

ST. MARK'S LUTHERAN CHURCH
Watertown, Wisconsin

Pre-Campaign Feasibility Study
Report and Recommendations



September 4, 2007

Presented by:
Cargill Associates, Inc.
Fort Worth, Texas

September 4, 2007

Rev. Michael Jensen
St. Mark's Lutheran Church
615 Jones Street
Watertown, Wisconsin 53094

Dear Rev. Jensen:

The opportunity to conduct a Pre-Campaign Feasibility Study for St. Mark's Lutheran Church has been a distinct privilege and pleasure. The Cargill Associates staff members conducting the study were graciously received by those interviewed. We wish to express appreciation to those who gave counsel and assistance in assembling the necessary information used in preparation for the Pre-Campaign Feasibility Study.

This report is based on **45** leadership interview participants and congregational questionnaires from **412** respondents. Also included is a thorough analysis of membership, attendance, and giving trends for the last five years.

The recommendations presented are sound and in keeping with professional principles and experience.

Sincerely yours,

A handwritten signature in black ink that reads "Pat Graham". The signature is written in a cursive style with a long, sweeping underline.

Malcolm "Pat" Graham
President

MPG/lab
Enclosure: Pre-Campaign Feasibility Study

TABLE OF CONTENTS

Section	Page
I. Introduction.....	1
II. Determination of Priority and Potential.....	7
III. Compilation of Responses	8
IV. Observations	34
V. Recommendations.....	37

I. Introduction

A. History

Founded in 1854, St. Mark's Lutheran Church has an extensive history of providing Christian ministry to Watertown, Wisconsin. Its mission calls the congregation:

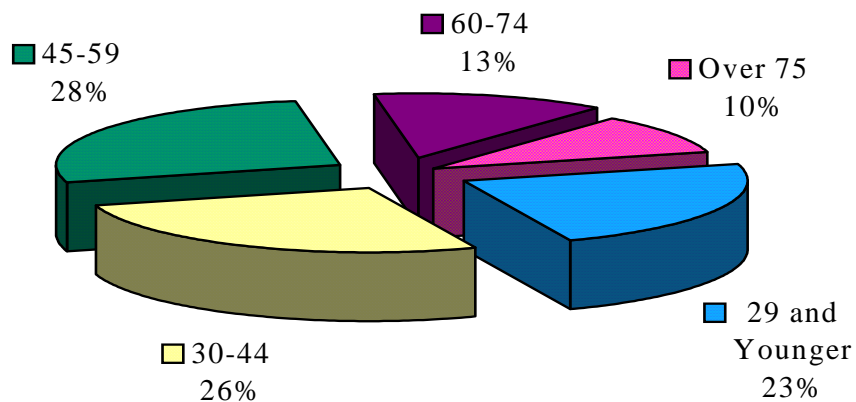
To serve all people in God's world with the Gospel of Jesus Christ on the basis of Holy Scripture.

St. Mark's Lutheran Church offers four Sunday worship services as well as one additional Wednesday service and one additional Saturday service. (The congregation's average attendance and membership are illustrated in graphs on the following pages.)

As the church celebrates its 153rd year of ministry, it continues to respond to the changing needs of the congregation and community. This study was commissioned to evaluate the potential of raising funds for school improvements/renovations/additions, a new school on the same block as the church, or a new school on the west side of town.

B. Church Statistics

1. The following graph illustrates the age profile of the congregation.

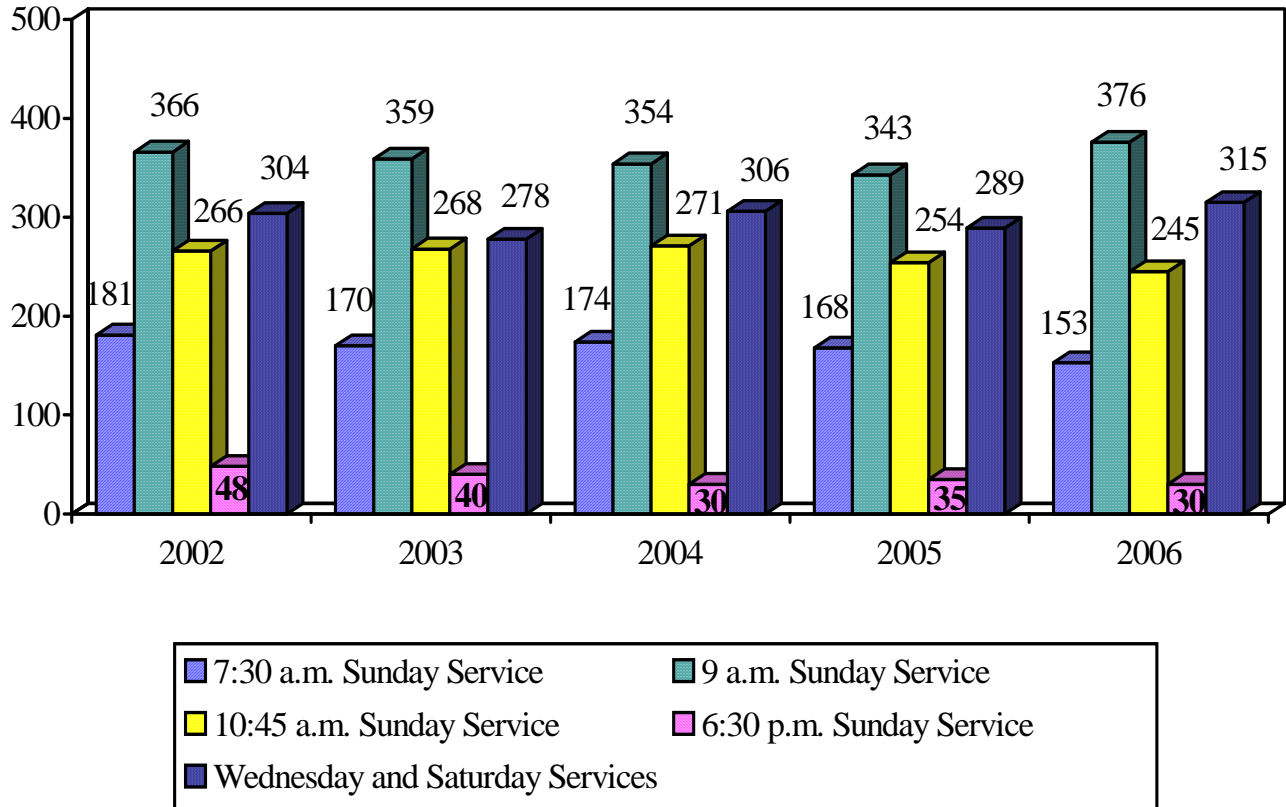


2. Information about membership for the past five years is reflected in the following graph:



3. Information about worship attendance for the past five years is reflected in the following graph:

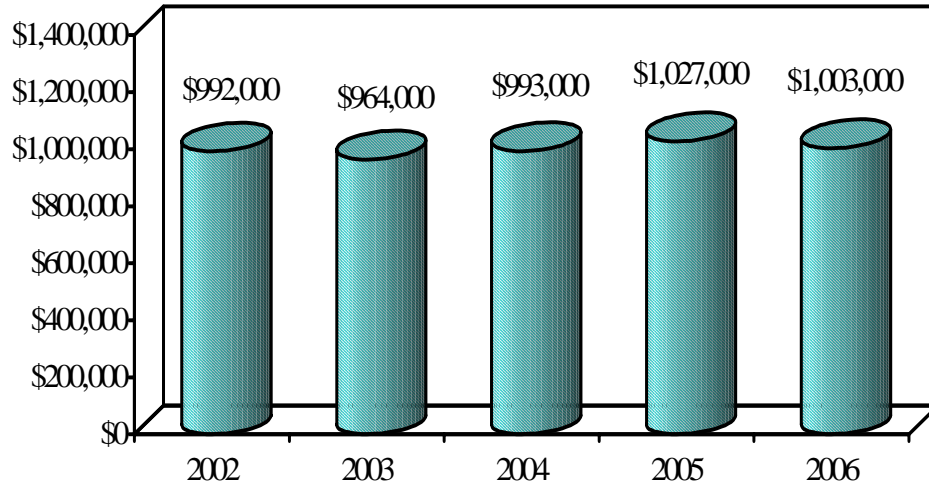
Worship Attendance



C. **Review of Financial Trends**

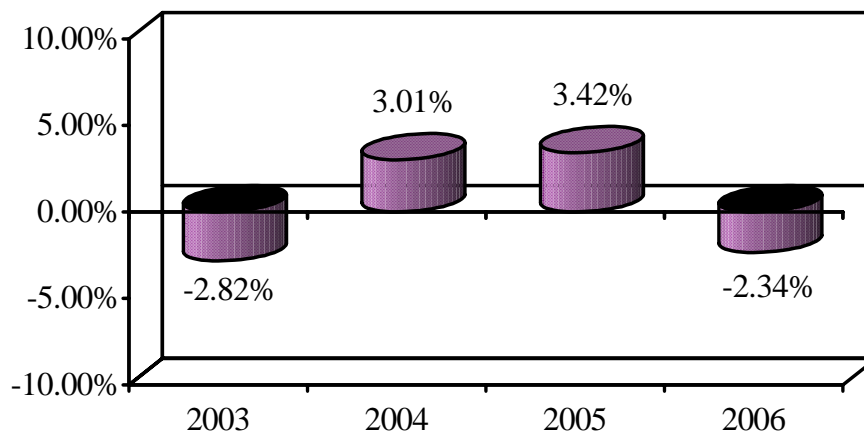
1. Budget giving for the past five years:

Giving Receipts



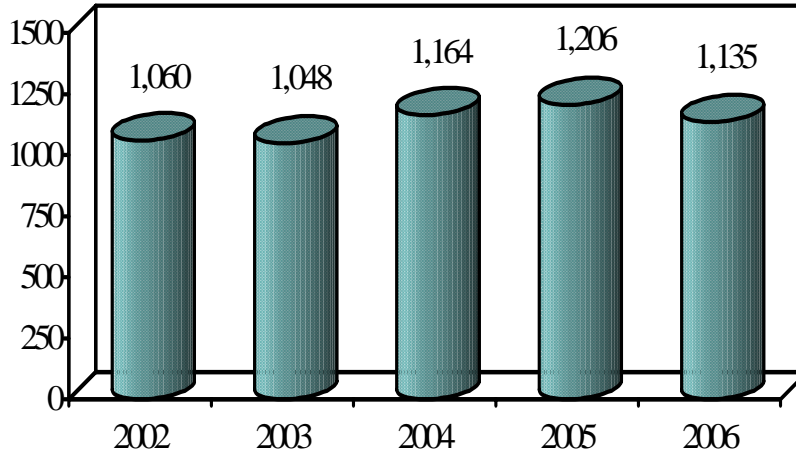
2. Annual percentage increases/decreases of budget giving for the past four years:

Percentage Increase/Decrease



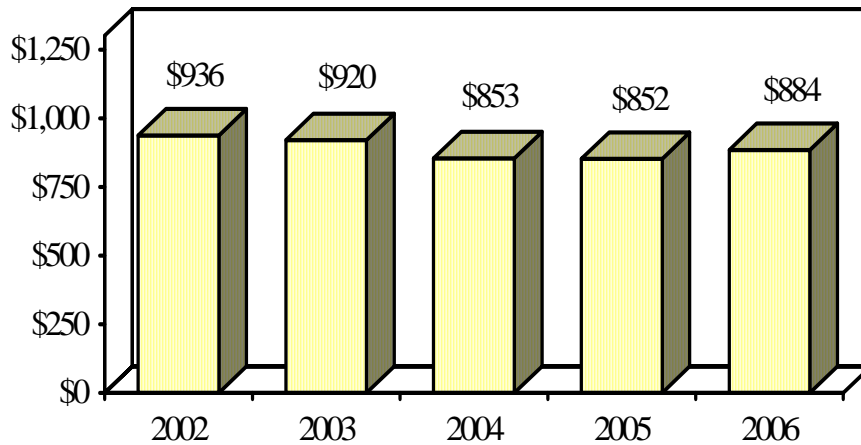
3. Participating giving units for the past five years:

Participating Giving Units



4. Average annual contributions per participating budget giving unit for the past five years: *(Please see the Budget Giving Analysis section for further comment on giving patterns.)*

Average Annual Contributions

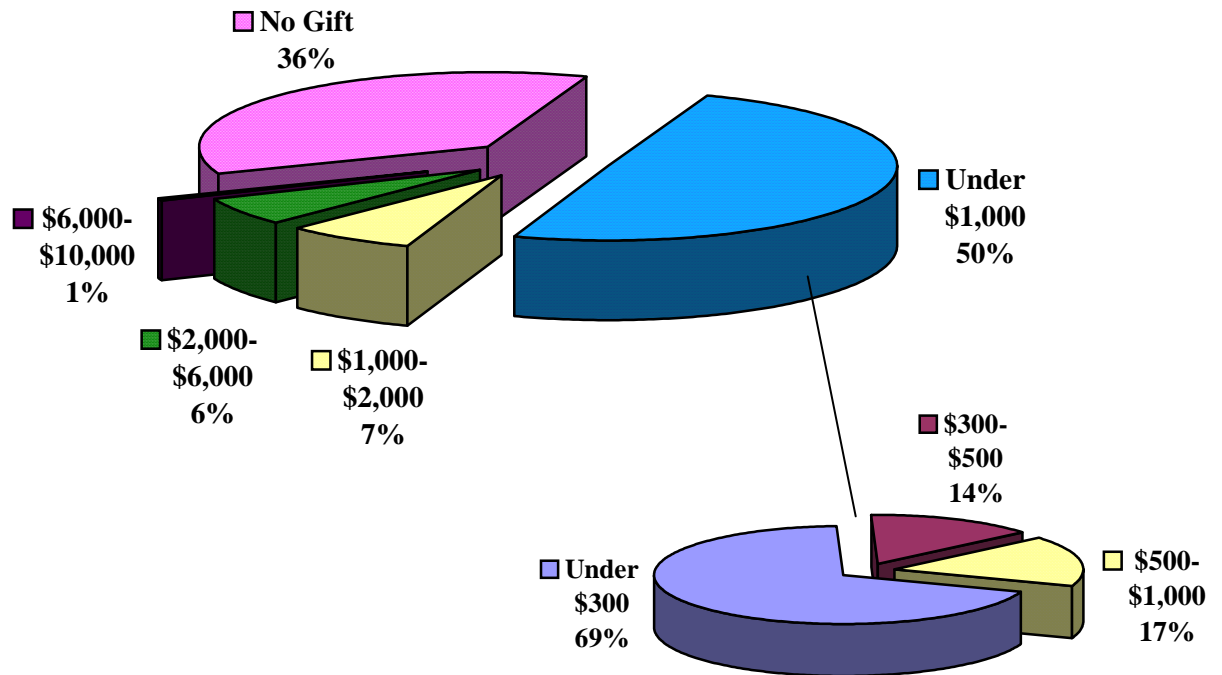


D. Budget Giving Analysis

Analysis of recorded giving units in 2006 shows the following patterns:

- The church had **1,787** potential giving units.
- One thousand one hundred thirty-five (1,135) units (64% of potential giving units) participated in giving. These units gave **\$1,003,000**.
- Six hundred fifty-two (652) units (36% of potential giving units) made no registered gift.
- Eight hundred ninety (890) giving units (50% of potential giving units) gave less than \$1,000.
- One hundred twenty-seven (127) giving units (7% of potential giving units) gave \$1,000 to \$2,000.
- One hundred eleven (111) giving units (6% of potential giving units) gave \$2,000 to \$6,000.
- Seven (7) giving units (1% of potential giving units) gave \$6,000 to \$10,000.
- There were no giving units that gave over \$10,000.

Budget Giving Analysis



II. Determination of Priority and Potential

St. Mark's Lutheran Church has approved a program to assess support for raising funds for facility needs. Specific priorities, with an estimated cost of between **\$4,000,000** and **\$9,000,000**, have been identified. Planning has begun to address these issues. Cargill Associates has been retained to determine the feasibility of this plan.

This plan includes:

- Option 1: School Improvements/Renovations/Additions
- Option 2: New School on the Same Block as the Church
- Option 3: New School on the West Side of Town

A total of **45** leadership interviews were conducted. For most questions, the response base is **45**, since responses of both spouses were counted when both were interviewed. Questions regarding support and giving have a response base of **27** to represent a giving household unit.

The response base of the congregational questionnaire phase of the Pre-Campaign Feasibility Study is **412**. Questions regarding support and giving have a response base of **292** to represent a giving household unit.

A total of **319** households responded to the survey. Twenty-seven (100%) interviewed households and two hundred seventy (93%) congregational respondent households represent **26%** of the **1,135** households that presently participate in giving. This percentage represents a participation level consistent with Cargill's experience of conducting surveys of this nature with churches of similar size.

For both phases of the study, individuals responded to a series of questions concerning church relationship status, awareness levels, personal involvement, and future congregational needs. Respondents offered comments to some questions. The comments are summarized by listing the most frequently noted statements. The results from both the congregational questionnaire and the leadership interviews are published in this report.

III. Compilation of Responses

Leadership Interviews and Congregational Questionnaires

A. Relationship

1. *Eighty-nine percent (40) of those interviewed and sixty-seven percent (276) of questionnaire respondents have been attending worship at St. Mark's Lutheran Church for 16 years or longer.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
0-5 years	1 (2%)	49 (12%)
6-10 years	4 (9%)	56 (13%)
11-15 years	0 (0%)	28 (7%)
16 years or longer	40 (89%)	276 (67%)
No response	<u>0</u> (0%)	<u>3</u> (1%)
Total	45	412

2. *Eighty-two percent (37) of those interviewed and fifty-four percent (224) of questionnaire respondents attend worship weekly.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Weekly	37 (82%)	224 (54%)
2-3 times a month	6 (13%)	85 (21%)
Once a month	2 (5%)	35 (8%)
Several times a year	0 (0%)	37 (9%)
Rarely, if ever	0 (0%)	20 (5%)
No response	<u>0</u> (0%)	<u>11</u> (3%)
Total	45	412

3. *Fifty-one percent (23) of those interviewed and twenty--seven percent (113) of questionnaire respondents are between the ages of 45 and 59.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
18 and under	0 (0%)	0 (0%)
19-29	0 (0%)	34 (8%)
30-44	2 (5%)	67 (16%)
45-59	23 (51%)	113 (27%)
60-74	16 (35%)	109 (27%)
75 and up	4 (9%)	87 (21%)
No response	<u>0</u> (0%)	<u>2</u> (1%)
Total	45	412

B. Perspective

4. *Eighty-four percent (38) of those interviewed and seventy-three percent (301) of questionnaire respondents indicated feelings of moderately high to very high enthusiasm about the work and programs of St. Mark's Lutheran Church.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Very high enthusiasm	15 (33%)	94 (23%)
Moderately high enthusiasm	23 (51%)	207 (50%)
Moderately low enthusiasm	7 (16%)	53 (13%)
Very low enthusiasm	0 (0%)	19 (4%)
No opinion	0 (0%)	36 (9%)
No response	<u>0</u> (0%)	<u>3</u> (1%)
Total	45	412

5. *Eighty-seven percent (39) of those interviewed and ninety-two percent (377) of questionnaire respondents indicated the church communicates well to very well with the congregation involving events, plans, and programs.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Very well	25 (56%)	209 (51%)
Well	14 (31%)	168 (41%)
Not well at all	6 (13%)	31 (7%)
No response	<u>0</u> (0%)	<u>4</u> (1%)
Total	45	412

6. *Sixty-nine percent (31) of those interviewed and fifty-four percent (225) of questionnaire respondents indicated St. Mark's Lutheran Church meets its current financial obligations with occasional difficulty.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Very well	2 (5%)	36 (9%)
With occasional difficulty	31 (69%)	225 (54%)
Not well at all	11 (24%)	99 (24%)
Does not know	1 (2%)	48 (12%)
No response	<u>0</u> (0%)	<u>4</u> (1%)
Total	45	412

7. *Sixty-seven percent (30) of those interviewed and sixty-five percent (269) of questionnaire respondents indicated adequate information is available about the handling and allocation of church funds.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	30 (67%)	269 (65%)
Only when asked for	5 (11%)	41 (10%)
No	8 (18%)	49 (12%)
No opinion	2 (4%)	50 (12%)
No response	<u>0</u> (0%)	<u>3</u> (1%)
Total	45	412

8. *Ninety-eight percent (44) of those interviewed and eighty-two percent (337) of questionnaire respondents indicated St. Mark's Lutheran Church teaches stewardship as the giving of time, talent, and money.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	44 (98%)	337 (82%)
No	1 (2%)	13 (3%)
Does not know	0 (0%)	57 (14%)
No response	<u>0</u> (0%)	<u>5</u> (1%)
Total	45	412

9. *The following are perceived to be the church's greatest strengths:*

<u>Leadership Interviews</u>	<u>Responses</u>	<u>Congregational Questionnaires</u>	<u>Responses</u>
St. Mark's School	36	Church Staff	314
Church Staff	35	St. Mark's School	286
Music/Worship Ministry	29	Music/Worship Ministry	253
Missions and Outreach Programs	27	Missions and Outreach Programs	162
Building and Facilities	12	Building and Facilities	141
Teen Ministry Programs	10	Fellowship Programs	53
Youth Ministry Programs	7	Teen Ministry Programs	50
Fellowship Programs	6	Youth Ministry Programs	48
Leadership Training and Development	3	Leadership Training and Development	25
Other	2	Other	20

Other (Leadership Questionnaire)

- Bible Classes
- Pastor Werner

Other (Congregational Questionnaire)

- Adult Discipleship
- Bible Classes (8)
- Congregation
- Faithful Bible Doctrine (3)
- Hispanic Outreach (2)
- Number of Worship Services
- ROC (2)
- There is a Faithful, Dedicated Core of Believers
- Volunteers

10. *The following are suggested areas, which need to be improved or expanded:*

<u>Leadership Interviews</u>	<u>Responses</u>	<u>Congregational Questionnaires</u>	<u>Responses</u>
St. Mark's School	37	St. Mark's School	220
Building and Facilities	19	Building and Facilities	160
Church Staff	14	Teen Ministry Programs	128
Leadership Training and Development	14	Youth Ministry Programs	102
Fellowship Programs	12	Leadership Training and Development	99
Missions and Outreach Programs	10	Fellowship Programs	92
Teen Ministry Programs	9	Missions and Outreach Programs	70
Youth Ministry Programs	9	Church Staff	48
Music/Worship Ministry	2	Music/Worship Ministry	41
Other	1	Other	31

Other (Leadership Questionnaire)

- Reaching Inactive Members

Other (Congregational Questionnaire)

- Athletic Programs (2)
- Attention to Needs of Aging Members
- Bible Study (2)
- Contemporary Service
- Cut Back on Programs
- Elders
- Get Out of Debt
- Giving: People Have Money for Everything, But Not For the Church
- Improvements in Staff are Necessary, Not Expanding Staff
- In-reach to Inactive Members (2)
- Member's Stewardship
- More Personal Visitation to All Members in Times of Duress
- More Technology for School
- Outreach to Delinquent Members
- Parents Room
- Programs for 18 to 30 year olds, Encouragement
- Qualified Teachers
- Results of Surveys Now and in the Past (2)

- Remove the “Who’s Who” Politics Associated with Connections to Area High School and Professors/Teacher’s Kids Who Receive Preferred Treatment
- School Building
- School Staff
- School Staff, Leadership Decision Making
- Should Learn to do with What God has Provided
- Smart Money Handling with All Church Programs
- Stewardship, Home Visits
- The ROC
- Worship Service Improvement

11. Priority Need

Ninety-three percent (42) of those interviewed and eighty-two percent (339) of questionnaire respondents ranked the funding needs. Individuals ranked the priorities being considered according to their perception of the church's needs.

Leadership Interviews

Congregational Questionnaires

<u>Rank</u>	<u>Average Ranking</u>		<u>Rank</u>	<u>Average Ranking</u>
1	1.24	School Improvements/Renovations/Additions	1	1.40
2	1.95	New School on the Same Block as the Church	2	1.99
3	2.81	New School on the West Side of Town	3	2.65

Average Ranking (weighted average) of all Respondents:

<u>Rank</u>	<u>Average Ranking</u>	
1	1.38	School Improvements/Renovations/Additions
2	1.99	New School on the Same Block as the Church
3	2.67	New School on the West Side of Town

Cargill Associates tested for an overall funding need of \$2,000,000 to \$8,000,000 or more in a three-year Capital Stewardship Program above giving to the annual budget.

12. *Eighty-five percent (38) of those interviewed and fifty-eight percent (238) of questionnaire respondents considered \$2,000,000 to \$4,000,000 to be attainable.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
\$8,000,000 or more	0 (0%)	15 (3%)
\$6,000,000 to \$8,000,000	0 (0%)	20 (5%)
\$4,000,000 to \$6,000,000	1 (2%)	93 (23%)
\$2,000,000 to \$4,000,000	38 (85%)	238 (58%)
No response	<u>6</u> (13%)	<u>46</u> (11%)
Total	45	412

C. **Support**

TO AVOID DUPLICATE RESPONSES, ONLY ONE RESPONSE PER FAMILY WAS GIVEN FOR THE FOLLOWING QUESTIONS - 13 THRU 19:

Twenty-seven (27) households are represented in the following Leadership Interview responses. **Two hundred ninety-two (292)** households are represented in the following Congregational Questionnaire responses.

13. *One hundred percent (27) of those interviewed and ninety-three percent (270) of questionnaire respondents participate in the financial support of St. Mark's Lutheran Church.*

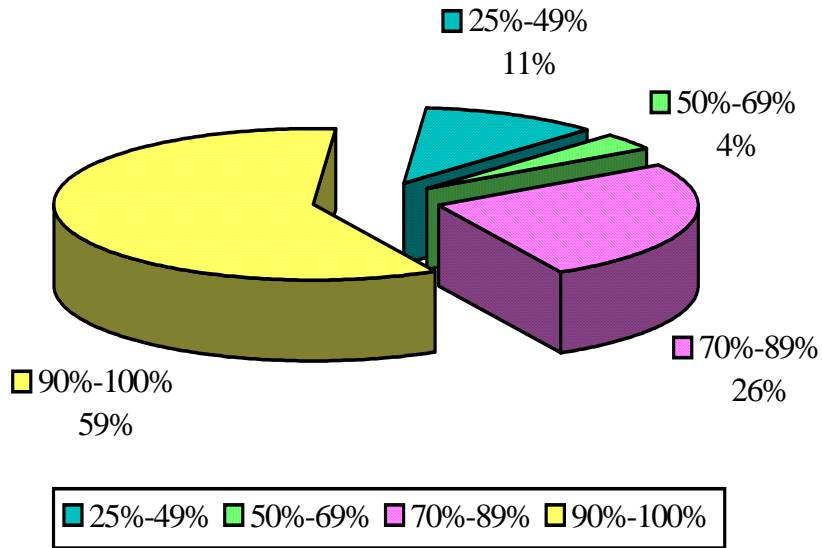
<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	27 (100%)	270 (93%)
No	0 (0%)	19 (6%)
No response	<u>0</u> (0%)	<u>3</u> (1%)
Total	27	292

14. *Forty-eight percent (13) of those interviewed indicated giving decisions are based on a dollar amount and forty-three percent (127) of questionnaire respondents indicated giving decisions are based on what is affordable.*

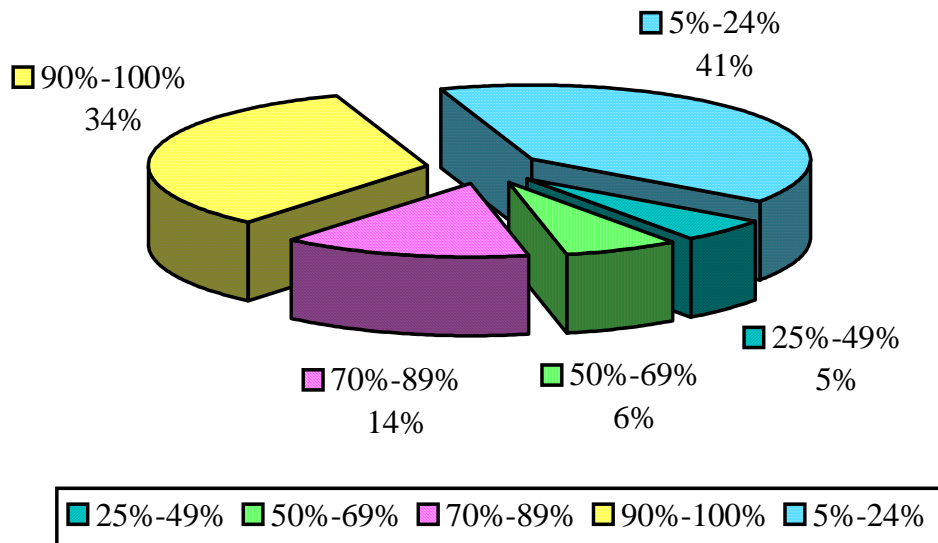
<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
10% or more of income	10 (37%)	43 (15%)
A percentage of income	1 (4%)	27 (9%)
A dollar amount	13 (48%)	93 (32%)
What they can afford	3 (11%)	127 (43%)
No response	<u>0</u> (0%)	<u>2</u> (1%)
Total	27	292

15. Each household was asked to estimate what percentage of total giving to charitable causes was directed to St. Mark's Lutheran Church. The following reflects estimated percentages:

Leadership Interviews



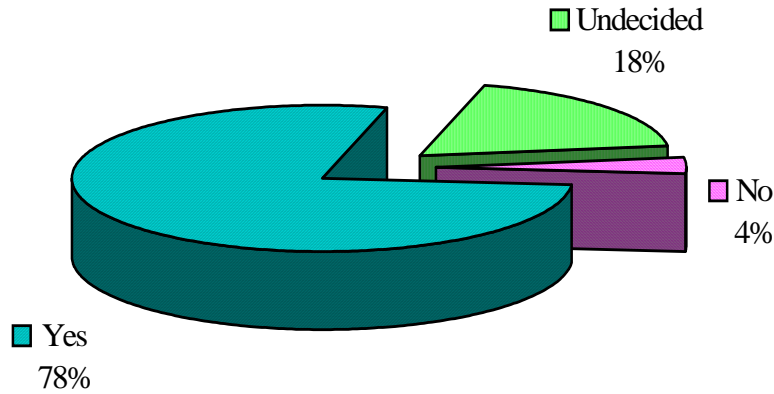
Congregational Questionnaires



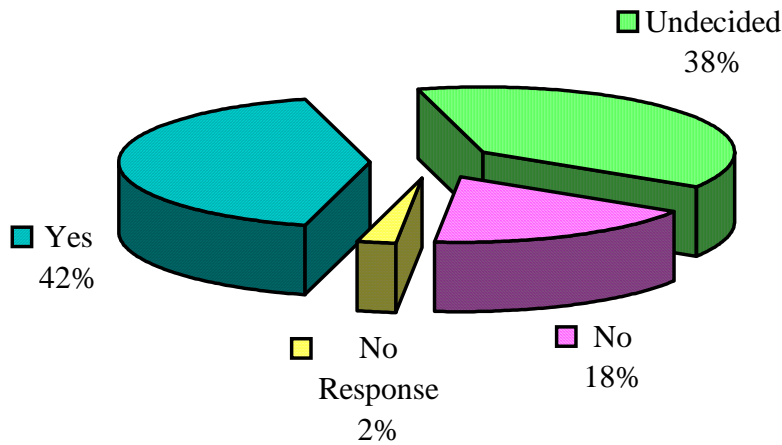
16. *Seventy-eight percent (21) of those interviewed and forty-two percent (122) of questionnaire respondents will consider a personal gift to support a Capital Stewardship Program by means of a three-year commitment above giving to the annual budget.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	21 (78%)	122 (42%)
No	1 (4%)	52 (18%)
Undecided	5 (18%)	111 (38%)
No response	0 (0%)	7 (2%)
Total	27	292

Leadership Interviews



Congregational Questionnaires



17. *Two percent (6) of questionnaire respondents expressed an interest in other methods of giving, such as non-cash gifts-in-kind, stocks or bonds, real estate, life insurance policies, charitable trusts, etc.*

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	0 (0%)	6 (2%)
No	24 (89%)	223 (76%)
Undecided	3 (11%)	57 (20%)
No response	<u>0</u> (0%)	<u>6</u> (2%)
Total	27	292

18. Three-Year Giving Responses

Each household was given an opportunity to respond to questions regarding personal financial potential in relation to the proposed Capital Stewardship Program. These responses do not include participants who indicated they were undecided about contributing to a Capital Stewardship Program.

Leadership Interviews:

The following reflects self-perceived gift responses totaling \$133,500.

	<u>Responses</u>
\$15,000	2
\$10,000	6
\$7,000	1
\$6,000	1
\$5,000	2
\$4,000	1
\$3,900	1
\$3,600	1
\$3,000	<u>3</u>
Total	18

DNI: Three respondents indicated they would make a gift but Did Not Indicate an amount.

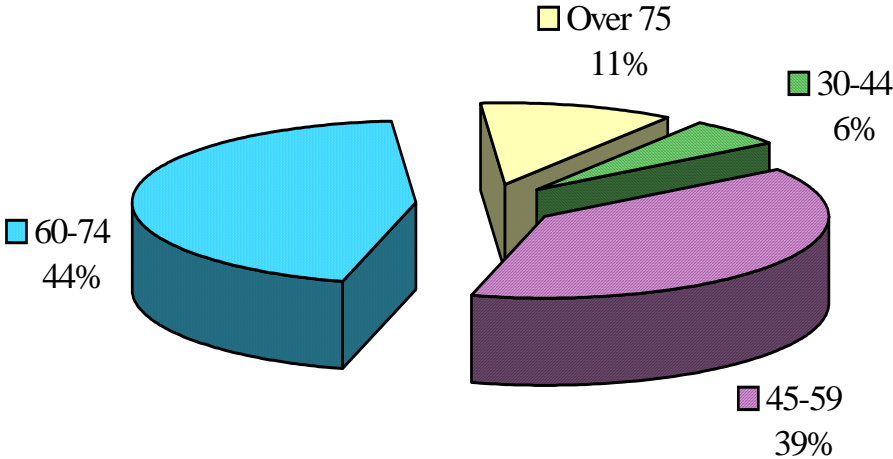
Congregational Questionnaires:

The following 110 self-perceived gift responses represent \$266,893 in gifts. Signed questionnaires accounted for \$227,768 of that total. Unsigned questionnaires totaled \$39,125.

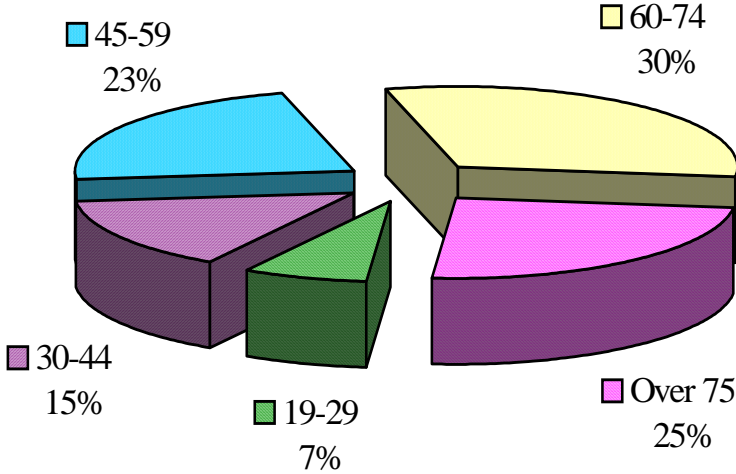
	<u>Signed Responses</u>	<u>Unsigned Responses</u>	<u>Total</u>
\$15,000	1	0	1
\$10,000	1	0	1
\$5,000	5	2	7
\$3,600	0	1	1
\$3,120	1	0	1
\$3,000	36	7	43
\$2,700	1	0	1
\$2,250	1	0	1
\$2,000	7	1	8
\$1,800	2	0	2
\$1,548	1	0	1
\$1,500	15	1	16
\$1,440	1	0	1
\$1,000	16	1	17
Less than \$1,000	<u>8</u>	<u>1</u>	<u>9</u>
Total	96	14	110

DNI: Twelve respondents indicated they would make a gift but Did Not Indicate an amount.

Of the **18** interviewees who indicated gift amounts totaling **\$133,500**, the percentages of pledge amounts by age groups are listed as follows:



Of the **110** questionnaire respondents who indicated gift amounts totaling **\$266,893**, the percentages of pledge amounts by age groups are listed as follows:



19. Eighteen percent (5) of those interviewed and ten percent (30) of questionnaire respondents will consider placing the church in their will.

Thirty percent (8) of those interviewed and eight percent (23) of questionnaire respondents have made that provision.

<u>Category</u>	<u>Leadership Interviews</u>	<u>Congregational Questionnaires</u>
Yes	5 (18%)	30 (10%)
No	8 (30%)	125 (43%)
Included	8 (30%)	23 (8%)
Undecided	5 (18%)	109 (37%)
No response	<u>1</u> (4%)	<u>5</u> (2%)
Total	27	292

D. Leadership

Individuals were asked to suggest volunteers they would trust to give direction to a Capital Stewardship Program. Leadership respondents offered the names of **36** people. Questionnaire respondents offered the names of **102** people.

E. Comments heard from Interviewees include:

- Our financial matters need to be straightened out before we do this. The merger needs to be decided. Communications is critical; we do very poorly. We need to make our budget for several years before doing this campaign.
- Our music program is outdated; we need more emphasis on contemporary music. Overall attendance is sagging. I would like a drug prevention program at St. Mark's. A little more emphasis on applying scripture to our daily lives would be helpful.
- The money has not always gone where it was supposed to go. We must settle the question of the merger.
- The school is important; we need to do something.
- We need a school; we need to do something.
- We should wait until we know about the merger.
- I'm concerned about not meeting operating expenses and trying to do this. We have two million dollars in trust but we go to the bank to borrow money for bills. We need to educate the congregation about stewardship. I will not contribute to specialty classrooms if they won't be used. Why have art rooms if there will be no art? The building needs to be one that will be used. Why do we need two schools with two gyms; duplicate gyms would be bad stewardship.
- I would like to see more variety of Bible study. We need a spark of enthusiasm.
- I want to see what I am committing to; we need more specific information on what will be done and how. People are not informed.
- We need to expand the staff.
- The church staff needs to be expanded. It's tough because we haven't decided on the merger.
- No improvements, additions nor renovations should be even considered until the school amalgamation with St. John's has been resolved!
- I would like the pastoral staff expanded back to four.
- Communications is a problem; we try, but it's tough. We need more electronic communications. We need to build connections between the congregation and the school.

- The question of the merger needs to be decided.
- Stewardship teaching could be better.
- I think there's a lack of confidence in what is happening at the church. We need to settle the St. John's issue first. Look in-depth, but make sure we have long-term solutions.
- The economy is really bad here and it's a problem; giving is down. We don't need the gym; we need to update existing structures, not add a gym. Christian education must be first.
- We should look at reducing the cost of the building, maybe by combining the gym and cafeteria. We should raise a good share of the money before building, so we don't have to borrow so much. I don't know why, but giving is down this year and I'm concerned about that.
- We must remember that our first priority is Christian education and sports is last.

Comments indicated in Congregational Questionnaires include:

- Option Two should not be an option. Why choose Option One? Part of our building is over fifty years old. Why have three separate additions in the school. We cannot lose any more playground space or parking. Those are already too small without building. If we don't do Option Three, we should sell that land. But, Option Three is the best. I understand it is the most expensive, but the rewards are worth it. Grassy areas to play, adequate parking, adequate school, great mission/outreach opportunity is out there. Even if that school is built, a merger could still happen. Have the K-8 campus be the new school. St. Mark's Church could use the current school as an education wing or more gathering space. Sell some of the land to St. John's so they have more room for their school. To do this and do it well and right, the church needs to fulfill the 4th objective on the bulletin with providing a day school. But, we need adequate school building/property to do that.
- We need to structure a planned giving council that follows a checklist and is prudent, discloses managing portfolio investments and endowment funds. Currently they are structured very poorly and the work inappropriately done.
- I think they need to see how the school proposal with St. John's comes out before proceeding with any building.
- I can only give depending on my income.
- We believe in God and are willing to give, but sometimes things are beyond our control.
- This is useless. The pastors are going to do whatever they want anyway. They make all the decisions.

- Just remodel the inside of the school; it's too good to destroy. We don't need a new building to teach children.
- If you build by the church again, does this really solve room problems and parking problems? The new school would need to be somewhere there is enough space.
- We need to stop the six o'clock Sunday Spanish worship service. Let them learn English.
- I'm on a fixed income now. When my children were in grade school, I paid full tuition and supported renovation and school building programs. Let's make sure that all families are paying full tuition to the school and supporting those programs mentioned above. If you can afford laptops, WiFi systems and all these types of technologies for your kids, you can afford full tuition.
- We need to have obtainable short and long-term goals, and stick with them, don't flip-flop back and forth. The present form of leadership needs to change from the top down, to the bottom up. The pastors should not be involved in the financial affairs of the church school!
- We currently provide what we can afford to the church and some weeks we cannot give. We would like to give extra for the Stewardship Program and we will if we are able.
- A possible concern is that St. Mark's has done two to three fund appeals in the last five years. Is it possible that we are becoming indifferent and unenthusiastic toward appeals?
- There are too many guest speakers.
- St. Mark's does not communicate its financial needs effectively. The last capital fund appeal started with a bang and ended with a fizzle. Participation dropped as time went on.
- We should cut back on extra programs if we can not afford them. Perhaps raise the cost to the families that send their kid's to St. Mark's School to cover expenses.
- I think it is imperative to start additional fundraises for this renovation/construction project. Whatever it be...car washes, free will offerings, bake sales, spaghetti suppers, etc!
- My husband works for commissions and has gone weeks without getting paid. I usually give \$50 a week, but I don't know how much over I can give.
- Being a new member and having very little money, I'm unsure of many of our abilities to help financially at this time.
- We feel that all needed improvements and repairs must be made to the school building. We are not convinced that expansion is necessary.
- We are a young family with children. We are undecided about sending our child to St. Mark's School due to the current facilities/system. We would be open to the possibility of enrolling him if positive changes and updates are made.

- I think before we take on this expense we need to figure out why so many families have changed school/church to go to TSL.
- What are the costs to merge school with St. John's, and why was it not shown in the information given?
- St. Mark's congregation is too large to be handled in the proper way by its current leadership structure. There is a "revolving door" for members; even those who are 20 plus year members have expressed to me their dissatisfaction. This church would be better served to split into two separate churches. More attention would then be paid to keeping members loyal and happy.
- Constantly requesting money for the church is a big turn off. St. Mark's School to rebuild should come from those families sending their children to that school. Raise tuition, have fundraisers, etc.
- With current yearly deficits, combining with St. John's makes the most sense. The trend will likely continue as it seems that "the love of money is growing cold."
- The most important element in our child's education wasn't just to get the academics, but to also receive a good, moral religious education. Giving him a sense of right and wrong is very important in a society that is becoming too accustomed to violence. We know that the present school and facilities won't be adequate in the near future. Therefore, it is necessary to do what we can to provide the needed space, etc., to help in our children's education.
- We can't make our church budget at this time. What happened to merging St. John's school with St. Mark's? Make use of St. John's brand new gym. Why would St. Mark's and St. John's both need a brand new gym? I give 10% of my income to the church and yet I can't decide where I would like the money to be allocated because I am a lady!
- We feel some places of expense are not necessary.
- I would really like to see St. John's and St. Mark's try a merger; if successful, it would be advantageous to have more people support the school effort. Plus, there would not be a duplication of services. Maybe, eventually, we could then support the inner city school and a suburban school. If the Spanish growth continues, we might look at an alternative-language school in the inner city. I know this is years away, but merging might increase that possibility if it is God's will for us.
- Sell the school to St. John's. Build a school by the church. Use the old building for offices, etc. Use the grounds for parking, play ground, and grass area.
- They can't meet their budget now and they want to spend four to eight or nine million dollars more? It will never work!
- We need to find ways to increase our church attendance, especially among the younger families and those with children in St. Mark's School. If we increase church attendance, the offerings will increase too.

- I cannot "give" any more than I am presently. Truthfully, I do not believe St. Mark's should be building at this time, not until it's decided (the merger with St. John's) if a new gym is needed or what's going to happen as far as the Watertown Unified School District building a new, mega Elementary School, etc.
- Maybe a West Side School would be the best option in the long run. I changed my mind from my original choice.
- We aren't even meeting monthly expenses and need to borrow to cover this. If we build and people pledge they may likely lower this weekly giving. I think we need to dig into these balance sheet accounts first, instead of always borrowing and get rid of all the programs that aren't necessary.
- Watertown just went thru a west side school and not many people wanted it, so why even think of it?
- The school is very important to us. The children need a Christian education. We are on a fixed income, but if we can we will give more.
- The church is very beautiful. The St. Mark's School building needs to be more adequate.
- If a school would cost more to improve, renovate and add on than perhaps building one, then we should build.
- Why wait to repair, etc., until everything is bad? Put out change jar for a certain project. We don't let everything at home go until it's all bad. We fix yearly as we see it go bad.
- I support capital fundraising. I will not support a large loan because of the societal changes which have depleted our congregation's financial capacity. Our budget is large and intricate. The addition of a large debt will result in a large interest expense each month. That expense places too large a risk on our financial operation. When we restored the church, we borrowed a small amount of about \$625,000; it took four years to pay off that small amount. I was a leader on that project and I was stunned at how slow the repayment was compared to previous church projects. In the ensuing years, our giving habits have not improved, I'm sad to say. Use much care in planning.
- I am not personally acquainted with the number of former and present lay leaders, but I would have confidence in any one of them who might be chosen and who agrees to accept a leadership role in this program.
- I would like to see everyone that joins our church make some effort to give a financial commitment every Sunday. There are a lot of new members who do not do this. I give what I can every Sunday and Holidays.
- Consider selling the property on Welsh Road on the north west side of Watertown to help pay for the needs of the school renovation.
- I truly believe in a good Christian education. I thanked my folks a lot for giving me

my Christian education. Times are so hard now for kids and without Jesus, they would be more with the devil; it's sad. Even when I don't make it to church, I use my Bible, thanks to St. Mark's. I could never put a price on what I received because that is the most precious gift I ever received. Truly. Thank you, Jesus. May God be with you and bless you richly, abundantly.

- We need school improvements and expansion badly. It needs to be near the church. Absolutely do not join up with St. John's School as members of St. John's say they want our money to pay their loans, etc. Their membership is dropping. This information comes from some of their members.
- How much did it cost St. Mark's to hire Cargill for this survey?
- Years ago, stewardship meant good care of and to not waste the things God has given us such as our homes, land, clothes, and earth's resources. It wasn't about money. As to the worship/ministry, we do not like the changing of the Lords Prayer and the Twenty-third Psalm. As to the church owning property, a few years ago St. Mark's raised funds to buy land on the west side to build a church. We would like input and up-front information in the bulletin and newsletter about property transactions. Also, does a school really need, in fact, should it even have so much day care/extended care?
- I will do my best to give to my church above and beyond; medical expenses and just buying food and paying bills has not gotten easier. I will trust the Lord to help me and my church to meet my commitments.
- Whether the school and church are where they are now or not, I think they should be close together.
- I think staffing is adequate; we have plenty of church and school staff. However, improving how church and school staff is used and money spent on current staff needs to be improved. It seems as if we have a lot of money being spent on people who don't do a lot of work. Why are we paying insurance benefits for part-time people? I don't think staffing needs to be expanded, just present staffing improved. I also hope we aren't more concerned about our outward appearance vs. our inward appearance. Who cares if we have the best facilities in town? What matters is that we practice what we are teaching and preaching. Let's improve our inside before we worry about our outside.
- The west side school idea is a huge waste of money and a poor location. Either of the other options would be fine. Shouldn't we wait and see how the potential school merger with St. John's plays out first?
- Our school definitely needs updating as far as the HVAC. We do not see the need for an enlarged gym space. We see the need for additional classroom space to accommodate lower student/ratios.
- We have a large congregation, but only a small percentage of members are coming to church regularly. If the greatest majority would come to church every week and just

give a couple of dollars, we would not be "in the hole" all the time. The majority of the congregation coming to church are senior citizens; most of whom are on fixed incomes. What's going to happen when we pass on? Who is going to "foot the bills"? During our generation, we had to wait until we could afford things; nowadays, everything should just come. We also feel that we have too many Bible study classes, which appear to be attended by the same members who are in church every week. These sessions take up the time of a pastor, who could be out talking to the members who have not come to church for a long time; and, therefore, are not supporting the church. When the Elders visit these people, they are told, "Who are you to tell me what to do?" They would be more respectful to a pastor.

- We are paying three full-time pastors in our church. In the past, we also had four Mission Sundays when other outside pastors came to preach. This was okay, but this year we are having quite a few more outside pastors. Since I am assuming these outside pastors get paid something for preaching, isn't this a double expense? If you want people to try to open their pocketbooks, administration has to show they are trying to keep down expenses, also!
- If St. Mark's and St. John's merge, is it one new school for both congregations? What do you do with old buildings?
- Does Option 1 include fixing old problems in the existing school? What happens to the old school if you build a new school on the west side?
- I don't believe some members of our Leadership Team are equipped to run the matters of our church.
- We're always behind on money. If funds are low now how can we spend more money? With this number of members, maybe we could afford this, but not all the members attend church. Maybe there should be priorities instead of people with big ideas on spending money the church can't afford at this time.
- I left some of the financing questions open because I do not know why this questionnaire is being done before the St. Mark's and St. John's school question has been decided to merge or not. What problems or questions come about if that merger goes through?
- More young members need to be reminded of the importance of a church home in their lives.
- The Spanish Ministry is a drain on the congregation; either eliminate it or make it a community effort like ROC. If the schools merge, the name should stay St. John's-St. Mark's, not a new name.
- I give regularly and plan to continue that; but as far as giving much extra, it would only be a modest amount. I will continually pray that the Lord will give you guidance in your efforts to further His Kingdom here at St. Mark's. Thank you for hearing me out.
- St. Mark's has several very important internal issues it needs to address before it embarks on a very costly building project in the hopes of making everything "better"

and I'm sure, trying to add numbers by the attractiveness of a "state of the art" facility. As Christians, we know that God does not look at our outward appearance but our inward. St. Mark's is losing sight of this!

- St. Mark's administration has always had a problem living within its budget. They do not seem to practice good financial stewardship of the gifts they receive. Shortfalls are usually in all parts of the budget and they end up securing a loan to make ends meet throughout the year. "Champagne taste on a beer budget" is the usual norm and the school project proposed is along about the same lines. Rather than work with what they have, repair and remodel or add an affordable addition, they propose a whole new school and gym. The church remodeling a few years ago for three million dollars is a fine example of getting carried away and going overboard.
- Unfortunately we must consider that the city of Watertown is planning on new school construction costing twenty-five to thirty million dollars. Also, how can we make an informed decision on this before we know about the proposed merger with St. John's?
- Outside of monetary giving, it will be interesting to see how the women of the congregation will be included, if at all.
- I think times have changed for separate church schools. A better idea would be to build a new school for all Watertown Lutheran churches. Combined efforts would produce a school to meet everyone's needs: room, advanced technology, modern building, sports room, etc. Pastors from each church could teach their programs all at the same time in separate rooms. If a high school was created to meet all our needs for a Lutheran school, why not an elementary/middle school? It's time people in Watertown started looking ahead more than a few years. Short term fixes never solved any problems, only delayed them. There are really only two choices; build a new school or close the school. That should be decided first.
- We need to improve our school facility.
- The commitment has to be paid regardless. Considering the St. Mark's and St. John's school merge, they are as close together as you can get being in the same block. There are four grades in each and, as for a new gym, they just built a large one a few years ago and there are fewer children in school now.
- This is a large undertaking. I know the Lord will bless St. Mark's in the right direction.
- Let's try to use what God has provided. Just like everyone else is doing. New buildings do not help me believe in God, more.
- In my opinion, a new school on the west side of town is not an option. There would be no communication between students and the church. Also, I know our current school is structurally sound but it does need many improvements and updates.
- It would probably cost well over a million too purchase properties for Option 2. I believe they should be purchased as they go up for sale for parking or playground with Option 1. For Option 3, I think we should purchase five more acres before

neighboring land gets sub-divided. That property cost us very little to own and when this area grows, future generations will have a good location for a church and school and the land will be there.

- We released one pastor, cut staff at school and still the congregation is in financial distress. It appears our leaders are not cutting the budget where possible. Perhaps the Spanish Outreach could be cut somewhere, or other areas such as that. We as members are consistently asked to increase our giving, which we try to do, but the spending should also be cut as well.
- Over the years of belonging to St. Marks we have helped in the building of the school, narthex and the addition to the church and the renovation. We are now living on Social Security and pension. My husband has Huntington's Disease and will be in a nursing home. Then I'll be down to one income. I'm sure the younger generation will step up to the plate, as we did when we were the younger generation.
- St. Mark's is a very large church. We, as members, have the option to support a variety of congregational needs. Although, I strongly feel that we as a church support too much. "Giving" will always be a never ending battle as members lose their jobs, have foreclosures, etc. Members have voiced their concerns about going to church to hear God's word and then being approached to give more.
- I believe St. Mark's members would support or show more support if they had a goal to shoot for (i.e., new facilities). St. Mark's should not let lack of money stop them from growing.
- The decision on the merger of the two schools must be finalized first. After that decision plans for the future can be made, and then presented to the voters.

IV. Observations

Programs and Ministries

- ◆ Seventy-four percent (74%) of respondents indicated feelings of moderately high to very high enthusiasm about the work and programs of St. Mark's Lutheran Church.
- ◆ Ninety-one percent (91%) of respondents indicated the church communicates well to very well with the congregation involving events, plans, and programs.
- ◆ *Church Staff, St. Mark's School* and *Music/Worship Ministry* were ranked by respondents as the church's greatest strengths.
- ◆ Interviewees indicated *St. Mark's School, Building and Facilities* and *Church Staff* as areas in most need of improvement and/or expansion and questionnaire respondents indicated *St. Mark's School, Building and Facilities* and *Teen Ministry Programs* as areas in most need of improvement and/or expansion.
- ◆ Respondents would like to see the proposed school merger with St. John's resolved as soon as possible.

Giving/Indebtedness

- ◆ Seventy-eight percent (78%) of participating households give less than \$1,000 annually. This is a spiritual issue that needs to be addressed. Stewardship education is needed. Giving levels need to be enhanced.
- ◆ The average annual gift per contributing household of St. Mark's Lutheran Church is \$884. Based on past experience with Lutheran Churches, Cargill Associates would like to see this average be \$1,200 to \$1,500 per contributing household.
- ◆ Forty-eight percent (48%) of those interviewed indicated their giving decisions are based on a dollar amount. The largest percentage (43%) of questionnaire respondents indicated their giving decisions are based on what is affordable. "What is affordable" is not a Biblical principle of stewardship. This is another indication that stewardship education is needed.

- ◆ St. Mark's Lutheran Church currently has an indebtedness of approximately \$56,000 from an operating loan. The church is currently paying only the interest, at a rate of 8.25%, on the loan serviced through general operating funds and bequests.
- ◆ Fifty-six percent (56%) of respondents indicated St. Mark's Lutheran Church meets its current financial obligations with occasional difficulty and 24% indicated not well at all. This issue can be solved by enhanced levels of annual giving.
- ◆ Sixty-five percent (65%) of respondents indicated adequate information is available about the handling and allocation of church funds and 12% state it is not.

Facility Expansion/Improvement

- ◆ Eighty-three percent (83%) of respondents ranked the facility needs. *School Improvements/Renovations/Additions (1.38)* was identified as the first priority by respondents and *New School on the Same Block as the Church (1.99)* was identified as the second priority.
- ◆ The Church Board and school leaders made a strong case for school improvements, renovations and additions, but there is a strong feeling from many respondents that a cost of \$4,000,000 is too much and needs to be scaled back.
- ◆ Based on the present giving levels of St. Mark's Lutheran Church, a project in the \$4,000,000 range is too large and needs to be scaled back. A project this large, even if the church conducted two consecutive three-year capital campaigns, would produce residual debt that would place undo pressure on the annual operating budget to service the debt at the end of the six year period.
- ◆ A project, however, in the \$2,000,000 to \$3,000,000 range could be managed if church leaders were willing to conduct two consecutive three-year capital campaigns and create a debt service line item in the 2008 operating budget and then grow that line item over the next six years to service any residual debt from the project.

Capital Stewardship Program

- ◆ Sixty percent (60%) of respondents considered \$2,000,000 to \$4,000,000 to be attainable in a three-year Capital Stewardship Program.
- ◆ Seventy-eight percent (78%) of those interviewed and 42% of the questionnaire

respondents will consider a personal gift to support a three-year commitment above their regular giving to the annual budget. Thirty-six percent (36%) of respondents indicated they are undecided at this time.

- ◆ Self-perceived gifts totaling \$400,393 were discovered from 128 households, representing approximately 11% of the 1,135 households that presently participate in annual giving.

V. Recommendations

- A. In light of the Pre-Campaign Feasibility Study, Cargill Associates recommends that St. Mark's Lutheran Church proceed with plans for a Capital Stewardship Program. The schedule should be **September 2007 to December 2007**.
1. Cargill Associates recommends that the project involve at least school improvements and renovations.
 2. Cargill Associates recommends that the project not exceed **\$2,000,000** unless the church is willing to conduct two consecutive three-year capital campaigns.
 3. The campaign should center on raising the maximum dollars for the project between **September 2007 and December 2007**. In **January 2008**, based on the strength of the stewardship program, charge the Building Committee to work with their architect and finance institution to devise a building and financing plan for congregational approval by **Spring of 2008**. This approach takes the guesswork out of the plan and leaves veto power with those who are being asked to pay for it.
 4. Cargill Associates recommends that St. Mark's Lutheran Church create a debt service line item in the 2008 operating budget and grow this line item over the next three years to service any residual debt from the project.
 5. The campaign should include raising both the three-year capital funds and annual funds for **2008** simultaneously.
 6. We find an increase of **\$100,000 to \$150,000** to be a reasonable expectancy for annual operating giving in **2008**. This expectancy is based on Cargill Associates' track record of a **10 to 15 percent** increase in annual operating giving when a combination campaign is conducted.
 7. We find a reasonable expectancy of **\$1,450,000 to \$1,750,000** for the capital project. This expectancy is based on the **\$133,500** identified among **18** of the **27** participant households in the leadership interviews, and the **\$266,893** identified by **110** of the **292** respondent households in the congregational survey. The above participating households include only the households that indicated a gift amount. *Though a campaign could yield more or less than the reasonable expectancy, this is a conservative projection based on the combined responses of members to the perceived needs of the church. Our experience indicates capital giving receipts would follow this customary pattern:*

First Year	40-45%
Second Year	30-35%
Third Year	20-30%



- B.** A Capital Stewardship Program adhering to Cargill Associates counsel will produce the following:
1. A clear *vision* of the church's future mission ministry based upon the discerned will of God.
 2. *Ownership* in the church's vision by a large number of the church's membership.
 3. Increased *involvement* by a greater number of members in the development and support of the church's vision.
 4. Motivation of members to grow in their level of *stewardship commitments*.
 5. Encouragement of members to make the most generous, pacesetting *expression* of their commitments to the church's vision.
 6. A disciplined *follow-up*, which will enable the church to achieve all that is committed in the campaign.
- C.** Church leadership will need to continue developing an aggressive information flow to members.
- D.** We recommend that St. Mark's Lutheran Church prepare and mail statements of giving to all resident households on a quarterly basis. Currently, the church provides giving statements annually. Such a practice serves as a reminder of giving needs and stimulates greater participation.
- E.** We recommend that St. Mark's Lutheran Church make giving envelopes available on a monthly or bimonthly basis. Currently, they are distributed annually. Such a service can increase the giving level for all causes dramatically.
- F.** St. Mark's Lutheran Church needs to aggressively promote stewardship among all members, especially for those not regularly supporting the church. Newer members usually have a two-year "lag" time before they become fully involved in supporting the church. Stewardship promotion will speed up this process for newer members and create a broader giving base in the congregation.
- G.** During the capital giving period, a consistent, aggressive program of budget growth is essential. Following the campaign, Cargill Associates would be delighted to show how other churches have established effective, long-range plans to create larger budget-giving bases.

The response of those participating in the Pre-Campaign Feasibility Study was supportive and helpful. The Cargill Associates representatives were graciously received by those interviewed.

The staff of Cargill Associates wishes to express appreciation to the individuals of St. Mark's Lutheran Church who gave counsel and assistance in assembling necessary information in preparation for the Pre-Campaign Feasibility Study.