

**Our Lady of the Valley  
Town Hall Meetings  
02.07.15 and 02.08.15**

Meeting after 4:30 Mass – 02.07.15

- Father Peter welcomed the parishioners and thanked them for attending. He explained that it has been a while since we've had a meeting, and this will give us a chance to talk.
- Father thanked and acknowledged the parishioners who do so much for our parish – those who take communion to the homebound & nursing homes, other ministries like the bereavement committee, the cleaning crew who clean every Wednesday, those who are silent in works of charity, and those who give to the collection each week... THANK YOU!
- In a recent bulletin, he published a ½ yearly account of our financial status – asked for questions
- Father explained that the Parish and Finance committees meet and bring concerns to meetings, but if there are other concerns, there will be an open forum.
- Father explained the proposed project to renovate the school building for Kinship (Catholic Charities).
- The director of Catholic Charities in Steuben County spoke:
  - o She explained that this would be the social services piece to our church community.
  - o In Steuben County, we have Turning Point, a substance abuse program, Kinship that helps families and child development.
  - o The plan is to have Kinship at St. Ann School. Their goal is to prevent child abuse, neglect, help with parenting skills, etc.
  - o Government funding is going away, and this area has the highest poverty. Having these services at the SAS building will help give easy access, locality, lower cost, and good visibility.
  - o She also stated that it will be positive to join the church mission and create an opportunity to work together with the church to better influence, be in a better financial position, and highlight awareness in the community.
  - o She believes this is a financial win – win for Kinship and the church.
- Father Peter then spoke:
  - o He believes the mission of our church is the sensitivity to the vulnerable, struggling families, those in poverty. If we have a visible face that answers that mission, it will be good PR for the church.
- **Question:** Is turning point going into the school? **Answer:** Yes, that's the goal. An under-utilized building becomes a liability. If we use it, it adds better life to that building. We need to use the space. Right now, it is used for Sunday School only. It will be a win – win to have the building used and to generate income for the parish. Plus, these tenants who have a joint mission with the parish.
- The cost of renovations → The part of the building to be renovated is the coldest part of the building; there is no adequate heat. The building needs to be remodeled and re-insulated to create office space for privacy, and eventually renovate the lower floor for our use as a meeting hall. The cost is HIGH – originally quoted as over \$800,000 for renovating. Father tried to decrease it as much as possible and still keep within code. The bare minimum is \$608,000. Part of the cost has to do with upgrades that are necessary with or without Catholic Charities. We need a new furnace, rewiring of all electrical... That is included in the \$608,000.
- About \$500,000 is directly associated with Catholic Charities' needs. Catholic Charities will repay the cost of renovations for a maximum of 10 years in addition to paying rent.
- Catholic Charities is able to pay about \$350,000 of the renovation cost. That is a shortfall of about \$200,000.
- Father Peter recommends that we do this renovation to add value to the building rather than demolish it or create a huge investment on our own.
- Father doesn't want a Capital Campaign.
- **Question:** Is this in the old part of the building? **Answer:** No, in the new part of the building.
- **Question:** Administrative costs are high with Catholic Charities. Will this help lower that cost? **Answer:** (Laura answered.) The administrative cost is less than 9%. We always try to create ways to share services to keep that low.
- **Question:** Will Turning Point be in the building? **Answer:** We are investigating the feasibility of putting it there. Hopefully, it will be, but not sure. They need a new location either way. Sister Susan is also a part of Turning Point.
- **Question:** People would feel more comfortable if they knew the bottom line. I'm not comfortable with programs all over. **Answer:** (Laura again.) We are in Yates, Steuben, Allegany – the philosophy is that it is important for services to be where people can reach them. People have no transportation and no money. We need locations in rural areas. To co-locate would reduce costs and save about \$13,000 per year to have Turning

Point in the school building, too. The difficulty is that we don't want to limit program growth. Turning Point might limit the opportunity for growth at that location. The church doesn't want to give up all the space to those programs. We want to keep a separate space for religious education, Boy Scouts meetings, council meetings, and other association meetings that currently meet there.

- **Question:** What is the cost? Will we take a lot from investment? **Answer:** (Father Peter) We want to keep as much of the long term investment intact as possible in case any unforeseen circumstances occur. We are looking to finance with other sources of income instead. If people see this necessity, donations can help bridge the cost. Rent will help cover the cost. Maybe we should take out a loan instead. That will keep our investment intact. So, we will use donations, money from our checking account, and a bank loan.
- **Question:** How much of the building will be utilized? **Answer:** All of it with Kinship. Kinship will use the 1<sup>st</sup> and 2<sup>nd</sup> floors of the new part of the building. The parish will have the bottom floor (basement/assembly hall) and the old part of the building. Laura stated that Catholic Charities will preserve an asset if they are able to move in there.
- **Question:** How long is the lease? 10 years? **Answer:** We don't want to lock into a 10 year agreement. The MOU is for 10 years and pay off cost over that time. That is typical in terms of leases. We will lease for 5 years then renegotiate for another 5 years. The intention is a long term commitment. The church's revenue right now is only parishioners. This will give us another revenue source to help support the school building and faith formation.
- St. Joachim's Church building is used by Catholic Charities and generating rent. The Sisters of Mercy *were* paying rent to the parish when they used the convent, but now we have the whole cost of that building ourselves. There is an offer on the convent building.
- **Question:** Does the convent need a lot of repairs? **Answer:** Yes... heating, roof, siding... That is one reason why Sister had to move.
- **Question:** Are there grants available to help with cost? **Answer:** Joanne, ask Phil (Palmesano). Contributions will be crucial. Our goal is to get Kinship in by the end of the summer.
- **Question:** If we give up some of our space to get Turning Point, too, wouldn't it make sense even if we had to squeeze in to get the income? **Answer:** (Father) We did discuss that. They expressed a need for more space. Father is trying to contain Catholic Charities to the new part of the building as much as possible. If we see a positive return and we still see a need for more space, we can look at it. We don't want to go full speed in... It's easier to grandfather one in and build relationships without suffocating ourselves.
- **Question:** For the first 10 years, is Catholic Charities paying rent AND loan repayment, or is the loan repayment through just rent? **Answer:** We have to charge the going rate for rent, which is \$2 to \$4 per square foot and up to \$8 per square foot for renovation repayment.
- Father Peter asks to spread the word to others. If anyone would like to see the drawings, come into the business office anytime during office hours. Donna will make them available.

### Meeting after 10:30 Mass – 02.08.15

- Father Peter explained the purpose of the meeting. He gave thanks to the parishioners and the different groups (as in the previous meeting).
- Father explained that, over the years, the parish has been trying to consolidate properties and trying to dispose of properties when they are not in use. For example, we've sold St. Ignatius, the convent is on the market, etc.
- **Question:** Why isn't liability covered? **Answer:** Yes, liability covers all our property. But, an injury could be a big problem. (We DO have an umbrella policy.) *Clarification* – There is NOT an offer on the school building. The offer is on the convent.
- **Question:** Have you advertized the sale? **Answer:** Yes, it's been listed with Lang Agency.
- **Question:** How about a new rectory here instead? **Answer:** Eventually, we'd like to have all our facilities in one location, so, yes we'd like the rectory here eventually.
- **Question:** Have you considered putting the sale of the convent in the newsletter (bulletin)? **Answer:** Father will publish the sale of the building in the bulletin. We have an offer and are waiting to close. He will let parishioners know. The possible sale has now moved to the diocese and courts. We've accepted the offer, we are now just doing the legal work since it is church property. Father will put this information in the bulletin. It has been out on bid for a long time.
- **Question:** What about the religious articles in the church from the Reminder Shop? **Answer:** People do buy them.
- **Question:** Did we get a fair bid on the convent? **Answer:** Yes, we did a building assessment and put it out for sale because of the high cost to renovate.

- Father explained that the intention is to renovate the school building and bring in Kinship from Catholic Charities. They have the technical drawings and work done. Catholic Charities will rent the space, but we have to do the renovation.
- Father explained the renovation costs, brought to "bare bones," will be \$608,000.
- **Question:** Are they paying for the capital improvement? **Answer:** Yes, they'll pay for their part.
- **Question:** How much rent will they pay each month? **Answer:** They will be paying per square foot. \$4/square foot, which is the high end of the range. Then, they'll also pay \$8/square foot to pay back the loan.
- There was a lengthy discussion about how much that rent and loan repayment will be. Mark Kelley thought it was about 2400 sq. ft. of space, which would come out to \$9600 per month. Laura (from Catholic Charities) clarified and explained the rent is about \$1100 per month. No one had the exact figures at the meeting, but they would look into it.
- Father Peter explained that there were other costs associated with the building upgrade that would be ours, like the electrical, heating, etc. that is necessary even if Catholic Charities doesn't rent from us.
- **Question:** How long is the lease? **Answer:** The lease will be for 5 years and renew for another 5 years. The goal is to have repayment completed in 10 years.
- **Question:** Why doesn't Catholic Charities do the renovation, and we'll give them free rent until the \$608,000 is paid? **Answer:** It is not their property; it's ours. If we are unhappy with how things are going, we can still talk about it.
- **Question:** How are we financing this? **Answer:** The proposal is that Catholic Charities can afford \$350,000. We have to come up with the shortfall. We propose not going into our long-term investment. We will use money from our checking account up to \$200,000. The balance left will be taken out as a loan/financing to pay back.
- **Question:** So, if Catholic Charities can't pay, we're stuck? **Answer:** Because the church owns the building, we (Laura from C.C.) can't renovate something that isn't ours. It is not our asset. Father stated that some renovations come from landlord costs, others come from Kinship.
- **Question:** Will Turning Point go in there now? **Answer:** The desire is to bring in Turning Point, but it is not the plan right now. We want to go in stages; get Kinship in there first.
- **Question:** How many do you serve in Kinship? **Answer:** (Laura) Probably over 1,000.
  - o Laura described the different programs.
  - o Right now we are out-of-town, paying more in rent that we can afford (the space is bigger than we need), we lack visibility.
  - o There are unfunded mandates and we incur costs but reduces services. Our desire is to reduce cost by going into the SAS building.
  - o Catholic Charities was created to be the social services arm of the church. This is a vision of partnership and joint mission.
- "A former school building is ideal for what you to." (Parishioner comment)
- Laura stated that the intention is to be here for the long term. It creates more of a solid financial foundation for the future.
- **Question:** How is there a discrepancy of \$9600 vs. \$1100? **Answer:** Our focus is renovation square feet vs. leasable square feet. \$9600 would be renovating space. In total, Catholic Charities will be paying \$12 per square foot of leasable space. Rural Ministries at St. Joachim's is \$800 per month. We cannot set the values of rent in stone right now. But, rent will be \$4/sq. ft. and \$8/sq. ft. for renovation.
- **Question:** \$600,000 cost... The numbers are confusing. A paper explaining it would help. **Answer:** Father will give a breakdown. We will finance the \$400,000 deficit. Catholic Charities will pay back \$350,000. We'd be in a good position if we could get a loan at the rate now.
- **Question:** Is Catholic Charities part of the Diocese of Rochester? **Answer:** Yes, it is.
- **Question:** Would the Diocese of Rochester help if they can't pay? **Answer:** No, their liabilities are separate. When Catholic Charities signs the lease, they're obligated.
- **Question:** Do we have good legal representation? **Answer:** Yes, the diocese provides representation.
- **Question:** Is a good local lawyer overseeing this, too? **Answer:** No. Catholic Charities has representation.
- **Question:** Does St. Ann's have good legal advice? **Answer:** We cannot sign until we have clearance from the diocese.
  - o \*There was a suggestion to get local representation. We have parishioners that are lawyers.
  - o Father can't sign anything until it is cleared by the diocese.
- **Question:** Have you looked at financing it all since rates are so low right now? **Answer:** To keep the long-term liability at a minimum, Father would like to bridge some of the cost now, with checking account. We'll still have money available for day to day commitments. If there is \$200,000 in checking in case of immediate emergency that might arise. We want to have income. If we can get contributions, it will cut down on our borrowing liability.
- **Question:** Is this for Catholic Charities of the Southern Tier? **Answer:** It is for Kinship.

- **Question:** If Catholic Charities goes belly-up, what happens? Does the diocese pick up the lease? **Answer:** We are all one corporation under the Diocese of Rochester. Catholic Charities of Steuben County is a \$5 million operation. Kinship Family and Youth Services has been around for 35 years for child development and enhancing families.
- **Question:** How are these services different from the Welfare department? **Answer:** They are totally different. We have welfare programs in the area. Catholic Charities has a halfway house, supportive living, prevention programs (substance-free living), Turning Point to help people out of poverty. We might send people to welfare, but our programs are different. We see the working poor that aren't eligible for welfare. Bridges out of poverty to grow skills and help to make it in a middle class society.
- **Question:** How successful are you? **Answer:** Very successful. (Laura does not have an annual report with her.)
- **Question:** What is your overhead? **Answer:** Under 9% - very good. Catholic Charities shares costs by consolidating services to keep cost low. Now, we are decentralized with shared services.
- **Question:** How can we publicize this to parishioners? **Answer:** This meeting is part of it. Father will put information in the bulletin as it progresses. Right now, we are proposing to the diocese to borrow money. To help bridge the gap, hopefully we'll have donations.
- **Question:** Does the diocese help? **Answer:** No, we are on our own.
- Ultimately, we want to preserve an asset, create a joint partnership, and make a solid foundation now.
- **Question:** Will you put out a sheet to explain the money flow and term? **Answer:** Yes, Father will publish it in the bulletin.
- Father emphasized the fact that the building has been empty a long time. We need to do this.
- Father thanked everyone for attending today.