At the San Gabriel board meeting on May 18th, the Board unanimously approved using $100,000 of funds in the Fellowship bank accounts to prepay half of the current mortgage balance. This action does not require approval at a congregational meeting.

This immediate action is in response to a substantial increase in the mortgage interest rate, which becomes effective on June 21, 2023.  Because the Fellowship is a non-profit, San Gabriel was not / is not able to secure a long term, fixed rate mortgage, similar to what individuals can use to finance a personal residence.

An ad hoc group made up of four additional members of the Fellowship along with the treasurer considered options to avoid this additional cost. They recommended that the most advantageous option would be for the Board to authorize this prepayment to substantially reduce the mortgage balance. Other banks were contacted in an unsuccessful effort to obtain better loan terms or a lower interest rate.  San Gabriel will keep the mortgage at First Texas Bank - which was the only bank willing to hold the mortgage when the property at 1322 E. University was purchased 10 years ago.

This action by the Board has the following results:

* Monthly payments to the bank are significantly reduced - reduced both from the current payment amount and from an even higher payment in the future if prepayment had not reduced the mortgage balance.  The reduced mortgage balance will be $118,000.
* Retained cash in Fellowship accounts will be a minimum of $70,000 - sufficient in the event of some unplanned failure of Fellowship equipment or damage to the facilities.
* The proposed budget for 2023-2024, incorporating this reduction in mortgage payments, is a balanced budget – with NO deficit.

The 2023-2024 proposed budget has been approved by the Board and will be presented at the congregational meeting on June 11th for approval by members of the Fellowship.