



"St. Thomas More: A Parish For All Seasons"

In God, we live and move and have our being! (Acts 17:28)

Our 3-Year Endeavor to Complete the Build-out of Our Parish

(January 2018-December 2020)

Transcript of Financial Update

by Doug D'Agrosa

Parish Financial Liaison

November 18-19, 2017



Good morning, my name is Doug D'Agrosa, and I am the Parish Financial Liaison here at St. Thomas More. It's my responsibility to represent Fr. Mike and the Finance Council and update you on how we are doing with the Operations Budget and the Mortgage and Building Completion Fund. Hard to believe, but it has been a year since the last update I provided to the Parish. Today, I will cover three areas. First, some news updates (and no, they are not "fake news"); second, review our financial situation; and third, introduce Endeavor 2020, our new three-year Capital Campaign to complete our Parish build-out, including the completion of our Parish Offices, the creation of our Memorial Garden, and ensuring our monthly mortgage payments going forward.

On the news front, I am happy to report that Fr. Mike's back surgery went well, he's feeling good and wishes he could be here with us every Sunday. He thanks you all for the prayers, warm wishes, support, and keeping our St. Thomas More spirit alive. Secondly, we have settled on our final payment with our general contractor, T.B. Penick & Sons, for the construction of our worship space, and the Diocese has helped us in making that final payment. Last, lucky for you and for me, I will be providing these financial updates twice a year going forward. You can thank me later.

In the meantime, since we have celebrated our Dedication Mass and moved into our Worship Space, the Parish has experienced quality growth with dedicated new Parishioners on board after meeting with our Welcome Ministers. As you may have also noticed, there are many new, younger families and children in the Parish. A few years ago, during one of the New Parishioner Luncheons, as I was talking with a young father who was balancing multiple kids on his lap, he apologized for the volume and

energy of his kids. As a father of three myself, I told him not to apologize, that if was not for his kids, and all the new young families who are attending Mass each Sunday with their energetic kids, there would be no need to build the new Church. And our new families, couples, and singles are contributing their time, talent, and treasure, just as Michael and Lia Haubert's "lay witness talks" last week so wonderfully demonstrated. We are truly blessed here at St. Thomas More.

Now, onto our financial situation. As a reminder, our mortgage payment is \$45,000 per month. This is based on our mortgage with the Knights of Columbus, a 20-year agreement, for \$6.6 million at a fixed interest rate of 5.345%. On the bright side, we have completed 38 payments and now have less than 17 years of monthly payments left.

Last year, I shared that we were consistently behind in our monthly mortgage payments, an average of about \$3,500 per month. In this past year, we have averaged a monthly shortfall of about \$5,100 per month. Last year, we were able to "cover" some of the shortfall from Parish Reserves that we had accumulated during construction and unexpected donations from the Towers of Faith. However, we need to eliminate this monthly deficit so that we don't have to pay the mortgage payment from funds designated for other purposes.

If you remember, last year we won the San Diego Architectural Foundation's Grand Orchid for the best new Architectural Design in 2016. In Fr. Mike's remarks at the award ceremony he tied the design highlights of our Church to our faith journey: softwood reflecting the warmth of the Church; the unfinished concrete walls representing how we are all unfinished, imperfect beings; and the windows that provide the transparency necessary

for us as Church to be clear and honest about acknowledging our strengths and weaknesses.

So in the spirit of transparency, how did we end up in this position of being consistently short on our mortgage payment? In August of 2014, St. Thomas More had completed two very successful Capital Campaigns and had raised \$5.4 million, enough for our down payment and to secure a loan from the Diocese to build our permanent Church and Parish Offices building. As the finance council was moving forward on our building plan, the Diocese was planning on providing our Parish with a 30-year loan of \$6.6 million with a 4.4% adjustable rate.

Unfortunately, due to circumstances beyond ours and the Diocese's control, they were unable to extend that loan and we were directed to secure our loan from the National Office of the Knights of Columbus, under terms I mentioned earlier. The difference in those terms was a monthly payment difference of approximately of \$12,000 per month and payments started 16 months earlier than expected. For that reason, we are not on the financial path that we had planned for some time.

So that leads to me to introduce "St. Thomas More: A Parish for All Seasons," our three-year Endeavor to complete the build-out of our Parish. The goal of this Endeavor, or to be perfectly transparent, our Capital Campaign, is to raise \$3.3 million over three years starting in January 2018. So what does the \$3.3 million pay for? Before I review the breakdown, know that we will be holding a Parish Town Hall meeting on Wednesday, November 29, at 7:00pm to provide more details, and more importantly, to answer any questions you may have on the Endeavor, the building plans, and anything else you may want to know.

So what does \$3.3 million cover in our new Endeavor? Well, one million dollars to complete the Parish Offices building and renovations on, as Deacon John referred to it, our "Churchnasium," as we continue to support the growth of our younger Parishioners. Secondly, \$400,000 to cover the final payment to our Church contractor that the Diocese loaned us. Thirdly, \$300,000 to complete the Memorial Garden, including the Mosaic portion, that many have been so generous in securing. And lastly, \$1.6 million to cover our monthly mortgage payments over the next three years.

Fr. Mike, the Finance Council, and I are very confident regarding the ability of our Parish and this new Endeavor. In 2008, when we were in the middle of our two previous Capital Campaigns, the economy was on the verge of a depression, the Dow Jones dropped to 6,450 in March of 2009, and unemployment eventually peaked at 9.6% in 2010. Today, the Dow Jones is over 23,000, and unemployment is steady at just over 4%. Now I understand that everyone's situation is different, but overall, we are in a much better position economically today than we were back during the last two capital campaigns. And God provided...and is still providing. As of mid-November we have over \$300,000 already pledged from several of our Parishioners toward this Endeavor.

In closing, there are three things I ask. First and most importantly, please pray, for Fr. Mike's healthy recovery, for the Parishioners of our St. Thomas More Faith Community, church leaders, and political leaders to make us united and not divided. Second, as we start the holiday season, remember how you can contribute to St. Thomas More by just doing what you are already doing. When buying gas, groceries and gifts, make an effort to stop by the scrip table and see how with a little planning, you can contribute to STM just by buying gift cards for things you were going to purchase anyway. Plus, if you shop on Amazon—and who doesn't nowadays—by going to *smile.amazon.com*, you can contribute half a percent of most of your purchases with Amazon to St. Thomas More. Nothing extra out of your pocket, just use *smile.amazon.com* instead of *amazon.com* or the phone app.

And lastly, please attend the Parish Town Hall meeting on Wednesday, November 29, at 7:00pm. Refreshments will be served, and childcare will be available. Everyone who RSVPs will receive an informational packet on this new Endeavor. RSVP information is below and in the bulletin. We will review Endeavor 2020 in more detail, share how you can participate in the capital campaign, and answer any and all questions. We look forward to seeing you there!

Thank you, God bless you and God bless St. Thomas More Parish!

Parish Town Hall Meeting

Wednesday, November 29, 7:00pm | Parish Center Lower Level

In order to properly accommodate all who will be coming, please RSVP to Henny by Monday, November 27, at 760-758-4100 x100 or parishoffice@stmoside.org with your names, contact information, and whether you need babysitting services for your children.