

## Frequently Asked Questions and Answers for

# **New Space To Share Our Faith Capital Campaign**

### **What Is The History of the Project?**

A Building and Grounds Committee was established in 2003 to research and evaluate a possible renovation project for St. Mary of the Lake Parish as the aging facility was causing limitations and expense in serving the faith needs of parishioners. Over the course of two years, input was gathered, volunteers were solicited for information, an architect was chosen and the designs were completed. The total renovation cost was originally estimated to be approximately \$2 million. However, as further needs were identified -- as often is the case with renovation efforts -- the architectural plans and ensuing bids topped out at \$3.2 million. Fundraising opportunities were planned in 2006, and approximately \$1.4 million was fundraised over a year's time.

Although the campaign had experienced more than \$1.4 million of success it had stagnated with little or no momentum to complete the goal amount. Parish leadership recognized that a decision about the campaign's future was in order. Convinced of the need for the capital project -- as the limitations of access, space and efficiency was still present-- Father Russell, staff and campaign leadership believed an assessment of the campaign strategy was necessary to identify how to proceed.

The parish hired a fundraising consultant to identify what would be needed to fundraise the final goal. An Assessment Study was completed, which pointed out favorable as well as challenging conditions. Many positive recommendations were suggested to move forward. Based on this information, the consultant instituted a proven fundraising strategy, which is being managed by the consultant and led by approximately 50 parishioners.

# **CONSTRUCTION**

## **What Will Be Included in the Renovation Plans?**

Renovation goals to improve the parish's ability to do God's work for St. Mary's spiritual community include:

- Developing a Gathering Space to provide fellowship, ease of movement for liturgy during sacraments of baptism, confirmation, weddings, funerals, etc.
- Expanding space for our multi-generation faith program.
- Providing an elevator for handicapped accessibility so we can best serve our elderly parishioners and those with physical limitations.
- Renovating our kitchen to upgrade equipment and meet safety codes.
- Increasing seating capacity 40% in fellowship hall by relocating the kitchen and offices and removing pillars.
- Providing a sprinkler system for fire safety.
- Replacing bathrooms with ones more accessible and easy to locate as well as comply with the Americans with Disabilities Act (ADA) requirements.
- Rebuilding the roof to eliminate further problems with damage and decay.
- Replacing windows with energy efficient ones.
- Upgrading furnaces and air conditioning equipment which are antiquated and causing operational inefficiencies.

## **How Was The Square Footage Determined?**

The size and scope was determined by space usage studies which were completed with the architect and in coordination with many parish volunteers who provided input on services to support parish faith life. Those involved in the planning chose to include space to accommodate current needs and future growth.

## **Who Determined What Would Be Included in the Plans?**

The Building and Grounds Committee helped analyze and address current and future needs to support parishioners. A number of key areas were identified which needed serious attention through a renovation and building project. The Committee adopted the following Mission Statement to cover the focus of their work:

*“To assess and recommend solutions which will provide for the present and future structural needs of our parish. To provide an environment to better connect with our God and others as individuals and families. To insure the propagation of our Catholic heritage and faith for generations to come. To be a visible sign that Jesus is our all and welcomes all.”*

Initially, volunteers included a sub committee of the Parish Council: Carol Ferguson, Doug Grisim, Larry Himanga, Rich Kaufman, Mike Kieffer, Ann Nibbe, Bill Ogle, Father Russell, Dennis Spano, Lois Tepley and Ken Willers. Today, planning and re-evaluating details involves 50 plus parish members. Please refer to the “Reasons Why” Document for the current listing of all those directly involved in this effort.

## **Is The Parish Expected To Grow? Will This Renovation Be Enough To Serve the Parish for Many Years?**

The Diocese is currently in crises mode in regards to availability of priests. When Father Russell and Father Meyer retire to senior priest status, the clustering program developed under Bishop Vlazny and revised and approved by Bishop Herrington, will go into effect. This means that the parish of West Albany will cluster with Plainview and the Mazeppa parish will cluster with Lake City. Diocese guidelines for the number of Masses said per weekend is four. Both Lake City and Mazeppa currently have two Mass per weekend. Lake City also has Theilman, which has about 40 families and will become an oratory. It’s also unknown how long the Villa Maria will have a priest to say Mass on Sundays, which accommodates about 20 parishioners.

## **How Much From Seeds of Faith Fundraising Campaign Will Go Toward This Project?**

We will shift capitol from those designated accounts for renovation which were fundraised for the Seeds of Faith campaign into our general Diocesan savings account and use it for the campaign.

## **How Much Do We Have and How Much Needs to Be Fundraised in a Private Capital Campaign?**

In the first year of our campaign we have fundraised approximately \$1.4 million which includes the Diocesan matching funds. Of that amount, we already have \$700,000 secured in cash that is accruing interest at 5%. With a goal of \$3.2 million we have an additional \$1.8 million to raise. In order to begin we must have 50% of this in cash and the other 50% in committed pledges.

## **What Will Be The Annual Operating Costs For the Renovated Building?**

Cost estimates by design engineers comparing our current operating costs to the projected operating costs of the proposed new facility actually show a reduction in operating costs for the space we currently have; the Church and McCahill School. This is the result of more efficient heating and cooling equipment along with gains made from today's more effective construction methods and more efficient insulation in all components of the building. Obviously we will incur additional operating costs for our added spaces; Gathering space and Administrative space. This additional cost is estimated to be approximately \$500 per month or \$6,000 per year.

## **How Will This Facility Serve the Parish?**

The "Reasons Why" Committee has reviewed planning to this stage and identified the key benefits for St. Mary's parishioners. A companion document, "Reasons Why We Need New Space to Share Our Faith", to this FAQ document should be read to fully understand "How This Facility Will Serve the Parish".

## How Do We Know That The Campaign Will Be Successful?

We know that in order to be successful every registered parish member must pray and be thoughtful about their capacity to give sacrificially in order for this project to be successful. The table below shows what the St. Mary of the Lake Faith community has done over its history:

WHAT	WHEN	* NUMBER OF FAMILIES	NUMBER OF \$'S AT TIME	** NUMBER OF EQUIV 2007 \$'S
BUILD CHURCH	1877	150	\$ 20,600	\$ 3,509,414
BUILD McCAHILL SCHOOL	1923	Not Applicable donated by the McCahill's	\$ 50,000	\$ 1,348,250
ADD CHAPEL TO CONVENT AND OTHER MAINT ITEMS	1956		\$ 80,000	\$ 591,250
BUILD GATHERING SPACE, OFFICES, CLASSROOMS AND OTHER MAINTENANCE ITEMS	2008	600	\$ 3,200,000	\$ 3,200,000

\*\* Equivalent 2007 dollars assume a 4% average rate of inflation

\* Note that in 1877 150 families raised more dollars that 600 families are being asked to raise in 2007.

As can be seen from the table above, there has not been a major campaign requesting this level of sacrificial giving since the original church was constructed in 1877. It can also be seen that even though in this campaign we are raising slightly fewer dollars, we have four times the number of families to give.

To help assure a successful campaign, a Campaign Steering Committee has been formed under the leadership of Dennis Spano, Mark Nichols and Greg Schreck. They will lead the approximately \$1.8 million campaign, which when added to the dollars raised in the first year will achieve the \$3.2 million required for construction.

As the Diocese is now offering an additional two years for us to complete our pledges, we will revisit those who pledged and contributed to the first campaign with a request to consider a pledge or outright gift for the additional two years. We will also have a process for personally soliciting those individuals who were not solicited during the first effort.

A proven strategic fundraising process is being implemented with leadership by approximately 50 volunteers, with involvement of many more volunteers in the future. A fundraising consulting firm, Crescendo Consulting, L.L.P., with a proven track record of assisting small, rural areas in successful capital campaigns has been hired to manage the campaign. The initial effort did not incorporate a comprehensive strategy managed weekly by an experienced professional to support the fundraising efforts of parishioners.

### **How Much Has Been Spent On Architectural and Planning Costs So Far?**

\$272,000 has been spent on research, design and plans which we own. The cost we have incurred for architectural design, which is usually 10% for renovation and 8% on new construction, is consistent with most architects and facility costs. These costs are not uncommon with projects of this magnitude. These costs were incurred in order to specify a facility update that best met the needs, as defined by numerous meetings with parish organizations and free form input from all interested parish members. All of this input was then scrubbed down to what was needed in order to accommodate our Faith Community needs for the foreseeable future. The resulting design is that which is being brought forward to be funded by this capital campaign.

The comforting part of this design is that an entirely new set of committee members met from June through October of this year and concluded once again that the proposed design is an excellent solution to our needs. In addition, since \$272,000 has already been paid to the architect for the nearly completed plans, it would be wasteful, without overwhelming evidence that the current plan is seriously deficient, to start over with a new plan which would require additional architectural costs.

## **Why Do We Need To Spend Money On A Gathering Space?**

Many older area churches and parishes have undergone successful and beneficial renovations as needs of faith communities have shifted and developed in the last century. St. Mary's Building and Grounds committee made visits to a number of churches and interviewed parishioners who overwhelmingly identified positive benefits to their gathering spaces. More recently, Bob Campion, Jerry Berg and Tom Kennedy visited new or renovated parishes in St. Charles, Chatfield and Stewartville. They came back with very positive reasons to support our efforts. A Gathering Space provides the opportunity for hospitality and creates a sense of belonging for all who assemble for worship. According to the Diocesan Guidelines, the worshiper entering the church should know that Christ is the host graciously awaiting the guests. The suggested size of the gathering area is at least 1/3<sup>rd</sup> the area of the worship space.

## **How Will This Project Help Our Faith Grow?**

According to Father Russell, "Personally, I believe this project will attract new members, create a much greater sense of community, enliven our faith and bolster our spirits to serve God all the more. Reports have shown that since our friends at First Lutheran have built their new building, weekend attendance has doubled. Wouldn't it be nice if we had to add another weekend Mass?"

## **Is This Project God's Will?**

"God's will is truly what is primary", says Father. "Through prayer, consultation, hard work, and study we seek to discern what God desires of us. I'm at peace with your grassroots input. The many hours of hard work by all of the committees and the enthusiasm of so many parishioners is a clear sign that we should go ahead with the entire project. Perhaps God will soften our hearts to make it easier for all of us to give of our time, talents and treasures."

## **Who Made This Decision To Renovate or Not to Renovate?**

The Parish Council, Finance Committee and the Building and Grounds Committee, as well as several other fundraising task forces, have been working together on this project with more than 100 suggestions from parishioners over the last three years. This was revisited by an entirely new set of eyes when the campaign stalled at 1.4 million and the conclusion remained the same. Please

see the “Reasons Why” which outlines specific details included in the planning process.

### **Why Do We Need To Complete This Project Right Now?**

Costs to renovate cannot be put off much longer and will only increase. Serious maintenance issues were identified in 2005 with an estimated cost to fix of \$688,000. The Parish Council along with the Building and Grounds committee recognized that these fixes really did not address the strategic needs of our Faith Community. The proposal being put forth today addresses both the strategic as well as the tactical maintenance issues. However, IF we were to address only the maintenance issue and THEN two to three years from now decided we really need the gathering space, a more spacious fellowship hall and new administrative offices most all of \$688,000 would have to be destroyed to make those strategic changes a reality. Therefore, it is much more cost effective to complete the renovation and expansion instead of providing a band-aid approach which would in all likelihood need to be redone later.

### **Shouldn't We Give Our Money To The Missions Instead of Such An Expensive Undertaking?**

We already are a tithing parish for the poor. That is, we are giving in excess of 10% of our income for the needy.

### **Is The School Going to Have a Flat Roof?**

No. The roof will have a slight pitch which will help eliminate some of our problems.

### **The Elevator is \$72,000. Can We Eliminate It?**

It is very important that the entire facility is handicapped accessible for those with physical limitations. The primary reason for the elevator is to provide access to the second floor of the McCahill building. The McCahill building, when renovated, will be for all practical purposes an entirely new building. The per square foot cost of the McCahill portion, including the elevator, is approximately \$106 per square foot. This is the least expensive cost of any of the components in our project and considerably less than what it would cost to tear down the McCahill building and replace it. NET: Rather than an unnecessary expense the elevator is a means to hold down the costs by salvaging space we already have.

## **Can We Afford To Lose Seating In The Church?**

We will lose seating for about 10 persons by the new center doorway from the Church to the Gathering space. Access to the balcony remains undecided. In any case there have only been a couple of times a year, typically Christmas and Easter, when we have been truly challenged to accommodate all who wish to attend a service. With our new Gathering space we will have either through direct sight lines from the Gathering space and/or through closed circuit TV, the ability for overflow congregants to participate in our services.

## **Is It Really Worth the \$3 Million Proposal?**

Our needs have been analyzed in each of the last two years by two different groups of parishioners. Both groups came to the same conclusion that this is a worthwhile solution and provides an excellent investment for our Faith Community. This investment will solve most all of our identified needs and provides the flexibility to carry us into the future. The cost estimates are reasonable at \$106 / sq ft for the complete rebuild of the McCahill building (Fellowship hall and Education area), \$118 / sq ft for the new Administrative space and \$221 / sq ft for the new Gathering space. This is an average of \$148 / sq ft for all of our new space. This is felt to be a very good value. The higher cost for the Gathering space is due to the fact it carries the cost load of the new restrooms as well as the elevator in addition to connections to both the Church and McCahill.

## **Is the Covered Entrance Canopy Out Back Really Necessary?**

When visiting area parishes, the canopy was one of the most liked amenities to provide comfort during inclement weather, which we often experience in Minnesota. Campaign leadership will make decisions regarding additional options as fundraised monies become available.

At this writing, the canopy, which was bid at approximately \$93,000, has been removed from the plan. If we are able to fundraise more than the planned goal, campaign leaders have agreed that this will be a top priority to have funding restored. Even if it is not included in the initial construction all the necessary preparations, such as footings and attachments will be built to assure it may be added with minimal cost and disruption.

## **Is It More Cost Effective to Tear Down the School or Renovate It?**

From reviewing square footage costs, it has been determined that the current school could not be demolished and a new facility (such as a one-story, slab on grade) be built economically with the type of materials and quality necessary to support the parish. The current renovation plan still is the one which is most cost effective.

## **What Happens While We Are In The Building Process?**

We could use the Villa Maria to hold Generations of Faith. We plan to utilize trailers from the general contractor as offices. A local church has offered us the use their facilities until our renovation is completed.

## **What is the Timeline For Construction?**

Once we know exactly how much we fundraise, we will be able to start the renovation. We are hopeful that this will occur next spring or summer (2008).

## **Is the General Contractor Already Picked and The Contract Signed?**

No. We must complete this Second Phase Fundraising to see how much money we are able to raise. In order to enter into a contract we must have a current bid and be able to see our way to funding the project. The Diocesan regulations ask that we have 50% (\$1,600,000) in cash and the remaining 50% (\$1,600,000) in pledges to be paid over a 5 year period. This is somewhat of a chicken and egg – which came first – dilemma. We cannot get firm pricing until we are able to bid the project and we cannot bid the project until we know how much we have to spend.

The leadership team is extremely optimistic that as the Faith Community understands what is being proposed that they will give at a sacrificial level to make this project a reality.

# **FUND RAISING CAMPAIGN**

## **What Is The Timing of The Fundraising Campaign?**

Laying the foundation for The Second Phase Fundraising reorganization will be completed by mid November. This will include identification of prospective contributors, organizing additional campaign leadership, completing a communications plan and developing a complete and concise rationale to support the project. Most of the pledges will be secured by spring of 2008.

## **What Fundraising Events Will Be Planned?**

This Capital Campaign *IS* the fundraiser. The campaign will not be asking you to buy baked goods, raffle tickets, or attend special fundraising events except as awareness and exposure opportunities for the campaign. We hope everyone in the parish will support the project through a multi-year pledge or a contribution and will contribute as generously as possible to the campaign. We now have two additional years to remit pledges.

## **Why Should I Participate in the Fundraising Drive?**

A project of this magnitude has not been undertaken since 1877 for this parish when 150 parishioners rallied together to fundraise \$20,600. Certainly this took sacrificial gifts from them so the future generations could worship and enjoy St. Mary's. Now is the time for us to take care of this Parish entrusted to us and future generations.

## **What if Someone Wants to Give an In-Kind Gift to the Project?**

Campaign leaders realize that *in-kind* support is very important to the project. Raising cash funds, however, still must be the first priority. Campaign leaders will be working to establish creative ways for area contributors to fulfill potential in-kind gifts that could provide much-needed support for the campaign. Please contact Greg Schreck or Ken Willers if you are interested in this area.

## **What if the Campaign Does Not Meet the Goal?**

With the excitement that is being generated for this project, we are confident enough money will be raised. We are especially confident due to the increased participation and involvement which has been generated during the Second Phase Fundraising Campaign. Parishioners who are skilled in this construction will be working with the general contractor to value engineer the project for cost containment. There are plans for some in-kind work to be done by parishioners who have experience completing this type of work. Alternates may also be identified which may be completed as funds become available.

## **What if We Raise More Money than is Needed for the Project?**

Contributed funds, which are not needed for immediate construction expenses, will either be directed to provide for future improvements or maintenance.

## **Do Most Campaigns Find Contributors Fulfill Their Pledges?**

Yes. Midwest communities that have conducted similar campaigns have found that pledge fulfillment has ranged from 95 to 105 percent.

## **How Can the Facility Be Built in the Next Year or Two, When Pledges are for Three Years to Five Years?**

According to the fundraising consultant, typically one half of the dollars are paid in the campaign's first year in a three year pledge cycle. One-third comes in the second year, and one sixth comes in the third year. Some people may choose to give over 5 years so they can be more generous. Approximately \$700,000 is already secured in cash to help us get started. The Diocese will provide financing for the project as the pledges are paid. Approximately \$1.4 million of the funds needed are already pledged or given. This is a great start. We feel confident in our approach and the funding plan.

## **Will People be asked for Significant Sums of Money?**

Yes. Most campaigns work on the premise that those who may have more financial capability may be asked to consider giving at greater levels than those who do not. Regardless of this, it will take the support of parishioners with a stake in St. Mary's to make this project happen. Some people may be asked to consider contributions of \$10,000, \$20,000, \$50,000 and even more. Still

others will be asked for gifts ranging from \$1,000 to \$5,000 to be paid over five years or less.

### **Some People Have Said Potential Contributors Will “Be Expected” to Give Certain Amounts.**

The first thing to remember is no one will be expected or coerced into giving a pledge to this campaign. However, everyone in the parish will be asked to give. That’s the only fair way to do it. This is the largest private fundraising project undertaken since our parish was started. If this project is to become a reality, everyone will be asked to consider gifts larger than they have ever considered before.

### **How is the Amount Determined People Will be Asked to Give?**

Prospective contributors will be asked to *consider* a pledge or contribution in a range by reviewing the total amount needed to fundraise which an amount that will be established based on their past giving history among other factors. Those who have more financial capacity than others may be asked to give more; it’s the only fair way to do it. However, each individual must make a decision which makes sense for them and their family.

### **Can You Explain the Contract for the Fundraising Consultant?**

The consultant is paid on a part-time basis for the time served on the campaign and not on how much is raised.

### **How Can I Help?**

When someone asks you for your involvement in the Capital Campaign, please say, “Yes!” When you are asked to give, please give generously! If you are interested in getting involved, call Mark Nichols, 345-2428, Dennis Spano, 345-4884, Greg Schreck at 345-2676 or Father Russell at 345-4134.