

BUILDING PROGRAM SUSPENDED FOR THE TIME

The Building Committee and Vestry have unanimously concluded that enlarging our facilities is a proper expression of St. Chad's Christian ministries, but that now is not the time to carry out a Building Program. While there are some positive reasons for proceeding at this time, the financial environment in which we find ourselves, including the overall economy, leads us to conclude that we should put the Building Program on hold for a while, to be resumed when financial circumstances allow that to be done responsibly. Although we are disappointed in having to take that action, our faith allows us to be confident that a positive environment will return and that the Building Program will be resumed. What follows is a description of the major factors that led to this conclusion, as well as reasons for optimism for the future.

The Small Group Meetings held this summer confirmed that the lion's share of parishioners believe that St. Chad's should build a new sanctuary — not because they simply want a grander structure, but because they believe that is the best way to expand our ministries and further our attempts to do God's work. Without a larger worship center we can expect to see a "tailing off" of the growth in membership — the result of a *de facto*, if unintended, indicator that there's "no room at the inn" for visitors. Attendees at the SGM also noted that accommodating the continued growth in attendance at our worship services provides both the rationale for further expansion in classrooms, offices, etc, and the financial base for making it affordable.

Armed with those results from the SGM, and attentive to parishioners' requests to "do the right thing", BC3 has been investigating the feasibility of building only the sanctuary (plus infrastructure and code-mandated restrooms) now and believes that might be possible for about \$1,500,000 (if additional classrooms, offices, vestibule, etc, are deferred until a Phase 4 building program). Moreover, the current economic slowdown has produced sharp drops in the costs of some construction materials, and builders are becoming "hungrier", meaning that we probably could get "more bang for the buck" by building now rather than waiting.

Thus, while there are a number of good reasons for going forward now with St. Chad's Building Program, we must also consider other factors in deciding how to proceed — and we are only too painfully aware that several of them are quite negative. The overall economy continues to sour — unemployment rates rise as jobs are lost; consumer

spending is in decline; stock markets continue to drop and be highly volatile; certain large industries are asking for government bailouts; and real estate markets are slow to recover, to name a few.

Exactly how these factors have or will affect St. Chad's cannot be known with precision. What is known, however, is that St. Chad's ability to meet the repayment obligation for any external borrowing for the Building Program depends on our Operating Budget and its annual Stewardship Campaign. And with current pledges of about \$500,000 to the Building Program, even that minimal building project would require external borrowing of as much as \$1 million. While recent cuts in lending rates should have a beneficial effect on the monthly "debt service" of re-paying loans, debt service on a large loan would place a heavy burden on future Operating Budgets — unless pledge income were to grow rapidly. However, as reported on the preceding page, pledges received so far toward the 2009 Operating Budget have not yet reached the level attained for 2008, putting some pressure on current program needs even without additional debt service for a construction loan. Thus, both the Building Fund and Stewardship Campaign pledge results this year suggest that our parishioners are, indeed, feeling some effects of the gloomy economy — psychologically and/or financially.

Because we are optimistic that the current economic dissonance will eventually re-harmonize, and that Christian giving will again increase, allowing an enthusiastic resumption of our Building Program, and because financial recoveries seldom show clear-cut turning points, BC3 plans to meet every few months to assess the situation to determine when the Building Program should be resumed. During that interim time, the Building Fund will remain open to receive pledges and contributions — and all such contributions will remain designated for use only on the Building Program. We understand and will fully respect, however, anyone who feels they should suspend their contributions during this hiatus until the Building Program is re-activated.

We thank you for your continued support and prayers, not only for wisdom to know when to resume the Building Program, but also for those whose lives are being impacted by the current economic downturn.

Bob Gough, Building Committee Chair