

## Frequently Asked Questions (FAQs)

### 1. Why now?

The option to do nothing is really not tenable. The New England Avenue property requires a substantial investment just to bring it up to a reasonable standard. Even this option, which would entail a decision not to sell any property, would require the church to raise at least \$200,000 as the balance sheet will not support the necessary repairs to New England.

### 2. What are the ministers' perceptions?

Chuck feels that many senior ministers would like a housing allowance because it would allow them to potentially build equity. On the other hand many would not have the funds necessary for a down payment to buy a house. For a senior minister, there are big advantages from living in Summit but whichever option the congregation decides upon is fine with Chuck.

Caroline would prefer an appropriate housing allowance rather than being provided with accommodation. A housing allowance would give her more flexibility.

### 3. Why do we need parsonage(s)? Is this still standard practice for churches?

It is standard practice for UCC churches to provide either a parsonage or a housing allowance and there are guidelines provided by the denomination on both approaches. We do not have figures on how many churches provide parsonages as opposed to housing allowances but anecdotal evidence suggests there is somewhat of a trend in favor of housing allowances.

### 4. Who served on, had input to, ad hoc committee?

The ad-hoc committee was appointed by the Executive Board and consisted of Simon Thomson, Sandi Schroeder, Chuck Mixon, Joe Salsberry and Sonja Gray-Temple. The findings of the committee were shared with the Executive Board and endorsed by them.

## 5. How did we arrive at the assumptions for property values and construction costs?

The committee was able to call upon the expert resources of realtors, architects and contractors who are members of the congregation to provide the key assumptions behind the financial implications of the different options.

## 6. Why do we need to retain 57 New England?

The major advantage of retaining 57 New England is its proximity to the church. It gives the church future options to expand.

## 7. Why re-build 57 N. England rather than re-model?

Currently 57 New England needs new windows, new siding, a new kitchen, 3 new bathrooms, a new driveway, new doors, new garage doors, the floors refinished, etc. and if remodeled it would still not meet the functionality that a new home for our senior minister could serve. The current value of this property comes from the land not the building.

## 8. Can we view 57 N. England?

No, but part of the presentation includes photos of the property which give a good impression of its overall state.

## 9. What is the condition of Stony Hill Court? Will it need capital repair/improvement in next 5-10 years?

Stony Hill Court was built in 1955 and is a typical home of that era with smaller rooms and a closed floor plan. It has been kept in good condition but has not been completely remodeled. The kitchen has been updated but has not been remodeled. One bath has been remodeled, 2 have not. There are limited finishing touches: the doors are hollow, and there are no moldings. The current value of this home comes from being a 6 bedroom house with 3 baths in a nice neighborhood.

## 10. What are the risks of doing nothing?

As mentioned earlier, doing nothing at all is not an option. If the congregation decides not to sell either property, then we will need to raise money to pay for repairs to New England. We will still be subject to the risk (certainty?) of interest rates rising which would impact our floating rate note (currently at 0.75%) and thereby increase interest costs in our operating budget.

## 11. How did we acquire current debt levels?

The congregation raised a considerable sum through a capital campaign to build the Barnwell Hall extension to the church 12 years ago. There were cost over-runs on the project. Shortly after the completion of the Barnwell Hall project, the adjacent New England property came on to the market for the first time in many years and a decision was made to purchase it.

## 12. Is providing a rental allowance rather than a parsonage a viable option for a senior minister?

Yes. Other UCC churches do this. It has pros and cons. Some senior ministers might welcome the possibility of buying a property and building equity although they would probably need help from the congregation to finance a down payment. Others would like the simplicity of a parsonage being provided. One drawback to a senior minister renting would be the likelihood that they would have to move, possible multiple times, over the course of their tenure.

## 13. What would be the next steps for each of the 4 favored options?

### **Keep both parsonages –**

An architect and contractor will need to be retained in order to determine the exact extent of the repairs and remodeling that are necessary at 57 New England. Once that is completed, the church will need to raise the capital. We are estimating, a cost of at least \$200,000 to complete the work. Our current balance sheet will not support the repairs that are necessary. We do not know at this point if Caroline will need to be relocated for any period of time while these repairs are made.

**Sell New England/ Keep Stony Hill Court –**

The church will get multiple appraisals for the property. The property will be sold “as is” as Realtors have told us the value of this home is the property. Most likely a developer will purchase the property and multiple family housing will be built on the site.

**Sell Stony Hill Court/ Build a new parsonage on New England –**

The church will get multiple appraisals for Stony Hill Court. Improvements that will increase the value of the property more than their cost will be made. It will need to be determined if financially Stony Hill Court should be sold before or after the new parsonage is built.

**Sell both parsonages –**

The church will get multiple appraisals for the properties. New England will be sold “as is” as realtors have told us the value of this home is the land. Most likely a developer will purchase the property and multiple family housing will be built on the site. Stony Hill Court should be a relatively simple sale.