

Toco Hills Community Alliance/St. Bartholomew's Episcopal Church Joint Task Force

Report and Recommendations

Summary of Findings and Recommendations

August 20, 2017

I. FINDINGS

The Toco Hills Community Alliance (THCA) ministry to the poor is a legacy ministry of St. Bartholomew's Episcopal Church. ("the Parish") Currently, the THCA is one of four core outreach and social justice ministries of the Parish. The THCA Ministry operates out of the Nicholas House building ("the Building") owned by the Parish and located on the Parish's grounds. The Parish leases the building to the THCA for the nominal fee of \$1.00 per year. The Parish's "gift" of the Building to THCA is valued at \$24,000 annually. The THCA lease expires January 1, 2018.

The THCA has identified over \$40,000 in deferred maintenance for the operating systems and structures in the interior of the Building. These include fire suppression and sprinkler systems, HVAC, electrical, plumbing, lighting, flooring, , and defective kitchen appliances. Unless the deferred maintenance items are addressed the Building is not in compliance with applicable health and safety codes. Failure to address the deferred maintenance items puts the ongoing operation of the THCA at risk.

The lease between the THCA and the Parish provides that the interior of the Building is the responsibility of the THCA. However, the THCA does not have the financial capacity to address all of the deferred maintenance items The THCA has raised over \$21,000 and has begun to address many of the deferred maintenance items. There is a deficit balance of \$19,614.00 needed to complete the maintenance updates that impact THCA's daily operations.

Professional inspectors of the Building have concluded that it (1) is in a reasonably safe, stable condition and (2) there is no asbestos in the Building, upstairs or downstairs.

The Parish Endowment Fund is a potential source of funds for completing the identified deferred maintenance items.

The Parish's Long Term Building Plan includes raising capital funds to construct a new operation facility for the THCA ministry as part of a larger expansion of the Parish's physical plant. There is no current timetable to implement the Long Range Building Plan and no current assessment of the Parish's financial capacity to raise funds to implement the plan.

A longer term, five (5) year lease accompanied by stabilized interior operating systems and structures will enable the THCA to attract donors for its ministry and ongoing capital improvements.

II. RECOMMENDATIONS

1. That the Vestry of the Parish recommend to its Endowment Board to grant the THCA \$20,000.00 to address its deferred maintenance deficit.
2. That the Vestry of Parish approve a new five year lease of the Nicholas House Building to the THCA for the operation of its ministry of delivering services and food to the poor.

BACKGROUND

St. Bartholomew's Episcopal Church ("The Parish") is one of six communities of faith that participates as partner in the Toco Hills Community Alliance. (THCA) The THCA is a non-profit organization founded in 1998 to provide emergency food supplies, meals and assistance with utilities and support for individuals and families in five zip code areas in Dekalb County. Through August 10, 2017, operating four days a week, the THCA provided hot lunch meals and groceries to 7,120 families, 19,123 individuals, (including 2,523 seniors and 2,669 children) dispensing over 140 tons (200 tons in 2016) of food and providing supplemental cash utility assistance to 42 (141 families in 2016) families. THCA also operates a clothes closet providing free clothing of over 10,000 pieces a month.

The THCA operates from the old Nicholas House building located on the St. Bartholomew's campus. The THCA leases the building from St. Bart's for \$1.00 per year. The estimated monetary value for THCA of the use of the building is \$24,000 annually. St. Bart's also provides \$2500 annually to THCA from its operating budget. The combined contribution of the building and operating funds from St. Bart's represents just under 15% of the THCA's annual operating and capital budget.

St. Bart's lease of the Nicholas House Building to the THCA with St. Bart's expires on January 1, 2018. Under the terms of the lease the THCA is responsible for maintenance of the interior of the building, i.e. structural integrity, function and safety of a commercial kitchen, HVAC systems, plumbing, electrical, commercial freezer and refrigeration systems, lighting, flooring, and food storage areas.

In a letter to the Vestry of St. Bart's on April 21, 2017, (Attachment "A") the new president/chairperson of the THCA board of directors, Lynn Pasqualetti (as of Jan 2017), stated that she was "extremely concerned with the physical condition" of the Nicholas House building. Her concern was based on the experience of staff and volunteers working at the facility and on the findings of a professional inspection completed by Dan Curl of Comprehensive Home Inspections on March 22, 2017. ("The Curl Report")

Ms. Pasqualetti was concerned that the deferred maintenance conditions of the facility and operating systems were such that the ability of the THCA to safely and efficiently fulfill its mission was substantially jeopardized. More critically, the building's condition presented the real possibility of the building failing health department and fire marshal inspections, which would risk the cessation of THCA operations and the loss of vital services provided by THCA to thousands of people annually.

St. Bartholomew's and THCA Joint Task Force

Following the April 21 THCA correspondence, Ms. Pasqualetti met with St. Bart's Senior Warden, Juliana Lancaster, its Interim Rector Allan Sandlin, and Laura Bevins (THCA Task force member). The Vestry and the THCA Board created a joint St. Bart's/THCA Task Force* to review all information, historical and existing, pertinent to the interior and exterior physical condition of the building. In addition to the review of this information and the status of St. Bart's partnership with the THCA, the Task Force was tasked to make recommendations regarding the following questions:

(1) Whether the integrity of the Nicholas House building's condition is such that St. Bartholomew's should renew the lease of the building and for what duration.

(2) Whether St. Bartholomew's Vestry should recommend that funds from its endowment be granted to the THCA to make capital improvements identified and prioritized by the Task Force.

1. Nicholas House Building is in "Reasonable Condition"

The THCA commissioned ~~to do~~ a "Performance Inspection" ("The Curl Report") of the Nicholas House building to "determine the condition of the building" and to give "a basic overview of the building's function and safety." (Appendix B, Curl Report, p.5 and p.7) and report its findings to the task force. The inspection was completed on March 22, 2017. The full report is attached as "Appendix B".

The Curl Report, while providing a detailed list of functional and structural items that require repair and replacement, states that **the Nicholas House building "is in reasonable condition."** (**Curl Report, p.7**) The report's scope, however, did not include any determination of the existence asbestos. A previous inspection report done in 2011 by Harrell Home Inspection did indicate the possibility of asbestos in the building. That report recommended specific testing be performed to determine the existence of asbestos.

2. Asbestos Inspection and Testing

THCA hired Air Allergen and Mold Testing in July 2017 to perform sampling tests to determine whether asbestos is present in the building. These tests were **negative for asbestos**. A copy of Air Allergen's Report, with detail on areas of the building tested, is attached as "Appendix C".

3. Phase 1 Deferred Maintenance Items

The Curl Report and the task force members identified multiple deferred maintenance items related directly to the day to day function, safety, and use of the building to carry out the

* Members of THCA/St. Bart's joint task force: Lynn Pasqualetti (THCA; Chair), Scotty Greene (St. Bart's; Co-Chair); St. Bart's members: Carol Lyle, Clayton Powell, James Lee; THCA members: Dennis Bear, Laura Bevins, Bob and Helen Fredrick.

mission of the THCA. As shown on the table below the task force obtained cost estimates totaling **\$40,751.00** to accomplish these repairs. The THCA raised **\$21,137.00** of this amount. With these funds THCA has completed some of the deferred maintenance items. Funds needed to complete deferred maintenance of identified operational, safety, and code compliance items: **\$19,614.00**

	COSTS	Funds needed to complete
• HVAC systems replace (code)	12,934.00	5,934.00
• PTAC Units replace (code)	2,748.00	0
• Fire system replaced (code)	2,200.00	0
• Plumbing repairs (code)	3,846.00	0
• Electrical Repairs (code)	400.00	0
• Lighting repair and replacement(LED)	3,339.00	0
• Inspection and Asbestos Testing	1,037.00	0
• New Exit Lights(3)	567.00	0
• Sprinkler Heads replacement (code)	4,680.00	4,680.00
• Commercial Dishwasher Repair(code)	2,000.00	2,000.00
• Commercial Garbage Disposal(code)	2000.00	2,000.00
• Sheet rock repairs/wall removal	2500.00	2,500.00
• Grease trap	2500.00	2,500.00
	\$40,751.00	\$19,614.00
		TOTAL

4. Phases 2: Interior Structural Repairs

While both the Harrell Home Inspection Report and the Curl Report found the building to be in a reasonable condition, they identified and recommended repairs/replacement of certain structural items. These include the replacement or reinforcement of certain beams and girders in the central front crawl space supporting the kitchen area and the commercial refrigerator/freezer rooms. A number of exterior columns and posts were identified as needing replacement. Anchoring and bolting of exterior walls to the foundation wall is recommended. More importantly there is great need for the repair or replacement of the handicap ramp, steps and porch used for deliveries Other interior and exterior building repair items recommended are itemized in the Curl Report.

The task force is in the process of obtaining estimates and prioritizing corrective work on these items.

5. Phase 3: Exterior and Landscaping

The Curl Report identified as a priority controlling bulk water drainage on the building's site, including roof drainage systems and ground water drainage away from the building foundation. Vegetation control, tree removal guided by a landscape professional is recommended. The

Task Force is in the process of obtaining estimates and prioritizing these and other items recommended for repair in the Curl Report.

The Task Force will continue to report to the Vestry as pricing of Phase 2 and Phase 3 items is obtained.

Recommendations

The Task Force recommends that St. Bartholomew's (1) enter into a new five (5) year lease of the Nicholas House building to the THCA (2) that the St. Bartholomew's Vestry seek \$19,614.00 from its endowment funds for completion of Phase 1 deferred maintenance of the building's functional and safety systems.

1. Five Year Lease

The THCA ministry is one of St. Bartholomew's four core outreach and social justice ministries. Though now a separate non-profit alliance with five other congregations, the THCA ministry to the poor and hungry was begun at St. Bartholomew's over four decades ago in the Nicholas House building. Because of its genesis, its location on the St. Bart's campus, and St. Bart's parishioners' service as line volunteers and THCA board members, the mission of THCA is integral to St. Bart's identity as a parish.

Recognizing the deteriorating condition of the building due to deferred maintenance, St. Bartholomew's long-range building plan includes the construction of a new THCA facility as a part of the parish's planned multi-million dollar capital improvements expansion of its facilities. There is no current timetable, however, for raising these capital funds or a current assessment of the parish's capacity to do so in the near future.

Entering into a five year lease (at the nominal \$1.00 annual rent) will enhance the THCA board's ability to raise capital funds for the continued stabilization and physical rehabilitation of the building. It will demonstrate St. Bart's longer term commitment to the THCA ministry in the Nicholas House building, thus giving potential donors to the THCA confidence that the ministry has a solid, predictable physical plant for its operations.

Recent building inspections have established that the building is free of asbestos and in reasonably sound condition. A five-year lease coupled with a phased in functional, structural, and grounds stabilization plan recommended in this report will enable the THCA to remain on the St. Bart's campus and optimize its delivery of services until such time that St. Bart's (and other members of the THCA) is ready for a more extensive, expensive new THCA facility.

2. Use of Endowment Funds for Deferred Maintenance

The charter for St. Bartholomew's Endowment Fund establishes three criteria for determining the permissible use of endowment funds: "(i) capital needs of parish, (ii) outreach ministries and grants, (iii) seed money for new ministries and special one-time projects." (Vestry Resolution, May 19, 2002)

The THCA ministry is an integral part, some would say the heart of, St. Bart's outreach and social justice ministry to the community outside the church. Over a dozen St. Bart's parishioners and clergy volunteer their time weekly at the facility and serve on its board of directors.

The deferred maintenance items identified at the Nicholas House building have reached a point of impinging on the ability of the THCA to perform its mission in a safe and efficient manner. The THCA board of directors has responded by raising over half the funds needed to bring the building into compliance with applicable fire, health and safety codes. Progress has been made. The building HVAC systems are 2/3 functional for the first time in years, bathrooms have been re-plumbed and re-opened, wiring and fire suppression systems have been updated. But there is more to do.

The remaining funds sought, \$19,614.00, to complete this work are capital funds clearly outside of St. Bart's normal operating budget. More critically, this would be an endowment fund investment in the THCA as a St. Bart's outreach activity. Such an investment also creates the higher likelihood of leveraging more funds from potential donors because the ministry is in a stabilized building with a landlord committed to its viability.

CONCLUSION

The THCA ministry would not be possible without the Nicholas House facility. The essential purpose of the Joint THCA/St. Bartholomew's Task Force on capital improvement needs of the Nicholas House Building is to assess the efficacy of investing more funds into an aging 1940s physical plant to correct years of deferred maintenance.

Is the building structurally sound?

Is there asbestos requiring expensive remediation?

What are the costs to bring the buildings operational systems and interior structures into code compliance enabling a safe, efficient, sustainable offering of the THCA's mission?

Is such an investment a strategically sound one for both the THCA and St. Bartholomew's?

These questions posed another way: would spending funds on this building be "spending good money after bad"? The Task Force's unanimous answer is NO to this question.

The Task Force concludes with the opposite response: that the recommended expenditure of the funds in this report is **"spending good money after good."**