

Minutes of the Vestry – Special Meeting  
May 21, 2017 5 pm

PRESENT: Don Hazen, Grace Pratt, Chris Weaver, Skip MacMichael, Suzanne Reynolds, Tuck Bowerfind, David Tucker, Brian Tringali, Cathy McPeek, Terri O'Connor, Melissa French, Mike Tindle, Greg Fortsch, Frank Morgan, Katie Schweickhardt, Susan Bentley  
Absent: Beth Wells

**Summary of Actions and Decisions of this meeting**

The following items were approved:

- **Motion to authorize the expenditure of available capital funds in the amount of \$100,590 for the replacement of the existing boiler and associated automated control system and contingency.**

**Formation**

- At 5:03 p.m., The Rev'd Tuck Bowerfind opened the meeting with prayer.

**Information**

Cathy McPeek, Sr. Warden, states the purpose of the meeting - to consider the boiler expense for the summer of 2017 – and describes the status of the funds from the steeple. The Steeple Fund had a negative \$11,000 balance on Dec. 31, and another \$13,000 was spent on the Nave lighting, and \$7,640 will go towards interest; \$35,000 is set aside for emergencies. This leaves \$38,500 available in 2017 for the boiler; the remainder will need to come from the Capital Fund at the Diocese. In Mike Kerr's last report on the funds, the 5 year rate of return was 5.5%, while the 3 year rate of return was 3.0%. Our John Marshall loan has a 4% interest rate.

Cathy noted that these are things to keep in mind. Boiler maintenance expenses were \$2,700 in 2016, however, the fear is a catastrophic breakdown. This is of special concern because we rely on Tom Stallman's expertise, and have to heat the Day School during winter.

Cathy notes that approval of the boiler expenditure will necessitate discipline with regards to spending as we move forward. We have also committed \$50,000 towards playground drainage in 2018.

**Discussion**

Cathy McPeek and Tuck Bowerfind talked with Tom Stallman about the priorities of pending replacements, and Tom noted that replacing the A/C units has moved back a few years; we have 8 units, one has already failed, and we can replace them one at a time. The approximate cost will be \$115,000.

Don notes that we are “mechanical gambling.” Future expenses include the boiler (\$110K), the playground (\$50K), air conditioning (\$115K), and the loan balloon payment (\$100K).

Tom Stallman also said that we would know more after Seasonair makes the switch to the A/C system (Note: no problems were detected).

Don Hazen distributed a handout to bring everyone up to speed on the long-range plan, and he noted that most of the things that make everyone nervous aren't as shaky as they seem. Don walked the Vestry through the tables (previous year balance plus rent plus unused emergency funds, less the emergency funds set aside (\$35,000), less approved projects, and less loan interest = new balance (over time). For 2017, the new balance is expected to be \$194K (includes the Capital Fund at the Diocese).

Decisions on projects are made one year at a time, generally in the Fall. The document reflects *plans*, and is not a financial document. There are four key items: the boiler in 2017, the roof in 2019, the loan in 2020, and the AC condensers in 2021. Items listed beyond that time frame would be “nice to have.”

Don notes that the fact that the balance at the Diocese goes down is okay, and Cathy notes a comfort level with the total balances. Per the handout and current plans, 2021 is the year with the lowest balance.

Questions:

- If the boiler fails, will there be any heat? No
- If the boiler fails, will there be any hot water? Some.  
Day School is on a fresh air system, but relies on other rooms in the building to be heated.
- What changed to move the boiler forward 8 years in the plan? Don notes that it is now functioning beyond manufacturing life, and we will save \$8,500 over the 8 years (efficiency).
- What happens if the A/C breaks down? Not as critical, A/C will work with limited capacity, there are other options/adaptations for A/C.
- Are there any financial concerns remaining? Cathy notes that \$1,400 in annual savings is less than the interest on the loan.
- Do we have coverage during the times scheduled for renovation? Seasonair is known to us and can have boiler room access.
- What exactly does it entail? Cutting up the old boiler, assembling the new one, lots of piping, valving, adjustments, and then the control system.

Don reviewed the decision process, and why we are meeting (to get the order in process and move the finish date up).

- What are the loan terms? 2020 balloon payment, principle is \$1,600 per month out of FOSL balance and interest from the Steeple Fund.

Concluding remarks:

- Tuck notes that over the long run, it works out, but in the short term we need to manage A/C – Don has addressed these concerns.
- Greg notes that both the boiler and A/C are aging, but that the boiler fail is worse.
- Tuck also notes that Chris Weaver, Don, and Tom Stallman have spent 10 years working this improvement plan, and we can trust their analysis and advice. He also notes that we have seen decreasing emergency expenses on maintenance and repair.

Don motions that

**The Vestry authorize the expenditure of available capital funds in the amount of \$100,590 for the replacement of the existing boiler and associated automated control system and contingency.**

Frank Morgan seconds the motion, and all approve. Cathy thanks everyone for attending.

5:50 p.m., meeting adjourns

One handout.