

Splendid Giving

Forward in Faith

2021 CAPITAL CAMPAIGN

Frequently Asked Questions:

Why now, right in the middle of a pandemic? Shouldn't this wait until next year?

Our 'window' of time for reducing or fully retiring the debt is short. As of January, 2021, we have seventeen (17) months remaining in a mortgage reserve to make loan payments. That reserve was initially \$400,000 (borrowed as part of the original loan) and now has a remaining balance of \$195,000. When these dollars are fully depleted the loan payments (\$11,000 per month) must then come directly from our operating budget. This would significantly restrict other areas in need of funding to maintain the mission of the church.

Where did the reserve come from to make our monthly payments?

Funds for the mortgage payment reserve were borrowed from PILP as part of our original construction loan.

I thought the organ was paid for. Why do we even have a mortgage?

The Lively Fulcher Pipe Organ is fully paid for. The cost of our beautiful organ was fixed at \$2,175,000 at the time it was ordered to be built in December, 2014. What was not fixed was the cost to renovate the entire Sanctuary and expand and enhance our Narthex and restrooms. These costs were estimated at the time the Deo Gloria project was presented to the Congregation. What could not be estimated was the seemingly endless list of needed remedies to serious problems that had been unknown before construction was begun. The North wall of the Sanctuary turned out to be too weak to hold the acoustical treatments it was to support. The exterior South Wall of the Sanctuary started to leak once the Chancel floor was lowered to accommodate the new organ. Several electrical panels were woefully inadequate and in need of replacement along with extensive rewiring. These issues, along with others, needed to be addressed as the project proceeded. There truly was no turning back. We had too much invested in the organ and the other renovations not to address the additional work and their related costs. The Deo Gloria capital campaign raised \$3,980,000, including the \$1,000,000 matching gift from the Fors Family. With \$75,000 from operating and reserve funds, the remaining costs were funded with our loan from the Presbyterian Investment & Loan Program (PILP). The money that was borrowed (\$1,880,000) included \$400,000 for the reserve fund to make mortgage payments for a limited period of time. The need for the loan was reviewed with the Congregation and approved at the Congregational Meeting held May 22, 2016.

Can we refinance the loan since mortgage rates are so low right now?

Not only would refinancing be extremely difficult, it would only extend the repayment period. The church would still be saddled with a hefty monthly payment that would have to come from the operating budget. Additionally, commercial lending rates have not been as significantly reduced as residential rates. Our current interest rate with PILP is 3.95%. The rate on the loan had been as high as 4.95% but was reduced to 4.45% through the efforts of our Treasurer, Max Gould, and then further reduced in October, 2020 to the current rate of 3.95% thanks to the work of our Business Administrator, David Dehnart. The next interest rate review is scheduled for 2022, by which time we will hopefully have paid off the loan.

Why can't we just continue to make mortgage payments? We certainly can, however, the money reserved for loan payments will be fully depleted in 2022. Thereafter, mortgage payments will have to be paid from the annual operating budget. This would have a severe impact on the programs and needs of the church.

Was it mismanagement that caused us to go into debt?

No. Our debt resulted from an ambitious project conceived by the VPC Vision Ministry Team and approved by Session and our Congregation to replace an aged and failing organ and enhance the worship atmosphere and experience. The unplanned expenses that added to our total costs were unavoidable and responsibly undertaken for the good of our church. In fact, it would have been grossly irresponsible had these additional improvements not been completed.

I heard that we're paying a consultant to help with the campaign. Shouldn't all of the money raised go toward paying off the loan and not to some outsider?

A capital campaign is a complex undertaking, even in times without a pandemic. The experience, wisdom and advice of a professional can make an enormous difference in the successful outcome of any campaign.

Who is the consulting company and how much are we paying them?

Generis is the name of the consulting firm (Generis.com). They have over 30 years of experience consulting with faith based, non-profit organizations, primarily churches. The costs for the Feasibility Study (\$15,000) and the Capital Campaign (\$45,000) were approved by Session and are being funded by the Endowment Trust.

Are the Elders and Deacons in favor of the Capital Campaign?

The church leaders are fully supportive of the campaign. In fact, the Elders in their Session role voted unanimously to approve both the Feasibility Study and the Capital Campaign.

What else is being done with the money raised? Are we doing anything besides paying off the mortgage?

Any funds raised beyond the amount needed to pay off the PILP loan will be allocated to other capital needs and projects as deemed appropriate by our Building and Grounds Ministry Team and other church leadership groups, including Session.

I can't give much to the Capital Campaign if I continue with my planned pledge to Stewardship. What should take precedence?

This is fine and if a choice must be made between operating and capital gifts, the operating fund should be given first priority.

How long do I have to pay off my pledge for the Capital Campaign?

Three (3) years, to be paid as the donor determines best for their situation. For instance, you may decide that weekly, monthly, or annual payments are best for you or that your pledge should be paid all at once.

When would I begin giving in fulfillment of my pledge?

You can begin making payments in fulfillment of your pledge immediately. If you are able to pay more up front, all the better for the church, since the sooner funds are received the greater the savings from interest payments on the remaining debt.

How do I make payments toward my pledge?

Checks should be made payable to Vanderbilt Presbyterian Church with "Capital Campaign 2021" in the memo line. Credit card payments can be made on the church's website, vpcnaples.org. In the upper right hand corner of the Home page, click on the "GIVE" box, and then click on the "DONATE" box to take you to the credit card form. On the credit card form, there is a section labeled "Custom Section" in which you can indicate that this is for the "Capital Campaign 2021".

Can I pledge something other than cash to the campaign? For instance, I may wish to contribute stock.

You can certainly contribute stock or some other form of non-liquid asset. Please contact the church office to discuss how this can be accomplished.