

Campaign Timeline

FALL 2007/WINTER 2008
Advance gift phase

FEBRUARY & MARCH 2008

Campaign forums through February and March to learn details about the vision and proposal. Watch your mail for an invitation. If you cannot attend your alphabetically assigned gathering, you may attend an alternate event on Saturday, March 8, 9:30 a.m. (child care provided)

FEBRUARY 23, 2008 (9:30 a.m.)

Forum to explore the plan's outreach component

FEBRUARY 24, 2008

Forum with chief architect Chris Ragus to explore the facility plan

MARCH 16, 2008

Forum with liturgical designer Terry Byrd Eason to explore the sanctuary plan

APRIL 4, 2008

Festival for the Future — watch your mail for an invitation

APRIL 6, 2008

Celebration Sunday at 8:30 and 10:45 a.m. worship

APRIL 6, 2008 throughout MAY 2008

Visiting stewards will make home visits to share information and invite your prayerful consideration of a pledge

JUNE 1, 2008

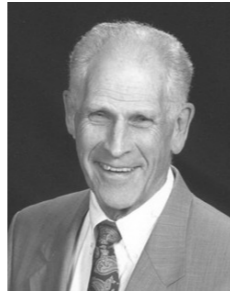
Commitment Celebration Sunday

Our Goal

The overall vision of the "Faith for the Future" campaign is to raise approximately \$11 million. In that vision, approximately \$2 million would be invested in the endowment, through the newly established Third Century Fund. For further information, please contact Bill Coons, Jon Schumacher or a member of the Campaign Cabinet through the church office.

The Investment Committee

The endowment fund is invested for the highest total return consistent with acceptable risk. The Investment Committee – which currently includes Bill Coons, George Gotcsik, Ken Link, Doug Phillips, Jon Schumacher, Bob Sterrett, and, ex officio, Jan Chisholm, church Treasurer – has been advised since 1981 by Rusty Olson. Rusty was responsible for the investment of Eastman Kodak Company's pension fund for more than 25 years, until he retired in 2000, and since then has been an investment consultant to pension funds, endowments, and foundations. The endowment fund is widely diversified and has produced annualized returns of 17% for 2006, 10.9% for the last 10 years, and 12.8% for the last 25 years. Donors may be confident that the endowment fund will continue to be well managed.



A Campaign Communique

The Third Church Endowment Fund



Third Church's Endowment Fund, currently valued at approximately \$6,500,000, was built by gifts, large and small, from our members who have gone before us. They gave for many personal reasons: to continue their participation in the congregation's work in this community; because they knew that our inspirational place of worship could never be replaced at future costs; or because they knew that our aspirations for outreach funds may always be just beyond reach and that an endowment gift may make new ministries possible.

Today, return on the endowment provides more than a quarter of the income for our annual budget. Are those funds releasing the present members from the obligation to support this church by their annual pledges and contributions? Definitely not. We simply have an extra class of "members" who are joining in today's work exactly as they wished. These members were called to serve in their time – and they continue to serve.

It is probably no exaggeration to say that our current congregation could not continue its occupancy of our historic urban sanctuary and facilities, nor provide the breadth of our staff, programs and outreach, without this significant help from the past. In Fairport and elsewhere, we see pressure to abandon and demolish historic churches. We must therefore be very grateful for the endowment reserves that have forestalled that dilemma.

Inside, we hope to answer many of your questions and increase your understanding and commitment to this important source of funding for our church congregation, building and mission.

"The ultimate test of a person's concern is his or her willingness to sacrifice something today for future generations whose word of thanks will not be heard."

Gaylord Nelson, founder of Earth Day



Announcing the Third Century Fund

The "Faith for the Future" campaign has been designated for three purposes:

- new and improved facilities
- extended outreach, and
- addition to the endowment

The Session and Trustees have determined that in future years, every effort should be made to reduce the annual withdrawal from the church endowment funds to 5%. In keeping with this direction, the percentage of the Capital Campaign funds allocated to the endowment will be deposited in the new Third Century fund, with the stipulation that the draw will be permanently capped at 5% (unless a need emerges that is "so serious as to endanger the continuing existence of Third Church and with no other apparent redress").

FAQ's About Third Church's Endowment

What is an Endowment?

Webster defines an endowment as "Any bequest or gift that provides an income for an institution or person."

Who is responsible for our endowment?

Session has delegated this responsibility to the Board of Trustees.

When was the endowment set up?

More than 50 years ago; a former pastor, William Hudnut, led a major effort for members to include the church in their wills. Trustee Committee Minutes date back to December 1951. A year later, the minutes describe an endowment valued at \$27,748, invested in US Bonds.

What is the endowment worth now?

55 years after that 1952 value, our endowment is worth approximately \$6,500,000.

How do we add to the endowment?

In three ways: through bequests in wills, through gifts from those still living, and through investment earnings.

Who manages our endowment?

The endowment advisor is Rusty Olson, with the assistance of the Investment Committee. The custodian of the funds is HSBC Bank. Rusty took over the management in 1981, along with his duties as manager of Kodak's Savings and Investment Plan (SIP). He has since retired from Kodak.

How do we invest the endowment funds?

Funds are invested in several publicly traded domestic and international equity and income mutual funds, and in several private investment funds, all recommended by Rusty Olson and approved by the Investment Committee. Targets for each of the investment classes have been set and guide all investment changes.

How often do we value the endowment?

Every quarter, a report is issued to the Trustees by Rusty Olson, stating the total value of the endowment, the value of each of the individual funds within it, and the endowment return as compared to the S&P 500.

How do we use the income from the Endowment investments?

Most is reinvested. However, near the end of each calendar quarter, we withdraw what we call "imputed income."

The money goes primarily to our operating budget income, with a small portion to some of the special purpose funds set up by early endowment donors. In 2007, we withdrew \$380,204, providing 26% of our operating income.

What is "imputed income"?

The endowment earns conventional dividend income, and also increases in value when investments increase through appreciation. Because these amounts vary significantly from year to year, we attempt to "smooth out" these variations by establishing a set percentage to withdraw each year, and then use a 5 year average of year-end endowment values to apply against that percentage, a process called "imputing" income. Each quarterly withdrawal is 1/4 of the total for the year.

What is the withdrawal percent now?

For many years, the percent was set at 8%. In the early 2000's, with Session's approval, we exceeded 8% to close budget shortages. In 2005, concern that we were exceeding currently accepted endowment withdrawals for churches and educational institutions caused Trustees to begin a 1/4% annual reduction in withdrawal, finishing at 7% in 2008.

Is this still too much?

Many think so. An acceptable withdrawal percent is more like 5% in many institutions.

Is there need for a larger endowment?

Yes. State law prohibits the historic donor value of original endowment gifts from being invaded, now or ever. Our current annual pledges, contributions and endowment income withdrawals have not been adequate either to keep up with wear and tear on facilities, or to provide for changed needs and obsolescence. The "Faith for the Future" campaign hopes to raise the funds necessary to keep our facilities welcoming, comfortable, appropriate, inspiring, efficient and safe, as well as to strengthen the budget and extend our community outreach. A part of these funds will be directed toward increasing the endowment.

With thanks to Bill Coons and Jon Schumacher

During 2002 Third Presbyterian Church celebrated 175 Years of Ministry. Included in the celebration was a recognition of members with over 50 years of service on October 27, 2002.

