

Dear St. Paul,

We are excited to share that St. Paul Lutheran Church and School is now back on track to continue its capital campaign, begun in 2023, to add critical infrastructure to our Earhart campus. No doubt most of you are aware of the re-start, and may have attended our congregational meeting November 12, where it was discussed at length. This is an exciting project for our church and school to expand our mission by serving more students in our preschool, bringing additional students into our school, and by having a more welcoming environment for both church and school families as soon as they enter the parking lot.

When we first identified the need for improvement and expansion at the Earhart campus, it was in response to the large waiting list in Preschool through Grade 3, outdated media center facilities and equipment, and the deteriorating condition of the parking lot. In the fall of 2022 St. Paul's Board of Directors engaged the Timothy Group of Grand Rapids to help design a fundraising plan with detailed drawings and proposed budget to support the effort.

In this packet of information, you will find detailed drawings so that you can get a picture of the project. You will also be able to see the proposed budget for how much each aspect of the building project will cost. The total cost of the project is \$4.85 million dollars. Our target goal for pledges is \$2.6 million dollars. In addition, each \$1.00 contributed to the capital campaign will include a match of \$.50 from the Oscar Haab Trust. This means that if we reach our target goal of \$2.6 million in contributions, we will have raised \$3.9 million, and we will only need to borrow \$950,000 to finish the project.

In the upcoming congregational meeting on January 14, we will be voting to move forward with the capital campaign and the building project, including an authorization for a loan. The congregation will vote on taking out a loan up to \$1.5 million as well as authorizing an additional bridge loan of \$500,000, a temporary loan to start building until pledges arrive, if needed.

Many of you may recall receiving a phone call from the Timothy Group to identify likely donors to the project. You were asked IF you would consider contributing to a capital campaign, and if so, what your likely pledge amount would be, over a three-year period. No commitment was requested at that time.

Working with the list of people who responded "yes," the "silent period" of the capital campaign began, with visits from a team of church leaders to the likely donors, asking for a pledge. *St. Paul is generous!* Those visits yielded pledges of \$1.2M to be submitted over the three years from 2024-26. Capital Campaign co-chairs Steve Kemp and Cindy Pine recently reached out to all those who pledged and are happy to report that all pledges have been verified, and the amount pledged has now grown to \$1.4M.

The purpose of this letter is to inform you of the progress so far and engage you in this Capital Campaign effort. We are entering what is termed "the public period," and at this time we want and need your involvement to bring the project to fruition. We will provide written materials, drawings, a timeline of the campaign, pledge cards, and ideas for how

you can help with the campaign. No doubt there are several in our church and school community who are skilled and experienced with aspects of capital campaigns.

In the next weeks, leading up to the Congregational Assembly on January 14, you will hear more details and be asked for your help reaching those who have a passion for our school – who might include school parents not attending our church; school alums; families who have left our community; and of course, in-person contact with all our members.

Please let us know if and how you would like to help with the effort. The improvement of our school is another step in preserving this educational jewel that has helped grow young Christians in and around Ann Arbor.

Please save the date, January 14, 7:00 p.m. We will meet in the school gymnasium. We hope to see you there!

God's blessings in Christ,

A handwritten signature in black ink that reads "Tim Adler". The signature is written in a cursive, flowing style.

Tim Adler

Board of Directors, chair

Agenda for January 14, 2024 Congregational Meeting

- Prayer
- Approve Prior Congregational Meeting Minutes
- Congregational Vote on the Expansion Project at the Earhart campus and approval of potential loan
- Rebranding Presentation

Congregational Assembly

St Paul Lutheran Church - Ann Arbor, MI

November 12, 2024, 7 pm at Liberty

67 attendees signed in

Call to order: Tim Adler (Board of Directors Chair)

Opening Prayer: Pastor Ted Hopkins (Senior Pastor)

Mr Adler introduced the other members of the Board of Directors: Stephanie Kelly, Dennis Kuhn, Russ Keinath, and Rich Nesbitt. He welcomed Pastor Hopkins to his first congregational assembly as senior pastor. He also introduced the new business manager, Sue Francik.

Agenda: No changes or additions were raised for the agenda as presented

Minutes: No corrections or additions were raised for the June 23, 2024 minutes, so they stand as distributed

Topics Addressed

A. Emmaus update: Pastor Troxel was unable to attend tonight. Pastor Hopkins will ask him for a 5-10 minute video. Pastor Hopkins shared that he hopes to have Pastor Chris Troxel regularly attend St Paul's congregational meetings to provide updates about Emmaus. Emmaus has held events to reach into the Liberty neighborhood including a food truck and a S'mores event. Emmaus continues to operate according to the memorandum of understanding. If anyone has questions, they can ask Pastor Hopkins in person or by email, and he will bring those questions to Pastor Troxel.

B. Nominations for District offices: Pastor Hopkins announced that he would like to nominate Rev. Dave Davis for District President and Rev. Dean Davenport for Metro West Region Vice President. Both are incumbent. Some other positions that can receive nominations are Secretary, Circuit Visitor, Lutheran Church Extension Fund Board of Directors, and Convention Nomination Committee members. St Paul's choices will be sent to the District to be considered for nomination at the vote at the Lutheran Church Missouri Synod's national convention held this summer. The congregational assembly did not raise any other names for nomination.

>> **Katie Contreras** made the motion to accept Pastor Hopkin's nomination recommendations. It passed by a voice vote. The nominations will be sent to the District.

C. Branding campaign: Principal Bob Burgess stated that we communicate St Paul's identity to our community through various types of media including banners, brochures, and websites. Madison Carr of Creative Chameleon is the consultant for St Paul's core branding team. Team members are Pastor Ted Hopkins, Pastor Aaron Roggow, Monica Slack, Natalie Nesbitt, Elise Snapper, Beth Yoskovich, and Principal Burgess. Ms Carr and the core team are focused on website maintenance, digital marketing, and branding. They have a rollout plan in place and will meet with the consultant tomorrow morning.

Answers to questions

- The core team needed to be small--around six members. They chose individuals with media and historical knowledge, and rely on the pastors to provide input from others, like Tyler Seehafer (Director of Youth Ministry & Media)
- New members were not directly asked what they thought of St Paul's branding, but three times a year, St Paul conducts a Parent Pulse survey
- In June, they held a session on branding with St Paul's K-8 teachers
- In August, Rev. Dr. Robert Kasper attended an all staff meeting to review St Paul's values

D. Financial update: Dana Bell (Treasurer) and Sue Francik (Business Manager) went over the first quarter financial summary. The quarter ended with a surplus

deficit of \$100,012, which is better than last year's first quarter deficit of \$217,000. St Paul's fiscal year starts in July, and the school year starts in late August, which means many of the expenses are front-loaded. Expenses are under budget, particularly the ones for facilities. Program expenses are high, but will even out over the year. The school expansion expenses are not part of the general budget, but are covered by a designated fund. Total income is \$737,812. July and August are typically the months with the lowest offering amounts. The offerings are a little short of budget, but up 18% over last year. The tuition income is a little short due in part to the pause of the Liberty preschool. Also, the new tuition billing program does not collect as many payments in the first quarter as the previous program did. Ms Bell and Ms Francik also presented charts showing budgeted vs actual amounts for the first quarter income and expenses.

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Answers to questions

- The school enrollment matches the budget's assumptions
- Due to the pause of the Liberty preschool, the tuition income budgeted for it will lead to that line item being short of budget this year. However, making a new budget to account for this change would require another congregational vote to approve the new budget. Tim Adler and Bob Burgess explained that the infant-toddler program is covering its own cost, but the Liberty preschool was not, so even though that budget line will show a loss, in actual fact it is a net gain. Some of the Liberty preschool staff shifted to the other program

E. Liberty preschool update: Principal Burgess distributed a copy of the letter issued in September 2024 to elucidate the decision to pause the Liberty preschool. The St Paul Early Childhood Center was established with the intent that it would be self-supporting. For the first ten years it was, but for about the past twenty years, it has not been. Many efforts have been made to try to strengthen the Liberty program, but ongoing challenges and staffing shortages led Principal Burgess to the difficult decision that the realistic course of action is to pause the Liberty Program indefinitely. They did look into other options such as public funding. While the Liberty preschool is a service to the community, very few of the children and their families joined the congregation or enrolled in grades K-8. It did not seem to meet that hoped for mission of outreach. The Earhart preschool has recovered from the COVID impacts and is going strong.

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Comments and answers

- Monica Slack (Preschool Director) shared that normally they would not have openings at Earhart, but this year they did have space to offer placement at Earhart for all of the interested families previously enrolled at Liberty
- The Liberty preschool had too low of an enrollment to make it work and to engage enough qualified staff
- The infant-toddler program is self-sufficient, but licensing requirements are too cost-prohibitive to bring the Liberty preschool spaces up to code for use of an expanded infant-toddler program

F. Special Gifts update: Fred Metzger (committee chairman) shared the annual report. The other committee members are Liz Liggett, John Bates, Jim Gilbertson, Tim Adler, Natalie Nesbitt, Brian Altevogt, and Lois Love. Sue Francik, Dana Bell, and Sally Bersot (Bookkeeper) are ex officio members. The Church and School Foundation funds include designated and undesignated endowment funds as well as specified dedicated funds, such as the windows fund that was used to replace the plexiglass. Each year, the committee allocates up to 4% of the balances of named funds for the funds' intended purposes. St Paul staff can make requests from the general endowment. In FY 2024, the foundation had an income of

\$383,741, chiefly from growth of investments. The committee allocated \$82,374. They allotted it to scholarships (\$22,492), staff professional advancement (\$9,192), Liberty expenses (\$17,022, mainly for windows, but also for downstairs flooring and painting), among other needs. The dedicated fund for Concordia had \$25,000. Additional contributions that individual donors decided to redirect back to St Paul led to \$93,000 given back to St Paul by the District. It will be put into a designated fund for scholarships for St Paul members and graduates going into the ministry program. Mr Metzger also went over some ways to give to the foundation. The capital campaign has a dedicated fund.

G. Building campaign update: Principal Bob Burgess and Pastor Ted Hopkins reported. The Financial Task Force, the Special Gifts Committee, and the 2.0 Expansion Group examined finances and St Paul's history, and then reported back to St Paul's Executive Team. The E.T. then made recommendations to the Board of Directors last night. The task force is comprised of John Bates (Chair), Dana Bell, Dan Brieschke, Dan Kelly, Steve Kemp, Fred Metzger, Matt Snapper, and Lauren Warren. The report concluded that the school expansion is feasible. The total cost is \$4.8 M, including \$500,000 for furniture, which the Timothy Group said to include in the cost, as well as an enlarged retention pond and other required infrastructure. The \$4.8 M will be funded by campaign gifts with a 50% match on campaign donations from the Oscar Haab Trust, and a loan for the remainder. The more money raised by the campaign, the less money will be needed from the Church Extension Fund loan. In addition, some endowment income can be used to pay the interest on the loan.

Pastor Hopkins shared a handout of the project details. He encourages members to ask questions now so that they can be ready to vote in January. The project has a media center with 21st-century technology, shelves for books, and spaces for meetings and storage; a preschool classroom (probably for three year olds) with a kitchen and storage space; and a parking lot and enlarged retention pond. The parking lot no longer includes a roadway behind the school, since that is not needed if the fire hydrants are relocated. Parking will have dedicated spaces for the preschool parents so that they don't have to cross the traffic lanes. Doubling the size of the existing retention pond is required.

The silent campaign will be restarted, with Steve Kemp and Cindy Pine serving as co-chairs.

A new playground located behind the school is already slated for groundbreaking in the spring. It was funded through the PTL.

Next steps

- The Board of Directors has set a congregational assembly at Earhart at 7 PM on January 14, 2025 to vote
- The kick-start for the capital campaign congregation phase will be January-February. This will be part of the church services via the "serving the next generation" sermon series
- The guidelines from the Timothy Group say that groundbreaking should occur once 80% of the pledges have been made with firm date commitments and at least 60% of the total project cost is available as cash on hand. The precise numbers will depend upon the mortgage

Additional answers and comments

- The project will include parking spaces on the south side of the gym, but does not have a connection to the District Office's driveway. About 30 parking spaces will be created
- The parking lot and retention pond are required and very expensive, but position the school well for future work

- The plan does not include a lefthand turn lane. The turn lane would require a costly study and is not guaranteed that the city will do it even then. Principal Burgess shared that they have not given up on it, though
- >>Tim Adler announced that a much clearer drawing of the expansion project will be coming in the next few weeks.
- >>They want to address questions before the January 14, 2025 meeting. The handout lists the contact information for the individuals who have volunteered to answer these questions: John Bates, Steve Kemp, Dennis Kuhn, Fred Metzger, and Cindy Pine.

Closing prayer by Steve Kemp, the co-chair of the task force

Meeting adjourned

Minutes respectfully submitted by Bethany Huseman, Recording Secretary

Financial Breakdown of the Earhart Expansion

Note: The following financials are based on the total price of the project. We would not be able to build any of these individual pieces at that same cost.

\$2,500,000—Site Work to include New parking lots south of the gym with EV charging stations, and near the main school entrance for preschool parents; reconstructed existing main parking lot; expanded storm water detention without interfering with the existing soccer fields; new screened refuse area and; adjustment of fire hydrants to improve coverage and safety.

\$1,850,000—Building Work to include new Library/Media Center; conversion of the present library to a fourth preschool classroom and supporting functions, including kitchenette and storage; complete fire suppression of the east/west elementary wing; cooling of all new and existing preschool classrooms and; creation of a new south building entrance between the gym and the kitchen, and a new building egress to the future playground, west of the building, located just south of the fine arts classroom.

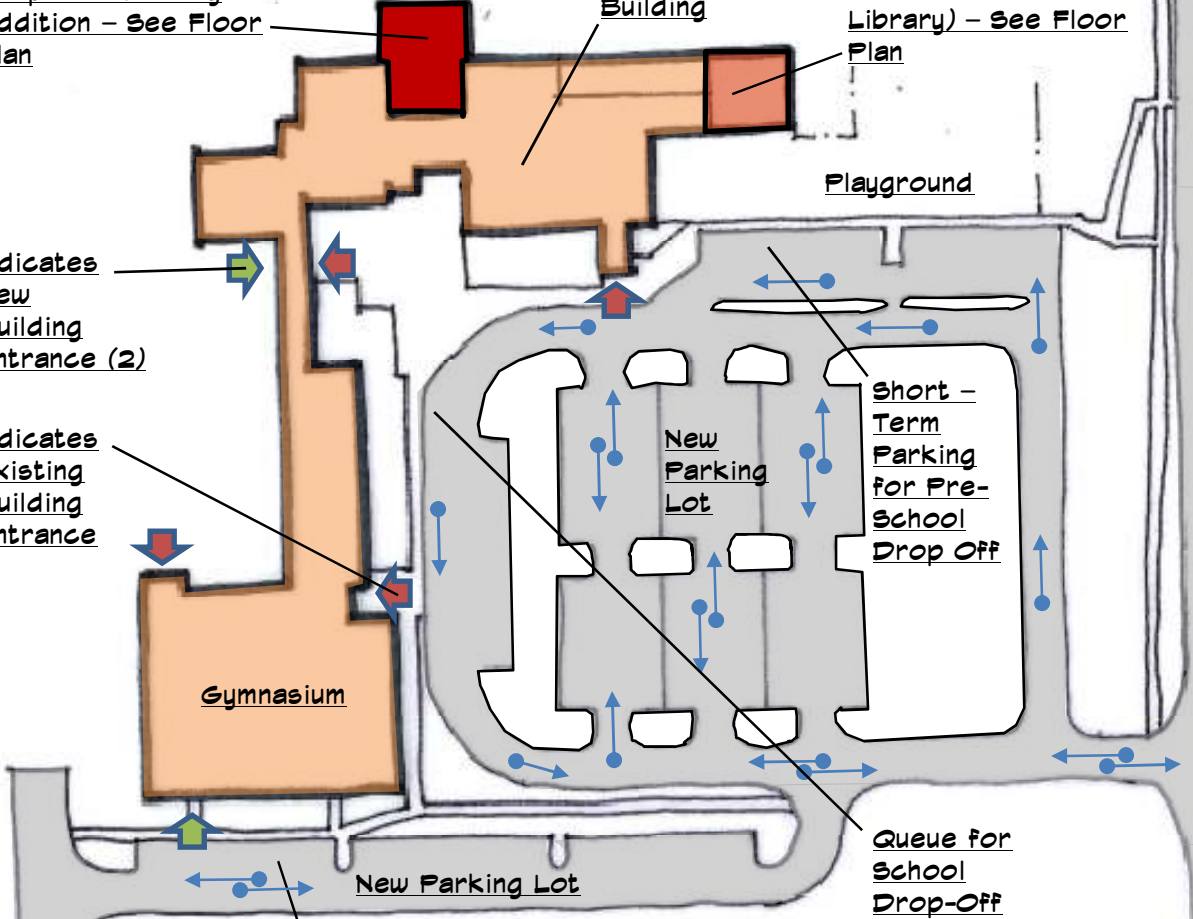
\$500,000—Furnishings to include tables and chairs, student desks, rolling bookshelves, wall-mounted boards, monitors, kitchenette appliances, etc.

Total Project Cost—\$4,850,000

Proposed Library Addition - See Floor Plan
Existing School Building
Proposed Preschool Classroom (Former Library) - See Floor Plan

Indicates New Building Entrance (2)

Indicates Existing Building Entrance



Gymnasium

New Parking Lot

Short - Term Parking for Pre-School Drop Off

Queue for School Drop-Off

Mandated EV Chargers

Existing Soccer Fields to Remain

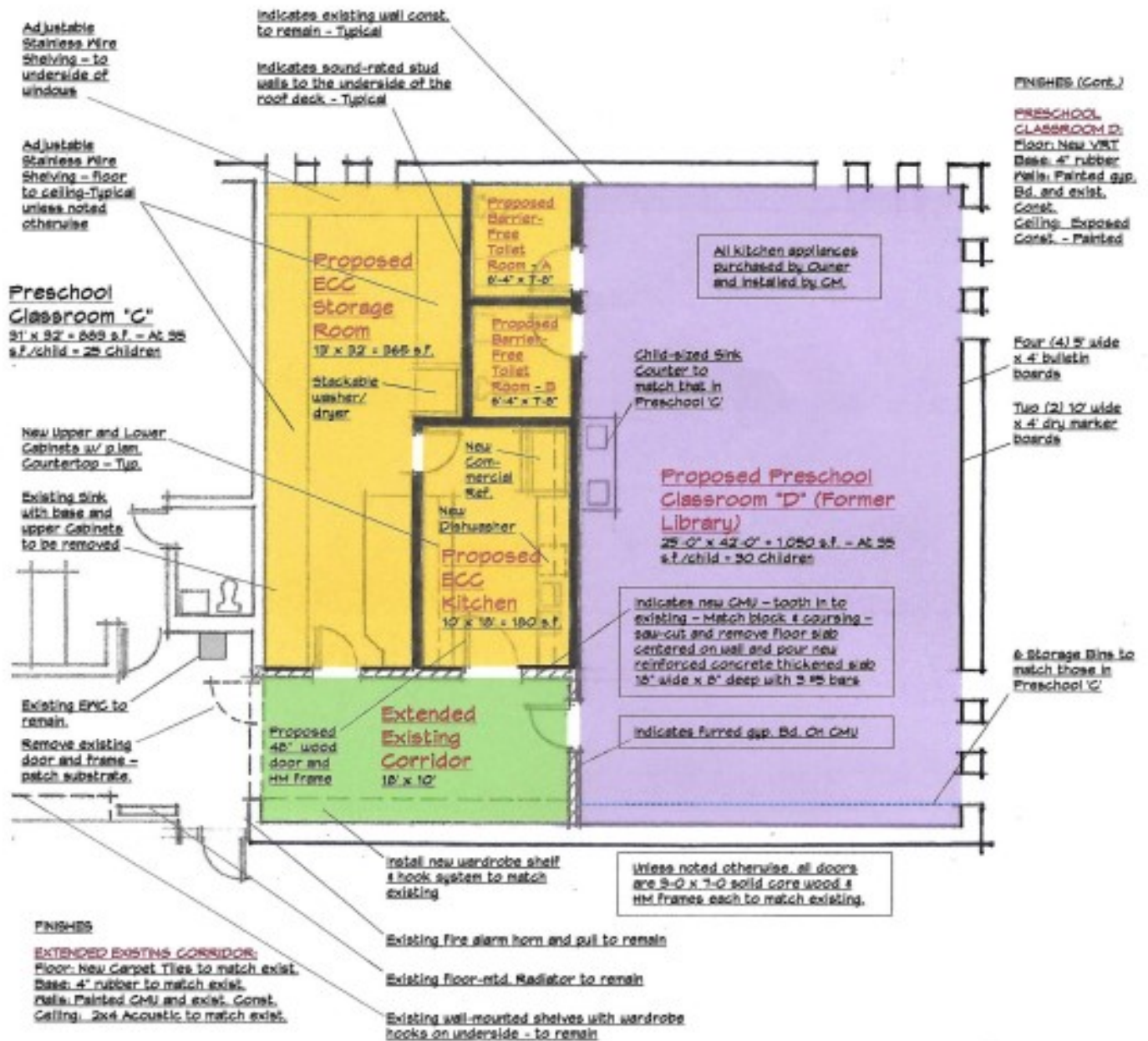
Earhart Road

New Storm Water Detention Basin



St. Paul Lutheran Church and School - Earhart Campus
2021 Feasibility Study

SITE PLAN



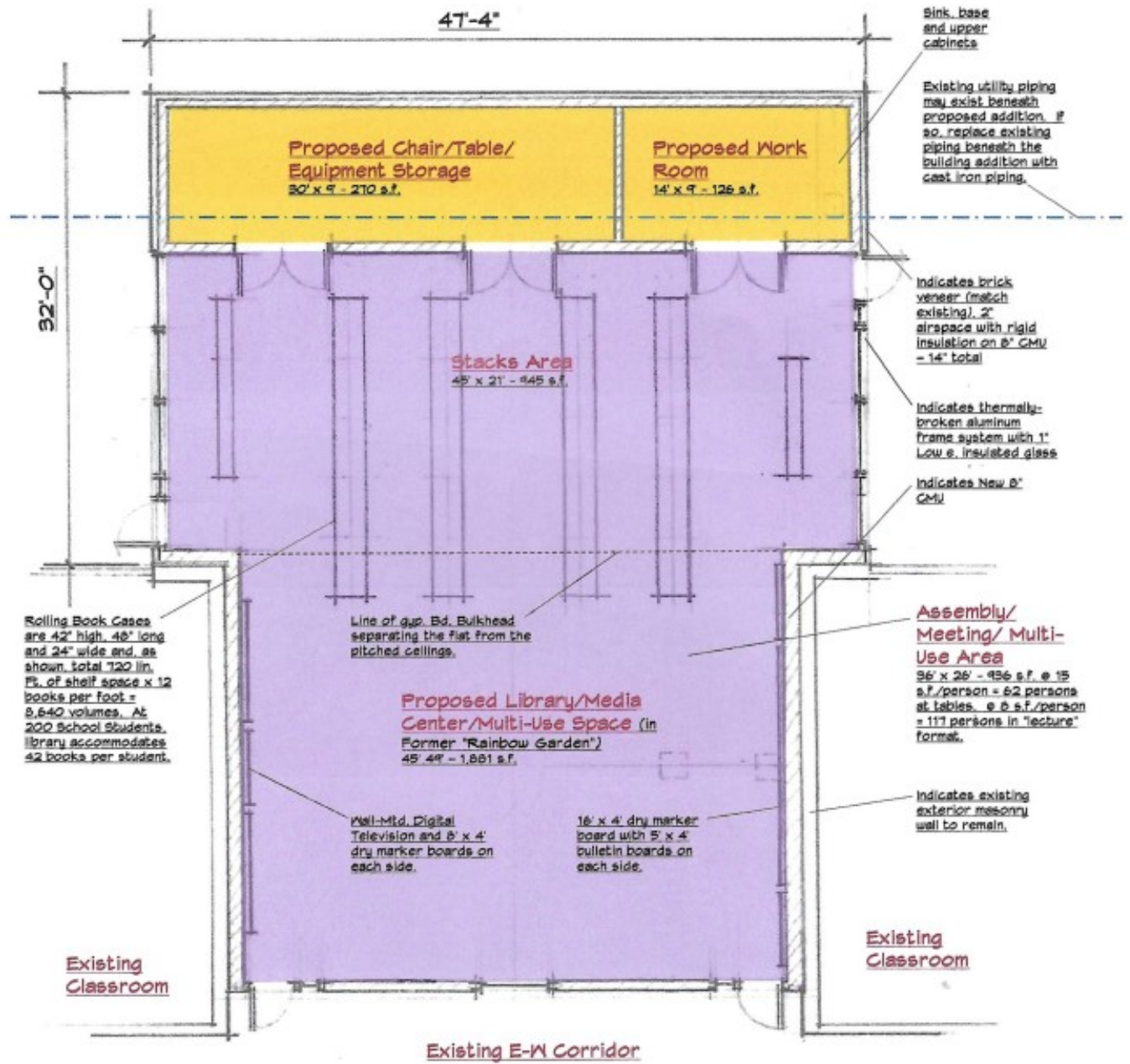
- FINISHES**
- EXTENDED EXISTING CORRIDOR:**
 Floor: New Carpet Tiles to match exist.
 Base: 4" rubber to match exist.
 Walls: Painted CMU and exist. Const.
 Ceiling: 2x4 Acoustic to match exist.
- ECC KITCHEN:**
 Floor: New VRT
 Base: 4" rubber
 Walls: Painted gap. Bd.
 Ceiling: Existing Construction - Painted
- TOILET ROOMS A and B:**
 Floor: New VRT
 Base: 4" rubber
 Walls: Painted gap. Bd. and exist. Const.
 Ceiling: 2x4 Acoustic
- ECC STORAGE ROOM:**
 Floor: New VRT
 Base: 4" rubber
 Walls: Painted gap. Bd. and Masonry
 Ceiling: Existing Const. - Painted

**Preschool Expansion into
 Former Library/Media Center
 Proposed Floor Plan
 10/5/21**



St. Paul Lutheran Church and School - Earhart Campus
 2021 Feasibility Study

NEW PRESCHOOL FLOOR PLAN



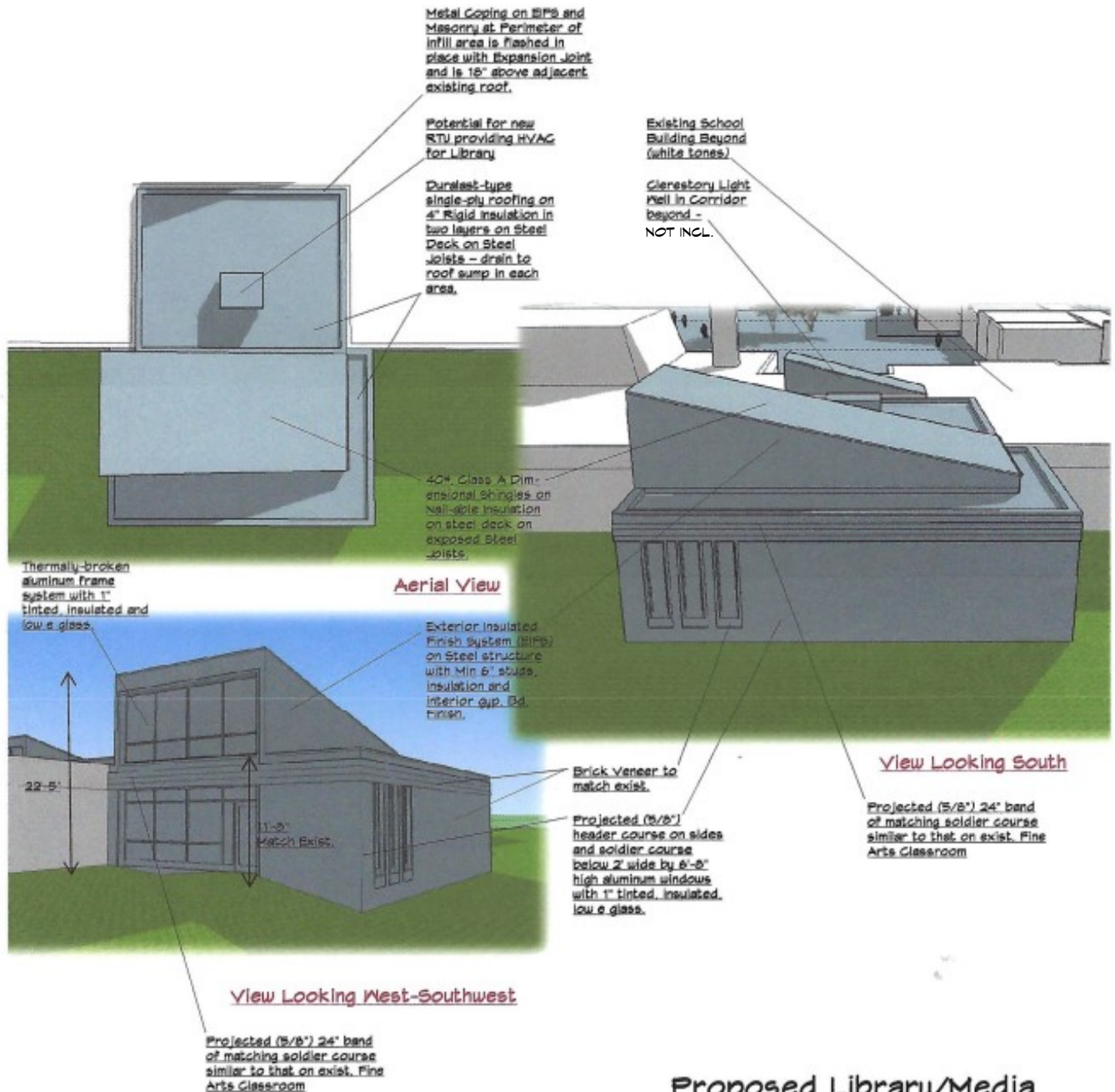
Distance from existing building to North Property Line is approximately 18'. The zoning ordinance calls for a Side Yard Setback Dimension of 5' Minimum and a total of 14'. The Proposed does not even remotely approach the required setback line.

Proposed Library/Media Center/Multi-Use Space
 Floor Plan
 10/5/21



St. Paul Lutheran Church and School - Earhart Campus
 2021 Feasibility Study

NEW LIBRARY FLOOR PLAN

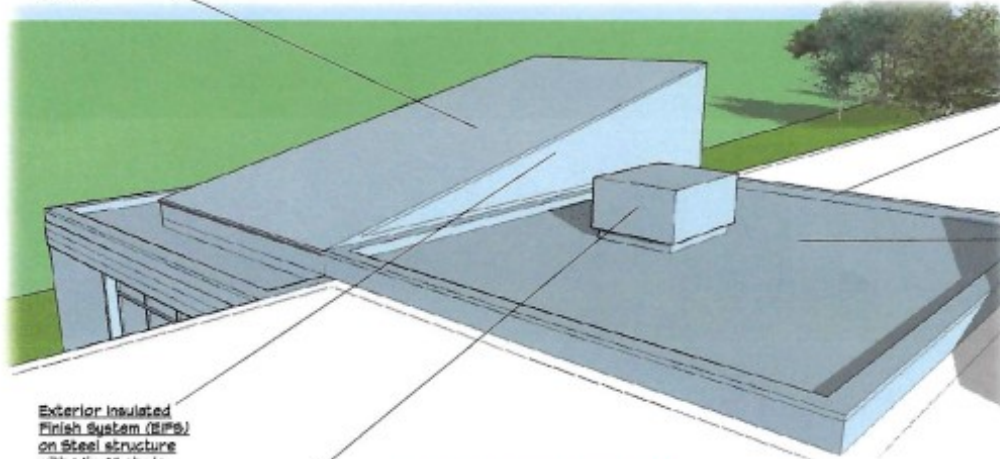


Proposed Library/Media Center/Multi-Use Space
Model Screenshots
10/5/21

St. Paul Lutheran Church and School - Earhart Campus
2021 Feasibility Study

LIBRARY EXTERIOR VIEWS

40# Class A Dimensional Shingles on Nail-plate Insulation on steel deck on exposed Steel Joists.



Metal Coping on EPS and Masonry at Perimeter of Infill area is Flashed in place with Expansion Joint and is 18" above adjacent existing roof.

Durast-type single-ply roofing on 4" Rigid Insulation in two layers on Steel Deck on Steel Joists - drain to roof sump in each area.

Thermally-broken aluminum frame system with 1" tinted, insulated and low e glass.

Exterior Insulated Finish System (EIFS) on Steel structure with Min 6" studs, insulation and Interior gyp. Bd. Finish.

View Looking Northeast

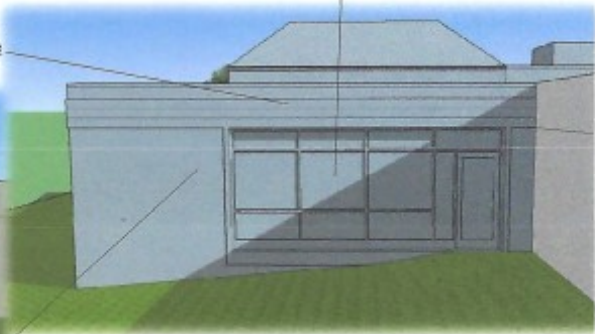
Potential for new RTU providing HVAC for Library

Projected (8/8) 24" band of matching soldier course similar to that on exist. Fine Arts Classroom



Brick Veneer to match exist.

View Looking Southeast



View Looking East

Proposed Library/Media Center/Multi-Use Space
Model Screenshots
10/5/21

St. Paul Lutheran Church and School - Earhart Campus
2021 Feasibility Study

LIBRARY EXTERIOR VIEWS