

Parsonage FAQ's

For further information and details please review the Parsonage Presentation found on our website at www.blufftonumc.org

	Question	Wouldn't it be better to wait until things get better with the economy?
	Answer	From the standpoint that people would feel better about their wealth and be more comfortable about giving it would be a good idea. However as investments and the economy start to rebound it's probable that interest rates and home prices will also rise. We want to get commitments for a down payment (\$50,000 - \$75,000) going now so that at in the not so distant future we would be ready to purchase.
	Question	Have we considered all the options - why not renovate, rent or give a housing allowance to the Pastor?
	Answer	These are all good questions which the Parsonage Committee, S/PPRC, Trustees and Church Council have addressed among other options. However after many meetings, discussions and hours spent on investigating the options since 2006 the Church Council agreed that the new parsonage option was the preferred choice and chose to pursue this option first.
	Question	Why don't we just provide a housing allowance to the pastor?
	Answer	The vast majority of churches in the South Carolina Annual conference provide a furnished parsonage. Providing an allowance is practiced by only a few churches. This puts any pastor being assigned to one of these churches at a disadvantage since he or she would have to purchase or rent a residence and purchase furniture. Additionally, pastors can be reassigned every year and making it difficult and certainly not cost effective to sell. Pastors have little notice between when they learn of their new assignment at Annual Conference and when they have to move. They are very reluctant to accept an assignment under these circumstances so the ones who would willingly come are limited. Additionally, it would probably cost more per year to provide a housing allowance than it would to make the payments on a new parsonage mortgage.
	Question	Why don't we rent a parsonage for the pastor?
	Answer	To rent a home similar to the one we would buy would probably cost as much or more as the monthly payment on a new home including taxes and insurance and we would not have an asset that had any value. Additionally it is conceivable that rent would go up each year introducing an unpredictable element into our budget over which we would have little control. Additionally property taxes would most likely be included in the rental which would not have to be paid with a mortgage since we are a non-profit organization.

	Question	Why don't we renovate the existing parsonage?
	Answer	Long term property appreciation of renovating the parsonage is unlikely to match the renovation costs, the new parsonage would have a greater equity value the district would likely oppose the renovation. The property would have more value if used for future use/expansion.
	Question	How did we come up with the cost to renovate?
		We examined the options in detail at the request of the Church Council. In summary – the parsonage committee reviewed the current parsonage guidelines from the Book of Discipline and Annual Conference Guidelines. From that we developed a set of specifications that the new or renovated parsonage should meet. The firm of Court Atkins translated this information into specifications that four reputable renovation contractors used as a guideline. These contractors walked through the parsonage before making there cost estimates. The average of the estimates came in at \$215,000.
	Question	Have we gotten an opinion from the District and/or the SC Annual Conference?
	Answer	The District Superintendent and District Board on Building and Relocation and would have to approve any work over 10% of the value of the parsonage according to UMC Discipline. In discussion with the District Superintendent he indicated that the purchase of a new off site parsonage is preferable and would be the most probable to receive approval. At this time the District Board and Superintendent has only given us an indication that they approve of the approach we are taking. They will make a visit to review everything after we have a proven financial plan with financial commitments in place and the blessings of the church. They will then give us their approval and/or recommendations.
	Question	Why do we have to get approval of the District Board on Building & Relocation – don't we own the church?
	Answer	The United Methodist Church holds in trust all of the property of its constituent churches. This is in part to prevent persons who may have ulterior motives and take over a church leadership for example, from disposing of property for their personal gains or other motives. The District Board is also there to protect churches from making bad financial choices and to protect the assets of local churches.
	Question	Why are the property values presented more than those I see on the market and why are they in gated communities which have a yearly fee?
	Answer	These are just representative values used to make a conservative estimate. Some of the homes you see may not meet our guidelines – see our presentation on our website for those guidelines. We are using \$300,000 to anticipate our down payment and the amount we need for a

		down payment of 25% or \$75,000. These may all change if prices change but we feel this is a conservative estimate if we act soon. The actual home will not be chosen until we have a church conference and the district approves our plan. The home we need should provide a sense of community to the pastor's family. A lot of the homes that provide this atmosphere happen to be in communities charging a homeowners fee. That being said the final choice may not be one that charges a homeowners fee.
	Question	Don't we have current debts that are not paid such as for the new chairs and the air conditioner?
	Answer	The current debt for is a line of credit balance of \$25,000 which the finance committee is planning to pay off this year as a part of our budgeted expenses. In general, for church of our size, this is a very small debt load as a lot of churches carry mortgages and larger operating deficits We recently paid off most of the air conditioning system which cost \$165,000 and was a capital expense separate from our budget in 15 months which is pretty impressive. So far we have received special donations of \$4,000 toward the \$5,000 needed to pay for the new chairs.
	Question	How will we raise the money for the down payment and make the monthly payments for a new parsonage?
	Answer	The down payment will be raised through a capital campaign which will require between \$50and \$75 thousand dollars. This represents a one time commitment of about 25% of your annual pledge. Our monthly mortgage payments will be taken out of our operating budget which will increase about %9 or \$2,500 per month. We pay no taxes as we are a non-profit organization. The pastor does not pay any part of the mortgage.
	Question	Won't there be additional cost associated with keeping the existing parsonage and not using it?
	Answer	Yes, there will be some limited maintenance costs if we decide to leave it as is and not use it but they would be minimal. In this case the property will have to be minimally heated and air conditioned to prevent problems from occurring. As envisioned, this would only be a temporary situation until a decision was made on how to proceed with the current parsonage.
	Question	Won't it cost more money to convert the old parsonage into office or meeting space?
		Initially the parsonage could be used as office and meeting space which would not require many changes if any. People are not living in the building so it will not require the updates proposed to bring it up to par with a parsonage i.e. we would not have to modernize the kitchen,

		bathrooms, porch, plumbing and electrical but may have to address some of the external and aesthetic issues.
	Question	What are its other intended uses and cost?
		<p>If the space is used for other activities such as an education building which would definitely be more extensive it would require significant funds. If we expand our programs as anticipated there would be an associated cost. Some evenings, Tues & Thurs, when AA, ALANON or the Wednesday night fellowships are taking place there is little room for other activities right now. The historical committee needs space to store its files – some are presently in the hallway and others in personal homes. Some Sunday School rooms are used for storage. The education committee would like to expand its ministries and rooms in the education wing are frequently used for other functions. The social hall stage area could be used for musical and theatrical productions – its current use is for storage. If the church continues to support the Vision 2020 and education committee plans to develop and grow the youth and children’s programs we will require some additional space.</p>