

First Presbyterian Church Grapevine (FPCGV) Mortgage Reduction Task Force (MRTF)

FPCGV MRTF members: Dick Austin, Sandy Babos, George Gearer, Mark Hinton, Molly Laughlin, Terry Leach and Brad Bartholomew (Chair)

Friends of FPCGV MRTF: Larry Jamieson, Dave Robinson, Tim Smith and Rick Wilhelm

Respectfully submitted: January 10th, 2015

Summary and Findings

FPCGV has now spent several years discussing the need to retire the debt load. Additionally, in the last year much committee time has recently been spent discussing educational programs, capital campaigns and even the proper time to address the congregation.

There seems widespread consensus that God had richly blessed our wonderful church and there is also a strong desire within the congregation to be good stewards of God's gifts. Additionally when discussing debt load issues with individual members of the congregation, most quickly grasp these concerns\responsibilities and seem eager to participate in solutions.

Looking over the FPCGV finances over the last ten years, God protected us by providing a reserve fund balance of \$700,000 from our initial three-year capital campaign.

If the debt load was removed from FPCGV, the funds available for God's ministries – spiritual, outreach, and mission work - could be increased substantially and would ensure that FPCGV would be financially sound for the next generation to enjoy and worship God and robustly support God's ministries.

Our current annual operating budget – in round numbers – is about \$770,000. Annual debt payments are about \$230,000 while over the last five years our reserve fund balance has dropped from \$700,000 to about \$105,000. Our building \$2.5 million mortgage loan is a variable rate loan, which is a potential “time bomb” due to the risk of rising interest rates.

In five years the new Sanctuary building will be 15 old years and both the Fellowship Hall and Education buildings will be over 35 years old. It is reasonable to expect all three buildings will be in of need of capital maintenance\improvement programs in the future.

Naturally there are a wide variety of viewpoints within the congregation on how we should allocate (spend) God's financial gifts and many in the congregation are concerned about the effect that this debt loan could have on our future.

Financial clarity within the congregation is often muddled with so many terms tossed about: budgets, operating funds, building funds, dedicated funds, reserve funds, pledged amounts, mortgage payments, plate giving, and special sharing opportunities. The church's accounting can seem complicated and opaque at times.

The Mortgage Reduction Committee has investigated five different paths:

- 1) Continue our current Stewardship program;
- 2) A new capital campaign;
- 3) Retiring the debt by issuing bonds to individual members of the congregation;
- 4) Unified direct appeal to the congregation to double their mortgage contribution;
- 5) Tithing.

The Mortgage Reduction Committee recognizes its responsibility and authority is simply limited to making a recommendation. The church's Session, and its full complement of standing committees, retains full authority and responsibility to decide whether any action will be taken, when any action is to be taken, and will provide any communication to the congregation it deems necessary and appropriate.

Recommendations

The FPCGV Mortgage Reduction Committee's final recommendation is to trust in God and the congregation by directly asking the congregation to double their current level of giving to the mortgage fund - while retaining the operating fund level of giving - thereby eliminating the mortgage debt in six years.

In round numbers, this means the congregation will annually be contributing an extra \$250,000 for the next six years thus retiring our current \$2.5 million mortgage by the end of 2020, if the additional contributions start IMMEDIATELY.

To keep this effort before the congregation, we recommend bringing back the original "Grapes" visual presentation.

Trust in God, but ask the congregation.

Every time our blessed congregation has been asked to respond and support our wonderful church it has always risen to the occasion.

We believe it will again.