



# **Beechwood Property Committee Report**

**St. John's Church**

# BEECHWOOD PROPERTY COMMITTEE REPORT

## 1. Members

Mike Belt

Bill Fry

Scott Cotter

Rene Griffith

Brad Kennedy

Wilson Krahnke

Earle O'Donnell (Chair)

Roxy Wolfe

## 2. The Committee

Formed in fall of 2013 to make a recommendation whether to sell or retain the Beechwood Property in light of

- Departure of long-time tenant this summer
- Need for upgrades and repairs to home

## **HISTORY OF BEECHWOOD PROPERTY**

1. Purchased by Church in 1952 with funding provided by Women of St. John's through money raised by the Opportunity Shop
2. Three distinct phases to property
  - 1952 – early 1990's
    - Exclusively a rectory
  - early 1990's – to date
    - Primarily a rental property
3. Foreseeable future
  - Exclusively rental property

## STATEMENT OF THE QUESTION (as we see it)

1. What is the best long-term option to enable St. John's to attract and retain talented and committed clergy without adversely impacting the church budget?
  - Housing costs are high – can be a real competitive disadvantage in recruiting clergy
  - We are not a for-profit business
    - Economics matter but
    - Relationship between parish and rector critical
2. As one of the parishioner's wrote, St. John's should strive to provide "a salary/housing allowance which does not leave the clergy strapped financially and always worried how to pay the bills"

## **STATEMENT OF THE QUESTION (as we see it), cont.**

### 1. The Economics

- Analyzed income to church through 2 “sell” cases and 3 “hold” cases
  - Sell cases always superior

### 2. Results (10-year period)

- Sale of Property (retention of the organ loan) – \$399,069
- Sale of Property (pay-off of organ loan) – \$419,567
- Rental of Property (3-year renewal cycle) – \$307,138
- Rental of Property (2/3-year renewal cycle) – \$308,533
- Rental of Property (2-year renewal cycle) – \$290,921

## THE RECTOR RELATIONSHIP

1. Beechwood Property is a fine large 4 bedroom house in a desirable neighborhood but not necessarily the best home for everyone
2. What are nearby parishes doing to provide housing?
  - Contacted 7 parishes
  - All had rectories in recent past
  - 2 retained a rectory
  - 5 no longer have a rectory
    - Of the 5 that no longer have rectory, all did so after new rector said he/she planned to live elsewhere

## **THE RECTOR RELATIONSHIP, cont.**

### 3. St. John's experience

- 2 rectors left before term ended
- Current rector chose to buy own house

### 4. Believe can attract the best person by providing flexible, viable options from which each can choose what is best for his/her family

## THE MAJOR RISK

1. “If the house is sold, the money will be spent with very little to show for it”
  - Letter from long-standing parishioner
2. Agree that this is a major risk. Can’t let it happen.
3. Our Suggestion
  - St. John’s to make this plan binding commitment to Diocese to be included as condition on Diocesan approval of the sale
  - Separate fund to be managed by a group like the Norwood Parish Fund to assure fund is used solely for rector housing



## OUR RECOMMENDATIONS

1. Vestry approve the sale of the Beechwood Property
  - Net proceeds not to be less than \$1,000,000 without further vestry vote
2. Portion of the proceeds used to pay off the organ/chancel loan (approximately \$350,000)
  - Vestry pays the fund back on same basis it is paying the bank
    - No impact on budget
    - Keep the money in the Parish
3. Rest of proceeds (plus payments above) put in a separate fund managed by a separate committee
  - To be used exclusively to fund rector housing cost

## **OUR RECOMMENDATIONS, cont.**

4. Vestry to consider whether additional revenues would permit it to use a portion of the housing allowance to supplement rector compensation
5. Continue to provide a new rector with financial support to buy a house as we have done for Ateeks
6. Lastly, in recognition of foresight and generosity of the Women of St. John's and the Opportunity Shop, name the fund "The Women of St. John's and Opportunity Shop Rector Housing Fund," or equivalent

## **CONCLUSION AND PROCESS**

1. Objective is to be good steward of God's gifts so we can attract and retain talented rectors through a
  - Flexible and fair set of housing options (buy, lease or lease and then buy)
  - That do not cause the rector to have to choose between decent and adequate housing for his/her family or paying the bills
  - Without additional cost to the church