

## Questions and Answers Concerning the Church Parsonage

How did we get here? **Pastor Reed and Megan approached the church council in the summer of 2020 about wanting to buy their own home.**

- Pastor Reed and Megan love being a part of Augustana Lutheran Church. Because of this, they wished to plant their roots in the Quad Cities area.
- Pastor Reed and Megan love being in the Quad Cities area and have a great support system of friends and family in Davenport and Bettendorf. With Zeke being born they wanted to be more accessible to them.
- Megan works in Davenport for the Alzheimer's Association. She oversees programs and travels throughout all of Eastern Iowa, so they wanted to move somewhere closer to her work.
- Buying their own home would help build financial equity, which they would not be able to grow while living in the parsonage.
- After experiencing living in the parsonage for three years they were uncomfortable with their child-to-be living in the parsonage without serious internal and structural updates being done to the parsonage (especially rewiring the entire parsonage, fixing leaks, getting tested for Radon, and getting someone to check the entire house for mold). There would also need to be a shift in the way Augustana manages the upkeep of the parsonage.
- Previous conversations had been had with the church Treasurer about the affordability of shifting from a pastor in a parsonage to a pastor with a housing allowance. It seemed that it would cost slightly more, but that Augustana could afford it.

The Property Chair asked Pastor Reed if he would continue to live in the parsonage if the necessary updates were made. He said yes. Once the full realization of updates was realized by Bryan and the Property Committee, it seemed the amount needed to do necessary updates would be very high and involve a capital campaign. While this was going on the Property Committee also realized there are many structural updates needed for the sanctuary and education wing of the church. To stave off the cost of needing to update the parsonage on top of updating the sanctuary and education wing Pastor Reed informed Bryan that he and Megan would be moving to their own place.

**The question then came up about what to do with the church parsonage. Here were the different ideas and some talking points for them.**

### **Rent it out:**

- While this would create a revenue stream, the Church Council members unanimously had no desire to be a landlord.
- Making the house a rental property would most likely require the house to be up to code. This means the church would have to pay for updates before they could rent it out.
- Renting out to low income families in need was also discussed, but not wanting to be a landlord and having to pay for updates discouraged this.
- There was some discussion about hiring out a property management company to overlook the rental space, but this still leaves the church with the future expenses of upkeep. The church would also need to designate someone to communicate with the property management company.

### **Keep it as is and fix it up down the road:**

- This was not a seriously discussed option because the parsonage will only deteriorate and cost more to update the longer we let it sit as a property.

### **Keeping the Parsonage and Utilizing it for Ministries and Sunday School:**

- This is what many churches have done with their parsonages.
- This may still require paying for some updates.
- With what the church does now, there is already more than enough space to add ministries and hold Sunday School inside the sanctuary or education wing.

### **Selling the Church Parsonage:**

- There has been a 20+ year trend of churches (especially in rural and small town settings) of selling their parsonage and providing a housing allowance for their minister.
- No updates needed. We just sell the property as is.
- The future expense of the property is no longer a budget issue.
- We would sell the whole land portion (minus the back driveway to the church). We would probably have to remove the sidewalk to the parsonage and add a fence along the property line.
- We would lose the parking spaces directly in front of the house (these were mostly used by the neighbors anyway).
- Our mowing bill would go down.
- While we would lose out on a possible continuous revenue stream, we would get a large sum of money that we could reinvest in the church.

**What about when the next pastor comes along? We won't have a place for them to stay.** While this is true, it was stated earlier that congregations in rural settings have switched to not having a parsonage. The next pastor would have the ability to buy his or her own home. One that fits their family's needs and that they can call their own.

**What would we do with the money earned from selling the parsonage?** We would set aside a portion of the money for future church updates that could collect interest until we need it. We could also put a portion back into the Endowment Fund, which provides most of our ministry work as a congregation for the community and global mission. By having a substantial amount of money at the ready to be used, we would not have to have a giant capital campaign when the next big property project came forward. This question is also open to more ideas.

**What would happen to the church parsonage and land after it was sold?** That would be up to the person who bought and now owned the house.

**How will the voting process take place?** Following worship on March 21<sup>st</sup> we will hold a meeting for all those gathered in person. (If the attendance at church exceeds 50 people we will move groups to Luther Hall to participate in the worship service and meeting.) There will be time for people to ask questions, state their feelings toward the issue, and then vote via paper ballot on the church parsonage.

**Please note:** 'Wait and see' is not an option. If we vote to keep the parsonage then we will be financially committing to investing in the property for better or worse. If we vote to sell the parsonage then we will begin the process of selling the parsonage. Waiting on the issue at hand would only allow the property to depreciate more, both financially and structurally, and keep our financial planning as a church in limbo.