

**Parish Meeting – Update on Parish Building Project  
St. Michael's Catholic Church  
May 1, 2008**

Fr. B:

Would you join me in beginning with prayer?

Loving and Provident God, Creator of all and Builder of the Universe, we, the parish family of St. Michael, humbly ask your continued blessing on the spiritual, human and financial commitment we have made for the building of our new Church and School and the fulfillment of Your Kingdom on earth. Unless You build the house we labor in vain to build it. Through the intercession of Mary, Mother of God, St. Joseph the builder and our patron, St. Michael the Archangel, bring to perfection the good work you have begun in us. We ask this through Christ the Lord. Amen.

Can all of you hear me?

Here are my ideas for our meeting tonight. If you're open to it and I hope this is a fair approach, I would ask you to hold your questions until I get all the way through the process. The reason being, that the handouts that you have in front of you are what I will be going through. If you want to, write your questions down - I very much invite questions, feedback, input, comments, suggestions, whatever. If anyone wants a piece of paper, a pen, pass them around, would you?

Pass them down the row and anyone who wants one can take a sheet. This meeting is being tape recorded thanks to Jill Jensen. She has tape recorded the previous meetings that we've had, and then she's taken them to her law office and has transcribed them into Word documents. All the meetings that we've had thus far are posted on our parish website, as well as, and this meeting will be as well. Our parish website is listed on the front page of our bulletin. It's [www.stmichaelcheney.org](http://www.stmichaelcheney.org).

Let me begin by saying a note of thanks to those who have made what we're going to discuss tonight a possibility. We have been planning the future of our parish, believe it or not, for the largest part of two years. There have been a number of committees that have been instrumental in coming together --- they've given me an incredible amount of time - their expertise on this project, notably, the Building Committee, the Finance Committee, the Stewardship Committee, and the Parish Counsel. We've tried to make this a very collaborative process in which we've invited the input of all our parishioners. I think that we've come to the point in our planning process, in that we have arrived at tentative decisions. Those decisions, I think, are governed as much as by numbers – largely financial numbers – as well as anything else. What we want to do tonight is to convey those decisions to you.

Just to give you a very brief overview of the process and I don't want to go over everything in detail because we've covered all that in previous meetings posted the minutes of those meetings on our website. As I mentioned, we are the largest part of the way through two years of planning for our new parish – our new church and school. Our planning has been driven by needs, by numbers -- real actual and projected growth numbers.

We had listening sessions back in February and March of 2007 in which we invited all parishioners to come together and based on the needs that we had identified and presented, provide their input – their ideas on the needs of our parish in the area of education and worship. Prior to that we had acquired land in December 2006, and we had done some other preliminary studies. Then after that, we established committees, notably the Building Committee. We took the input that we heard from our parish listening sessions, and then we conducted architect interviews, selected an architect and began to identify programming needs. Following that we translated the programming needs into a tentative, preliminary site plan that I hope all of you will take the opportunity to see in detail and up close. Then the floor plans were developed - these are the two most recent to date and then some very temporary, preliminary sketches of elevations of a school building and what a church may look like were created.

Let me also preface my remarks by saying that what we are going to go over tonight are all tentative and preliminary. They are very much subject to change. This whole project is still very much one that is in progress and process – it is very fluid.

On the weekend of October 6 & 7, 2007, we had a PowerPoint presentation after each of the four weekend Masses. Then we had a follow-up meeting here to give everyone the opportunity to see and hear what we had arrived at by that time. I have tried to keep those parish committees that I have mentioned up-to-date, not only on what we have arrived at, but asking and soliciting their input in that regard.

Let us go over the handout that you have in front of you. I put this handout together because I thought it could be a point of reference that I could refer to during the meeting. The first two pages look very similar, but they are topically different. I would like to thank one of our parishioners Pat Gilles. He's a vice president of St. Elizabeth Regional Medical Center who came up with this approach. He said we need to create some sort of a grid, and on that framework we need to logically think out some of the elements that are going to be a part of our building project. He had identified them as: Design & Construction; Communication; Finance & Fundraising. You'll see that the first page that is identified as A in upper left hand corner is history of what we've done to date.

I'm not going to go through this line by line because we've covered most of this at previous meetings, and you can read it at your convenience. But a lot of what I mentioned in brief is outlined in detail here. Here is what we've done to date in these three areas – Design & Construction, Communication, Finance & Fundraising.

Let's flip over to the second page --- it is a little bit cut off on the left – but this page is identified as B. This is the projected plan, but again, it is very tentative, very much subject to change. In a nutshell, let me give you the conclusions up front.

It seems as our numbers are telling us, financial and otherwise, that very likely we are going to have put everything back at least a year. Our initial preliminary budget numbers for construction and operations of a school are far more than I ever imagined. The numbers seem to be driven largely by the increase in oil prices. Many building products are petroleum-based, and then you also have manufacturing and transportation that drive up the cost of other materials and services. When we started this process almost two years ago, the price of oil was \$50 a barrel. This last week it is pushing \$120. If you saw the *Omaha World Herald* yesterday, there are some incredible projections about future prices and so all of our numbers are going to be driven by this.

We have also come to the tentative conclusion that our approach to opening up an educational facility will be to open a limited, primary grade school, probably K through grades 4 and add a grade every year. The School Sisters of Christ the King, who agreed to staff our school, said that would be the most workable way to do it. They said in terms of an educational approach, it is far better to start with a limited approach and add a grade every year.

Here is their rationale: they said that if you start an entire K-8 system all at once, and you tell your parents whose children are already established in another educational system that your children must go here - if you had somebody who has gone to another Catholic school and they are in the 7<sup>th</sup> or 8<sup>th</sup> grade, and they have to leave their friends and other things they've built up in that school - very possibly, they could come to this new school angry because they've been forced to move, or with a chip on their shoulder, or they will be forever telling the Sisters how to run the school. It is much easier, psychologically and otherwise, to take young children, to establish an educational protocol, and to get them working together, for example, a daily regimen of what you want in a school - it makes a lot of sense.

The financial component, too, seems to be a very obvious factor in that your instructional cost will be far less because you will be growing as your parish is growing, for example, with the addition of teachers and other needed items. That

is our tentative plan now - to start with a K-4 school and add a grade every year. We likely will start with a capital campaign for the parish in the fall of 2009. Therefore the entire plan for the new parish will be pushed back a year. Fall is probably the best time of year to conduct a capital campaign, then break ground in the spring of 2010, and have a facility up and running beginning in the fall of the 2011 – 2012 academic year.

The design and construction line anticipates that. Then just guessing if everything goes well, maybe somewhere around the spring of 2015 to break ground for the second phase which would probably include a daycare and pre-school. Then begin designing for a church after that and the possibility for breaking ground for a church in the spring of 2018 – ten years from now.

Communication – how we will we communicate that to our parishioners is listed there.

Finance & Fundraising – six weeks ago several of our Finance Committee members and Stewardship Committee members, and Building Committee members met with a man by the name of Pat Moughan from CCS in Chicago. CCS, Community Counseling Service, that did the 1999 Crossing the Threshold Diocesan-wide drive and did the most recent Pius drive. CCS has a very impressive track record with our diocese and around the United States.

He studied the year-end 2007 numbers for our parishioners in terms of general revenue receipts and thought that with a maximum effort we as a parish would be able to raise \$4 million dollars above and beyond leadership gifts that would have to be established in advance – we will go over that in a minute. So what we are looking at doing is beginning a capital campaign in the fall of 2009. As you see the cost for Phase I, the estimate has come in at \$8.5 million. You want to talk about sticker shock? My goodness – I thought we could get Phase I built for about \$5 million.

So we're going to have to borrow money, it's undeniable, from the diocese. We have as a starting number of \$2 million. The diocese has a revolving fund which is an internal system of investing and borrowing among the parishes of the diocese. We get 4% return on money that we have invested, and then we borrow at 4.5% for new construction. Right now, our parish has just short of \$1 million in reserve. I've been trying to squirrel away as much as I can in anticipation of a building project.

We're looking at having a two-tiered pledge drive. That is, in the fall of 2009 to have a professional fundraiser, very likely CCS from Chicago, come in and conduct a campaign for us in which we are going to solicit our parishioners. We are going to ask them for very sacrificial gifts. That is one of the aspects of being

a part of a non-profit, religious organization. We have no other financial means other than the support of our parishioners. By choice, our membership includes financial support of the parish. In this capital campaign I will ask for very sacrificial gifts. I will not tell you that I am going to ask you for a once in a lifetime gift because I will be back. That is just going to be the nature of what our building project will entail.

So what I am thinking about is a 5 year pledge program in the fall of 2009 to reach all of our parishioners. At the same time, as you know, we are continuing to grow. Therefore we are thinking that after 2 years of that first capital campaign to initiate a second parallel campaign that will be 3 years in duration that will then ask those parishioners who have joined the parish in that 2 year period to be part of our building program by way of a pledge. That way both of those pledge drives would be finished at the same time – at the end of 5 years.

Then at the end of 5 years, we re-evaluate where we are numerically and financially. Then very likely, we will start - we might have a short hiatus and then start a second campaign that would be for Phase II, either a pre-school and daycare or a church. All of that is contingent on – our growth numbers. They will drive how much we need to borrow, how much we can pay back, the development of an ongoing financial plan. So that is where we are in finance/fundraising element – a very basic overview.

Let's take a look at those bottom numbers. You'll see there are a number of items listed on the far left: - registered families, parishioners, required church capacity, number of CCD children in grades K-8, and Catholic school children grades K-8. I asked two of our parishioners, one who is here tonight, Nick Cusick and Pat Gilles, if they would put together a plan of projecting what our growth numbers are. They took two different approaches – two different formulas – very scientific, and I incorporated those – their entire calculations are not part of this because they include much more and are a little more complicated. They took actual, statistical numbers from the last 7 years of our parish's data. They then took the projected growth numbers from the City of Lincoln Department of Planning, and they blended the two. They then projected growth forward for our parish for the next 10 years. What I have here is an average of the two approaches, and if you will see here in 2008, the total registered families, their projections have given us the number of 472 families. Right now we're just short of 450, and we have 7 months yet to go in this calendar year. So can we add 28 more in this year to meet that number? Most likely. So their numbers are right on target.

Total number of parishioners – we calculate 3 individuals per Catholic household. It's non-scientific, but that's how the Diocese calculates that number.

The required church capacity - how was that arrived at? We took a census of church attendance for 2 consecutive weekends, and we found that about 50% of our parishioners are attending Mass here on any given Sunday. What we did was take that 50% of all total parishioners and divided that by the 4 Masses on Sunday, and this is what our church capacity would need to be. You will see how that is growing. 172 – I think most of you know that at least 3 of the 4 Masses on the weekend are very close to capacity, if not at capacity.

Number of CCD children – Nick and Pat’s projections were at 103 for this year. We’re right at now - Kathy, is it 140? What we had on the books, K-8, was....?

Kathy: 166

Fr. B: 166 – but in terms of regular attendance? 140?

Kathy: 130

Fr. B: Yes, regular attendance, that is the number we are using. A few more children are attending CCD than what we projected. Then the number of Catholic school children projected this year is 147 and we are actually at 100. Then you can see the projections they have made for every year going out for each of the next 10 years. I like this framework because it tells you that about what time, even with 4 Masses, we are going to outgrow the capacity of this building. Then our classroom needs are going to be exceeded as well.

Let’s jump over the next page. These are numbers that are current. I broke out, if you see about halfway down and then go to the right, the number of children that we have in Catholic schools. Why I added Catholic schools is because we are looking to construct a facility for an elementary Catholic education. It gives you the number of children we have in each of these years – those in public schools – and then the total of the two. Then the percentage of all who are in Catholic schools. If you see that bottom number, with 100 children in our parish now in Catholic schools, that represents 40% of all eligible children in those years. I think that is significant for a couple of reasons. First we do not have our own school so our parents have to go to the extra effort to make contact with those other schools, to get those kids there, so for 40% of all of our children, their parents are making the effort to send them to Catholic schools. If we had our own facility, I would venture to guess that that number would probably go up to maybe 50-60%. I also then broke out the number of children we have ages 1-5, to give you an idea of the numbers moving up. I do not have newborns noted because recently I have been baptizing 2 and 3 children every weekend. So those numbers are continuing to increase. Also, I have a number of families asking me, not out of curiosity but I believe out of real need to plan, real desire to plan, when are we going to have a school up and running? I am getting that more and more from our

own parishioners because I think there is a real desire to have a school up and running.

The next sheet – the proposed St. Michael Catholic School budget. Tom and Kurt, jump in here any time that I get off the track on this. I asked Tom Novotny, Kurt Kolm and Brad Farley who comprise our Parish Finance Committee, if they would take the budgets from the 3 Catholic grade schools that I felt would be most comparable to ours – North American Martyrs, St. Peter's, and St. Joseph's – and to create a tentative operating budget for a school. I asked them to break it down into two approaches: a K-8 approach and a K-4 approach. In the two fields on the left, they have General Revenue Receipts from the church – these are 2007 numbers that they dropped in – 2007 fiscal year numbers – \$495,000. As of this last Sunday we – fiscal year to date – we've taken in \$395,000 with two full months yet to go in the fiscal year. So in their calculations of a 15% increase over last year, I think is going to be right on the money. I think we will exceed that amount. Then the expenses for the church that include RCIA, CCD, utilities, salaries, all of that. Total expenses for our parish needs, \$89,800. Then they dropped in what would the income from a school be. They used \$600 as a tuition for 220 students – just an average guess for K-8 – that would be \$132,000 income.

Now I've told some of our consultative boards, and this only an ideal – I don't know if it is even going to be plausible – if we can get everybody up to par regarding stewardship, I would very much like to try to open a school that would be tuition free. Now, I don't think, I don't know, if that is realistic, I just don't know. Some places in the United States do that. It would require a great deal of education and involvement. The finance committee then included \$600 tuition and the expenses for a school. You can see the categories here. To run a K-8 school would be about \$681,000 – that added with what it would cost to run the parish – total expenses would be \$770,800. Total income with tuition and general revenue receipts would be \$627,000 – that would leave a shortfall of \$143,800. So in stewardship we're not quite there yet.

Let's take a look at the K-4 approach. Now, you look at the bottom line; it would cost about \$476,385 to run a K-4 school. But at the same time, if you have a K-4 school, we still have a commitment towards parishioners sending their children to other Catholic grade schools in grades 5, 6, 7, & 8. We have made that commitment to assist them in the educational cost of educating those children. Through those years by which we then eliminate those children from other schools by adding grades to our school we are going to have a number here for non-parish tuition – of about \$120,000 for the first year. That is calculating 10 years, 10 children per average on every grade, 4 grades, those 40 children at \$3000 per child per year – that's where we get the \$120,000. Now in that approach we would be \$107,000 short if we started right now.

Then they broke it out - you see here in the center four fields of the spread sheet - is a K-4 approach. They break it out by the years 2008, 2009, 2010, and the percentage of increase. Then the flush right fields with a K-8 approach with the same numbers. They are calculating increasing number of parishioners, and that's how they calculate the increase in general revenue receipts and other revenues and expenses.

Note at the very bottom of that sheet there are 4 asterisks: Church non-parish tuition totaled \$287,500 in 2007. I think all of you know the approach is that we assume that Catholic education is a big part of the mission of our parish. So those families who send their children to another Catholic school of their choice, we ask the parents to pay the tuition and the associated fees of that school and then financially support St. Michael's parish. Because we then collectively pay the remaining educational cost per child, that \$287,500 obviously would be money that we would use in the operations of our school. So we are getting close. As I said, the K-4 approach would be \$107,000 short right here and now if we were to open it. So if we give ourselves a little time and build up the number of parish families and work on stewardship, I think we could easily close the gap.

The next page is the proposed construction budget. The Finance Committee and thanks to them condensed it and summarized it. There is a far more detailed budget, and if you're interested in that, I have that if you wish to see that. Phase I, which would be the largest part of the entire infrastructure for a school, including a gymnasium, administrative areas, commons area - that would double as our temporary church - the commons area or temporary church would seat 240 at tables and 400 in chairs comparable to what you're sitting on. Right now we can push 200-225 in the current church and hall, so 400 over four Masses would buy us quite a bit of time in terms of capacity. We have tried to keep this proposed building down to just the bare minimum number of square footage - 43,785 - that's \$143 a square foot roughly - these numbers are not a hard estimate. We have not done estimating and we do not have any construction drawings. Sampson Construction gave us these numbers for their two most recently constructed LPS schools. You would think - they've been saying there's a housing slow down and there are contractors hungry for work - however the estimate numbers do not belie that.

So again, these are all very fluid and very tentative. You see the entire projected cost for 2009 dollars for building construction -- \$6,265,000. Site work - this is largely parking lots -- \$833,000. Since oil is pushing \$120, even large batch jobs for asphalt seem to be almost a trade-off. I believe one is better off putting down more durable concrete - for longevity and usage. Nonetheless that is an incredible amount. On site infrastructure - that would be water, sewer, utilities, driveways within our property, all site improvements - that's a hard bid. Mark Mainelli,

who is a member of our parish, is a civil engineer had his firm work the numbers for us and that is a hard bid \$263,000. Carol Widhalm., who is on our Building Committee, has worked for a company that has designed school buildings for the last 30 years. She said that approximately 3% of your construction budget is what you should calculate for furnishings; that is where we came up with \$150,000. Technology – that is laptops, SmartBoards in every room, a server, and everything that would be needed for tech support. A Catholic businessman in Lincoln who is not a member of our parish has offered to furnish all of that along with a phone and a security system.

A rectory is being designed by one of our parishioners, who designs houses for a living. We also have a parishioner who is an architect; he got his undergraduate in architecture, but he is a professional pilot for Southwest – that is his main job. So the two of them are working together on designing a rectory. I told them 2500 square feet – no more than that – at \$100 a square foot - make it very modest. So most everything we have in the current house can move along with us so we probably will not need anything in furnishings. Therefore a starting number for a rectory is \$250,000. Professional fees – that would be identified as legal services, fundraising services – we're calculating at least \$85,000 for a professional fundraiser, Architect fees – will probably be around 7-8%. Civil engineering fees - these are going to be donated. In addition impact fees, construction management fees, etc. – that is how we arrived at the \$883,000. So a grand total of \$8.6 million for phase I. Again, it is not a hard estimate, but I think by the time we are all said and done, it is probably going to be every bit of that.

Phase I does not include a church – that will be in a subsequent phase. This number also does not include a subsequent phase that would include the addition of classrooms. The last page is the minutes of the meeting we had about 6 weeks ago with the fundraiser. In a nutshell – and those who were there correct me – the professional fundraiser said that we need to have at least 4 to 6 anchor gifts and leadership gifts on a project of this sort totaling at least \$2 million, and very likely try to solicit – see if there's the ability and desire for some 7 figure gifts from our parishioners. He then thought with a maximum effort above those \$2 million initial gifts that we might be able to raise \$4 million, which would leave us more than \$2 million to borrow. Now, even if we borrow at 4.5% interest, with the other financial obligations that we have, and I don't know numbers that well, and I defer to those who do - I don't know at this point if we could cash flow that \$2 million plus – even at that low interest of rate.

That's why I think we need another year to build our parishioner base. There are too many variables now. We are also in an election year and things are up and down; I think you know that very well. Anything could happen. Some people say, Father we need to start now before things go up. That is one approach. But

even if we start now, I do not think we can make the numbers work. I agree with the approach, but I do not know if we can make the numbers work.

When a professional fundraiser kicks off a capital campaign, there is going to be a methodology in terms of how an appeal will be made of all parishioners, and that is based on previous giving patterns to the church, and also DDP and other contributions. A capital campaign is something that I am going to ask all parishioners to very prayerfully consider what they might and would give to this building project. There's no one number we will ask of all parishioners – we can not do it by assessment, you know, x number of parishioners divided by the number we want, and everybody gives the same – rather it is based on stewardship, our ability, and our desire to give, and everybody is going to be different. One thing, too that we noted, that of our 450 families, we have a full one-fourth that are not active in our parish - financially or otherwise. We actually have no activity with them. So once we lop off the top one-fourth of our parishioners we are down to 300 families. So that spreads the obligation out – you can work the numbers very quickly.

Also, there is a lot of Catholic competition out there in the city of Lincoln. Some of our parishioners have told me, and I have had other people say - Pius in the second year of a 5 year \$13 million campaign of which we did a buy-out approach – gave them the minimum that they would have received from us in that regard. We're making monthly payments on that from the parish. Catholic Social Services, in a silent campaign, is seeking to raise \$3 million, largely to buy the Old Country Buffet property at about 24<sup>th</sup> & O. Madonna Rehabilitation Hospital is trying to raise \$10 million for an upgrade of their facilities. The Newman Center, the student parish on campus, is very soon going to start probably a \$3 million campaign for the expansion of their facilities. Then Catholic Radio is trying to raise \$1 million in our area. So when they come and ask our parishioners for a donation, I tell them to go fish in their own pond. There is a lot of competition out there.

Given the numbers and what our initial projected costs are going to be, and all things considered, I guess the basic, the bottom line is that all of our consultative boards after studying this all in far greater detail than this, have come to the conclusion that it is prudential that we wait a year and probably start a capital campaign in the fall of 2009, break ground in the spring of 2010, and have the first phase of an educational and worship facility up and running in the fall of 2011.

Question, input, feedback, comments? I'm open to any.

#1: On the campaigns that are going on now, is there some central office with the bishop that says you have to register to do a campaign; therefore, if you go in a

year from you've got a slot and if you do not others take your slot? Or is it first come, first serve? How does that work?

Fr. B: OK. Yes, there is a process – you go before the bishop; you get permission to begin study; you then keep him informed along with input from the Diocesan Building Commission, which is a group of priests that informs and advises the bishop on building projects and the Diocesan Financial Officer. I have laid everything out before these two groups. As soon as you found out the progress of our building project they found out. Some of these other projects have just gone and started a campaign. Yes, it makes our project a little more difficult, and that's the reality of it. Not that their projects are not worthy.

The Catholic Church in the city of Lincoln is experiencing a lot of growth. Every project that I have identified is very worthy, very worthy. The thing of it is, there comes a point where there can be something that might be identified as donor fatigue sets in. I know that a good number of you too have been approached by some of these other campaigns and that you have told them that you would like to help the parish here first. I very much appreciate that. I think that is really forward looking and that is a great commitment to St. Michael parish. Because we are going to need the sacrificial input of all parishioners, I've really tried to make this project as transparent as possible so that when we get to that point of asking for money, everyone will know the rationale for the ask and have the details that will allow them to inform their decision.

#2: Do you have people making donations specifically for the school now? I mean, if we delay the campaign for a year, is there any formal way that might work well if you say, if you would like to begin donations now that one could do that? I do not know whether that would be significant enough amount to merit study .

Fr. B: Right now what you see in the bulletin every week is what money comes trickling on the initiative by the parishioners. Not having the background in it, I might hesitate to approach an anticipated pledge drive because people might say "I gave you \$500 for the new school, and therefore I have made my pledge." Also I think that if we divide allegiances, if that is the correct word, I would rather follow a very logically planned approach to a capital campaign that has the expertise and the background of a professional methodology. I think if we divide our approach there may be some misconceptions. I think it could hurt our fundraising capabilities.

A couple of other things, you know, people sometimes give for different reasons. We have started a small endowment fund for our Catholic school. I was advised to save that approach for a different time because a capital campaign is a whole different ballgame and needs to focus on the needs of construction. Here too, I have people wanting to designate gifts, and I appreciate that immensely.

However, the designated gifts approach in a capital campaign, has to be clearly identified and properly put into a project. If you have everyone designate gifts up front, very likely you are going to run short of dollars needed for construction. But I think we need to identify our square footage needs, what the cost is and have a huge push in a capital campaign to get what we need for construction costs and then later, maybe when we get a building, maybe designate the furnishing of classroom or something in that regard. But I think that we need a professional fundraiser to assist us with all of this. With numbers this big, we do. I do not have experience and background in that, and we need the proven track record of somebody who can do that. I would want to follow their advice in terms of approach, timetable, and things like that. Now, will we accept monies that come in? Absolutely. But would we make a concerted, organized effort at that in advance of a capital campaign? I think we'd have to study that.

#3: I think specifically this professional fundraiser would say absolutely you do not want to make any efforts ahead of time until you are ready on any kind of pre-campaign, which is pretty much what you have said.

Fr. B: If you don't mind me telling --- I've asked Nick [Cusick] to be the chair of our Capital Campaign, and he said yes. He is chair of our Stewardship Committee. He has chaired a number of capital campaigns in the city of Lincoln and that is why I have asked him to chair our campaign.

#4: I have a question. With Phase II, the daycare and pre-school – I am not sure that I have the data to support as to why you would start that prior to the building of the new church.

Fr. B: There is no hard data to support that. As I mentioned at the beginning, a lot of this is projected and tentative. I would think that once we get a school established, from what I have heard just by word of mouth from our parishioners, our young families, is that once we get a school established and a daily plan in place, it would seem logical then to provide for the lower grades – pre-school and daycare - as a feeder for the grade school and provide a place for people who are two income families, their children could be under the same, secured Christian roof during the day. It would just seem in the educational approach that that would be the next step. Now in one of our parish meetings and this was months ago, a number of parishioners asked me - can I guarantee that a church would be a second phase. I said no because I cannot predict the projected growth numbers. I am guessing that once we have a school up and running, that it is going to fill-up fast. Today I drove down Yankee Hill between 56<sup>th</sup> and 40<sup>th</sup>, and Sampson, I think he is developing those two sections between Yankee Hill and Rokeby - he had 10 big scrapers near Southwood Lutheran Church. People said that church is going to sit out there in the middle of nowhere for years --- it is going to fill up fast.

So anyway just the building from what I see growth will be quick in this area. Again, it is one of those things, how much is our commitment to Catholic education, and how much is there a desire among our people for Catholic education? That really is going to be a tough decision because I know there are a lot of people who would very much like to see a church being the second phase. I think it is going to be driven by finances.

I would like to point out a couple of additional things too - the site plan and floor plan – they are just initial elevations if you haven't seen them. These are posted on our parish website as well. This is what a church could look like. We are not focusing on a church right now. We want to focus on elevations of a school – here is the ground level, and then the backside, a two-story, stacked walk-out approach. This is all we have; we do not have anything on the interior; we do not have any construction drawings – just to give us a visual of what it could look like. This could completely change. We are looking at right now, a true cruciform approach in a church. That is - in the form of a cross where the pews and transepts look into the altar and then a traditionally linear approach in the nave. I got an email today from one of our parishioners who asked how can we keep the closeness and proximity to the altar that she enjoyed in our current setting. When we began planning we went and visited a lot of churches. We studied other floor plans, and with the architect, we studied at least 10 different floor plans – in terms of fan shape, in the round, neo-Gothic, neo-Romanesque, neo-Byzantine, in an attempt to keep that sense of togetherness.

A lot of our project will be based on finances. If we could find – if our numbers work out and Phase I goes well in terms of fundraising and operations go well, and if we might find somebody who has the capacity and desire to give us a big gift, we will look at all those things. That is a tough choice because I know a lot of people here are eager to get started. They want to know when we are going to get started. We have been working at this for two years and I appreciate the eagerness. Because a lot of our families are young they are looking for a Catholic school. And then there are other families for whom the church is priority. So we are trying to balance everything to see how best we can address both of those issues.

#5: Do we have the land? Does the Diocese have the land? Developer have the land?

Fr. B: The diocese has paid the down payment in a purchase agreement for 13 acres. From the large rural water tower on the corner of 84<sup>th</sup> and Yankee Hill – most of you probably pass it on your way here, it is a half mile to the south and west of that. It is that north half section, from 84<sup>th</sup> Street to 70<sup>th</sup>, south of Yankee Hill, which is being developed into a high density residential neighborhood with light commercial and professional buildings on the ends. We have 13 acres, more or

less, right in the middle of that high density neighborhood. The site plan bears that out. There are at least 8 streets that come to that property – 3 of them being arterials to 70<sup>th</sup>, to 84<sup>th</sup> and to Yankee Hill. The diocese made the purchase, and then with the understanding that when we finish with these 3 ½ acres and these buildings, that the diocese will take title to this property. I've had a professional, commercial real estate appraiser appraise this land, and we think that by the time when we get done here and we vacate this property and locate there that it will be virtually an equal trade. So we don't have any acquisition costs in the whole scenario.

That was one of the first things we did at the end of 2006 was the acquisition of land, and several of you helped me in that process. We started out with 8 sites, and by process of elimination, we weighed all the demographical and geographical considerations, narrowed the sites down to three. Then the Diocesan Building Commission looked at them; some more of our parishioners looked at them; we then came down to the one that we believe will best serve us with the existing parish boundaries that we have.

#5: So there's no issue with it being moved to somebody else? Bishops change their minds.

Fr. B: Oh no, no. No. As long as Bishop Bruskewitz is bishop, he is 100% behind us. He asks me regularly how the project is going. No, I think we have a patron in our bishop. As a matter of fact, he told us we could borrow, what we need, at least \$4 million. I said thank you, but we have to pay it back. That is one of things that I am really relying on, at least the Finance Committee, is to help me work – they are doing the work -- working these numbers to see what we can do because I just do not want to get overextended or get into a situation we can not afford. I just want it to be a good financial approach.

#6: I am assuming, although I did not hear anybody say it, when the school gets built the gym or gymnasium will be converted to a church and that will be the time this place closes and we will move over there.

Fr. B: Actually, that whole scenario is accurate, but we will be using the commons area for Mass. In this colored section, this is going to be Phase I. This is going to be the lower level. This is going to be --- this is facing north --- this is going to be a courtyard. There is going to be a commons area that will serve as a lunchroom; it will not be unlike this hall; however, we have designed it tentatively with cathedral ceilings, so that it will be conducive to a worship service. The architect has 240 seats at table drawn in this square footage or 400 capacity in chairs like these, which is more than double what we can have right now between both the church and hall.

We wanted to have something that would be a little bit more appropriate for church or for Mass than a gym. The gym will be up and running, but we will likely use the commons area. In some of the adjacent administrative areas, we will have a daily chapel that will be converted into administrative areas when we are finished with that. So let us say if we have two Masses, people may want to come to Mass at 6:30 or 7:00 and get to work, they can come right in here and access it without getting into the school, and that will double as a daily Mass chapel for the duration; there will be windows in it. So we were thinking about keeping the gym for athletic and other competition, and the commons area which is adjacent to the kitchen for Sunday Mass. Then what we would do is set up tables and chairs and leave that up during the week, and the kids could sit at tables and chairs for Mass. Then here is a raised stage, maybe 18 inches high, and that will serve as our sanctuary and have the altar on that.

Here is the media center, administrative in red – green is your primary grades, here the lower level. Then the addition of other classrooms, day care, kindergarten – and this is the initial footprint of the church. Again, this is just a footprint --- it is very much subject to change. Between now and 10 years from now, there could be a lot of change.

#7: What is the number of students in Phase I?

Fr. B: If we did a K through 8?

#7: Was it 500?

Fr. B: Well Phase I if it would be a K – 8, we were looking at 220.

#7: 220, ok. And that's two classes of each?

Fr. B: One class of each.

#7: One class of each?

Fr. B: Phase I will be one section of every grade, K – 8.

#7: And that is like 28 kids in a class?

Fr. B: 15. I don't know how the numbers worked out; we were thinking about 15. We're building the classrooms 30x30 – 900 square feet. We are really hoping we do not get up to 30 per class because that student/teacher ration gets to be a little cumbersome for the educator. If it gets up to that point, we will probably – if the projected growth numbers continue to indicate growth --- probably that second

phase would add classrooms. The thing of it is that 8.6 million – we are up-fronting the largest part of what we need for the entire plan in Phase I. On-site infrastructure – almost a million dollars for parking lot. The subsequent phases are for a church and additions to the school. I am guessing – second phase of school --- I am guessing, probably \$2 million.

The thing of it is we need a parking lot. The city of Lincoln – the code will not allow us to have a finely manicured, fine gravel parking lot. That type of parking lot is workable, and if we could get by with it, gosh, that is \$800,000 spent better elsewhere --- unless we could tell them it is concrete, and they wouldn't come out and look. Want to try that?

Other questions or comments? Please feel free --- you can approach me individually at any time.

#8: Father, how did our survey go on adding another Mass?

Fr. B: Everybody wants a 4:00 Mass. Now, we have a lady, and actually her husband – well you know Margaret Kaiser-Woodward, she teaches mathematics at Pius. Her husband is a professor of mathematics at the university. I put all of the collated numbers together, but I don't know what they mean. Just because everybody wants a 4:00 Mass, does that mean that that Mass will take some of the burden off the other four Masses? I need to have her look at that; how they responded. So just tentatively, moving out of committee, we will probably add that 4:00. The only thing is summer and Nebraska football really gives us competition for the Saturday evening Mass – it does, it does. But very likely – the thing of it is – I think, I do not want the 4:00 to be only convenience because I do not want to have everyone from St. Peter's and St. Joe's flooding in here, and filling the pews – it kind of defeats our purpose of doing that.

#9: Going to have help?

Fr. B: I'm sorry?

#9: Are you going have help with Saturday night Mass? A little concerned about you too.

Fr. B: We are not getting an assistant this year. The bishop has already told me that; there is only going to be one priest ordained. We had one die; one my age died in January. So that threw things off - we will have one retire- if anybody knows Father Paul Rutten, one of the chaplains at Madonna? It is not public, but he is going retire this year. I have already talked to him about coming out here and helping us. He would be a great fit. So I am trying to get him to come out, and I think we would certainly make it worth his effort to come out here. That would

also free me up on Wednesday evenings to celebrate Mass for the Godparent kids and stuff like that.

Other questions?

#10: I'm sorry, I can't see the diagram this far away. But the commons area, is that the lunch room for the school?

Fr. B: It will double as both in the beginning, yes.

#10: OK. So down the road when there is a funeral, and they need to have the dinner afterwards and there is school lunch going on, will there have to be another option?

Fr. B: Yes. What the Sisters have mentioned is either, if we know in advance, they will be asked to bring their lunch. But you know what my approach would be? Our funerals at this point, and I think for the short term is to use other churches. Funerals will be few and far between, and the neighboring parishes have been very good at allowing us to use their facilities. I don't know as if I would want to have a funeral here – when you have little kids --- that may not be the best setting for them. So if that is agreeable to the families, and we will work on a case by case basis --- we might look at that approach – using other churches – Father Tucker at the Cathedral has been very agreeable. Kathy?

Kathy: At St. Joe's – they had the same issue, and they just had the kids eat in the classrooms.

Fr. B: So there again, you try to juggle a couple of balls at the same time. At this point if that need arises, if the families are okay with it, I would like ---- and likely, most funerals we would have to have a greater capacity in seating than what the commons area can provide – is use other churches. It makes it a lot easier. The kids do not have to eat in the classroom or bring their lunch.

#12: I am bringing up something a little off key. We are going to be 3 years before we probably have school from this fall. With the number of kids in CCD for the next 3 years, we're running into space issues, do you have any ideas?

Fr. B: No, and that was the next thing I was going to ask Bill to calculate the number of children – based on these projected numbers. I do not want to drag portables in here because then we have code issues with plumbing and electricity. We can hide them behind the fir trees, but somebody is going to see them eventually. Then there is cost – portables are not cheap. I have not gotten that far yet. If there might be some neighbors who might have a house that they might be able to open up.

I think we are good for the next year with CCD. Because we had to have 2 in here – 5<sup>th</sup> and 6<sup>th</sup> for confirmation – this was the only area big enough. Then we had to build a ramp to get a 3<sup>rd</sup> grader in a wheelchair into the house. So what we may do --- as a matter of fact, Val Kapustka, whose funeral is Saturday – he built that ramp for us just a little bit ago.

Any other questions or comments?

Let me ask you this. Do you think that the approach of pushing everything back to the fall of '09 as a start seems to be logical? Does it seem to be practical? I know it may not be what you want because I know a lot of people are eager to get started. But I think prudentially it is the best --- to give us a year to build up our parish families, to let the economy maybe stabilize a little bit, and I think that year is going to buy us a lot of time.

#13: I think that makes a lot of sense.

Fr. B: I just do not think we can make the numbers work otherwise. Anything else?

OK – Jill will transcribe this, and it will be on the parish website. These images – please feel free to look them; they are on the parish website too. If you have any comments or input whatsoever feel free to contact me at anytime. Thanks for your time – I appreciate it.