



HOLY CHILDHOOD OF JESUS CHURCH

150 WEST MAIN STREET • HARBOR SPRINGS, MI 49740 • 231.526.2017 • FAX: 231.526.9299

August 22, 2006

Dear Parishioners,

We would like to extend a special thanks to those of you who participated in the recent Feasibility Study conducted by the Steier Group. Fifty-six individuals or couples met personally with our consultant, Matt Sheffield, while an additional 136 returned the mail survey.

Based on the information gathered, the Steier Group reported their findings and recommendations to the Building Oversight Committee, the Pastoral and Finance Councils, and the parish staff last week. Enclosed is a detailed summary of responses for your review.

From the statistics derived from the responses, the Steier Group provided 3 recommendations. We have summarized their recommendations in the following bullets:

- Based on the very positive results of the study, Holy Childhood of Jesus Church should immediately move forward with the preparation phase of a capital campaign.
- Use the priorities established by the feasibility study to focus our efforts on: a Parish hall which would include dual purpose faith formation classrooms and meeting rooms; and on the narthex (gathering space).
- Enlist strong campaign leadership from a representative cross-section of the church's constituency.

The parishioners voiced their opinion that Holy Childhood cannot afford to build a parish hall large enough to contain a day care center and a thrift store. Enclosed is a letter outlining the thrift store's history and financial performance. Over the course of the next year we will look for alternate locations for the thrift store.

Regarding the day care, I've enclosed a letter from our day care manager Tina Broughner. This letter was recently mailed to the parents of the day care children. The decision contained in Tina's letter is the result of much study and prayer. Each year the day care requires a cash infusion from the parish of \$22,000 to \$30,000 just to cover salaries. Additionally, the parish pays all utility and insurance expenses which amount to another \$28,000. And, to build a new facility to house the day care would cost approximately \$850,000. In the light of these numbers, we believe that you will understand the conclusion Tina shares in her letter.

Once again, thank you for participating in this critical campaign preparation process. Your input has been extremely beneficial and will help to ensure the success of our upcoming campaign.

Peace and Love in the Lord,

Father Joe Graff
Parish Priest

Mr. Richard V. Hendrian
BOC Chairman

Enclosures

FEASIBILITY STUDY SUMMARY OF RESPONSES

The respondents indicated many positive qualities of Holy Childhood. The most often mentioned were the renovation of the church and more parish members being more involved in church ministries.

The Pastor and the Building Oversight Committee have been reviewing and discussing the current needs of our parish. The following have been identified as the parish's top priorities. In your opinion, which of the following needs deserve the highest priority?

Combined Total Responses					
Goal	HIGH	MOD.	LOW	NR	SCORE
Construction of Parish hall/community center for 400-500 people	124	39	18	11	2.58
Continuing New Beginnings thrift store operation	60	70	51	11	2.05
Relocating day care facility	54	51	74	13	1.89
Addition of gathering space or narthex for overflow seating	50	51	80	11	1.83
Installing air-conditioning in the Church	47	36	99	10	1.71
Making open/green space improvements to enhance the Church grounds	27	45	107	13	1.55

How well informed are you regarding the needs mentioned previously?

Combined Total Responses		
	Responses	Percentages
Very Well	33	17%
Above Average	54	28%
Average	72	37%
Below Average	23	12%
Poor	5	3%
Unsure	0	0%
No Response	5	3%

Recognizing that the cost of renovating a portion of the existing school building would be two and a half to three times more expensive than new construction, which method would you prefer?

Combined Total Responses		
	Responses	Percentages
Renovation	18	9%
New Construction	158	82%
Unsure	3	2%
No Response	13	7%

If Holy Childhood of Jesus Church were to build new, would you be in favor of architecture consistent with our current Church or echoing the memory of the brick school building?

Combined Total Responses		
	Responses	Percentages
Current Church	145	76%
School Building	28	14%
Unsure	6	3%
No Response	13	7%

Are you personally in favor of Holy Childhood of Jesus Church embarking on a capital campaign to accomplish these goals?

Combined Total Responses		
	Responses	Percentages
Yes	140	73%
No	32	17%
Unsure	11	6%
No Response	9	4%

If asked by Holy Childhood of Jesus Church to serve in a campaign leadership position or assist in the solicitation of gifts, would you accept?

Combined Total Responses		
	Responses	Percentages
Yes	24	13%
No	145	75%
Unsure	8	4%
No Response	15	8%

Considering that our Parish Hall would serve as a community center, do you think local businesses would financially support a capital campaign for the parish?

Survey Responses		
	Responses	Percentages
Yes	21	38%
No	22	39%
Unsure	13	23%
No Response	0	0%

Have you remembered Holy Childhood of Jesus Church in your estate plans?

Personal Interview Responses		
	Responses	Percentages
Yes	3	5%
No	53	95%
Unsure	0	0%
No Response	0	0%

If a capital campaign is conducted by Holy Childhood of Jesus Church, will you make a personal gift?

Combined Total Responses		
	Responses	Percentages
Yes	153	80%
No	17	9%
Unsure	9	4%
No Response	13	7%

New Beginnings Thrift Shop

The Thrift Shop at Holy Childhood was started about twenty years ago and was operated under the umbrella of the day care center. Late in 2005, it lost its manager and was closed for several months. In March of 2005, the thrift shop was reopened as a separate ministry of Holy Childhood Parish, under a new manager, and was named the "New Beginnings Thrift Shop". In addition to the manager, there is one part-time employee and several volunteers.

The Thrift Shop operates as a mission by recycling quality used clothing, books, furniture, sporting equipment, toys, games and household items to the area's more needy residents and others at fair prices. Net revenue from the shop is used to offset some of the costs associated with parishioners' children attending St. Francis School, while also being used to support other parish ministries or outreach programs.

The operating environment is not ideal, as the shop is located in the basement of the school building where it is damp in the summer and cold in the winter. Also, patronage as well as volunteer help availability is limited due to the fact that the only access is by stairway.

This past fiscal year ending June 30, 2006 was considered very successful, both from a financial and a service or mission viewpoint. The financial results were as follows:

Total Revenue	\$61,999
Operating Expense	<u>(\$29,011)</u>
Net Revenue	\$32,998
Allocated Utilities	<u>(\$8,000)</u>
Parish Income	\$24,998

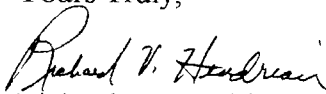
Due to the pending construction work relative to the school building, the thrift shop will have to be relocated or closed. Efforts have been made to find an off site rental location for the thrift shop, but rental costs for the space required have thus far ranged from \$3,625 to \$6,875 a month. Another possibility would be to build a separate facility on church property. This would cost approximately \$400,000, assuming a 4800 sq. ft. building, which is less space than is currently being used in the school basement.

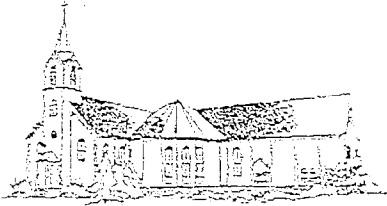
We don't feel that attempting to generate the funds as part of the planned capital campaign for needed church facilities is prudent at this time. Therefore, we are continuing to seek property that we can rent or lease to house the operation. If anyone has any ideas or leads, we would appreciate hearing from you.

Assuming that we are successful in finding a more suitable patron and volunteer friendly location to move the thrift shop to, we wish to determine if the operation can be successful enough to justify building a facility for it on church property, or if we can successfully operate it from a rented or leased location, or whether we just have to close it down.

Your suggestions would be most welcomed.

Yours Truly,


Richard V. Hendrian



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8/21/2006

Dear Parents,

It is with a mix of joy and sorrow that I write this letter. This year marks, not only our 25th year of operation but also our last year of operation.

The decision to end daycare operations came after months of work by the Building Oversight Committee (BOC), weeks of having professional consultants assess parish finances, and hours of discussions with architects and builders. The BOC was charged with coming up with a plan to implement the vision of the parish; with an open mind and with all options on the table, the BOC determined that although our historic building is structurally safe and sound, renovation would be cost prohibitive, especially when compared to new construction.

Two months ago the parish hired a consultant to conduct a feasibility study to determine how much money the parish could realistically raise for the entire construction project; the study revealed that the parish values the daycare and would like to see it continue. The study also revealed that any fundraising campaign would likely yield less than 3 million dollars.

This week, with financial constraints in mind, the architects and builders met with Fr. Graff to evaluate every option for meeting all project goals (i.e., parish hall, over-flow seating, thrift store, daycare, etc.). Given the estimated cost of construction, it was determined that only the parish hall and narthex (over-flow seating/gathering space) would fit the financial constraints. After prayerful consideration of all these factors, as well as community demographics/economics, declining enrollment, and rising operational/labor costs the decision was clear to the pastoral council, Fr. Graff, and me.

The parish intends to continue daycare operations through the end of this school year. Spring seems to be a natural transition time for children and families. Please be assured that we remain committed to providing loving care to your precious little ones until our very last day of operation. Let's make 2006-2007 a celebration--A celebration of the holiness of childhood and a celebration of our own sacred duty as parents and caregivers.

As always, please stop by and see me if you have any questions or would like additional information. Thank you once again for the honor of serving your children.

Peace and Love,

Tina M. Boughner
Director