

MAY 2023

# Church Executive

HELPING LEADERS BE BETTER STEWARDS.

## BILL AANESTAD + ORCHARD CHURCH:

Growing out, growing smart

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# Growing out, growing smart

By RaeAnn Slaybaugh

As Executive Pastor Bill Aanestad and his team at Orchard Church neared completion of their construction project, they were looking for a long-term fixed-rate loan. With interest rates on the verge of a sharp increase, they wanted something predictable. Something manageable.

The process was exhausting ... and more than a little disheartening.

Still, the end goal was far too important to lose faith.



When Aanestad joined The Orchard staff in 2014, it was one of the oldest churches in Temecula, established in the 1960s. Even so, very few people knew about it. At the time, the building only accommodated about 200 people.

All that changed over the ensuing years.

By 2020 there were as many worshippers on the lawn out front watching services on monitors as there were inside the sanctuary. Despite a global pandemic, the church enjoyed explosive growth. Even with four services before noon, it couldn't keep up.

Sure, it's an excellent "problem" to have — but the urgency to create more space was pressing.

"People were inconvenienced," Aanestad points out. "And we were dependent on the weather to be able to accommodate all the needs."

Over the next few years, he and his team looked at more than a dozen potential expansion sites. The ideal solution emerged in the form a retail strip mall consisting of two side-by-side "big box" spaces, formerly a furniture store. The structures were essentially empty cement tilt-up shells but perfectly suited for conversion to meet the church's needs. One building would house the sanctuary and church offices. The other would accommodate children's and student ministries. Respectively, they would be the worship center and the ministry center.

The church purchased the two buildings with cash and decided to lease an additional 32,000-square-foot unit in the strip mall.

### As the vision takes shape, a new challenge emerges

The construction loan was financed by a local bank. However, that same bank wasn't an option for what the church needed now. This posed a significant challenge for Aanestad and his team.

"Our construction loan was at 3%. We were hoping that that would just roll into a long-term loan at the same rate," he explains. "When that didn't happen, we were in a position to explore [for a loan] again after the construction loan was done."

Time was of the essence, as there was widespread belief that interest rates were on the verge of an uptick — possibly a sharp one. As such, a few criteria took priority for Aanestad.

First, he wanted to secure a long-term fixed-rate loan that would protect the church from the likelihood of rising interest rates and ensure payments would remain the same for 20 years.

Second, he wanted to work with a church-friendly lender.

Third, Aanestad aimed to make sure The Orchard could keep its day-to-day banking activities with its long-trusted local banking partner.

Unfortunately, these three objectives proved more difficult than Aanestad imagined. For one thing, the longest fixed rate term he and his team could find was 10 years.

"Some of them were a 10-year balloon or a five-year balloon that we could renegotiate in five years," he recalls. "But to have a long-term fixed rate would give the church options we otherwise wouldn't have been able to act on."

So Aanestad kept his sights on securing a longer-term predictable rate and payment: "We knew that would allow us to make other financial decisions with more confidence."

### Easier said than done

"I'm embarrassed to admit that all the interactions I'd been having with financial institutions led to me becoming very cynical about them. Aanestad acknowledges. "I became reluctant to trust any of the financial representatives. I had no confidence that they were going

to deliver what they promised. And the amount of dishonesty was unexpected and saddening."

The exception came at the recommendation of a mutual ministry connection and highly regarded friend in the church financing space, after determining that his own firm wasn't the best fit for The Orchard's needs. But this friend had an idea of who *could* be.

Additionally, it turned out that several members of the church worked for this recommended lender, albeit in the financial management and retirement savings realm, not in the loans space. Even so, they had only good things to say about the organization and its people as a whole.

Pretty quickly, something became clear to Aanestad: it was time to check out Thrivent Church Financing.

"Initially, we met with [Senior Relationship Manager] David Lee from Thrivent and found that interaction to be refreshing," he recalls. "David was professional, honest, candid and friendly. Just wonderful."



Additionally, Aanestad says, Lee was encouraging about the project and seemed to be genuinely enthusiastic about the work of God that he saw happening in the church. All of this boded well, with the "church-friendly" objective clearly met.

The other two primary goals, however, remained at the forefront: securing a long-term fixed-rate loan and making sure day-to-day banking activities could remain with the trusted local bank.

To this end, the church was able to secure a 20-year fixed rate loan that enabled church leaders to take the guesswork out of their mortgage payments for the foreseeable future and focus on more critical areas of ministry expenses, such as staffing, missions and community outreach.

As far as the third objective is concerned, Aanestad faced quite a few hurdles. Prior to meeting with Lee, the ability to stay with the community bank for daily banking activities proved nearly impossible. Without fail, these lenders required The Orchard to transfer all of its checking and savings accounts to their own institution. "It was unanimous among every bank I spoke with," he recalls. "But it was a sticking point for us."

Switching banks would require significant resources — and the church had enough on its plate with its relocation from Temecula to Murrieta. Beyond this, he and his team were *happy* with their current bank. They knew the bankers by name; in fact, these individuals would, on occasion, come to the church to pick up the deposit if no one on the church staff could get away. ➤





Perhaps most important, the bank is local; the nearest branch is only a block away from The Orchard.

"Finding out that we had to give up all of that to even be considered for a loan was inconvenient and difficult," Aanestad says. "We were just unhappy about it."

In talking with David Lee, however, he quickly learned that Thrivent Church Financing would let the church keep its checking and savings accounts with its long-trusted local bank.

Lee remembers the conversation well.

"When I told Pastor [Aanestad] during the initial call that they could choose to bank with whoever they wanted, he said, 'I could come over the phone and hug you!'" he laughs.

### On solid footing

That first conversation was the beginning of The Orchard's ability to meet its pressing ministry needs and accommodate even more amazing growth — in excess of 50 percent year-over-year.

"And the rate of growth is increasing," Aanestad adds. "I didn't anticipate that, but it's just wonderful."

No one has to sit outside during church anymore. Staff positions have been added. New equipment has been purchased.

Best of all, the extra space accommodates programming that was previously out of the question, including debt reduction / finance classes, additional Bible studies, parenting and couples' classes, and more.

"In the old building, it really was a case of the size of the shoe determining the size of the foot," Aanestad recalls. "The new building has facilitated continued growth."

Now, as The Orchard continues to expand, Aanestad knows he has the financial support and partnership of David Lee and his team. In fact, he says, the relationship feels like much more than a business transaction.

"David has come out a couple times to look at the building and worship with us on Sunday. And who would expect that?"

"Along the way, everyone that we've met and interacted with at Thrivent Church Financing, was the same way: they seemed like co-laborers in the vision and eager to help spread the gospel," Aanestad adds. "We were never once deceived. We never experienced bait-and-switch. They never failed to meet a commitment. They've just been wonderful, wonderful to work with." [CE](#)

### QUICK FACTS ABOUT

#### STORYLINE CHURCH:

**Year established:** 1969

**Number of staff:** 17

**Average weekly attendance:** 2,391

