

## MAKING ROOM – QUESTIONS

Welcome to the first of three newsletters answering your questions about the Making Room project at Saint Paul's UMC. Our questions this week fall into one of three categories – questions about the project itself; questions about the funding proposal; and questions about the church meeting called for May 22, 2017. Every Friday we will publish a new newsletter with additional questions that you are asking!

## QUESTIONS CONCERNING THE MAKING ROOM PROJECT

**WHAT IS THE UNDERLYING SHIFT OF SQUARE FOOTAGE AMONG MINISTRIES? ARE WE REALLOCATING EXISTING SQUARE FOOTAGE FROM ADULT MINISTRIES TO CHILDREN AND/OR YOUTH. IF SO, WHY?**

**Children's ministries** will gain approximately 1612 square feet of space<sup>1</sup>. Additionally, the entire ministry program will now be located in the same building (rather than in three separate buildings) and will have a convenient covered drop off entry and direct access to both playground areas. Children's ministries utilize our building 5-6 days per week throughout the year (Parents Morning Out, MOPS, SPARKS, Date Night care, etc.).

**Youth ministries** will have 1055 square feet of *dedicated* space and will have regular access to an **additional** 2567 square feet of *adjacent* multipurpose space for their programming. The Foundation space, which served well in the past, no longer functions in a helpful way for the program, and allows no room for growth. This allows for significant growth in the program over the next several years.

**Adult ministries** will gain 846 square feet of usable space.<sup>2</sup> Additionally, programs during the week will now be able to use both Sanders Hall and the multipurpose Parlor at the same time, along with the renovated Chapel space, which now will work equally well as classroom or chapel.

**Missions** will gain a room specifically set apart for collection of materials for Soul Food, ECHO, etc., with an increased visibility and dedicated work space.

**Sanders Hall** entry will now be cleared from being a collection zone for missions and can be better utilized for hospitality/information.

**In sum, we are making 3792 square feet of underutilized space available for full use, allowing all of our programs to grow significantly.**

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<sup>1</sup> All numbers are exclusive of corridors, storage, restrooms, etc. and only take into consideration direct room usage

<sup>2</sup> This number does not take into consideration the square footage of Sanders Hall and the multipurpose Parlor, which may be utilized as well for Adult Programming.

## QUESTIONS CONCERNING FUNDING OF THE MAKING ROOM PROJECT

**ARE WE LEADING WITH OUR CHIN? THE PROPOSAL APPEARS TO BE WHETHER TO ENTER INTO A LINE OF CREDIT. WHY IS IT NECESSARY OR DESIRABLE TO START THIS EFFORT WITH THE CONCEPT OF DEBT? OUR CONGREGATION IS VERY DEBT LEERY.**

We are not leading with our chin; we are leading with our heart. We are responding to the Great Commission to go and make disciples. We have neglected our facilities for too long, and they are no longer inviting to those who do not share the memories that many associate with these facilities. **Various strategic planning groups have recognized this for over a decade in our strategic plan. It is past time to address this overdue issue.**

The proposal is much more than merely updating the appearance of our aging facilities. It is designed to improve the functionality of those facilities and allow them to be used more effectively for a larger array of ministries. It recognizes that if we are to meet our mandate to make disciples, we need to have facilities that are attractive to the unchurched, particularly to families with young children and youth.

Our current usage of our facilities is suboptimal, and this reconfiguration of the usage of our space significantly improves the functional use of our facilities. It provides more attractive spaces for children and youth, as well as more square footage for them to use. It makes the chapel and the parlor into usable, multifunctional spaces, and it creates better access for the Burleigh Law class. It updates technology throughout the education wing. That is what it does for the congregation. However, it also makes the facilities more functional and attractive for community groups and opens the doors to new and expanded ministries. **This is also an important part of our mission.**

This initiative is not necessarily about debt. Opening a line of credit simply allows us to move forward sooner rather than later. A capital campaign is planned, and every dollar raised in that capital campaign will reduce our debt obligation. If it is successful, there will be no debt, or the money borrowed to start the project will be repaid and the equity raised in the remainder of the campaign will cover the remaining cost.

When properly employed, debt is a valuable tool. Most every successful business employs it, and most successful churches employ it. Indeed, Saint Paul's church founders employed it to build facilities. They paid it off before the term of the mortgage, and that is the plan for this debt as well.

A church with the congregation size and budget of Saint Pauls' has the financial ability to incur and repay whatever needs to be borrowed to undertake this initiative. However, to do so, it needs to be embraced in our hearts. Our hearts have led the leadership of the church to embrace this initiative unanimously. Our hearts have recognized that it is time for us to grow again and move beyond our walls. This initiative will remove some physical impediments to such growth.

**CAN YOU PROVIDE A BIT MORE INFORMATION ABOUT THE FOUNDATION FUNDING PLAN?**

Yes, please see the information below to see an explanation of the funding plan that is possible through the United Methodist Foundation in Lakeland, FL. This material is also included as a separate document on our website.

**The United Methodist Foundation Loan**

The United Methodist Foundation (Lakeland) will provide an interest-only construction line of credit for a period of 2–2.5 years. This allows time for us to have a capital campaign with all proceeds paid toward the principal of the line of credit. At that time, the balance of the line of credit flips to a conventional construction loan at 3.5% interest upon which we will pay monthly principal/interest payments.

**Monthly payments on interest-only loan of \$1,000,000**

\$2,917-3,014/month<sup>3</sup>

**How does this payment breakdown per member?**

498 active family units                      \$6.02/unit/month  
189 pledging units (January 2017)      \$15.87/unit/month

**Monthly Principal/Interest Payments on construction loan**

Monthly payments will be based on the amount of principal that remains following the capital campaign.

**Loan amount    payment<sup>4</sup>**

\$750K            \$4,354 per month  
\$600K            \$3,484 per month  
\$500K            \$2,915 per month  
\$250K            \$1,453 per month

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<sup>3</sup> depending on the number of days/month

<sup>4</sup> The term of the loan is 20 years. According to the United Methodist Foundation, the average length of the loan is 6 years rather than the 20 year term. This is because churches often commit to paying additional principal on the loan each month in order to shorten the life of the loan.

## **HOW CAN WE DO THIS WHEN WE ARE FALLING BEHIND IN OUR OPERATING EXPENSES?**

There are several things that need to be considered in answering this question.

First, is our budget accurate? We as a church have a tendency to ‘pad’ our operating budget in fear that we might be asked to cut back later in the year. Historically, Saint Paul’s UMC underspends the operating budget, and it may be necessary for us to bring our printed budget more in line with current giving trends and pledges and in line with actual spending. The Finance team is in the process of doing just this.

Second, there is a concern that our giving is somewhat lower at this point in the year than it has been in past years. We need to honestly ask ourselves why this is the case. While in past years our giving tends to be heaviest in the last three months of the year and we tend to see a falling off in the summer months, this year, the ‘falling off’ seems to be bit earlier than normal. Added to this is that we have experienced a few larger expenses (budgeted but ‘front loaded’) in the early months of this year (for example, \$8,000 in technology costs). As of this writing (5/2/17) our giving is \$7899 below our expenses, certainly something that we can make up!

We are deeply grateful for the faithful giving of our church members. It is our hope and prayer that the MAKING ROOM renovation project will allow for growth in ministry and membership, and that ultimately our financial base will increase.

How does any family fit something necessary into their budget? A new car, a new home, a vacation? Often the answer is found in sacrifice – what are we willing to sacrifice personally to see the church grow and thrive for generations to come? Do we **desire** for Saint Paul’s to fulfill the strategic plan that has been approved by the church leadership? Do we **have faith** in the mission and vision of Saint Paul’s and the work that God is doing among us? These are important questions we must consider as we move forward.

## **QUESTIONS CONCERNING THE CHURCH CONFERENCE**

### **WHO IS ELIGIBLE TO VOTE AT THE CHURCH CONFERENCE?**

All members of the church present at the Church Conference are eligible to vote.

### **HOW DO I KNOW IF I AM A MEMBER OF SAINT PAUL’S UMC?**

If you are unsure if you are a member of Saint Paul’s UMC, you may call the church office and check on your current status.

### **I AM UNABLE TO ATTEND THE MEETING, CAN I SEND IN MY VOTE?**

No, the United Methodist Book of Discipline states that only members *in attendance* make up the voting body. You must be in attendance in order to vote.