**a. Prayer and Introductions Of Council/FEC people at meeting (2 min)**

**b. Review of facility expansion planning process (5 min)**

**Slide 1 Five Key Things SOTH To Address From Parish Assistance Consultants**

**WELS Parish Assistance Recommendations July 2004 327 comm / 448 bapt souls**

“Add staff first, then space. Expect to develop an expanding program of ministry, with staffing adequate to lead and manage each area of ministry.” “A church that intends to grow by reaching out to the community should consider how additional space may bring in people from the community.” “Find additional land and purchase it as soon as possible.” “Parking is already a problem- expanding it is vital to your continued growth. You do need space in your ministry facility. However, it is premature to build until you have created your vision for the future. You will have to determine what your staffing and ministry needs will be.”

**Slide 2 Encouragement From Parish Assistance Consultants**

“This church has incredible potential to reach many more souls with the gospel. SOTH can serve as a model congregation for the synod. What would keep that from happening is: 1. Members becoming too comfortable with the size and style of current ministry and complacent about carrying out the great commission. 2. A structure and style of ministry that lacks the organization and purpose of reaching and serving a large number of people. Please always remember whose church this is, who governs the universe, who gave his life to redeem the world and wants all people to be save.”

**Slide 3 A Mission/Vision Plan developed**

**2005-2010 Five Year Mission/Vision Plan 2005 344 comm / 461 bapt souls**

We developed a five year ministry plan that included an emphasis on “life stages”, family, youth and teen, and support ministries for the struggling/hurting; and also outreach events targeting children and families. (In 2007 we added “senior ministry”)

**Slide 4 2005: Space Needs To Support Mission/Vision Plan Identified**

* + Classrooms
	+ Advanced adult BC (40) intermediate adult BC or BDC II (20-30) or BDC I (20-30)
	+ Pre-K/K (20), 1st-2nd (20), 3rd-4th (20), 5th-6th (20), 7th-8th (20), Teens (10-15)
	+ 2 other meeting areas for 15-20 people
	+ Fellowship- Kitchen, serving, and seating area for at least 300 people.
	+ Narthex that allows a smooth flow from worship to after-worship fellowship.
	+ Office space- At least one more office/counseling area for additional staff and workroom
	+ Storage- Will need to grow proportionally with the rest of the facilities
	+ Library- More room will be needed if we expect it to grow
	+ Soccer/softball field/basketball court (in parking lot or a gym) to fully optimize proposed sports camps, summer afterschool programs
	+ Space for pre/school/daycare should SOTH decide to pursue that

**Slide 5 Parking Lot And Second Pastor Called**

**Ministry Plans for 2009-10 423 comm / 517 bapt souls**

Parking lot was finished in 2009

**Ministry Plans 2010-11 426 comm / 521 bapt souls**

Pastor Tullberg called in the spring of 2011

**Slide 6 Facility Expansion Planning Begins**

**2013 444 comm / 533 bapt souls**

Leaders reviewed with members our goals to add staff first, then space. Leaders provided statistic data and projections for giving, membership, and worship attendance, and also walked through a sketch of how facility expansion needed to grow our ministry might look and likely cost ($1.3 million). A sample plan for funding was presented, reflecting a 30% down payment and a loan for $910,000 resulting in a $5,058/month loan payment (assuming 4.5% interest rate). A proposed timeline for facility expansion was presented to the congregation. Questions and feedback were sought.

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**Slide 7 Property Added; Facility Expansion…?**

**2014-15 450/551 229**

Our Facility Expansion Committee interviewed architects, chose Mayotte Group, and began working with them to produce drawings. A Facility Finance Team produced a funding formula and fund raising plan.

Property exchange signed with Mulder development in June of 2015. Shepherd of the Hills gains two far more usable frontage acres in exchange for a difficult-to-use two acre finger of land to the north.

??? Expand Facility Since we received the five key directives from Parish Assistance our congregation has grown from 327 communicants and 448 baptized souls to 450 communicants and 551 baptized souls, and we have achieved 4 of the 5 directives.

**c. Review of current status and projections for our congregation and ministry (5 min)**

**Slides 8 and 9 Review of financial challenges undertaken and offerings given since 2008**

* Roof replaced in 08: $23,000 / Parking Lot done in 09: $150,000 / Pastor Tullberg called in 11: $65,000/yr. Conclusion: The Lord has helped us successfully take on several financial challenges in the last 7 years. His grace has certainly blessed us when we took on these challenges.
* Since 2010 Offerings have averaged $329,560. Expenses have averaged 317,108. Membership has increased all but one year (11-12) to 450/551 to date. Worship attendance has averaged 236. Conclusion: God has enabled us to fund our ministry year to year and blessed us with numerical growth. However, lower worship numbers overall and the high number of those whose worship patterns declined by 5 Sundays or more from 2013-2014 (84 members) is a concern.

**Slides 10 and 11 Fiscal Year 14-15 Year End Picture**

**2. What is the picture as we end fiscal year 2014-15 compared to 2013-2014?**

* 5 adult & 10 child baptisms /8 adult confirmations, 4 professions of faith, 11 transfers in from other WELS churches, 8 youth confirmations for a net gain of 14 communicants and 15 baptized souls from one year ago. We are averaging 10 more people at worship per weekend than a year ago.
* Year end 14-15 offerings compared to 13-14: Several personal situations over the past year (moves, illness/death, retirement) have significantly impacted offerings (by an estimated $20-25,000). This shortfall will be offset to some degree (how much to be determined) by the new members from this year. A pattern of declining worship in a significant number of members (84) has likely impacted offerings by an estimated $8-9,000. Encouraging faithful worship is a key 2015-16 initiative in our ministry, not to increase offerings, but so that more people can be blessed through the gospel.

**Slides 12-14 Projections Of Membership, Worship Attendance, Giving**

**3. What are the projections for the next five years, given the last five years of membership, worship attendance, and giving data?**

The data would suggest that membership will continue to increase, as we have been blessed with a net gain of 27 adult communicants and 34 baptized souls (children) in the past five years, with slow but steady numerical growth every year except 2012-13.

Declining worship attendance (as a percentage of our members) in the last five years is a concern. However, we are building on efforts from this past year to encourage faithful worship (and Bible Class/Sunday School) attendance as a major initiative for our ministry in 15-16.

Our giving has been relatively stable for the last 4 years as we have pulled out of the recession, fluctuating between 322,669 and 339,644 (a difference of only 5%), which suggests a fairly stable baseline for budgetary planning purposes.

**d. Review of current space needs (5 min)**

**Slides 15-20 Pictures Of Current Space And Explanation Of Multi-Use Of Each**

**Slide 21 Fellowship Space Needs**

**Slide 22 Classroom Space Needs**

**Slide 23 Narthex Space Needs**

**Slide 24 Sanctuary Space Needs**

**e. Review of proposed expansion’s impact on the proclamation of the gospel/souls (5 min)**

**Slide 25 Floor Plan Of Proposed Addition And Verbal Explanation Of Outreach Impact**

The plan is based on the idea that we are doing much outreach to the community now and we need a facility to nurture and equip those we draw to Jesus, and to expand that outreach

**f. Review of the funding plan, giving projections, cost impact on members (5 min)**

**Slide 26 Michigan’s Current Economic Status**

**Michigan Real Median Family Income Trends since 2005**

The current median family income for Michigan is $60,846. Real median family income peaked in 2005 at $68,345 and is now $7,499 (10.97%) lower. From a post peak low of $59,938 in 2010, real median family income for Michigan has now grown by $908 (1.51%).



**Slide 27 Our Giving Potential (Comparison to other Capital Circuit congregations)**

SOTH: $874 ($387,235 given for local and synodical ministry, through church and individually)

Emanuel: $903

Zion: $1,197

Jackson: $1,054

Portland: $1,218

Eaton Rapids: $666

WELS: $1,143.

If we equaled Emanuel’s $903/com. level our budget could be: $406,350/year (+82,931 over 14-15)

If we equaled the WELS $1,143/com. level our budget could be: $514,350/year (+190,931 over 14-15)

**Slide 28 Our Giving Potential (Average percentage of income, based on Michigan per capita income)**

SOTH anticipated 2014-15 giving ($320,000) represents approximately 2.3 percent of income, using 2014 Michigan per capita income ($25,918) x baptized souls (551) = 14,280,818.

 Increase giving to 3% of per capita income: $428,454 (+105,000 over anticipated 2014-15 giving)

 Increase giving 1% to 3.3% of per capita income: $456,986 (+133,000 over anticipated 2014-15 giving)

**Slide 29 What is the estimated total project cost (including furnishings, remodeling existing structure, etc.)**

 New Construction: 1,306,070

 Furnishings 50,000

 Architect 100,000

 Contingencies 50,000

 TOTAL 1,500,000

**Slide 30 What are the monthly mortgage/upkeep/utilities costs we are willing to take on?**

We determined we could assume $66,000/year (48,000 for debt service; 18,000 in additional janitorial/ upkeep/utilities/etc.) for these reasons:

a) While $66,000 is a 21% increase over 14-15 giving, we believe that there is room to grow in our stewardship and that the Lord will bless our efforts to encourage first-fruits giving through the power of the gospel.

b) $50,000 annually designated for support of non-local ministry could be reallocated in a crisis.

c) We have reserves of nearly $200,000 for furnishings, loan repayment, or ministry development.

The $66,000/year figure assumes a down payment in hand of $800,000 (53% of the total project cost) and a loan of $700,000 loan (47% of the total project cost) with a $4,000 monthly mortgage, assuming a 5.5% interest rate and a 30 year amortization.

**Slide 31 What is the proposed fund raising plan for this project?**

Our funding raising proposal seeks:

1) One time gifts for a down payment of $800,000

2) Pledges for general fund offerings that would enable us to fund a $406,000 budget. ($340,000 for ministry + $48,000 in debt service + 18,000 in janitorial, utilities, insurance for expanded space.

We would seek permission from voters to conduct fundraising in every member visits as soon as possible, with the hope that fund raising could occur through the end of summer and into fall, with the results of the fund raising made available to the congregation by the end of fall.

**Slide 32 How would this proposed fund raising plan work?**

* We would take the project to the voters for approval only if we hit our target numbers for down payment and increased budget support.
* If we did not hit our target for a down payment after fund raising this summer/fall, we would continue to seek gifts until we reach the target goal.

**Slide 33 How would this proposed fund raising plan work?**

* We would operate a budget equal to the total from offering pledges. Whatever is given over the approved $340,00 budget for 2015-16 will be banked and could be used for the down payment, for ministry development once the new facility is built, or for furnishings, etc. at the discretion of the voters.

**Slide 34 How would this proposed fund raising plan work?**

* If our offering pledges are anywhere near the $406,000 target, we would be able to “test run” a budget that supports the increased expenses associated with building before making the final decision to build.
* If our offering pledges are greater than the $406,000 target, we could reevaluate our down payment and loan calculations, and consider a higher figure for a loan and annual debt service.

**Slide 35 Cost Impact Per Active Giving Unit**

Rather than figuring the cost per communicant, we chose to calculate the cost impact on active giving units. A “giving unit” is an individual or couple. “Active” means that they worship and contribute offerings.

* $66,000/year works out to $340/year per active giving unit (195), $28/month, $6.50/week.
* Figuring giving units that gave $200 or more (150), $440/year per giving unit, $37/month, $8.50/week.

Note: We have approximately 300 total giving units in the congregation. 250 envelopes were given out for 2015. There is work to be done in encouraging faithful worship and giving.

**Slide 36 Picture Of Jesus- We are really doing this to honor our God and Savior, not build a building**

**Slide 37 Pictures of People- We are really doing this not for ourselves, but for the souls who will hear the**

 **gospel here**

**g. Questions, Suggestions, Etc. (30 min)**

**h. Close with prayer**