Report of the *Ad Hoc Committee for St. Peter’s School*submitted to the St. Peter Parish Council May 12, 2022

**Background information**:

St. Peter’s Parish has had a parochial school as part of its mission since 1883 when the first school, named St. Xavier’s Academy, was built by Fr. Michael O’Dwyer. Since that time, buildings have been
expanded, rebuilt, changed locations, and renamed until the 1940’s when the first floor of the present elementary building was constructed. The gymnasium was added in 1955 and enlarged in 1963. In 1958 the parish undertook the construction of a second floor on the elementary building along with the construction of a new building to serve as Mercy High School along with an attached convent to house the sisters who taught at the school. The high school building became the present middle school when Mercy High School was closed. 2023 will mark the 140th anniversary of Catholic education in Marshall.

The oldest of the current school buildings has been in use for seventy-five years. The middle school building is nearing its sixty-fifth year of use. The parish has maintained these buildings as needed and as finances allowed but no major renovation or reconstruction has taken place since their original construction.

The faculty, staff, administration, and parents have done a commendable job of keeping the buildings running and adapting to changing demands as the decades progressed. Many volunteers from St. Peter’s Parish have given countless hours of their time and talent to keep the buildings looking good and functioning as best as possible given the age of the buildings and the increasing demands on an outdated infrastructure.

The list of structural and infrastructural shortcomings has grown over the years until we have reached
a point where major decisions need to be made if we are going to offer the best Catholic education to
students for decades to come.

The St. Peter Parish Council began discussing these shortcomings and ways to address them in 2015
but no action was taken. Discussions were revived in 2021 and at the February 24, 2022, meeting of the council, parish council president Ron Sayer announced his desire to form a sub-committee to seriously look at the situation and return a recommendation to the council on how best to proceed in addressing the concerns. Motion was made and seconded to direct President Sayer to create such a committee. The motion passed unanimously.

**Overview and Charge**:

The *Ad Hoc Committee for St. Peter’s School* (hereinafter referred to as the committee) was created per
directive of St. Peter’s Parish Council. Article VI, Section 3, Subsection iii of the St. Peter’s Parish Council
Constitution and Bylaws gives the president the duty of appointing special committees from within or outside of the parish council. Per that authority, President Sayer appointed the following individuals to
the committee:

Becky Fann – representing parents of enrolled students
Cindy Hayob – representing the Christian Education Commission
Sandra Almazon – representing parents of enrolled students
Mark Butner – representing the Financial Affairs Commission
Mary McCoy – Principal of St. Peter School
Tim Butner – president of the St. Peter School Advisory Committee
Jane Lewis – president of St. Peter School Foundation
Fr. Francis Doyle – pastor of St. Peter Parish
Ron Sayer – president of the parish council

Additionally, Doris Pacheco was contacted several times to serve as a representative of Hispanic parents with children at St. Peter School but she failed to reply to the request.

The committee was given three charges:
1. Make a recommendation on what the best approaches would be to achieve the remediation of the problems.

2. Make recommendations on how we engage the entire parish to achieve their support.

3. Propose a plan or a timeline for implementation of possible solutions.

 Concern:

*St. Peter’s Parish has a parochial school that is housed in buildings that were built in the early to
 middle 20th century which can no longer handle the demands of the 21st century. No major
 renovation work has been done on these buildings since their construction. The parish has
 attempted to deal with issues as finances have become available, but we have reached the point
 where costs for maintenance and repair are swallowing an ever-larger portion of the budget each
 year. The school principal and the St. Peter’s buildings and grounds point people have identified a
 lengthy list of problems that need to be remedied. Some of these issues have also been identified by
 the Director of Buildings and Grounds for the Diocese of Jefferson City and brought to the attention
 of the school principal. Collectively, these problems fall into the areas of structural needs, safety and
 security needs, and infrastructure needs.*

 Structural Needs at Elementary Building:
 Roof needs to be replaced if building will continue to be used for the next decade
 Restrooms are outdated
 Asbestos floor seepage in downstairs classrooms and hallway
 Windows not energy efficient
 Wood rotting on east side of building
 Exterior brickwork needs tuckpointing, moisture seepage
 Electric and plumbing buried in concrete slab
 Metal pipes corroding
 Downspouts exposed, drain onto parking lot and along building
 \* Second floor not handicap accessible
 \* While parochial schools are not required to follow the American’s with Disabilities Act, in this day
 and age it behooves us to make sure anyone can access any of our parish facilities. Additionally, it
 is better that we are prepared in the event we have a student with a handicap that would prevent
 them from using stairs.

 Infrastructure Needs at Elementary Building:
 Heating needs to be upgraded to a more efficient system if building will continue to be used
 AC window units, antiquated, high energy consumption
 Carpeting worn out
 Ceiling tiles worn, need replacing
 Electrical system antiquated, insufficient outlets
 Safety and Security Needs at Elementary Building:
 Security system non-existent
 Fire alarm not automatic system
 Exterior doors not security doors
 Interior classroom doors not security doors
 Intercom does not work throughout building
 Due to antiquated electrical system, classroom have daisy chained strip cords overloading system

 Structural Needs at Middle School Building:
 Roof needs to be replaced if building will continue to be used for the next decade
 Windows nearing replacement age
 Exterior brickwork needs tuckpointing, moisture seepage
 Chimney needs sealing
 Electric and plumbing buried in concrete slab
 Metal pipes corroding
 Downspouts exposed, drain onto parking lot and along building
 Efflorescence evident in basement from outside drainage issues
 Water backs up in basement after heavy rains

 Infrastructure Needs at Middle School Building:
 Heating needs to be upgraded to a more efficient system if building will continue to be used
 Carpeting worn out in chapel
 Ceiling tiles worn, need replacing
 Electrical system antiquated, insufficient outlets

 Safety and Security Needs at Middle School Building:
 Security system needs to be upgraded
 Fire alarm not automatic system
 Exterior doors not security doors
 Interior classroom doors not security doors
 Due to antiquated electrical system, classrooms have daisy chained strip cords overloading system

 Structural Needs in Gym and Kitchen:
 Windows need to be updated
 Exterior doors not weather sealed
 Electric and plumbing buried in concrete slab
 Floor in kitchen needs to be replaced

 Infrastructure Needs in Gym and Kitchen:
 No air conditioning in building
 Restrooms not sufficient for games/events

 Safety and Security Needs in Gym and Kitchen:
 Security system non-existent
 Fire alarm ?
 Exterior doors not security doors

 Convent issues:
 Roof needs to be replaced, many leaks
 Asbestos still present
 N.E. wall has gaps in brick due to settling of building

The committee met for the first time on Thursday, March 24, at St. Peter School. It was stressed to the members of the committee to freely express their opinions, to not hold back, but to also keep an open mind to the opinions and solutions of others. We reviewed the procedure for the committee’s work and the process of getting approval and support from the parish council, the parish at large, and the Diocese of Jefferson City. We reviewed the current ownership of the parish and school property and the process involving the Diocese of Jefferson City. Ultimately, regardless of whether the final decision is to spend money modernizing the existing structures or to build a new school, we (the parish) do not have the final say. The ultimate authority lies with the bishop.

The committee also discussed the financial obligations that any decision would have on our parish, including the continued support of any decision taken. The committee also looked at the current economic and demographic statistics for the City of Marshall as reported in the last census.

**Findings of the Committee**:

After reviewing the list of structural and infrastructural concerns, an in-depth discussion occurred identifying how much education has changed in the over sixty years since the newest of the current school buildings was constructed. Teachers cannot be expected to teach students and prepare them for life in the 21st Century in a classroom that was designed and built almost a century earlier, far before the reality of the continually expanding world of technology. We also came to realize just how much our teachers have achieved given the limited infrastructure they must work with. They are to be applauded for all they have done and continue to do.

The committee realizes that regardless of the decision recommended, it will not be an overnight project and will take a number of years to fully accomplish. Even repairs to the existing buildings will take time as they can only be accomplished when school is not in session.

At this early point in the process the committee believed that the options available to us were:

1. Continue the status quo.
2. Run a capital campaign for a thorough renovation and update of the existing buildings.
3. Identify the most realistically accomplishable needs and spend money on those renovations, putting
 off the others until a future date.
4. Build a new school, which would also entail making repairs to the current buildings to keep them
 functioning until the new school is finished.

Realizing that before any serious suggestions can be made to address these issues, we would need to get a firmer grasp of the costs that accompany any possible solutions. Thus, the decision was made to obtain that information before the next meeting of the committee.

Tim Butner was tasked with contacting two large non-local construction companies (Septagon Construction, and Coil Construction) to try and get very rough estimates for the work on the list of identified concerns if we were to recommend keeping the current buildings and just bring them up to date, functional for several more decades.

Ron Sayer was tasked with contacting the diocese director of buildings and grounds to get a similar estimate as well as a rough estimate of the cost we might be looking at if the decision was made to
build a new school. Additionally, Ron would contact an appraiser to try and get an appraisal on the current school property before the committee’s next meeting.

Additionally, to educate the parish about the concerns and the process we are addressing it
was suggested that something be put in the weekend bulletin explaining steps being taken. Discussion
also revolved around tying these announcements into the upcoming school anniversary.

Neither construction company expressed any interest in looking at the buildings or providing an estimate. They basically stated that they were more interested in building new construction, not renovating existing construction. There may have been other extraneous factors influencing the decision of at least one of the companies.

Brad Copeland, Director of Buildings and Grounds for the Diocese of Jefferson City, told us that when we are looking at costs to help make decisions, it is his advice that if the cost for long-term repairs on the existing structures are more than half of the appraised value of the property, we should look at starting a capital campaign to build a new school. He reminded us that one asset we have in our favor is that we
already own land and wouldn’t need to purchase it. He stated that we could plan to spend about $10 million on a new school, but obviously that estimate is very fluid given ever fluctuating material and labor costs. He also informed us that if the parish raises 50% of the cost of the new school the diocese will offer us a loan for the remainder at a very low rate. But for that to happen, we “must have that 50% in hand before shovels go into the ground”.

Additionally, Brad encouraged us to think about what would become of the old school buildings if we decided to build a new school. Would we be able to sell them? The diocese will require us to do one of two things when the buildings are vacated; continue to maintain the buildings so they are in working order or demolish the buildings and sell the land. This means keeping everything in good working order,
maintaining the grounds, etc., which also means a continued expense until the property is sold. The diocese will not allow us to leave the buildings standing uncared for. The diocese maintains the insurance on the property and there are all sorts of liability issues with a vacant building.

After several phone calls with Ron Sayer, Brad Copeland submitted a very rough estimate of repair costs
to the present structures. Keep in mind that costs are fluctuating constantly in the current economic climate, but he estimates that the upgrades and repair, without the heating and cooling upgrades, would run between $1.5 and $2.0 million dollars. It is harder to estimate the heating and cooling because the system is designed for the specific structure so no two are exactly alike, and he emphasized that the system needs to be picked for what it does not what it costs. He would estimate that a new system in the present structures would range between $55k to $95k. This brings his estimate for renovations to $1.6 million to $2.1 million dollars.

At the end of March, Ron Sayer contacted Steve Hicks, a board-certified commercial property appraiser
with National Valuation Service of Sedalia, Missouri, about securing an appraisal of the school property.
Mr. Hicks was very generous with his time and provided a great deal of insight into the process and more importantly, how our situation might play out.

He first explained that at that time (March) they were so backlogged in appraisals that it would be the middle of May, at the earliest, before they could do an appraisal. He shared that the cost of a thorough appraisal would run into the thousands of dollars. He went on to explain why he would dissuade us from seeking an appraisal of the property and offered information for us to consider as we went through the decision-making process.

At the time of the conversation, he suggested that we think long and hard about what happens to the
property if we decide to build a new school. His statement was that “houses are hot and commercial property is cold”. Additionally, he stated that “the costs to build or remodel have sky-rocketed and property values have not caught up to costs”. He explained that as part of an appraisal they look at what other, similar properties in our area have sold for and how long they have been on the market. School property is typically not bought and sold so there is no history of school sales to review in our area. There are no comparisons that he can make in a market like Marshall, a small-sized town with stagnant industry. He would also have to make assumptions about what the property might be used for. Are the buildings structurally sound? If not, who would buy it? People do not want to buy buildings that require
a great deal of update and remodel. Would the buildings have to be torn down? If so, then we really can only expect to receive the value of the land. As a result of all the factors outlined above, he felt that any estimate he gives us would be very, very subjective.

To illustrate his points, he mentioned the only school buildings he is aware of that have been sold in the last several years. This would be the old high school property in Holden, Missouri. That property featured two brick buildings, each about the size of our current elementary building, both 2-story, on four acres of land. Zoned commercial. The property had not been cared for recently and sat on the market for several years. It recently sold for $40k.

Given all of this information, in order to come up with some kind of a working number on the potential value of the current school property it was decided we would look at surrounding properties that are on the market. While this is hardly a scientific or reliable approach to establishing a value it would help us generate a number from which to start our work. The properties in the area of the school
that are on the market are all residential but would still serve our purpose.

To the immediate west of the school property are two properties that are currently on the market. The block they are in is bounded by Elsworth on the east, Jackson on the south, Lyon on the west, and Washington on the north and is identical in size to the block the school occupies. There are six property lots in the south half of this block. The lot at 473 Jackson is a vacant lot that lists for $15k. That would give us a very subjective property-only value for the block of $180k. The property at 467 Jackson is also
on the market. This lot is of similar size and has a wood frame home on it. That property is listed as
$93k. It is our opinion that this asking price is inflated. So to get an idea of property with buildings on
it we looked at the median price between the two lots, which would be $39k. Again, our method is very, very subjective, but using the amounts generated above we could possibly see an appraisal for the St. Peter School lot somewhere between $180K - $400K but that is being very optimistic.

**Conclusions and Recommendations**:

Schools have been an important part of civilization since the fifth century B.C. Schools provide safe, nurturing facilities where students can acquire the knowledge needed to function in the modern world, acquire the foundations of a happy and prosperous life, acquire knowledge, values, attitudes, socialization skills, and in our case a solid Catholic education and love of God.

In the fall of 2021, the St. Peter School Advisory Committee put together a survey that was distributed
to school staff, faculty, and parents of students enrolled at the school to ascertain their opinions on
the need for a new school. The results showed almost 90% of surveys returned indicated the need and
support for a new school.

The buildings currently occupied by St. Peter’s School go back about 75 years. Many people in our parish have fond memories of attending and graduating from Mercy Academy or St. Peter’s School. In their minds eye, they remember how the buildings looked when they attended the school. Time takes its toll on buildings and infrastructure. No major remodeling or renovation has taken place in these buildings since their construction. St. Peter’s Parish and the parents, staff and faculty have tried their best to deal
with building issues as they arose and as money allowed. They are to be commended for their efforts. Unfortunately, these efforts often really provided no more than a band-aid fix to a problem. To cut costs, we relied on volunteer, in-house talent, and labor, instead of hiring professionals to address issues. The committee feels we have reached a point in time when continuing with the status quo would not be in the best financial interests of the parish .

The committee realizes that the oldest building in use, the elementary building, has the most issues and challenges. In the event of a sale, it is our opinion that it would most likely not be an asset to the sale, it would be a detriment. In the event we attempt to do a thorough remodel most of our expenses will be in this building. We realize that a building such as this probably has several deeper issues that we are unaware of and that would only come to light once work began. For this reason, contractors would be wise to submit an inflated bid to cover themselves from the unknown. This reason might also keep contractors from submitting a bid.

The decision was made not to do an appraisal of the current school property due to the cost involved and the fact that if the property is put on the market at some time in the future the diocese will most likely require an appraisal that is reflective of property values at that time. Additionally, the dioceses might require us to do a professional building campaign feasibility study at some point before granting approval for a building project and that would be another large expense the parish would have to incur. Instead, we chose to make educated guesses to the possible value of the property given the fact that
a.) school property does not come on the market, b.) the current market for commercial properties is not active, and c.) the stagnant commercial/industrial growth potential in Marshall.

The value of the school property is roughly between $180K - $400K. The committee feels the lower number, or something close to it, is probably more realistic. The cost to execute repairs and renovations
to the existing buildings might run between $1.6 million and $2.1 million dollars. The committee would like to remind the parish council of the advice given to us by the diocesan director of buildings and property; “if the cost of repairs and renovations exceeds 50% of the value of the property it would be in your best interests to build a new school.”

Given the information we reviewed, and in light of the charges given this committee, and keeping in mind that our decisions effect the quality of Catholic education in this community for decades to come, it is the unanimous recommendation of the committee that St. Peter’s Parish Council begin the process of creating a capital fundraising campaign with the goal of building a new St. Peter’s School, grades
pre-K through 8, on property already owned by the church. As this process will take considerable time, we recommend that the three major structural concerns of the current buildings be addressed as well,
those being the flooring/asbestos in the elementary building, replacing windows where needed,
and resealing the roof. These should buy us time in the current buildings as we proceed through the capital campaign and construction of a new school.

We would also like to encourage the parish council to capitalize on the 140th anniversary of the establishment of a Catholic school in Marshall, focusing the campaign around this milestone, using it
as motivation for fund-raising, developing a slogan with which to brand the campaign, etc.
Example: *Catholic Education in Marshall; Looking back on 140 years, looking forward to 140 more*.

One of our charges was to present a suggested timeline for implementation of the recommendation.
A project of this magnitude will not be an expeditious process. Time will need to be spent with our parishioners cultivating concern for the schools needs, listening to their questions and concerns and
insuring everyone has an opportunity to be part of the process. Looking at the steps needed, the involvement of parish and diocese, time to raise capital, etc. we would suggest that it might take
ten years to complete the entire process from now until occupation of a new school. We submit a
suggestion of a possible timeline on the following page.

PHASE 1: - Adopt recommendation, formulate plans SPRING 2022
PHASE 2: - Inform and educate parish about needs and plans. SUMMER 2022
 - Create a parish survey/feasibility study
 - Begin discussions with the diocese.
PHASE 3: - Host a parish assembly/listening session to answer FALL 2022
 questions, concerns, and solicit suggestions.
 - Disseminate survey/feasibility study
 - Generate results data and analysis of feasibility
PHASE 4: - Based on results of feasibility study and parish WINTER/SPRING 2023
 assembly, move to:
 A) prepare for capital campaign
 B) return to the drawing board (i.e., look at repairs to
 current structures)

 The remainder of the timeline would be fluid, determined by dates of completion of the first four phases, instructions from the diocese on how they wish to see us proceed, and how quickly the campaign raises 50% of the cost.