WHY ONE CHURCH SOLD ITS BUSES AND DECIDED TO RENT INSTEAD

BY BRAD SULLARD

When "Old Blue" broke down with students for the fourth time in a year, it was time to make a decision.

The call came on a Monday night in July, it was Mark, our student pastor. "Well, it happened again! The bus broke down on the highway, in the middle of rush hour, and I'm not happy. I'm sorry but I will never use this bus for a ministry trip again." The students were on their way to ministry camp on "Old Blue," our 1997 Ford diesel school bus.

This was about the fourth time the bus had stranded a group in the past 12 months. After each occurrence we invested a few thousand dollars, thinking we fixed the issue only to be surprised again. The frustration was compounded by the fact that our 2001 15-passenger Dodge van had broken down on the last two of three trips out of town that same year.

So, after this incident with our students, involving two hours of calling parents and arranging for alternative transportation to camp, towing the bus and thousands of dollars later, it was clear that it was time to evaluate the useful life of our four aging church vehicles.

After 14 years of owning vehicles, our church has made the decision to sell off our small church fleet and rent as needed for our ministry travel needs. What brought us to this decision was a combination of factors. Some of these factors are unique to our situation, but the process by which we came to this decision is really a pathway that every church has to walk in deciding on how travel will be managed for ministry needs.

Assess costs of owning vs. leasing

To lease or to buy? That is the age-old question. Is it cheaper to buy or lease? Well the answer really hasn't changed. It continues to be less expensive to buy a good *used* vehicle and *keep it* for at least 10 years. The repair costs are low early on and then increase over the life of the vehicle. If you have any kind of history of ownership these are easy costs to measure. For us the purchase of gently used vehicles broke down like this:

Years 1 to 5 the cost was all in the purchase price and routine maintenance. Years 6 to 14 the cost was all repair and maintenance. The cost was almost equal in those periods. The cost in the first five years equaled the cost of maintenance in years 6 to 14.

The trick? You want to keep a vehicle as long as you can before it starts having problems and requiring cash to repair. It's harder than it sounds because as you near the 10-year mark or so, you're saving the most money at this point because it's paid for and not costing any money. But keeping it too long can catch you with big repair costs and then you're out the cash to fix it before you can sell it.

It's a gamble. It's a game we lost. We kept our bus for 14 years. The last five years cost us $30,000. We could have purchased another bus for that amount. Truth is, it's hard to sell a perfectly good "paid for" vehicle. But selling a perfectly good paid for vehicle is exactly what you must do to win this game.

Remember to measure what I call Leadership Relationship Capital. This is a strange consideration, but an important one nonetheless. I learned it the hard way. After the last bus break down, I spent two weeks fielding conversations from parents about their concern, and some their disgust, with the failure of the bus. Ultimately it led to a perspective that this was a result of church leadership's poor management.

Stranding kids on a bus may become a fun fond memory for kids to carry into high school, but for parents it's incredibly distressing. They trust us with their kids and we must be careful to show as much concern for their safety and comfort as their parents do. If we blow it, we may not get another chance to minister to their kids. So, depending on the church's leadership status, this may or may not be a major consideration in your decision.

Expectations and culture

Business culture. Because we have some leadership who work in the business culture, our church is pretty comfortable with business loans and leasing in the church. We do have some members who I would call our "No Debt Christians" who resist both church debt and paying the new vehicle price tag.

Neither is right or wrong as such, but you need to know your church culture and how that will influence the vehicle decision. In our setting we have a pretty good balance between those who are comfortable with leasing and outsourcing and those who believe the church should invest and own its own equipment.

Vehicle debt. I normally would not consider debt on a vehicle for a church, but we are in exceptional times where a 2 percent interest rate on a vehicle is cheap money. This makes a vehicle loan for a church quite affordable and something to consider for the cash-strapped church.

Probably the bigger issue here is the church's philosophy on debt. Most churches see debt as negative and will resist debt on vehicles. (Our church would fit this category.) Another part of the culture we often don't consider is what kind of vehicles the church body drives. Many will expect to put their kids in a vehicle that is in the condition and age like they drive.

Lease options. Our city culture has some great competitive lease options near our church. For us this makes great sense. The availability of this option made it sensible for us. Other churches don't have access to good lease options so it's not really part of the equation. We are benefiting from San Antonio's great corporate vehicle lease market.

We are in a unique season in the history of our church. We are rolling into a capital campaign to pay down facility debt. We grew by 30 percent last year and continue to feel the stretch of needing more cash for a growing ministry, yet less cash flow to make it happen. These are just two factors in our church situation that make outlaying large chunks of cash to buy vehicles unattractive. We would prefer to pay as we go for flexibility and keep our cash in the bank.

We have sold all but one of our vehicles with one pending sale at auction. So far our staff and volunteers are excited about the plan to rent newer vehicles that someone else will worry about maintaining. We have already earned some credit for this decision. While it appears that selling the church fleet is the best decision for us at this time, it's an experiment and we are willing to learn a new and better way to do this. CE

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COST FACTORS

We discovered two important costs in our decision:

Hard Costs: This is the easy category to measure (purchase price, repair/maintenance, insurance, and government fees).

Soft Costs: We tend to look quickly at the hard costs to make our decision. But often it's the soft costs that can eat your lunch. For us the soft cost factor was the key in our decision to lease rather than own. This involves both actual dollars as well as leadership credit with staff and volunteers.

Our facilities manager was spending several hours a month on our vehicles, which led to the need for additional part-time custodial hours to offset his time. We also found a lot of ministry staff frustration having to manage the old bus. When you add in some parents concerned about their child's safety, you have some soft costs that demand attention. You must measure the importance of costs that are difficult to measure for a church: safety, liability and convenience (comfort of user).

Soft costs include staff and volunteer time spent caring for the vehicles. This was a very significant factor in our decision. The time and energy it took for our facilities manager to care for the vehicles has a dollar attached. Every hour he spends on the vehicles costs the church. Those are hours he can't spend on other duties and may require hiring others to cover the time. Even volunteers' time comes with a price. The time it takes pastoral staff to organize students or adults to clean and manage the vehicle is time spent on managing church property rather than investing in people. *— BS*

"Old Blue" gave 14 years service.