

Saint Michael and All Angels Episcopal Church  
Town Hall Meeting – 10/18/07

Before I begin my report, I would like to remind everyone that the time is upon us for Vestry nominations and Convention Delegate nominations. Those nominations are due into the receptionist by the end of the day on November 28<sup>th</sup>. Forms are available on-line or from the receptionist in the lanai.

I would also like to relate to you a compliment paid to Saint Michael by Bishop Stanton at Bob's installation service. At the reception, the Bishop told me that he had figured out how to make a million dollars...he was going to bottle up our search process and sell it to the rest of the Episcopal Church. What great praise for Nancy, Rusty, and our entire search committee! And what a beautiful installation service it was. Our thanks go out to Phil Ritter and his entire Transition Planning Committee, along with Gail Kessinger, Tony Briggie, and a host of others that made it such a wonderful evening.

I also want to take this opportunity to publicly thank our clergy staff and our lay staff for all their efforts and their sacrifices in getting us through the transition period.

At our last Town Hall meeting in May, we said that the Vestry, in response to input from the Strategic Plan and the Parish Profile, had expressed a strong desire to substantially improve our youth program by providing adequate space to accommodate, expand, and further enhance our youth programs.

We took several steps in an attempt to meet this need:

1. We asked Maurice Crowe to look at the Lomo Alto building and the Michaelson property (where the apartments are located) and help us determine what options for the use of those properties were available.
2. We asked C. A. Rundell, our tireless chairman of the Capital Campaign, how we could slightly restructure the campaign to utilize some of the funds to solve our immediate needs without compromising the intent and the commitments made in the Capital Campaign.
3. We asked Stewart Thomas to take the lead in helping to raise additional money for the Capital Campaign from the parents of those children who would benefit immediately from the improvements we intended to make.

4. We asked Giffen Weinmann to look at the total expenditures contemplated in the Capital Campaign, the expected cash flows as we make and fulfill our pledges, and to project a timeline that we can use in determining when we could afford to start on this task.
  
5. An finally, we asked Neal Lacy from the Master Plan committee if the options we are contemplating were consistent with that plan.

We have spent a lot of time and dedicated work to ensure that whatever direction we took we were being fiscally responsible, improving our youth programs consistent with expressions of the Strategic Plan and Parish Profile, and we were not taking actions that would be detrimental to any of our other programs, especially our adult education program.

During this same time period, the Hines condominium development which will be on the bank parking lot across Douglas just north and east of the church has been finalized and approved. As a result, we will lose the bank parking facility when that construction begins later next year. Additionally, we have continued to pursue the acquisition of the laneway between the church and the apartments. In this regard, we have again taken a thorough look at the affordability of all that we are attempting to achieve with our Capital Campaign.

The good news is that with everyone's input, we believe we have a solution that will serve the needs of our parish for the years to come, and we are very excited about our ability to move Saint Michael forward.

As most of you have noticed, part of the project is already underway. We have prepared about 3200 square feet of office space in the Lomo Alto building for use by some of our Saint Michael staff, and some of those people have already moved-in. We have – temporarily – relocated our clergy to Lomo Alto as well, while the clergy office area is renovated. When completed in January, we will be able to implement the staffing component of our Strategic Plan in space that is appropriate for their needs, and will help us attract and retain the caliber of clergy that we want for our parish. The handout in your package contains a drawing of the new office area devoted to clergy, pastoral care, and support staff – including our interns.

So, what is next as we move forward in this process? We must find a solution to replace the loss of parking for our parishioners. It is a matter of meeting city codes and regulations, not just convenience. With the help of Maurice and others, we believe the best solution is to demolish the aging apartments on the Michaelson property, convert it to church use (which will eliminate taxes on the property), and pave it creating about 250 parking spaces. In order to do that, we need to acquire the laneway making the Michaelson property contiguous with our current church property, which will allow us to replat it as a single piece of property.

At the same time, we think it is imperative to proceed with expansion of our youth facilities as quickly as we can – consistent with our fiscal responsibility. The Vestry has concluded that it is willing to move forward on the youth expansion program as soon as our Capital Campaign pledges reach the \$11 million mark. This in NO WAY means that we are reducing the Capital Campaign goal of \$12.5 million. It simply means that when we reach the \$11 million mark – on our way to reaching the \$12.5 million goal – we feel comfortable from a pledge commitment and cash flow standpoint in moving forward. Our decision is based on a detailed look at the timing of pledge income and the affordability of interim financing, which I will not go into today, but will be happy to review with anyone who would like to see it. Hopefully, we can make this \$11 million dollar mark happen – we need make it happen – so that we can start the next phase of the process this spring.

I would now like to turn the meeting over to C. A. Rundell and Stewart Thomas to talk further about the campaign and our youth expansion.