

## **Parsonage Fund Input Meeting – July 18, 2010**

**In attendance:** Paula Sadler, Bill and Ernie Foster, Marcie Egger, Bob Bell, Larry and Judy Caufield, Chris and Jane Reid, Colleen and Chuck Hess, Donna Krauthoefer, Rick Beadnell, Mary Lewis, Bob and Frances Barnes, Bob and Ginny Arnold, Howard and Joann Banta, Bill Gerkin, and Rev. Lee.

Paula kicked off discussion by giving a brief history of Conference rules for using parsonage funds. . . Decision made in 2006 that churches that sold a parsonage with no intention of buying another, after a 5 year waiting period, could use the funds elsewhere.

The reason for this input session is that it is important for people to contribute the ideas and visions that we have for these resources for our church.

Rev. Lee added that we sold the parsonage about 12 years ago, as the prevalent trend was that clergy preferred to buy their own home. (So instead, as part of compensation the church pays the pastor a line item called "Housing" each month from the General Fund).

Here at TUMC, the Parsonage Fund monies have been managed by the Endowment Committee.

Larry Caufield pointed that it doesn't have to go to a single endeavor. The Parsonage Fund monies could be split up for several causes.

Bob Arnold – in 2007/2008 the Endowment fund made approx 30K, Trustees used this amount to make a payment to the mortgage.

Jane Reid – our church is struggling during the recession – feels like we are drowning in debt. The money should be used to pay down the mortgage. Scripture doesn't support financial irresponsibility.

Colleen Hess – we need to consider other things as well. For example communication. Revision and the Communication Committee pointed out the need to spend funds for advertising and outreach outside the church.

Rev. Lee -- Number one goal of Revision was improving communication (inside and outside the church) The Communication Task Force was part of the plan in the first year. After a year of conversations, the Communication Committee made recommendations to the Ad Council. One is that there would be a \$7,000 a year budget to support communication and advertising. Also, to work with an agency to help establish a brand and consistent presence in our community. No budget was approved by the Church Council in the coming year due to insufficient funds.

Sherry Poole Todd – Another communication goal is that we really could use improved signage. Our current signs don't reflect the great things happening inside the building.

Bill Gerkin says it was many years before he ever saw the sign out on Pacific Highway. Bill Foster explained it is about the city of Tigard and what they will allow in signs. Blockades experienced from the city of Tigard, Jiffy Lube, and the gas stations. Bob Arnold added that Hudson Plaza was willing to help, but no other place to put the sign that would be approved by the city. If we want to start this battle again, Bob encourages us to start with the City of Tigard.

TUMC used to own all the property in front of us along Highway 99W. Over the years, pieces were sold off to raise funds for the church. The last one, where the car wash is, was sold to raise funds to pave the parking lot.

Bill Gerkin asks if the current sign could be closer to the street. Bob Arnold says there is a setback restriction within a triangle, of which the sign sits just off the edge.

Sherry Poole Todd was also talking about the sign right in front of the church and the need to move the larger sign that sits at the corner of the parking lot.

Bob Barnes – one of the things if we paid down the mortgage, we would reduce our monthly payments by \$1,800 per month. This would buy a whole lot of program. What we have now is a forced saving plan where we pay the mortgage and interest. The key is if we paid it down now and not wait -- save money now, as opposed to later. Chop it in half now and use the income (increased cash flow) to fund new programs.

Rick Beadnell explained the chart showing the effects of different mortgage pay down amounts. Option 1 shows the effects of making an extra payment on our current loan. Option 2 shows refinancing the loan at a lower interest rate, with various amounts of money used from the Parsonage fund to reduce the loan amount needed. This would have the effect of reducing our monthly payment. These are only a few of many, many options. Other options include borrowing money from a willing member, or other funds of the church.

Rev. Lee mentioned that we could invest in ourselves, by using current Endowment Fund money.

Howard Banta – needed an explanation of the Endowment fund. There are rules about spending Endowment funds, but not so much in investment. Needs lot of study to get into the details to see if and how this would be a possibility.

Jane Reid pointed out that there could be disadvantages – stock market return is low right now, but if things recover we could earn a lot more in the stock market.

Bob Arnold explained a bit about the 4 Endowment funds and that our \$1M got down to \$691K at the bottom of the recession. 40-45% of the over all fund is cash or cash equivalents right now. Not backing off that approach right now.

Mary Lewis – we could borrow parsonage funds to pay down the current loan and then borrow from the Endowment Fund.

Bob Arnold says the Endowment committee would need to look closely at the rules, at the investment guidelines.

Jane Reid reiterated previous points that paying off the mortgage would free up cash flow.

Paula Sadler – small group ministries is a great need—we had a person connecting them to small groups before -- Carol Thomason. We need a part time person to do this. Howard Banta mentioned that this was something that came up in our revisioning effort.

Rev. Lee – proposes using the funds to establish new ministries that connect us to new people. But invest only when we have a plan that would be approved by the Ad Council. Churches historically spend 70-85% on current staff, indebtedness, etc. with little left over to do ministry to people here. We can't fund things like education to the level that we hold its importance. He sees the \$128,000 as a significant amount of money that can be a game changer. This money is a resource like the land we sold to pave the parking lot. Need to think about future vision lines as well. We need to reach the unchurched people out there.

Chris Reid – if we pay use the funds to pay down the mortgage – \$2,000 per month increase in cash flow.

Bob Arnold – we would need to see a comprehensive plan before we spent any money. We could have a process to make a decision, approved by the Church Council.

Bob Barnes – Do we need the whole \$128,000 to spend at one time. Bob Barnes says the church has to be able to sell the program to keep the money flowing.

Chris Reid – what Bob is saying – we shouldn't extort money from those who pledged money to the building fund. Keeping the mortgage forces them to pledge.

Bob Barnes – I'm all for doing things like Rev. Lee would like to do. But a few years ago we hired Carol Thomason with special donations – tried it for a year and had some success, and thinks we could do this with the money saved by paying off the mortgage, He objects extremely to taking the \$128,000 and spending the money and it is gone with potentially no payback.

Sherry Poole Todd – is there a group or task force –where to go with ideas for growing membership? The answer came back as Church Council.

Jane Reid says we have hired paid staff in the past to do some of these things –hasn't worked. Every time we have a new staff person the number of volunteers diminishes greatly. We need to work on finding the passion, energizing. Volunteers do more than paid staff.

Someone brought up that the reason we have a mortgage because of our attempt to outreach in the past. Upgrading the church and building the gym was step in reaching out. We haven't made it pay off well.

Next meeting will be the 15<sup>th</sup> of August.

In the fall, Rev. Lee noted that we will have an All Church Conference which allows every member to vote.

Chuck Hess reminded us that it is not an all or nothing (spending the money on only one thing); compromise might be a better way to go.

Paula Sadler – if the congregation feels that getting rid of the mortgage is important – we need a capital campaign in the fall.

Howard Banta – in wrapping up, we need to take the best of what we had today, and consolidate it come up with the best ideas.