

Saint Patrick's Episcopal Church

Vestry Minutes

December 8, 2014

The meeting was called to order at 6:43 p.m. Present was: Jan Krumel, Senior Warden, Pete Sale, Junior Warden, Laurie Smith, Mark Stehle, Julie Lynch, Preschool Administrator, Beryl Frey, clerk of the Vestry. Absent was: Mark Forbes, Rector, Pete Barger, Georgia Reuter.

I. Approval of the Minutes

- A) Minutes of October 27, 2014 – Amend the minutes to include adjournment time of 10:35 p.m. A motion to approve the minutes as amended was made by Pete Sale and seconded by Laurie Smith. The motion carried unanimously and the minutes were approved as amended.

II. Treasurer's Report

- A) Financial Statements from November and December – In Barbara Brown's absence, Julie Lynch reviewed the financial statements with the Vestry. Julie noted that a pledge that was received in October of 2014 was put into income for 2014 but it was later learned that it was intended as a 2015 pledge. That pledge will be taken out of 2014 income and moved into 2015. Also a variance of \$2,862.85 will be moved to fund reserves. Julie feels we will end up the year with a positive net income of somewhere around \$5,000.
- B) Budget – Julie distributed copies of a preliminary budget that Finance began developing over the weekend. We are currently looking at somewhere between a \$20,000 to \$40,000 deficit budget but Finance has mandated that a balanced budget be approved. There are still a good number of pledges that have not come in yet and Vestry and Stewardship are working on a follow up plan in an effort to get those pledges in. With pledge income being unknown there is not much else that can be done at this time. The Vestry will hold a dedicated meeting in January to balance and approve the 2015 Operating Budget.
- C) Accounting Software – Julie Lynch reported that the Finance Committee has asked her to look into another accounting program that would replace QuickBooks. QuickBooks software has been skewing the numbers in addition to having a difficult reporting feature. Julie has contacted ACS and has received competitive pricing of \$134 a month (split between the church and preschool). This software upgrade has been built into the 2015 budget.

III. Ministry Reports

- A) Rector's Report – No report.
- B) Worship Support – No report.
- C) Communications – Laurie Smith reported that Communications is currently undertaking work around the website and are looking at hosting options. Analysis on hosting has not been completed yet. In regards to the Pulse of Vision and

Mission that appears weekly in the Sunday News, Laurie asked the Vestry for their suggestions and input on the Pulse of Vision and Mission.

- D) Parish Life – In Georgia Reuter’s absence, Jan Krumel reported that newcomers to our community are now wearing name tags printed in green ink. The reason for this is so that they can be identified as new persons in our community.
- E) Building and Grounds (landscaping) – Mark Stehle opened his reported by submitting a proposal from Webster Landscaping to finish landscaping on the center island area. \$900 in the proposal is for the purpose of correcting existing irrigation. The total quote is for \$6,787 to finish the center island. As part of this, Webster will regroup and replant existing plants and add what is proposed (proposal was distributed and a copy has been maintained on file in the office). Currently waiting on David Yager to review proposal. Mark Stehle reported that the proposal can be funded by using the remaining balance of \$3,260 from a parishioner’s gift that is over and above the balance designated to cover the monthly maintenance agreement through 2015. The remainder of the money can come from money that was earmarked in August by the Vestry to complete landscaping (up to \$40,000). It would not be necessary to allocate any additional funds to complete this project. Pete Sale motioned to approve the proposal submitted by Webster Landscaping of a one-time expense of \$6,787 to complete the center island, pending approval by David Yager. The motion was seconded by Jan Krumel and carried unanimously.
- F) Building and Grounds (mold issue) – Mark Stehle presented a proposal from a company called 123 Floor in Mooresville for the purpose of addressing the mold problems we currently have at the church (copy of proposal was distributed and on file in the office). It is important to note that the mold found is not a dangerous or unhealthy mold but rather common mold. To resolve the mold, 123 Floor proposes to set up negative pressure and HEPA vac all surfaces, drop ceiling tiles, HEPA vac and decontaminate. All rooms and ceiling cavities will then be sanitized. Total cost would be \$1,700. Work could be completed during the Preschool Christmas break. It was suggested that funds could be used from depreciated assets fund but that will be up to finance to vet. A motion was made by Pete Sale to approve the proposal from 123 Floor to eliminate the mold problem in the building, pending vetting from Finance on where funds can be drawn from. The motion was seconded by Laurie Smith and carried unanimously.
- G) Building and Grounds (roof repair) – Mark Stehle next submitted a proposal from In Line Building, a roofing and restoration company in Cornelius (copy of proposal was distributed and a copy is on file in the office). Based on the results of an inspection by In Line, the proposal would include spending \$1,300 to upgrade the ridge vent on the roof because the current ridge vent does not have good airflow for ventilation. The higher profile ridge vent would improve airflow. The proposal also includes spending \$550 to clean off all the debris that has built up in the corners of the rubber roof top and reapply exterior adhesive to all seams that are cracking and lifting and lastly, the proposal includes spending \$750 to

change out all existing pipe collars as they are cracking and deteriorating. These collars should be changed out every 8 to 10 years as preventive maintenance. Total proposal is \$2,600. Again, it was suggested funds can be taken from the depreciated assets account to complete this work but again, Finance will make that recommendation. A motion was made by Laurie Smith to approve the proposal from In Line Builder to spend \$2,600 to upgrade ridge vent, remove debris and apply exterior adhesive, and changing out all pipe collars, pending Finance vetting. The motion as seconded by Pete Sale and carried unanimously.

- H) Building and Grounds (Cram landscaping issues) – As a follow up to the Land Use committee questions regarding the expenditures the church has incurred for the landscaping along Fairview Rd. and Medical Park Dr. raised in the 10/27/14 Vestry meeting, it is noted that the Vestry took this action as the result of the recommendation from the Land Use committee in the attached email from Land Use dated 8/24/14. The email recommends that St. Patrick's Church proceed with the landscaping at our cost with the exception that the cost of repairing/replacing the irrigation system in that area be the responsibility of Dr. Cram. It is noted that the Land Use Committee estimate was incomplete and that St. Patrick's completed, at our cost, all the necessary landscape work in that area, including the repair and replacement of the irrigation system (see attached cost comparison). Land Use has previously stated that Dr. Cram would write a check for \$4,400 to be put in escrow to pay for a portion of the landscaping but Land Use does not want to use that money until they get an indemnification agreement signed by Dr. Cram.

Mark also stated that per the Land Use committee recommendations it is Dr. Cram's responsibility to fence in the retention pond in the back of the property. Currently there is no fence around it and the Vestry felt we would be remiss not ensuring that it is fenced. A child could easily stumble into the pond.

Mark Stehle recommends that these items need to be addressed by the Land Use committee as soon as possible with Dr. Cram being held responsible to finish this work. Jan Krumel asked Mark Stehle to work with Kurt Karnatz on getting these ends cleared up. Mark said he would do that by responding to Kurt's recently submitted Land Use report and he would also ask for a definitive date that this needs to be completed by.

- I) Outreach – Pete Sale reported that the Angel Tree is off to a good start with 46 of the 84 kids have been accounted for on the first day. Pete also reported that Room in the Inn is set to kick off on December 18.
- J) Financial Stewardship – Pete Barger submitted his report electronically and is included below:
- Cell Tower lease transaction is on hold pending input from Land Use regarding verification of legal structure of service access road to tower.

Buyer needs to understand the current ownership/lease structure for existing road.

- Preschool – Current version of the budget does not include income from preschool rent (\$10,000 reduction in income).
- Pledge Campaign results thus far are slightly better than same time last year but still a long way to go (76 pledges vs 112 in 2014, and \$267,000 (rec'd pledges) vs current proposed 2015 of \$439,000.
- Current projections indicate a budget deficit of \$10,000 to \$20,000 with current expenses and fairly optimistic 2015 revenue projections (i.e., 112 pledges at slightly higher avg. pledge value). This may in fact be an optimistic projection.
- The Finance Committee has discussed the potential of a deficit budget and agrees unanimously that a balanced budget must be presented. The committee also agrees that draws from reserves or capital sales (Cram proceeds) should not be used to balance the budget, or to cover operating expenses. Unless the pledge campaign produces better than projected pledge revenue, expenses will need to be reduced. Finance has limited options given that so many of our expenses are fixed. Unfortunately, the one unfixed expense we have is personnel/payroll. The Finance Committee asks that Vestry considers this challenge in advance of the January meeting.
- Finance will be prepared to present a balanced budget for Vestry's review and approval at the January Vestry meeting (in advance of the February Annual Meeting) pending direction from Vestry regarding any necessary budget cuts or other substantive revisions of the existing preliminary budget document that may be required to achieve a balanced budget.

K) Preschool – No Report

IV. Old Business

- A) Interior Design Project – Jan Krumel reported that the Interior Design Team has submitted a request to the Vestry to purchase fabric that would be used in the future to cover chairs presented in their design proposal earlier in the year. The fabric will be discontinued and is available at a good price. Total needed to purchase the fabric is \$4,800 but \$2,000 has been funded by private donations. The Design Team is asking Vestry to approve the additional \$2,800 expenditure. The Vestry felt that because we are looking at a deficit budget at the moment, they are not prepared to approve this expense. Jan Krumel will communicate the Vestry's decision to the Design Team.

V. Adjournment

A motion to adjourn the meeting was made by Pete Sale and seconded by Mark Stehle. The motion carried unanimously and the meeting was adjourned at 9:10 p.m.

ADDENDUM TO MINUTES - I

FROM: Kurt Karnatz" <kkarnatz@me.com>
To: "Stehle Mark" <mstehle@roadrunner.com>
Cc: "Williamz Barger" <wbarger@windstream.net>, "George Godwin" <george@godwinassociates.com>, "Yager David" <david.b.yager@sbcglobal.net>
Subject: remaining work and cost
Date: August 24, 2014 at 10:55:11 PM EDT

Mark,

Here are the costs (estimated where noted) of the remaining items.

Fairview Road Curb and Gutter

Dr. Cram has paid in full for the curbing approximate cost \$13,000-\$16,000. It should be noted that he (Cram) has not asked to be reimbursed, as this was not part of the original agreement.

Retention Pond Fence

Land Use has referenced to Dr. Cram several recently constructed retention ponds that have fences. We believe since St. Patricks has been more than generous with regard to the ponds changing scope that this cost should be born by Dr. Cram.

Signage

Other than the Episcopal shield, nothing remains from the original sign. Dr. Cram has asked to place his sign at his entrance on the south side (right side as you enter). It is our understanding that Vestry is handling design and cost projections. It is clearly stated on the site construction drawings that the sign is to be

relocated. This should be part of Cram's costs.

Mock landscaping in Church Easement

There are 3 areas that need completing, sod, trees and irrigation. We have 2 price points from one contractor for both grass and plants. Seeding the 8000sf grass area would cost \$1640, while

sodding would be \$5270. The Mocks have insisted the easement area look as it did before construction. With regards to the grass area, Land Use re-affirms that point.

The plant costs are as follows

- 44 Lagustrums, 3 GAL, 5 Crepe Myrtles

8'-9' \$2790

14'-15' \$9460

The costs listed above are installed.

Again the Mocks are insisting the same scale tree and hedge as original. We feel that the 14'-15' Crepe Myrtle is a bit of an over reach, but at the same time the 8'-9' is unacceptable. So something in between the 10'-12' should suffice. We have no problem with the 7 GAL hedge size. We checked with John Deere Landscaping and they have 10'-12' Crape Myrtles which they've listed as 8' for \$137.50 each. They also have 7 Gallon Lagustrums for \$12

each. These trees and bushes were removed by Crams contractor and should be his responsibility to replace. However we recommend that the church arrange with a landscaper to purchase these trees and bushes from John Deere and install these items as an offset to the road work done by Cram.

The irrigation is the bid we're waiting on. Estimates are at a range of \$3,000 to \$4,000. We believe this is clearly Cram's

- 44 Lagustrums, 7 GAL, 5 Crepe Myrtles

responsibility. This should be done by Crams contractor. Only he knows what has been torn up and how it should go back together. This could be very much a money pit with all of the unknowns.

Mock Parking

St. Patricks has not been billed (as far as we know) for the additional parking spots created in the circular portion of the Mock parking area adjacent to the church. We estimate this cost as approximately \$6,000. Do not confuse this with the \$6,000 which was for the joining of Mocks and our parking.

Attorney Fees (for easement work)

At this time Ben Thomas has been working on a pro bono basis. While we appreciate this, there may be a point in the future if the

back and forth between Wingo and Thomas gets extensive, there may be a cost associated with that.

Land Use should review the documents for the easement modifications, that have been circulated, and if no one sees any issues we should inform the vestry that we are going to have Ben finalize them for signature and put an end to the back and forth with the Mocks.

Survey

Survey work will need to be completed. This work is underway. It is waiting for the easement modification to be completed so that they can finish the work. Estimated cost is \$2,000.

If you have any questions, let me know.

Kurt

ADDENDUM TO MINUTES - 2

	Land Use Recommendation				Actual Installation		
	QTY	Est. Cost	Total		QTY	Cost	Total
Lagustrum and Crepe Myrtles	44 and 5	\$9,460.00	\$ 9,460.00		61 and 8		\$ 7,233.80
Red Maple	0	\$ -00	\$ -00		1	\$ 200.00	\$ 200.00
Sod ft2	8000	\$ 0.66	\$ 5,270.00		9500	\$ 0.56	\$ 5,320.00
Irigation remediation		\$4,000.00	\$ 4,000.00				\$ 4,332.50
Pine Straw	0	\$ -00	\$ -00		380	\$ 7.50	\$ 2,850.00
Bed Prep		\$ -00	\$ -00				\$ 3,325.00
Till & remove debris and weeds on site	0	\$ -00	\$ -00				\$ 1,425.00
Total			\$18,730.00				\$24,686.30

