



Break the bonds!

Imagine the possibilities...

St. Margaret's Episcopal Church
4228 Factoria Boulevard
Bellevue, WA 98006

Debt Reduction Campaign



God's Grace Flowing . . .

**There are two seas in Palestine. One is fresh,
and the fish are in it. Splashes of green adorn its banks.
Trees spread their branches over it and
stretch out their roots to sip of its healing water.
Along its shores the children play.**

**The River Jordan makes this sea with
sparkling water from the hills. So it laughs
in the sunshine. And people build their houses near it,
birds make their nests, and every kind of life
is happier because it is there.**

**The River Jordan flows on south into another sea.
There is no splash of fish, no fluttering leaf,
no song of birds, no children's laughter.
Travelers choose another route unless on urgent business.
The air hangs heavy about its waters, and neither
humankind nor beast nor fowl will drink.
What makes this difference in these neighbor seas?
Not the River Jordan. Not the soil in which they lie;
nor the country round about.**





We are at a crossroads: Which road will you choose?

Dear friends:

In the life of any community, as in our lives as individuals, we face choices that determine our future. St. Margaret's has been in that spot before. We stepped out in 1968 and chose to build a church. In the 70s, we opened our basement to temporarily house the homeless. In 2003, we again made a bold decision to build a sanctuary, and in 2008 we made space to transform the homeless into our permanent neighbors.



Once again we are at a crossroads. Choose one road and our ministries will have sufficient staff and resources to continue and even expand what we're doing to reach into the community and nurture our own members. Choose the other road and ministries such as youth, music and pastoral

care will be scaled to what we can accomplish with a heavier reliance on volunteers.

Our debt is unsustainable. The payments we make on it mean we spend more than we take in every month, despite having substantially reduced our expenses.

If we raise the \$1.6 million needed to retire the debt, we take the first road. If not, we will need to adjust our sights. We will continue to do God's work with full hearts, but we may have fewer hands to do it.

There is never enough money in the household budget to support everything that we'd like. We have to choose what is most important. So I ask you to consider what is important to you and which direction you want St. Margaret's to go. The parish will be here tomorrow, regardless of what you choose. But the extent to which we can leverage this great facility, draw on the gifts of talented staff, and be a beacon to the world depends very much upon the road you choose and the gift you make.

We have emphasized the notion of "equal sacrifice, not equal gifts." However, I pray for something more. I pray for joyful gifts. I pray that after you consider



what the St. Margaret's community brings to your life, you

will join me and make a gift that brings you joy.

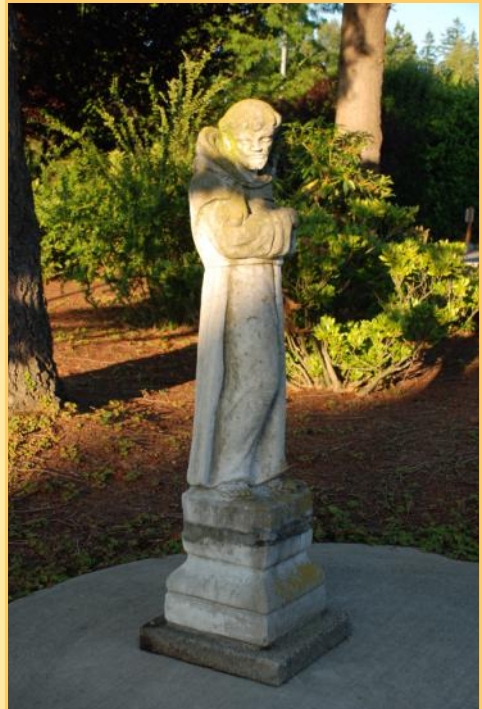
A glimpse into what's possible when we eliminate the debt

At small group meetings held throughout October, members of St. Margaret's expressed their dreams for what the parish could be. Examples of their vision included:

- "A place full of children and young families."
- "A staff with full time leaders for youth and children's ministries."
- "Funds to support outreach and hands-on ministry."
- "Dinner for the residents of Andrews Glen at the end of the month when household funds are low."
- "A strong, vibrant music program."
- "A building that is lovingly cared for and in need of no repair."

We are one
body in Christ





How did we incur a debt of \$1.29 million?

The money St. Margaret's owes—\$1.29 million as of October—is what remains of the cost of building the Thrift Shop, the wing containing our sanctuary and the rooms below.

The facilities these buildings replaced—a World War II-era barracks which served as the Thrift Shop and a sanctuary built in 1968—were either overcrowded or obsolete. Worshippers on Christmas and Easter spilled into the Narthex. Sunday school classes met in corridors.

Inspired by a vision of expanded service and ministry, St. Margaret's members contributed approximately \$4 million in two capital campaigns between 1999 and 2002. The proceeds of the first campaign were sufficient to pay off the mortgage on the old sanctuary and, together with additional funds contributed by the Thrift Shop, build a new Thrift Shop. Constructing the Thrift Shop before building the sanctuary was a clear expression that the congregation valued ministry over monument.

The second campaign was not expected to cover the full cost of construction. The plan was to obtain a mortgage for the balance, and the parish did get a mortgage for

roughly \$3 million. The payment on this mortgage was expected to be within the means of a growing membership, assuming historic growth rates and some extra based on the appeal of the new sanctuary, which was consecrated in 2003.

As it turned out, the dot-com bust dampened the success of the campaign. In addition, attendance and membership dropped due to the disruption of construction. Membership growth was further discouraged by uncertainty brought on by the departure of the rector, followed by a series of interim leaders.

Hence, parish income didn't rise to the level required to sustain mortgage payments. In 2005, a creative plan to replace the mortgage by issuing bonds succeeded in reducing debt payments by \$100,000 per year. The refinancing also extended the repayment period to 25 years from 13 years.

In 2007, St. Margaret's entered into an agreement with Imagine Housing (formerly St. Andrews Housing Group) to sell a portion of our parking lot and build 41 units of affordable housing for veterans and people transitioning from homelessness. This plan helped St. Margaret's live its mission while raising \$1.4 million, which was used to repay some of the outstanding bonds and bring the repayment period back to 13 years.





How the giving process works

Parishioners will be asked to make two pledges: one for the annual operating budget and a second to eliminate the debt. The debt reduction pledge can be spread over three years. You will receive a single pledge card to cover both pledges.

In November, the Break the Bonds campaign team will reach out to some parishioners who will be encouraged to make their pledges ahead of the rest of the congregation. However, any parishioner who wishes to be an advance giver may step forward without being asked. Simply call Jeff Webber at 453-8407.

Advance givers will be asked to turn in their pledges at a gathering on Dec. 4. Pledges from the rest of the congregation will be turned during regular services on Sunday, Dec. 18.

How much money do we need?

The campaign goal is to fully repay our bond debt along with all of St. Margaret's past-due diocesan assessment.* The Break the Bonds campaign leadership team has determined that \$1.6 million is needed to accomplish this over a three year period. Here's how that money would be spent:

Bond debt remaining after 12/1/11	\$1,256,000
Interest	101,000
Past-due diocesan assessment	89,000
Supplement to operating income until debt payments are reduced**	<u>154,000</u>
Total	\$1,600,000

* The diocesan assessment is what St. Margaret's and all other Episcopal parishes contribute to the cost of operating the diocese and the national church. It is currently set at 17.5 percent of parish income. For St. Margaret's, this amounts to just under \$10,000/month.

** Because we will pay off our debt in installments over a three year period, our annual debt payments will remain quite high and will cause us to exceed our operating income until the third

How we could reach the goal

St. Margaret's could raise \$1.6 million if 250 parishioners, with equal sacrifice although not equal gifts, contributed in these amounts.

Number of gifts	Amount of gift	Subtotal
1	\$150,000	\$150,000
2	\$90,000	\$180,000
2	\$60,000	\$120,000
3	\$45,000	\$135,000
4	\$36,000	\$144,000
6	\$27,000	\$162,000
8	\$18,000	\$144,000
10	\$12,000	\$120,000
14	\$9,000	\$126,000
20	\$6,000	\$120,000
30	\$3,000	\$90,000
48	\$1,500	\$72,000
96	\$360--900	\$37,000
250		\$1,600,00

What gift is right for me?

What gift is right for me? That's a natural question as we begin to imagine the possibilities of ministry in a parish free of debt.

The answer will be as unique as each of us. As you ponder the question, consider:

- What does God call me to be?
- How has my life been enriched by my connection to St. Margaret's?
- What gift would truly reflect the importance of St. Margaret's in my life?
- Where does my heart need to be in order to give joyfully?
- How can I make my giving an expression of my love for God and thankfulness for his blessings?
- What would constitute a sacrificial gift?

A sacrificial gift is one that causes us to reflect, identify what is really important, extend the depth of our faith, and give in measure of that depth. Each of us differs greatly in the wealth we have, and thus in our ability to give. But we can be equal in our sacrifice.

Annual income	Approximate total monthly commitment to the annual stewardship and debt reduction campaign as a proportion of income			
	15%	10%	7%	6%
\$300,000	\$3,750	\$2,500	\$1,750	\$1,500
\$250,000	\$3,125	\$2,084	\$1,460	\$1,250
\$200,000	\$2,500	\$1,668	\$1,168	\$1,000
\$150,000	\$1,875	\$1,250	\$875	\$750
\$125,000	\$1,565	\$1,040	\$730	\$625
\$110,000	\$1,375	\$920	\$642	\$550
\$90,000	\$1,125	\$750	\$525	\$450
\$75,000	\$940	\$625	\$440	\$375
\$60,000	\$750	\$500	\$350	\$300
\$50,000	\$630	\$420	\$300	\$250
\$45,000	\$565	\$380	\$270	\$225
\$40,000	\$500	\$340	\$240	\$200
\$35,000	\$440	\$295	\$205	\$175
\$30,000	\$375	\$250	\$175	\$150
\$25,000	\$315	\$210	\$150	\$125
\$20,000	\$250	\$167	\$117	\$100

Why we're launching a campaign now

With the nation's economy in the doldrums, this may seem to be an odd time to launch a campaign to reduce debt and expand ministry. The vestry chose to do this now for three reasons:

1. Because of the debt payments, we cannot sustain our current levels of staffing or ministry.
2. We have already taken all other possible steps to increase our income and reduce our expenses. Reducing the debt is the only way—other than cutting staffing to unacceptable levels—to put ourselves on a sustainable financial footing.

Creative gift planning

Many of us are experienced at stewardship of the mission and ministry of St. Margaret's. Most of us support the church from our current resources—primarily checking and savings. Often we think, "The need is great. If only I could do more, but how?" Following are some opportunities for making gifts that you may not have considered.

Gifts of appreciated investments

Donations of appreciated long-term stocks, mutual funds or other investments are an excellent way to support St. Margaret's. When you donate appreciated investments, you do not pay capital gains tax on your gain, and you receive a charitable deduction for the full fair market value on the date of the donation. For example, if you bought a stock for \$1,000 and today it is worth \$5,000, when you donate the stock you get a full \$5,000 charitable deduction but do not have to pay federal income tax on your gain of \$4,000. A true win/win!

Charitable IRA rollover

The charitable IRA rollover provisions are still in place for 2011. These provisions allow you to make a direct distribution from your IRA to our campaign. To qualify for a charitable IRA rollover, the donor must be age 70 ½ or older and the distribution must be made directly to the church. You are able to exclude the entire distribution from your federal taxable income. There is a \$100,000 annual cap on IRA charitable rollovers.

Life insurance

Do you have a life insurance policy that you no longer need? Consider giving existing life insurance to St. Margaret's by making the church both the owner and the beneficiary of the policy. If the policy is whole (ordinary) life insurance, you will receive an immediate tax deduction for the cash value on your federal income tax, and if you continue to pay future premiums, you can take future deductions. Also, if you purchase a

new life insurance policy making the church both the owner and the beneficiary and make the premium payments through the church, you can receive a tax deduction each year.

Rental income from real property

If you own a vacation home or a time share property, consider renting it out and gifting all or a portion of the income to the church.

Real property as a charitable gift

Real estate may be given as an outright gift of the property or as a bequest either through a will or the establishment of trusts or annuities. An outright gift is the simplest, most direct method and results in the most immediate tax benefit. The tax benefits of a bequest depend upon the specifics of the bequest and upon the individual's life circumstances and desires.

Shared benefit gifts

The financial benefits of a gift can be shared between the donor and the church in a number of ways, including include wills, charitable remainder trusts, gift annuities, pooled income funds and life estate agreements. Contact your financial advisor if you are considering a gift of this nature.

Lifestyle giving

Another way to generate gifts for the campaign is to consider lifestyle adjustments. Going camping with the family in place of a more expensive vacation or postponing the purchase of an automobile or remodeling of a home are all ways to "find money" in order to make a generous gift.

Help with your gift planning

St. Margaret's has people who are willing to assist you with your gift planning ideas. For assistance or more information, please contact the church.

St. Margaret's cannot give legal advice. You are encouraged to consult a professional advisor before implementing any of the above plans.

Reflections



Bishop Greg Rickel

"Saint Margaret's: Thank you for all you have done, and all you will do, so that future generations will know your hospitality, and Gods Love."

Tom Andrew

"I am constantly aware of God's blessings in my life. One of them is that He guided me to St. Margaret's, my spiritual home. Helping my spiritual home carry that same blessing out into the world is, quite simply, a way to praise God and thank him for what He has given me."

Bob Jacobs

"For me it is all about relationships, be they with family, neighbors or Jesus. This community supports and aids in enhancing all of these relationships, thereby making it easy to make a personal and financial commitment to St. Margaret's."

Tom Brubaker

"Like anyone, I've been through some rough times in my 15 or so years as a St. Margaret's parishioner. When I hit those troubled waters, the church and the congregation have been a wellspring of support and comfort to me. I have seen others in the church also receive the love and support of this great congregation. When asked to give to this church, I often think of the phrase, 'to him whom much is given, much will be expected.' This church has given me and my fellow members much over the years, and I willingly and gratefully treasure the opportunity to give back some of the good that has been given me. I look at this opportunity to free ourselves from this burdensome debt, and I think of the weight that will drop from our shoulders. I know that this congregation will reach out and do God's work within and outside our community even more every day."

Pat Wilshusen

"Jesus' said 'I came that they might have life and have it abundantly.' My experience is that one can never out-give God. When I've increased my giving, the money has always become available with some to spare. I'm eager to get to that future where we are God's light in the community—vibrant, worshipping, sharing the Gospel and supporting each other, too. I give in great anticipation."

Imagine the generations who will someday make this church their spiritual home!

For surely I know the plans I have for you, says the LORD, plans for your welfare and not for harm, to give you a future with hope. ~ Jeremiah 29:11

Dear Brothers and Sisters in Christ,

I grew up in a church and still remember the many special people who gave me a great gift. Years went by before I realized how they had served, given, and even sacrificed to provide me and others with a spiritual home where we could grow in the faith and love of Jesus. My life would not be the same today were it not for their influence, generosity and faithfulness. I want all children and youth to have this same kind of experience of Jesus!

God led St. Margaret's founding families to start a church that would change the lives of people in Bellevue and beyond. This took courage, vision and sacrifice. The founders trusted that God had plans for this community of faith, that we would grow in love of Jesus, grow in affection and community with each other, and grow even more by extending that love into the broader community. Because of the founders' devotion to God and courage to act, we have a church that reaches out with Christ's love in life-changing ways both locally and far beyond our walls.

Over the past five decades, we have built a strong tradition of worship and formation that makes St. Margaret's a dynamic place for people of all ages to grow in faith, serve others, and share the Good News of Jesus. Whether we have been at St. Margaret's since its early days or have just walked through the doors for the first time, we are all touched and nurtured by its ministry and treasure its spirit! We dream of strengthening that spirit and our future ministry together. This fall, our *Break the Bonds! Imagine the Possibilities* campaign invites each of us to join in imagining this future and to bring it to life by reducing the debt that holds us back from working toward some of those dreams.

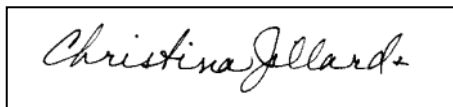
I invite you prayerfully to read these pages and reflect upon the way that your generous giving can make a difference not only in the short-term as we reduce debt and free dollars for ministry and mission, but also impact this parish's future. One of the ways in which God blesses us is through our giving. Jesus said, "Give and it will be given to you. A good measure, pressed down, shaken together, running over...." *Luke 6:38*

Imagine the generations of children, youth, and families who will someday make this church their spiritual home! Imagine the stories of Jesus they will learn, the love of Christ that they will experience, and the good that they will do in Jesus' name for our greater community!

The truth is simple—paying down our debt is fiscally responsible, gives us a huge advantage in our ability to offer ministry, and empowers us to leave a legacy of financial freedom for the future. What amazing possibilities for our ministry God places before us when we are free from the bonds of debt!

Please join me in committing to this campaign and to St. Margaret's and its future.

In the love of Christ,

A rectangular box containing a handwritten signature in cursive script that reads "Christina Jillard".

The Rev. Christina Jillard, Rector





St. Margaret's thanks the Direct Connect Group West of Seattle for their support in the printing of this publication.