

Bridge to the Future

Questions and Answers - No Spin: Just the Facts

(March 14, 2007)

Why are we having this big campaign?

Our extraordinary mission requires extraordinary effort. The idea for a second three-year campaign began as a means of repaying the current loan for the 2003 Sanctuary renovation. The first campaign, which ran 2002-2004, resulted in about \$170,000 in giving for the project. In 2004, planning for the second campaign began. Because of continued needs for renovation and new space, it was decided that we would address the Sanctuary loan, but also address the need for building improvements.



Why are we using a consultant?

God's Word tells us that "Plans go wrong for lack of advice; many counselors bring success." Proverbs 15:22 (NLT). By using a consultant, such as RSI, we are bringing in the experience of thousands of churches who have conducted similar campaigns. We don't have to use trial and error. We don't want our plans to go wrong. We want to get it right the first time. RSI focuses on helping our congregation grow in our understanding of Godly stewardship. This program is first about becoming fully devoted stewards of God's resources. The secondary result is the raising of funds for facilities.

Why don't we just pray and ask God to meet our needs for facilities?

Prayer is essential to the success of this campaign. But, we cannot use prayer to do what God wants our hands and feet to do. We allow God to answer our prayers through our own lives as we envision, strategize, plan, and build. There is a time for prayer and that continues throughout this campaign. There is also a time to act. We believe God is calling us to pray and act.

Why don't we pay off the current loan before talking about a new building?

Two reasons: 1) Our current facilities are fast becoming unusable. The Discovery Building has suffered from rain leakage, rot and mold and is near the end of its usability. Leakage and mold has been a problem in Fireside Room and Koinonia Hall. We had given up on using the second floor of the Agape House, due to rain damage and lack of a fire escape. 2) The growth and the needs of the congregation and our ministries cannot wait until this loan is paid off.

What about our staffing needs? We need more staff to grow our ministries.

We remain committed to hiring a part-time youth director and continuing with the goal of providing one ministry staff person for every 100 in worship attendance. ***Bridge to the Future*** is a capital funds campaign. By definition, it is about capital needs - buildings. New buildings and major renovations cannot usually be absorbed in the annual budget. It takes extra effort to get to the next level. New staff takes ongoing effort - the giving to support new staff must be sustained over a long period of time. So, staff needs are best taken care of in the annual budget and annual stewardship campaign.

What are the terms of the current Sanctuary Loan?

Our Sanctuary loan is with the Presbyterian Church - Synod of the Pacific. The Synod pools the resources of many Presbyterian churches so that new churches can buy property and growing churches can build. We began making the monthly payments on our Sanctuary loan in 2004. The beginning balance on the loan was \$395,000 in 2004. The interest rate is adjustable and tied to the prime rate. The interest rate started at 4.5% and is currently about 7.2%. The monthly payment is \$3021. The amount that goes towards the principle adjusts with the interest rate; the payments remain the same. The loan is

amortized over 15 years, but has a term of 5 years (2009). The current balance on the loan is about \$357,000.

What kind of building are we building? What are the facility priorities?

In a special meeting, February 1st, Session (our Elders and Pastor) decided to establish that the facility focus for the capital campaign is to:

1. Construct a new building which will support the church's growing ministries;
2. Remodel existing restrooms; and
3. Provide improved nursery facilities.

In addition, Session decided to establish capital campaign facility needs priorities for use by the architect as follows (#1 is highest priority):

1. Build top-quality, ADA accessible restrooms - in new building and refurbish existing restrooms.
2. Build a new Multi-purpose room for dining events, recreational activities of youth and children, larger classes and seminars, including a kitchen - in new building.
3. Two new children's classrooms - in new building.
4. Nursery - in new building or refurbished in a new location.
5. A new Adult classroom - in new building.
6. Upgrade existing children's classrooms.
7. Replace the front yard sign & build a fence between the driveway and the neighbor's backyard.
8. Provide a Music room/adult classroom - in new building,
9. Provide a Christian education resource center - in new building.

What's going on with the Discovery Room?

The Discovery Room was purchased in 1992. The building is a modular unit that actually has (or had) wheels! It was intended as a stop gap measure to meet the growing needs of our preschool. The loan for the building was paid off from the Happy Day School budget. There was no direct cost to the Church budget for this building. The building has suffered from rain leakage, rot and mold and is near the end of its useful life. One of the goals of this campaign is to remove the Discovery Room and replace the lost space in the new building.

What about the offices?

We have accomplished many improvements to the office over the past few years so that resulting space is, in the opinion of the Facilities Commission and Session, an acceptable and useable space. There is no current plan to include further improvements to - or replacement of - the office as part of this campaign. There also is no plan to include office space in the new building. Additional office space is needed and could be obtained in Agape House, if the nursery is moved into a new or remodeled space.

What about the Agape House?

The Agape House was re-roofed in 2006 and is in suitable shape for long-term use. The intent is to continue to retain Hope Counseling as primary tenant of the Agape House. Improvements to the building are underway, using existing resources that will soon enable use of the second floor for Youth activities. The capital campaign does not include further improvements to the Agape House.

What about the nursery?

Session has established a primary goal to provide larger and improved nursery facilities. At this point, a specific plan for improving the nursery has not been identified. Several alternatives are under review, including relocation of the nursery to a remodeled portion of the Christian Education Wing or inclusion in the new building.

Are we building for Happy Day School?

When we first started talking about a new building, the desired expansion of the school drove the discussion. However, the school's expansion into elementary grades is now planned for a different campus, under a separate non-profit organization (see Heritage School). Partly because of the need to expand other ministries (like Youth outreach, Adult discipleship, Seniors fellowship) and partly because of recent Site Visits from the state Licensing Office with the resulting Citations of Violations, we are not envisioning expansion of the preschool (Happy Day). Having come to these conclusions, we realized the need still remains to remodel our current facilities so that they are usable. We continue to need more usable space for growing ministries of discipling adults, children and youth. Our preschool would be one of the ministries using the new space, but other ministries will also have dedicated space.

Are we doing this so we can have an elementary school here?

What does this have to do with Heritage School?

Heritage School is the name of a new non-profit organization that is planning an elementary school. The leadership team planning the elementary grades desired to separate from the church so they could pursue outside donations and be free to pursue a new and different vision than that of the church. Session released the leadership group to form a separate organization. Their plan is for Heritage School to open in the fall with 1st - 3rd grade, leasing space and meeting at First United Methodist Church (D Street). Meanwhile, Session has reaffirmed our desire to keep the preschool under our charge and our mission and vision. We will not have the 1st grade class here next fall, but will continue the ministry of Happy Day Presbyterian School as Preschool - Kindergarten.

Will Happy Day contribute to the Capital Campaign?

Happy Day School - preschool through kindergarten - will continue as a ministry of our church on our campus as always. Happy Day will benefit from refurbishing of the bathrooms and will also occupy a portion of the new building in a shared fashion. It is clear therefore that Happy Day tuitions should be used to support the campaign. These details have not yet been worked out. Session will be working with the Happy Day Commission to establish a fair contribution from the Happy Day budget and Happy Day fund raisers to the capital campaign.

Will Happy Day help pay for the cost of maintaining the new building?

Yes - the current formula for sharing all facility costs will be updated to make sure that preschool tuitions are contributing a fair share to the expenses and long term maintenance of the new building.

How much money do you think we will be able to raise?

A feasibility study was completed in 2006 that resulted in an estimate that given our congregation's resources and history, we should be able to raise between two and three times our annual budget in a three-year capital funds campaign. The \$900,000 goal is at the upper end of that range. If we can raise \$900,000, how will we build a new building and renovate our current buildings? After receiving pledge commitments for \$900,000, we would take on a debt of \$650,000 to enable us to build a new

building and make the highest priority renovations of current facilities. The new debt includes the \$350,000 debt we currently carry. We are allocating \$1 million for a new building and \$200,000 for current building improvements.

What will happen if we receive pledges significantly lower than the \$900,000 goal?

Once pledge amounts are known, Session will be able to develop a more specific plan for proceeding. That plan will be presented to the congregation and an opportunity to revise pledges (down or up) will be given.

Have you thought about raising funds from donors outside the church?

Bridge to the Future is focused on helping our congregation become good stewards of all the resources God has entrusted to us. As we attain to that goal, we expect to see God provide through our congregation. We do not want to compromise our God-given mission and vision in any way in order to obtain funding from an outside donor or foundation.

What will we do about our current debt?

There are two ways of taking care of our current Sanctuary loan. 1) We could pay the balance off completely with the proceeds of the campaign and then take a new loan for \$650,000 for the new projects. 2) If the term and rates of the current loan are better than a new loan would be, we could renegotiate the current loan, increasing the balance to \$650,000. Session desires to keep our options open, so we can choose the most sensible option.

How can we be sure we will not borrow more than we can afford to repay?

Most of the desired building projects should be paid for by the giving through this campaign. We want to be careful that we do not take on any debt that we do not have a viable plan for repaying. The truism of Proverbs is that "the borrower is servant to the lender." (Proverbs 22:7) We realize that when churches become overly indebted, they reduce their mission giving, program support and, eventually, staffing, all of which leads to regression. We are using the Synod of the Pacific's 18% "rule of thumb" for congregational debt. That is, if you take the annual giving of our congregation and multiply by 18%, the resulting number is the maximum amount of annual payments (principle and interest) a church should commit to for debt reduction. That means, if our giving for 2007 is as good as we're projecting, \$360,000, we would be able to afford an additional \$64,800 per year for loan payments (18%), or monthly payments of \$5,400. At today's prime interest rate, that would mean we could be in debt as much as \$540,000, including our current loan balance.

Can we really do this?

The Christians in Seville, Spain, set out to build a cathedral. Before construction began in 1491, they wrote a resolution and all of those in the church signed it. This is how it reads: **"Let us build here a church so great that those who come after us will think us mad for ever having dreamed it."**

We know that if we all answer God's call to give enthusiastically and sacrificially, we can achieve these goals.
