



Vision 2020

Capital Planning For The Future Of PCCR



Stewardship and the Foundation

- ▶ **Stewardship** is an ethic that embodies the responsible planning and management of resources. The concepts of **stewardship** can be applied to the environment and nature, economics, health, property, information, theology, etc.
- ▶ We are responsible for the stewardship of PCCR's building and grounds
 - ▶ PCCR's physical plant is worth between \$6.5 and \$7M in today's dollars
 - ▶ It is 34 years old
 - ▶ It has served the fellowship well, but is showing its age
 - ▶ Replacement costs (capital and labor) are increasing at a rate of 6-10% per year
- ▶ The **PCCR Foundation** is how Session has chosen to fund for the maintenance, upgrades and enhancements to our facilities



PCCR Foundation Vision 2020



- Vision 2020 is a focused program to grow our Foundation endowment fund from \$750,000 in 2016 to \$2,000,000 by 2020
 - This requires estate giving and a consistent giving stream
- Establish a consistent giving stream of \$50,000+ per annum that continues into the future
 - This comes from Foundation capital pledges incremental to our existing expense budget pledges
 - This is what the 100% participation target is all about
- Investment income from the 2020 target will endow future maintenance of PCCR and meet the goals of Vision 2020



PCCR: More than Brick and Mortar

- ▶ Our church is so much more than just its bricks and mortar
- ▶ But as stewards, we must make sure our church's physical plant continues to evolve to meet the needs of our congregation and our community
- ▶ If our church was destroyed, we have replacement value insurance coverage to rebuild
- ▶ But all of the other maintenance, upgrades and enhancements to the facility are our responsibility
- ▶ In 2014 we engaged Association Reserves to do a Capital Reserve Study
 - ▶ This type of future capital planning is pretty standard in Fortune 500 companies, but admittedly rare in churches
 - ▶ It looks 30 years forward and gives us an estimate of when capital elements will age out, need replacement and the future cost of these elements



Capital Reserves



- ▶ The requirement for Capital Reserves is exactly why we have a Foundation
- ▶ The 2014 study indicated an annual funding of \$100,000 to ensure cash coverage for the plan elements
- ▶ This can come from contributions and/or investment income
- ▶ Detailed analysis of our expenses, income streams and investment yields has determined that if we fund the Foundation by 2020 to a level of \$2M
 - ▶ Market yields of only 5% will adequately fund the capital reserves into the future
 - ▶ Higher market yields will allow for additional capital upgrade and enhancement programs
 - ▶ A continual annual capital pledge of \$50,000 further strengthens the financial picture and protects us from larger market swings



Stewardship Is Intentional

- ▶ The idea that the stewardship of our physical plant will just happen because we contribute to the expenses of the church's operation is **wrong**
- ▶ Our operational expense pledges barely cover our actual expenses and allow for very little growth or dreaming for the future
 - ▶ This is another issue for you to take to heart and give thoughtful consideration about, dreaming on how we can be a more relevant church is important
- ▶ Capital pledges and estate giving are the two main avenues for funding the capital growth of our church and Vision 2020
- ▶ **These are clearly intentional gifts above and beyond the operational pledges**
- ▶ We have historically not talked about this, but now is honestly the time



Dreaming and Funding for the Future

- ▶ The question most asked is what are the funds going to be used for anyway. Answer:
 - ▶ First to cover planned and unplanned maintenance of the facility
 - ▶ Lighting, plumbing, computers/technology, painting
 - ▶ Second to cover capital reserve replacement programs
 - ▶ Roof, boilers, organ, major kitchen upgrades, windows/doors, parking lot, carpets
 - ▶ Third to fund capital upgrades and enhancements to the facility - today's dreams, tomorrows reality
 - ▶ Because music is so important to our ministry, sanctuary acoustics, lighting and sounds systems and organ enhancements would be good examples of these capital upgrades



The Time Is Now To Ensure PCCR's Future

AND **WE** ARE THE ONES TO BEGIN THIS JOURNEY