30	Adjourn the business meeting - *Nicole F.*
12:30	Benediction and Closing Words - *Rev. Laurel*

Excerpt from Our Endowment Policy: *"The Wendte Building Endowment"*

Full Policy can be viewed on our church website:

tinyurl.com/uuoaklandendowmentpolicy

C. The Wendte Building Endowment

1. Purposes and Permissible Uses

The purposes and permissible uses of this fund (the "Wendte Fund") shall be to provide revenue for the maintenance of and improvements to First Unitarian Church's historic building. Permissible uses of the fund are restricted to those that specifically pertain to the building itself and any building needs. Uses may include repairs or maintenance of any kind, replacement of any furnishings or finishes, salaries, acquisition of any new furnishings or finishes, or expansion or modification of the facility or any other capital use.

2. Disbursements from the Wendte Fund

b. Use of Principal

Expenditures of, loans from, or encumbrances of principal that could result in loss of principal may occur only in the following circumstances under the following conditions:

i. Use of principal as collateral or security for a loan requires approval of the Board of Trustees. The proceeds of such loan may be used solely for purposes and permissible uses set forth at paragraph II(C)(1) above.

ii. Loans from the principal itself may only be made to the Church for purposes consistent with paragraph II(C)(1) above, with terms to be determined at the time of each loan without effect as a precedent for the terms of any future loan, and shall require at least a 2/3 vote of approval from the Congregation at a meeting of the Congregation.

“Love Our Building” Project Summary:

Revised 1/27/2026, Submitted by: Building Integrity Team (BIT) of the Building & Grounds (BaG) Committee & Finance Team

In 2025, we discovered critical maintenance and repair needs:

- Replace the two tower roofs
- Patch & seal the gutters, flat roofs & parapets
- Replace damaged windows, wood siding & windowsills
- Fully Paint & stain exterior walls & doors

See photos of these critical needs in this recent Community Forum presentation: tinyurl.com/fucobldgphotos

How long will this take? Work is projected to begin April 6, 2026, and last 2-3 months.

What will this cost? Bids for the above projects total $599,300 (including a contingency bump)

How will we pay for this work? ALL of the following:

1. Before starting the projects, we had $367,000 available cash in our accounts at Commercial Bank of California (CBC).
2. One-time Donations to Building Repair Fund from Congregants ($58,730 through 1.10.26). Donations will be welcomed for the duration of the project.
3. Borrow up to $250,000.

We have two options: <u>members of First Unitarian will choose ONE at today's Feb.1 Special Meeting</u>. (details on next page)

a. Bank loan from CBC
b. Loan to ourselves from our Wendte Endowment Fund

Note: We are seeking permission from the congregation to borrow up to $250,000 to be able to cover unforeseeable additional costs. We do not anticipate borrowing this much.

We will need to pay back either loan. Loan payments will be included in our yearly budget. Funds and methods of repayment are being identified by the Endowment and Finance teams.

Is this scary? Nope.

If our loan amount is $150,000 (Jodie's projected amount), monthly payments will be approximately $3,000 / month= $36,000 / year if we take the bank loan. At that rate the loan will be paid back with interest in five to six years.

You can support this critical work with a donation to the Building Repair Fund: tinyurl.com/buildFUCO

Details of available money in UU Oakland bank accounts

$35,000 from the 2025-26 Building & Grounds Budget
$332,500 Operations cash (leaving $158,000, 3-month expense cushion)

Have we spent any money on this project to date? Yes, we have paid $50,278 for services that have been provided.

Structure of potential loan from Commercial Bank of California:

1. Open Line of Credit for up to $250,000. Requires one-time set-up fee of $4,500. Available 67 days after documents are accepted.
2. Interest-only payments (7.25%) on the draws until we've made all of the draws for the projects. Sample monthly payments range from $302 for $50,000 draw to $1,208 for $200,000 draw.
3. Then, it converts to a 5-year loan (6.45%.) with a $2,500 service fee. We can pay off after 3 years with no penalty; payoff prior to 37 months would incur a small penalty (below the cost of ongoing interest payments). The monthly payment for a 5-year $200,000 loan is approximately $3,939.
4. This option is more rigid and costly, but creates the structure that ensures repayment will not get lost with shifting staff and lay leadership.

Structure of potential loan from our Wendte Endowment Fund

1. Current principal is approximately $1,750,000. We are currently taking a 6% draw to pay for facilities-related expenses. One option for paying back the loan is to reduce our draw to 4%.
2. We will vote to approve a potential loan of up to $250,000 at the Special Meeting, scheduled on February 1 at 11:00 AM. Withdrawals of principal require approval from 2/3 of our congregational members present at this meeting.

3. According to the Endowment Policy, this withdrawal of principal is a loan. It MUST be repaid. The Board proposes a maximum ten-year payoff.
4. We are committed to paying 7% interest per year in order to replace lost income. This will restore what would have been earned if it had not been withdrawn to maintain the purpose of our endowment.
5. The status of the loan will be included in Annual Reports until it is fully repaid.

Does this project cover every improvement we'd like for our building? No.

This project covers time-critical repairs. We have both capital improvement projects (examples: new roof on Wendte Hall & stained glass repair) and hoped-for projects (examples: solar, heat pumps, & improved kitchen) on our list. There is probably a Capital Campaign in our future.

POSITION: Take a loan from the Wendte Endowment

PROS:

1. We do not have to pay the $7,000 fee up front to arrange a bank loan
2. We can pay the interest back to ourselves - not the bank
3. We would pay it back at our own schedule.

CONS:

1. We will lose some income in the years we are paying back the loan but we will be replacing the funds each year.

The Board, *upon the advice of the Finance, Endowment and BIT/BaG,* are unanimous in support of funding the loan from the Wendte Endowment.

If the Congregation does not approve the loans from the Endowment, we will proceed with the loan from the bank.

Explanation of Financing Options

Prepared by Jodie, Finance Team Chairperson

Option A: <u>Borrow money from our Wende Endowment Fund</u>

A **YES** vote means you prefer this option. This option requires approval from 2/3 of members present at vote.

Advantages

- Flexible payment options (we determine frequency and duration of loan repayment) allow us to meet changing needs and resources of our congregation.
- All money stays with us, no fees or interest to an outside bank

Concerns

- Flexibility will require board and finance team to maintain commitment to and determine structure of repayment over the life of the loan

Option B: <u>Borrow money from a commercial bank</u>

A **NO** vote means you prefer this option.

Advantages

- Structure is built in. Payments are a known monthly amount that can be budgeted around over the next five years.

Concerns

- Lack of flexibility could impact programs and staffing during lean times.
- Fees and interest go to the bank adding these costs to the overall project.

We do not know the amount of the loan yet.

If our budget holds, we will borrow no more than $100,000. In order to cover any unforeseen issues not covered by our current contingency, **we are asking the congregation to approve a loan UP TO $250,000.**

Here's a financial comparison of one scenario – 5 year loan for $200,000

	Principal	Monthly Payment	Annual Payment	Interest rate	Interest + fees over 5 years
5-year loan from **Wendte**	$200,000	$3,950	$47,400	7%	**$37,733** deposited to Wendte in addition to principal
5-year loan from **Bank**	$200,000	$3,911	$46,936	6.45%	**$42.811** paid to bank ($8,208 is fees)

Both options allow pre-payment, the bank loan after 3 years, the Wendte loan at any time.