

Meeting Notes

All Parish Meeting – April 15, 2018

A large – standing room only crowd – gathered in the St. Peter’s School auditorium for an update on our Opening Doors Capital Campaign and Building the Future of St. Peter’s Church.

Rector Claire Nevin-Field opened the meeting with prayer and announced the formation of several new Vestry committees that will be working to move our new building project forward. They include:

- Architect/Construction
- Finance Committee
- Grants
- Partnerships
- Operations
- Communications

Then members of the Vestry addressed these areas as follows:

Rick Fitzgerald presented the Vestry’s commitment to:

- Build the new building as designed.
- Within a budget of approximately 10 million
- Identify affordable gap construction financing
- Identify new income/revenue that will equal or surpass financing costs

Kathleen Stephenson, chair of the capital campaign reported that, to date we have raised \$6,195,341 which includes the sale of the school at \$1.5 million and 99 pledges from parishioners with 85 pledges still outstanding. She also announced that the capital campaign would continue through construction. As newcomers join St. Peter’s they will be invited to participate in our future growth.

Rick then raised the question that if the building is going to cost \$10 million, and we have raised \$6.2 million, where is the balance coming from? How do we close the gap?

- We anticipate an additional \$1 million in campaign pledges
- The sale of 313 Pine Street at \$1.5 million
- Geo-thermal Field Expansion Funds at \$400k
- Other new income: grants, foundations, etc. @ \$1 million

Cordelia Biddle then discussed the new Grants Committee that includes parishioner **Amy Cornelius**. They are exploring a variety of grant possibilities surrounding renewable energy and storm water initiatives. Grants may also be available for the food cupboard expansion. The work of this committee is just beginning. Claire also mentioned an upcoming meeting with **Councilman Mark Squilla** as there may be some city funding surrounding green initiatives.

Vince DiPentino then addressed the reduction in the construction costs from the original estimates. The size of the building is 16,000 square feet. The architects' estimates assumed paying full rate which averages at \$875/square foot. The Building Committee will be looking at competitive bids and possibly a blended approach of union and non-union labor. The architects are also developing a building phasing plan. Vince relayed the result of a meeting with a noted builder who reviewed our plans for the new building and estimated the building could be built for approximately \$10 million. Vince also made clear that we still have the big red STOP button should the numbers not prove out in the end. We will not build what we can't afford.

Mike Zullo discussed the gap financing. The goal is to find financing options at or below 4%. Mike, along with **Lynn McCormick** are exploring:

- tax-exempt municipal bonds
- Episcopal Church Building Fund
- Conventional loans from banks

They are seeking the best rate in order to service the debt with anticipated revenue to be cost neutral.

Cordelia then spoke on the revenue opportunities with the new building. The goal is to generate new income equal to or greater than the projected financing costs. They have been in discussions with several catering companies and should we enter into an exclusive contract with one of these caterers (who handles the booking, staffing, cleanup, etc.) we would receive a guarantee of \$150,000 income annually. We are also under serious discussions with a leading non-profit for an annual rental of \$90,000. St. Peter's School is also interested in renting space as well as participating in the use of geo-thermal energy. The consensus is a minimum of \$300,000/year in new revenue.

Claire added that the purpose of this new building is for our use and that rentals would only be made if they did not interfere with our ministries and parish life. For example, the \$150,000 from the caterer is based on approximately 20-30 rentals annually. Rick noted that the caterer for the Mutter Museum guarantees annual rental revenue of \$450,000.

Rick then discussed the operations costs for the new building. The goal is to set new building operating costs equal to or less than current costs. The process to accomplish this goal is personnel assessment, energy assessment and other cost assessments. This work is just beginning.

Presentations now over, the floor was open to questions.

The first was to talk more about geo-thermal. Initial tests have been completed on the parking lot for the new building and the results were favorable. Now that we are exploring geo-thermal for the sanctuary and possibly the school, we need to make a determination regarding how big our geo-thermal field is. These tests will most likely take place in early May. The opportunity for geo-thermal energy is a very exciting possibility. **Peggy Hatch** said that we would have more frequent communications going forward and would delve into this topic in great depth.

A discussion regarding union and non-union labor took place. Blended work forces offer more diversity and more resources. **Beverly Woods** has expertise in this area and offered her help.

Gail Trimble asked whether the new estimate included all the furniture necessary for the new building. Rick reported that the Furniture, Fixture, Equipment (FFE) expenses were included, but in a very general way.

Judith Beck asked whether the Vestry had considered using the endowment for the project? She said the endowment was for an investment in St. Peter's future and she could think of no better investment than the new building. Accounting Warden **Nora Adelman** replied that the interest from our endowment is necessary for the ongoing operations of the church.

The meeting adjourned as we ran out of time. Claire encouraged everyone who has additional questions or comments to contact her or a member of the Vestry.

Respectfully submitted,
Peggy Hatch
Communications