

**January 23, 2011
UPDATE**

“Our Journey Into The Future . . . Together”

Phase I and Phase II

Pledged to Date

\$5,100,000 Phase I Pledges/Special Gifts*

\$1,486,000 Phase II Pledges to Date

\$ 600,000 Rectory/Investment Gifts**

**Includes pledges with future due dates and some unfulfilled pledges*

***Investment gifts (i.e., property, annuities, stocks, charitable remainder trusts, etc.) reflect current market value. Actual amounts realized upon redemption may vary.*

\$12,400,000

Total goal

\$500,000-\$1,000,000

Approximate anticipated cost savings due to the current economy

\$5,600,000

Diocesan loan to build the Sanctuary, Bell Tower, Daily Chapel, Memorial Gardens and Parish Offices

\$12,400,000 Capital Campaign Components:

- † Sanctuary, Bell Tower, Daily Chapel, Memorial Gardens, and Parish Offices (\$10,000,000)
- † Parish Center Debt Retirement (\$860,000)
- † Adjacent Land/Five Acres (\$585,000)
- † Secondary Education Initiative (SEI)—North County High School (\$1,000,000)

**\$2,000,000 Total Phase II
(1,486,000) Already Pledged**

\$ 514,000 Still Needed

\$4,000,000

Funds on deposit at the Diocese to date

\$236,000

Preliminary construction costs and Parish Center maintenance and improvements paid to date

\$163,000

Capital Campaign administrative costs to date

\$736,000

Payments on Parish Center debt (\$124,000 remaining balance, scheduled to be totally retired by December, 2011)

\$57,000

Necessary land maintenance/improvements to date

\$585,000

Additional five-acre land purchase (paid in full)

\$407,000

Secondary Education Initiative (Toward our \$1,000,000 pledge for the new Catholic High School in North County.)



*For more information, contact Chris Smith, Director of Stewardship and Development
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Text of Presentation by Bill Ipsen at All Masses the Weekend of January 23, 2011

I'm Bill Ipsen, chairman of our St. Thomas More Capital Campaign Committee, ***"Our Journey Into The Future . . . Together."*** This weekend Fr. Mike has asked that I update you on the status of Phase II of our campaign, as well as discuss the recent visit of Bishop Brom and his great news regarding the building of our new sanctuary.

As you know, the goal of Phase II of this campaign is to raise an additional \$2 million by December 31, 2011. As of January 18, we have pledges in the amount Of \$1,486,000 of which we have collected \$955,000 and placed on deposit with the diocese. We appreciate each and every gift toward our goal and are grateful for all gifts no matter the size. This does, however, leave us with a shortfall of approximately \$514,000, which is significant and which I will address in this update.

On October 17, Bishop Brom joined Fr. Mike and our Parish family in celebrating Mass in honor of our 25th anniversary. To begin that celebration, Bishop Brom announced that he was going to make an exception in Diocesan regulations, and based on the good, sound financial history of our Parish, he was going to grant our Parish a \$5.6 million dollar loan,

allowing us to begin the actual construction of our permanent church and Parish office building. Yes, not just the building of our permanent church, but our Parish office building as well. Two buildings at the same time!

This decision was the culmination of a visit to meet with diocese officials by Fr. Mike and a team from St. Thomas more in which we presented our case for the Diocese granting our loan request. At this meeting, there were two recurring themes that the Diocese acknowledged St. Thomas More was a Parish that always met its obligations and was faithful to all of its Diocesan commitments.

Given the economy, there would never be a better time to build as construction costs are down substantially. At our 25th anniversary celebration, many Parishioners were able to speak to Bishop Brom following Mass and express their enthusiasm and gratitude for his insightful decision in allowing us to move forward. At the same time, this good news created a whirlwind of activity for Fr. Mike and our senior leadership, as now it was up to this group to review the loan agreement with the Diocese to determine if we could meet the loan obligations and



at the same time, meet the additional financial obligations that would come with having three buildings to maintain. The three Parish Councils--Finance, Pastoral and Development, all met individually to discuss these issues. Then another Parish leadership meeting was held that included members of all three councils in which numerous presentations were again given in an effort to make certain we had covered all scenarios that could present themselves.

While Bishop Brom did not directly reflect on it—as we have commented many times in the past—all decisions regarding the building of the permanent church are based on two very important criteria: that we can raise the additional funds to pay for the project through a capital campaign, and that we can continue to support current Parish programs and obligations through our weekly contributions.

In past updates, I have echoed the thoughts of our Pastor and the Finance Council, in which they have indicated that our Parish must be in agreement, that weekly and monthly giving needs grow and accommodate the anticipated additional financial support necessary to build out our campus. It is important to note once again that in the last two of three fiscal years, while our budget has been balanced, it has required funds from Parish activities such as the annual golf classic, the “Did You Know?” campaign, the monthly restaurant fundraisers, the vehicle donation program, and a number of one-time gifts to balance our budget. In the past fiscal year, we incurred a deficit of \$28,000 which will need to be addressed in this present fiscal year. Of course, once we build the permanent church and Parish office building, there will be additional operating expenses to assume as well, and we will be responsible for the maintenance of not one building, but three!

However, once the permanent church is built, it is also safe to assume that our congregation will grow as well and we will have more families to help provide the necessary support we need.

Our current capital campaign is approximately \$514,000 short of achieving our goal of \$2 million dollars. It is crucial in the next eleven months that we close that gap in an effort to reach this goal. Let me explain—as Bishop Brom announced, the Diocese is willing to grant an exception to St. Thomas More and will provide a loan in the amount of \$5.6 million

dollars to build the permanent church and the Parish office building. This will enable us to construct both buildings we immediately need, and at the same time, take advantage of real cost savings associated with current construction costs. This alone could save between \$500,000 to \$1 million dollars in the overall cost of the project.

As we speak, the construction documents are being developed, the architect and the liturgical consultant are hard at work, and groundbreaking will take place toward the end of this year, but what we are able to build still depends upon the money that we are able to raise.

The \$5.6 million dollar loan from the Diocese is an addition to the funds we have on deposit from Phase I and Phase II of our current campaign, which is \$4 million. Once again, the loan from the diocese in the amount of \$5.6 million dollars, and the \$4 million we have on deposit with the Diocese represents the total amount we will have for the project. So it is important to note that if we have not met our goal of \$2 million dollars in Phase II of this campaign, it will have a direct impact on the total amount of funds we actually have to devote to the project. Again, I would like to emphasize to you, our Parishioners, if you have already made a pledge and can make another, please consider doing so. If you have been unable to make a pledge, and now you can, please consider coming forward and making that pledge. By December 31, of this year, I am convinced we can meet that \$2 million dollar goal. We finally have the groundbreaking in sight, and the \$500,000 goal that we still must meet is crucial to us moving forward. As we do move forward with the building of our permanent church and Parish office building, I would like to speak about the long-term financing of our new construction. In December of 2011, we will have retired the loan with the Diocese on our current Parish Center, a payment of approximately \$11,000 per month for the past six years, totaling about \$900,000.

With the retirement of this loan, we will now take on a new loan. Paul Ibbetson, chairman of our Finance Council, and his committee have estimated that based on \$5.6 million dollars at 3.5% interest, we will have a monthly payment of approximately \$30,000. Since this is not a fixed interest loan, the monthly payment could change over time and, in fact, is very likely to change. Each increase of 1% in interest will change the monthly payment by



approximately \$3,000. We are confident that we will have the resources to manage this payment over the 25-year term of the loan, in addition to the funds required weekly to operate our Parish.

In simple words, we will be taking out a 25-year mortgage to pay for our new construction, much the same way we all have to purchase our homes. In the last ten years, we have had three capital campaigns of varying lengths to get us to our current position. So in essence, we will now be moving to a 25-year “capital campaign,” or, I think better stated, to our “mortgage state.” This represents a completely different outlook for us—while we no longer need capital campaigns for the “down payment,” we will have purchased the “house” and taken on a mortgage. We will continue to have periodic updates on the status of the project as well as the status of our financial position. The immediate task now, before we enter the “mortgage state,” is to raise that last

\$500,000 before the end of this year. Let us all do what we can to close this gap, and make ourselves ready for groundbreaking. I am confident that we can do this.

In closing, I hope everyone can appreciate the time and energy that Fr. Mike, the staff, and our parish lay leadership have devoted to making this dream become reality. It has been a long and sometimes winding road, but through the generosity of so many of you over the years, and through the guiding hand of God, we are ready to begin a new chapter in the history of St. Thomas more.

If our past is any indication of our future, how fortunate we are to belong to this great Parish.

May God who has begun this good work in us bring it to fulfillment.

Thank you!

**\$1 per day
for a year = \$365
x 150 people = \$54,750**

EVERY GIFT IS VITAL TO OUR SUCCESS!

Even small sacrifices can add up.

**1 night out per month for a year ≈ \$500
x 100 families ≈ \$50,000**

**1 Latte per week
for a year ≈ \$250
x 200 people ≈ \$50,000**

*To make a new pledge, increase or adjust your pledge, or make an “Adopt-a-Family” Pledge, contact Chris Smith, Director of Stewardship and Development
760-758-4100 x120 or chriss@stmoside.org*