



# The Case for Retiring Our Outstanding Debt

Mount Olive is embarking on a capital appeal to retire the mortgage with which we are financing the critical improvements made in 2017 to our church building and grounds. The improvements included:

- A “green” geothermal system to heat, and for the first time, cool the sanctuary and undercroft. The geothermal system replaced an 80+ -year-old heating system fueled by carbon-producing natural gas.
- An enhanced Parish House entrance that now provides:
  - Full accessibility to the building and full compliance with the Americans with Disabilities Act (ADA)
  - Protection from the elements
  - Prompt access enabled by new communications and remote unlocking systems
  - Improved building security
- A safer and more attractive south parking lot with repaired sidewalks, people- and bee-friendly landscaping, new lighting and a resurfaced parking area.
- Restoration of the large front pipes of our organ to enable its full functionality

The mortgage assumed in 2017 also included funds to pay for work done in 2015 – 2016 to restore our stained-glass windows and repair the roof and walls of the nave to prevent water intrusion and ensure structural integrity. Solar panels were also installed on the Parish House roof in 2017 to generate a portion of our electricity. They were funded separately by the State of Minnesota through an arrangement with the Mount Olive Foundation.

## Our Mortgage: Where We Stand

Total <i>Bold Step Forward</i> improvement project approved by congregation in 2017*	\$2,400,000
Debt outstanding for brickwork, roof repair and stained-glass restoration in 2015–16	+ <u>300,000</u>
<b>Total Mortgage</b>	<b>\$2,700,000</b>
Less <i>Bold Step Forward</i> capital appeal gifts received	<u>-1,100,000</u>
<b>Outstanding mortgage</b>	<b>\$1,600,000</b>
Annual cost to service the mortgage, paid out of the Operating Budget	\$ 115,000

\*At a special congregational meeting on June 11, 2017, the congregation authorized “the Vestry to initiate a construction loan not to exceed \$2,400,000 ... to finance the installation of a geothermal-source system for heating, cooling and ventilating the nave and undercroft, restoration and upgrade of the parking lot, remodel of the Parish House entry with improved lighting, canopy and door with remote operator to completely meet ADA standards, and to repair/replace failing facade pipes of the organ.”

## Why a Second Capital Appeal? Why Now?

Our vision is to eliminate, or significantly reduce, our mortgage as soon as possible in order to:

- Unburden the church of its debt obligation, which currently costs about \$9,600 per month (\$115,000 per year)
- Create financial flexibility that will allow us to consider other possible ministries
- Save! The faster we reduce our loan principal, the less interest we will pay.  
Consider the interest we can save if we can retire our debt in 1, 3 or 5 years:

	<b>Our loan payoff date would be...</b>	<b>Our total interest cost would be....</b>	<b>And the interest saved would be...</b>
<b>If we raise no additional funds...</b>	April 2041* (assuming no other debt reduction initiatives)	\$668,452	\$0
<b>If we raise \$1.6 million in 1 year ...</b>	December 2022	\$62,546	\$605,906
<b>If we raise \$1.6 million in 3 years ...</b>	December 2024	\$123,561	\$544,891
<b>If we raise \$1.6 million in 5 years...</b>	December 2026	\$183,205	\$485,247

## Our Call to Action

The improvements to our buildings and grounds have enhanced Mount Olive’s welcome, advanced its mission, and demonstrated the congregation’s commitment to care for the Earth. Giving to pay for these improvements has provided an opportunity to grow in faith and discipleship and thank God for our many blessings.

Our call now is to continue to share our blessings to reduce our debt and create an avenue that will allow us to step “boldly into the future.” Thank you for prayerfully considering a gift or a three-year pledge—of any size. All will be very much appreciated.

Questions? Contact Chandler Molbert, chair, *Boldly into the Future* Steering Committee, at [pres@mountolivechurch.org](mailto:pres@mountolivechurch.org) or (612) 247-2945.