

Grace Lutheran Church
Grow In Grace
Financing Information

March 29, 2015

Dear Lord, what would you do through me to accomplish your vision for Grace Lutheran Church?

This is the prayer that we used throughout the Grow in Grace Campaign and is fitting to pray as we consider our next move.

Building Plan Review

- How did we get to where we are now?
- Where in the process are we?
- What are the ramifications if we don't get in the ground this August?

Janet Sladky will cover some of the questions and update the process.

Proposed Financing Needs

FUNDS NEEDED	
PROJECT COST	\$2,600,000
REFINANCING EXISTING MORTGAGE	\$85,300
ESTIMATED CLOSING COSTS	<u>\$10,850</u>
TOTAL FUNDS NEEDED	\$2,696,150

This demonstrates the needs that will occur if we go forward with the current plan.

Proposed Sources of Funds

SOURCES OF FUNDS	
LOAN*	\$2,125,000
GROW IN GRACE – PLEDGES COLLECTED TO DATE	\$350,000
GROW IN GRACE – PLEDGES TO BE COLLECTED BEFORE CONSTRUCTION IS COMPLETED	<u>\$221,150</u>
TOTAL SOURCES OF FUNDS	\$2,696,150

NOTE THAT THE LOAN IS MORE THAN THE DIFFERENCE BETWEEN NEEDS AND PLEDGES DUE TO THE TIMING OF THE PLEDGES.

This slide explains how we will get the funds needed to proceed with the project.

Grow in Grace Pledge Timeline

GROW IN GRACE

GROW IN GRACE – PLEDGES IN HAND	\$350,000
GROW IN GRACE – PLEDGES TO BE COLLECTED BEFORE CONSTRUCTION IS COMPLETED	\$221,150
GROW IN GRACE – PLEDGES TO BE COLLECTED BY APRIL 2017	<u>\$417,850</u>
TOTAL TIMELINE OF PLEDGES	\$989,000

Green: Dollars in hand available for project cost

Blue: Future dollars used to reduce borrowing used to bridge timing gap

This explains why we need to borrow more than the difference between the project cost and the pledged amount. The project would begin before all of the funds are collected. The April 2017 date represents the end of the Grow in Grace Campaign.

Proposed New Debt

LENDER	ELCA Mission Investment Fund
PURPOSE	Refinancing of outstanding debt Fund the new Project
RATE	4.50% (7 years)
TERM	3, 5 or 7 year terms available
AMORTIZATION	25 Years
PREPAYMENT	Prepayable at any time without penalty Upon request, lender can reamortize debt following prepayment to lower ongoing payments
PAYMENT	\$117,410

This details the loan that we have been approved for from the MIF. The \$117,410 is the amount of an annual mortgage payment after the project is completed. The loan is interest only during the construction process.

Ministry Plan Impact

YEAR	2015	2016	2017	2018	2019	2020
% INCREASE IN AVERAGE WORSHIP		5%	5%	1%	1%	1%
PROJECTED INCOME	488,000	512,400	538,020	543,400	548,834	554,323
MINISTRY PLAN EXPENSES	471,400	462,501	460,948	471,833	483,016	494,504
PROPOSED MORTGAGE PAYMENT	16,600	115,547	117,410	117,410	117,410	117,410
PROJECTED AMOUNT NEEDED	0	65,198	40,338	45,843	51,591	57,591

This slide shows the 5 year ministry plan going forward.

- The increase in average worship is based on a 10% growth due to the project which is not unusual in a large building project
- The projected income assumes the same current giving per worshiper with new members.
- The ministry plan expenses assumes the following:
 - Anticipating a May 2016 retirement of AIM to be replaced with part time staff plus an annual 3% raise to all staff.
 - Maintenance reduced do to new facilities
 - Utilities and Insurance increased by the square foot addition of the space
 - All other areas grow at rate of average worship
- Proposed mortgage payment shows amount due each year assuming no re-amortization
- Projected amount needed is the shortfall in those year's budgets if we go forward.

How can we do this?

We had 158 giving units pledge to the grow in Grace campaign if each gives an additional \$35 a month we have the 2016 need.

We have 709 confirmed members, if each one gave an additional \$1.75 per week we have the annual need.

Thoughts on how we could afford this.

How can we do this?

Current Giving for Capital Campaign: 330,000
per year

- If we retain 10%= 33,000
- If we retain 20%= 66,000
- If we retain 30%= 99,000

Thoughts on how we could afford this. This shows what would happen if people continue to give at the level they are giving during the Grow in Grace Campaign.

Going Forward

- Think, Talk and Pray about the plan
- Discuss with members of council
- Council will be planning a series of talks and communication discussing our thoughts

Going Forward

- The current plan is to have a vote on April 19th—that can be changed if the congregation feels it is not ready to vote.
- The vote to go forward is really a vote on if YOU feel that YOU can step up to make the plan happen.

Questions please talk to one of the Pastors, John Walch or any member of the Council or Building Committee.

