

**From: The Cathedral of St. John the Baptist
Parish Advisory Council**

To: Bishop Milan Lach

Date: August 27, 2018

Subject: Plan for the Cathedral and the 1900 Carlton Road Property

Your Grace, Bishop Milan,

Glory to Jesus Christ!

We have developed the first stages of a plan for managing the Carlton Road property going forward and for continuing the Cathedral of St. John the Baptist parish at the current location. Given your recent enthronement, and recent move of the Chancery offices out of the Carlton Road building, we offer this plan to help your focus on the broad needs of the Eparchy, while the Cathedral parish takes on the responsibility for expenses and ongoing maintenance of the 1900 Carlton Road property.

You can be sure that this plan will be executed well. The Cathedral has consistently met its financial obligations in a variety of tactics including:

- having no outstanding debt
- consistently paying the 10% stipend to the Eparchy for over 15 years
- met or exceeded the Stewardship goal each year
- regularly paid 50% of operational building expenses
- savings in the bank
- supporting the Parishes Together Fund
- increased weekly donations by 10% through a parish initiated campaign

We also want to share a sampling of additional actions initiated by the St. John's Parish Advisory Council which benefitted the Chancery as much as the Cathedral:

- significantly reduced ongoing building operational expenses for water and lighting
- conducted annual fundraising events to address important enhancements or repairs such as the roof repairs, dome repairs, and digital sign investment

We worked hard to improve the financial positioning of the parish, and we now we have developed a plan for managing the Carlton Road property. The building and

property have been a challenge for the Chancery and for the Cathedral for many years, but the Cathedral can agree to taking on the responsibility for managing the building and the expenses with a few stipulations. This is not a responsibility we sought out, nor is it one that we considered casually. With Father Michael's guidance, the Parish Advisory Council has had serious discussions and debate on this. While it would be easy for us to view the Carlton Road property as a no-win situation, that kind of thinking has historically limited the value received from the building and has put us collectively in this position.

In our approach, we will obtain more value from the building than has been done previously. This responsibility you asked us to take on is a burden, but it can also be a blessing. Having only one group managing the building will increase the efficiency of managing it. And, delegating building management to the Cathedral will also free you and the Chancery from the worries of the building, so your focus each day can be on serving the Byzantine Catholic faithful people.

The building expenses currently outweigh revenues even though active efforts have reduced expenses in recent years. Unless we take action to increase revenue, we will quickly drain our parish savings that are needed to provide financial stability. One way we will increase revenues is to make fuller use of the building which has significant under-utilized areas. We will also proceed with the rental contract changes and pricing revisions that will match the market rental rates more closely.

We will continue to reduce building expenses, but we will also need to take on the full responsibility of the expenses when we previously only had half of the expense. This includes having the building manager and maintenance responsibility, caretaking of the grounds, and the real potential of large replacement expenses for the aging building.

We can accept this responsibility, but we need some flexibility to make our plans work. One example of this is the near term end date of December 31, 2018 for property rentals which will make it impossible to draw in the revenue needed to offset the large expenses of the building. To increase revenues, we need to be able to sign property rentals beyond December 31 starting now. We emphasized this in previous letters but have not received approval to proceed. The moratorium on signing up new rentals has to be lifted for the Cathedral to have a chance to make the plan work. We have already turned away revenue-enhancing opportunities while awaiting a decision on the property, so clearly a timely decision is essential. Without it, the Cathedral would be forced to use savings to meet the operations expenses of the property and building. Without a decision on the property, the Cathedral cannot agree to taking on the responsibility for the property, which leaves the full operational expense burden of the property still with the Chancery. We have roughly estimated that the Cathedral uses approximately 20% of the entire building, so we would be willing to pay our 20% share of the utilities.

There may be opportunity to sell the Carlton Road property in part or in total. That is an option that could be considered, but that would have a direct impact on the Cathedral, which is our primary concern. There are also options of just reducing the size of the existing building, while leaving the church and hall in tact for the operation of the parish. We would be ready to assist with further development of options that sought to keep the St. John the Baptist parish active at the current location. The history of St. John the Baptist parish is a long and successful one, which includes establishing the property that became the center of the Parma Eparchy. But it is worth noting that the Carlton Road building has significant amounts of asbestos, which would require the specific and expensive handling as required by the U.S. Environmental Protection Agency.

Some could get misled in thinking that preserving the building is our goal, when it is not, but, there is additional opportunity in preserving the building. For nearly fifty years (since June 12, 1969), the Carlton Road property has been a destination point for the people of the Eparchy to worship, to work together, to celebrate pilgrimages and festivals, and to collaborate. By taking on the responsibility for the property, the Cathedral will continue to make the property a central place of worship, pilgrimage and activity that the Chancery can depend on. This will continue the vision and intentions of Fr. Gulyassy, who purchased the property with his own funds, and the original benefactors of the Carlton Road property. The Cathedral would continue this legacy for the faithful of the Eparchy.

There are great needs across our Eparchy that must be addressed, but there has been one constant – the hardworking people of the Cathedral family who have contributed significantly to maintaining the Carlton Road property and reducing its expenses. As we take on this responsibility, it will be more than the Parish Advisory Council taking action. The Cathedral parish family will be in support, and actively working to maintain this centerpiece for the Eparchy. We will be working with you, in support of your goals, and through our solidarity the Eparchy will blossom for many years.

As we worked on our planning, we noted several key items that we wanted to gain clarity or agreement on with you as this responsibility moves from the Chancery to the Cathedral. Here are the key items:

- We would prefer the timing of assuming the responsibility for the building expenses to be September 30, 2018. This gives us some time to prepare and attempt to minimize the new expenses in this transition.
- Since all church property is the property of the Bishop, the Cathedral will not own the building but will instead manage the Carlton Road property through a lease. To facilitate this, we would need a written lease agreement with a minimum date of December 31, 2028 with an option to renew at set terms. Verbal agreements in the past have only created more problems. By detailing our agreement, we can reach the goals that are most important.
- The Chancery will pay any outstanding bills until transition date.

- The Chancery will transition the account ownership on the bills effective September 30, 2018 (or the agreed upon date) so the Cathedral can assume this additional responsibility while freeing the Chancery from the operational concerns.
- We will need any Eparchial property, assets, materials removed by the agreed upon transition date so we can begin using the building to the fullest extent possible to offset the large increase in expenses. Space rentals will be assessed on a pro-rata basis per square foot for Eparchy utilized areas monthly until the items have been removed. (The museum, Vancik Memorial Library, closed church archives, Eparchial Choir Room). If the Eparchy needs longer term storage, we have researched options and can provide that for the Eparchy.
- The Cathedral will assume expenses associated with the building manager, and as a result all services performed will be solely for the benefit of St. John's Cathedral.
- The Cathedral, as property manager, will be able to rent the property after December 31, 2018 to prospective renters.

Thank you again for considering this plan for the property. In this initial communication, we have not spelled out all the necessary details but we can review the plan more completely as needed. As specified in this proposal, we intend to reaffirm our commitment to help you and the Eparchy by taking on this responsibility, which is in support of your plans to address the highest priority needs of the faithful in our Eparchy. We hope that you can appreciate that we are trying to determine the best way forward for both the Eparchy and the Cathedral Parish of St. John the Baptist.

Yours in Christ,

Deacon Gregory Loya
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

George Shirilla
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

Michele Trompak
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

Alan Jacubenta
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

Joseph Shirilla
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

Byron Olexa
Member of the Cathedral of St. John the Baptist Pastoral Advisory Council

cc: James Niehaus