



From the Vestry: Update on the Church on the Hill

So where are we with the Church on the Hill?

First, I want to say thank you to all of you who are making pledges and have begun to fulfill those pledges with your generous donations. Please know that the Vestry's first commitment to the Lord and to you is to be careful stewards of all funds donated.

The Vestry has set a goal of Easter 2018 to be our first service in the new church building, the Church on the Hill. In order for us to hit that deadline there are three hurdles that need to be overcome by the end of the year.

I want to take each one of these hurdles and explain where we are, and what we are doing as a church to accomplish these important objectives. At the February 22, 2016 town hall meeting, the Vestry set a \$2.5 million budget for both the Building Committee and the Capital Campaign Committee for the Church on the Hill project.



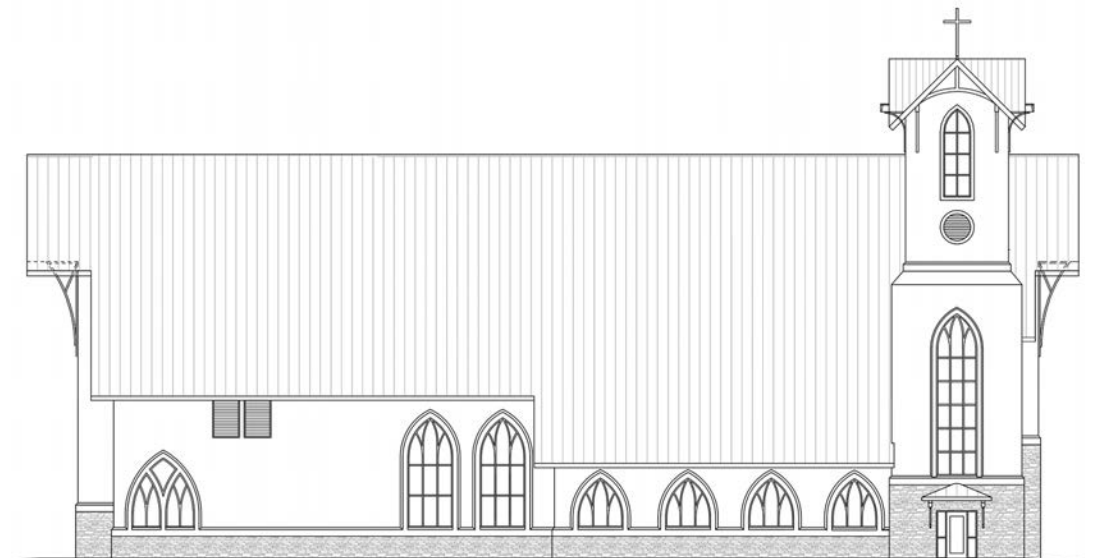
Hurdle #1: The projected cost of the project must not exceed \$2.5 million

The project budget is \$2.5 million. This budget is to be inclusive of all costs of the project including the Capital Campaign, the architect's fees, furniture, fixtures and equipment, permits, site work--i.e. everything! Working with our congregation members' feedback from the focus groups and our architect, John Dickerson and Associates, the Building Committee arrived at a preliminary design which was included for review in the Church on the Hill capital campaign brochure.

In August, the Building Committee took the proposed building design to an estimating contractor, Wharton-Smith, who prepared a detailed estimate based on the real costs. The total cost of the building as designed in the brochure came to \$3.7 million. This would be \$1.2 million over the budget set by the Vestry and not feasible for our congregation to build at this time.

Therefore, at its August meeting, the Vestry moved to postpone the scheduled meeting with the congregation and the architect until the design is within budget. They also charged the Building Committee to work with the architect to design the project within the \$2.5 million budget.

1. The projected cost of the project must not exceed \$2.5 million.
2. The pledges need to total a minimum of \$2.5 million.
3. The dollars collected for the project need to total \$625,000 for construction to begin.

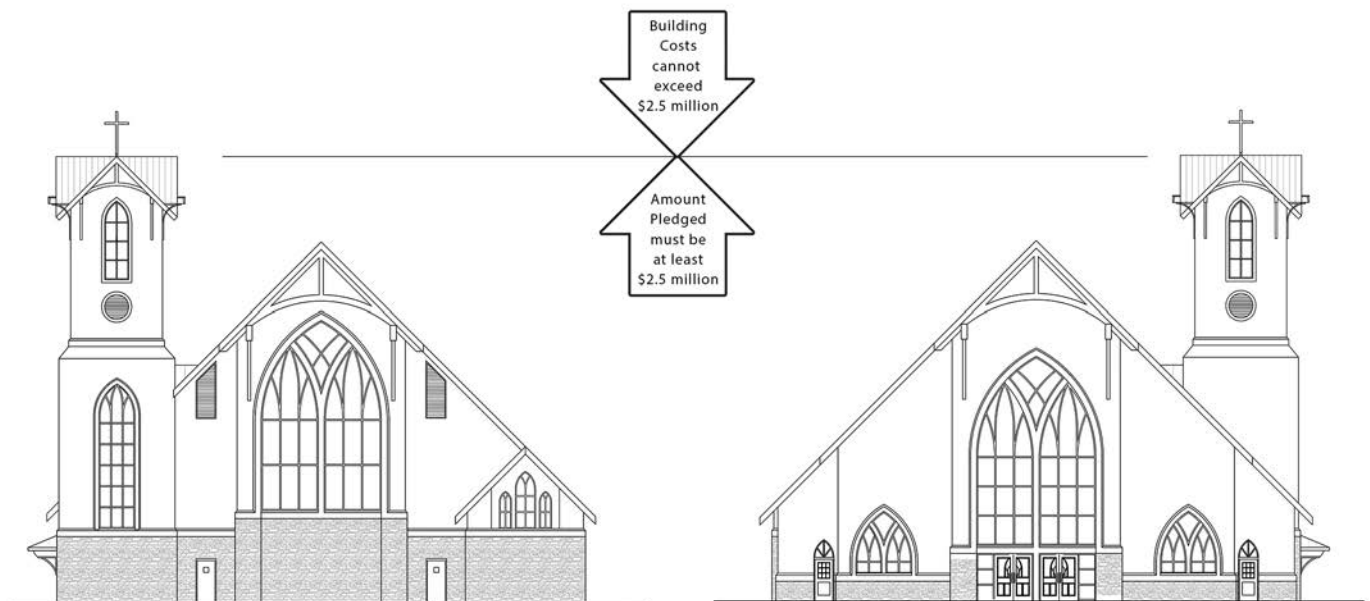




The latest update is that the Building Committee, the architect and the estimating contractor have identified several cost saving ideas that would not adversely affect the design. For example, the clerestory above the narthex could be eliminated saving \$38,100, and the steeple design could be reduced saving \$173,000. With these modifications and several others such as roof and flooring materials, elimination of church pews, new pulpit, hardwood communion rails, windows and other things, the Building Committee has been able to reduce the proposed project cost by \$600,000, from \$3.7 million to \$3.1 million. Much closer!

The next \$600,000 will require more substantial design changes. Ideas include staging the narthex and/or the steeple tower to reduce the square footage of the building itself leaving those desirable options available for construction in the future.

The goal of the Building Committee is to create a plan for constructing the Church on the Hill that meets the \$2.5 million project cost and preserves our ability to add the desirable features back into the project as future funding becomes available.



Hurdle #2: The pledges need to total a minimum of \$2.5 million.

At the February 22, 2016 town hall meeting, the Vestry heard the report from our capital campaign consultant JD Klote and Associates. Based on their interviews and focus group meetings with the members of St. Peter's, they recommended that we move forward with a capital campaign. Our consultant projected that the congregation could reasonably expect to raise \$2.5 million in pledges and gifts for the Church on the Hill project.

At our April 23rd kick-off event, we celebrated the vision of the Church on the Hill with over 175 members present and the announcement that \$496,000 had already been pledged toward the desired goal. The Capital Campaign Committee sent out eighteen trained visitors to present the opportunity to pledge to our 315 member households. By May 16th, we had crossed the \$1 million mark in pledges. By July 18th, we had received pledges from 112 members totaling \$1,287,974.



In August, one of our member households increased their pledge from \$125,000 to \$250,000 bringing our total pledges to \$1,413,974. This increased pledge came with a challenge to the rest of the congregation to *Step Up and Step In*. I shared that if 35 of our member households increased their pledge (*stepped up*) and 35 member households pledged (*stepped in*), we could come a long way to closing the gap. So far, six of our original households have *stepped up* totaling \$43,600 and seven new households have *stepped in* totaling \$108,600. This makes our pledge total \$1,569,357 with 123 of our households pledging! Going forward, we will continue to track the *step ups and step ins* and report that to the congregation on a regular basis.

The Capital Campaign Committee is planning several fundraising events, the first one being an Organ Recital on November 4th. There will also be a town hall meeting with the architect to present the design of the building to the congregation. We are continuing our one on one conversations with members to seek out the *step ups and step ins*. Some people have been able to *step up* their pledge based on further prayer and consideration. Others have needed time to think through the project or are facing financial challenges at home. If anyone would like to talk more, please let me know.

Hurdle #3: The dollars collected for the project need to total \$625,000.

The final hurdle is that we need to have accumulated donations totaling \$625,000 in order to acquire a construction line of credit with the bank. Just to clarify, this is not long term debt or a commercial mortgage; it is simply a construction line of credit that will help facilitate payments to the builder and will be fully supported by our pledges.

The pledging period is for five years, but construction can begin earlier by using a line of credit from the bank against the pledges. This is often referred to as a construction loan. The bank requires that one fourth of the pledged donations be collected prior to the closing on this bridge financing. So far we have received \$346,508 in donations toward the needed \$625,000, leaving \$278,492 to be yet collected to reach this goal.

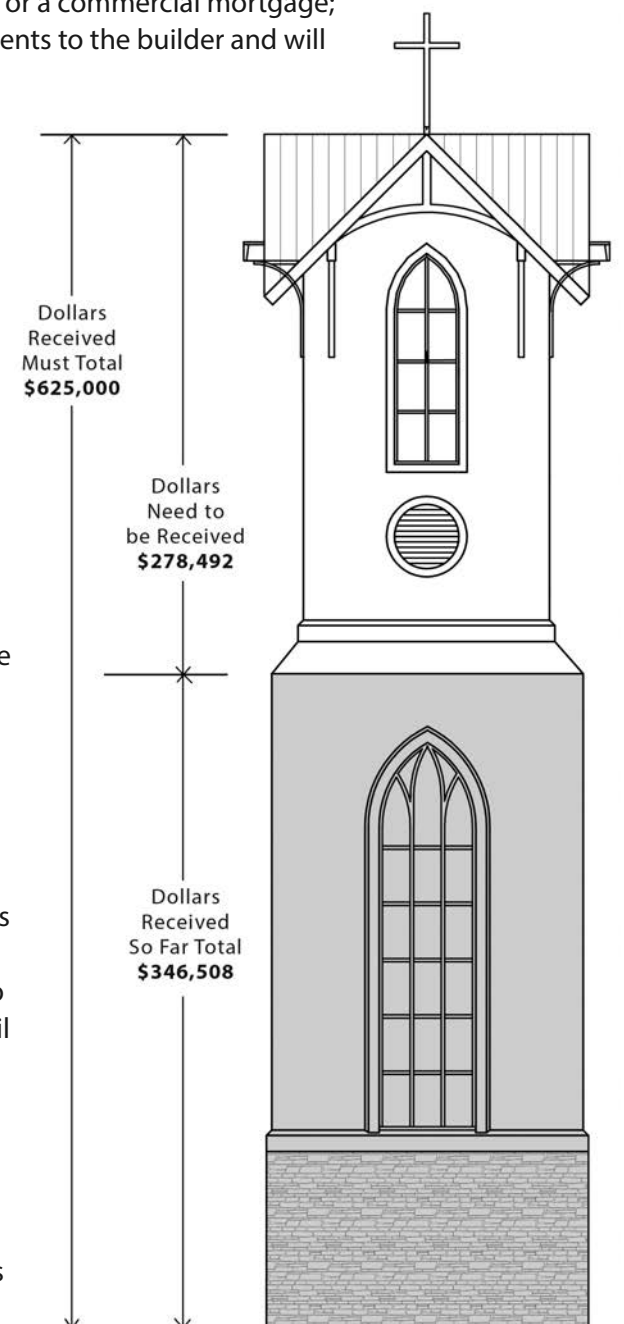
Keep in mind that all donations or pledges paid by December 31, 2016 are deductible for tax purposes. Payments qualify as deductible if cash is transferred, checks are dated and sent, or, if processed by credit card, the payments are reflected on your credit card statement, by December 31. The credit card balances do not need to be paid off by December 31, but the charges need to be reflected in the credit card account by that date.

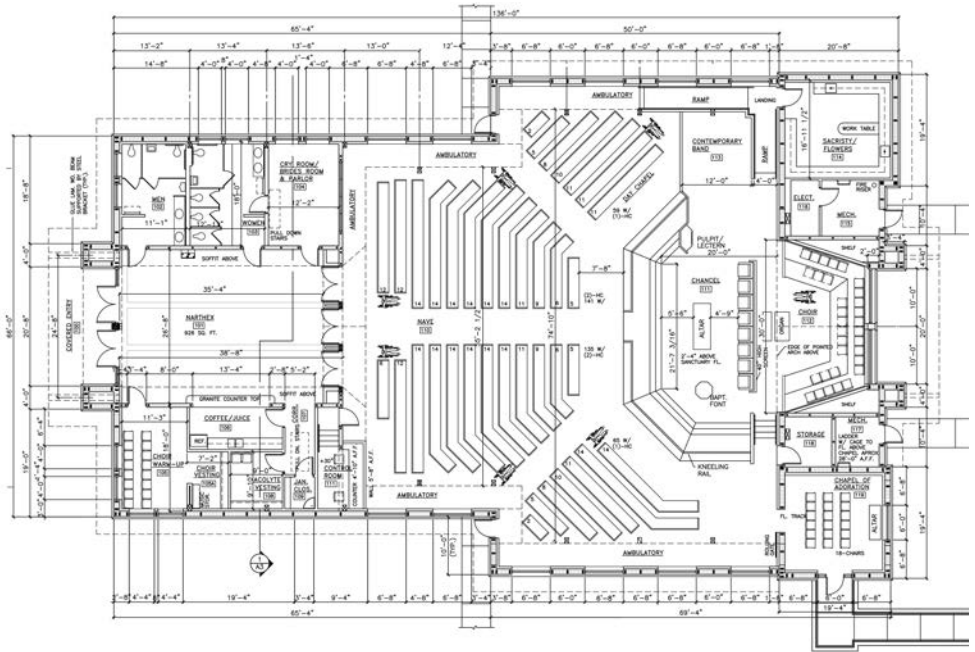
It is important if you have made a pledge that you begin to fulfill it. The dollars collected are being held in a restricted account named Church on the Hill project and thus these funds can only be used for that project. Once we reach the threshold amount we can close on the construction line of credit and begin construction.

Overcoming the Hurdles.

One may ask, what will happen if we do not overcome these hurdles by the end of the year? The answer is that we will simply push back the timeline. This is the next capital project for our congregation. So by faith, we will keep pressing against all three of these hurdles until they fall.

Once all three of these hurdles are overcome, the Vestry will initiate construction. They will not do so until then. I am often reminded that church work is a long obedience in the same direction. The course we are on is a good one. By faith, hard work and perseverance, it will happen in the Lord's timing and with the congregation's commitment.





Through regular communications, we will keep the congregation apprised of how we are meeting these challenges. Watch and pray over these three hurdles toward our goal. If there is any creative idea or inspiration from the Lord please share it.

As Laurie Mealor recently wrote in her excellent piece, *We are the Project*,

“What has become clear to me throughout the Capital Campaign is that we are setting out to accomplish much more than a construction project built of man-made materials. As slow and painstaking as it is in our human time, undertaking this planning, designing and fundraising process allows God’s people of St. Peter’s to experience another kind of growing opportunity. We must allow our Lord to accomplish HIS goal of transforming US into the people here that He wishes us to become. Perhaps within this important work, WE are the real Project!”

As we are building the physical structure of the Church on the Hill, we are reminded that the Lord is building us up as a living Church on the Hill that will captivate the heart of the world with the glory of God. “In the same way, let your light shine before others, so that they may see your good works and give glory to your Father in heaven.”

We are sincerely yours in Christ,

The Rector and Vestry of St. Peter’s Episcopal Church

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|---------------------------|----------------|
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| John Ricci, Sr. Warden | James Nedved |
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