

Evaluation of Parsonage Options - Based on Financial Impact

Availability of Funds:

A Portion of Christian Growth Fund \$100,000
 Funds from Estate of Fern Rushton \$190,000
Total Funds Available **\$290,000**

Additional funds due to salary changes:

One Lower Salary - \$500 / mth
 Lower Pension Costs - \$1460 / mth
Total \$1960 / mth

Current Mortgage:

\$3,411/mth

Future Mortgage with no changes : \$466,000 with anticipated payments at 7% = \$3,887/month

Current Housing Allowance: \$1,750 per pastor = \$3,500/mth combined

Desired Housing Allowance: \$3,500 per pastor = \$7,000/mth combined

	Description of Option	Estimated Cost	Impact to Parsonage Rental Income	Impact to Current Monthly Mortgage Payment	Funds Available for Housing Allowance	Comments
4.0	Full Upgrade to Parsonage as outlined at previous Congregational meeting	\$460,000 - \$500,000 (requires additional loan of \$177,300 to \$224,600)	additional \$2500/mth rental income	Increased payment as follows: 16.5 yr amortization \$1955/m - \$2350/m 25 yr amortization \$1025/m - \$1356/m (includes \$476 due to higher interest rate)	(ranges are relative to building cost ranges) 16.5 yr amortization \$3000 - \$2800 each 25 yr amortization \$3500 - \$3300 each	25 yr amortization needed to meet the required level of housing allowance Requires significant financial management to time mortgage renewal(s) with construction cash flow requirements.
5.0	Minimum Upgrade to Parsonage: - waterproof foundation, add perimeter drainage, supply and install new windows and doors - parsonage will continue to require on-going maintenance and repairs until fully upgraded.	\$125,500 to \$138,000 (allows for mortgage reduction of \$150,000)	additional \$1000/mth rental income	- reduces mortgage payment by \$800/mth (due to lower mortgage of \$315,000)	Combination of lower salary, pension, mortgage, with added rental income provides \$3,650/mth each	- Maintains current amortization schedule. - Minimal effort by Trinity to manage parsonage upgrade - provides ample funding for housing allowance