

# *St. John's Episcopal Church*



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# St. John's Episcopal Church

Facility Condition  
Assessment and Reserve  
Study/Fixed Asset  
Replacement Budget



# RECMPTeam

- Fran Anderson, Partner
  - RECMP
- Scott Sider, Sr. Project Manager
  - Michael Graves Architecture and Design
- Nicole Milette
  - Michael Graves Architecture and Design

# Engagement

- **Facility Condition Assessment**
  - Conducted a thorough inspection of all facilities and grounds
  - All condition assessments are based upon observable conditions
  - Did not include any invasive or destructive investigation
  - Did not include repairs under \$10,000 unless requested by St. John's
- **Condition Assessment Report**
  - Identify Major Areas of Concern
  - A list of immediate and short term repairs not included in the Asset Replacement Budget
  - A list of any recommended additional testing outside the scope of this engagement
- **Fixed Asset Replacement Budget and Reserve Study**
  - A schedule of major (non-routine) repair and replacement costs to be anticipated over the next 20 years for budgetary and planning purposes; the Asset Replacement Budget and Reserve Schedule

## Types of Capital Expenditures

**Renewals and Replacements**

**FOCUS**

**Alterations and Renovations**

**Additions and Acquisitions**

**Major Repairs**

**FUTURE TOOL**

### Capital Renewal and Replacements

Planned work to extend the life of an existing fixed asset beyond its initial service life or to replace an existing fixed asset with a new asset of the *same capacity* to perform the *same function*.

# Process and Methodology

## Due Diligence and Records Review

- Pre-Survey Questionnaire
- Interview key facilities personnel, vendors and contractors regarding past facility maintenance, repairs, upgrades and concerns
- Review available construction documents and maintenance files, including Preventive Maintenance agreements and repair contracts
- Review past/proposed capital budgets and expenditures to understand major improvements that have been made or are proposed

# Process and Methodology

## Site Inspection

- Beginning in November, RECMP conducted detailed site inspections of the buildings and grounds
- Focused on building envelope (roof, walls, windows, foundation); heating/cooling, plumbing, and electrical systems; site paving and storm water management; vertical transportation; and general exterior and interior conditions.

# Process and Methodology

## Report Organization

- The Condition Assessment report and Fixed Asset Replacement Budget are broken down by individual buildings and then grouped as part of either the Church or the School, as follows:
  - **Church Buildings and Site**
    - Site – includes all site improvements
    - Historic Church
    - Alda's Chapel
    - Rose Hill
    - Clark House
    - Parish Life Center
    - 3497 Chatham Road Residence
    - Maintenance Shed
  - **School Buildings**
    - CME 2001 Additions – includes all HVAC equipment for all school buildings
    - Carter Education Building
    - Parish House - Auditorium and Media Center



# Process and Methodology

## Assessment of Existing Physical Conditions

### Existing Physical Condition

- Based on observations, interviews and document review, RCMP defines the physical condition of building components in one of three categories; Good, Fair, or Poor, each with the following definitions:
- **Good** – The component is in satisfactory condition for its age and, for budgeting purposes, should only require regular or routine maintenance until its scheduled replacement.
- **Fair** – The component is in satisfactory condition for its age, but repair or accelerated replacement may be required during the assessment period.
- **Poor** – Immediate repair, significant maintenance, or immediate replacement is required.

# Process and Methodology

Condition Assessment

Example: DOAS AHU-1

Example: DOAS AHU-1

Identify the following:

- Year Placed in Service - 2014
- Condition – Good
- Estimated Useful Life (EUL) – 20
- Effective Age – 9
- Remaining Useful Life (RUL) – 11 years



# Process and Methodology

20 Year Fixed Asset  
Replacement Budget

Example: DOAS AHU-1

Component or System	Placed in Service (Year)	Condition	EUL	Effective Age	RUL	Qty	\$/Unit	Cycle Replacment	Replace %	Year 11
DOAS AHU-1	2014	Good	20	9	11	1	\$ 250,000	\$ 250,000	100%	\$250,000

- Replacement Cost Estimate based on existing proposals, industry publications such as RS Means, original cost plus escalation, or consultant's knowledge
- Replacement % defined as percentage of cost required at time of scheduled replacement multiplied by the number of times the asset is scheduled to be replaced during the 20 year period.
- Components or portions of an asset may be replaced rather than the full replacement to extend the asset's useful life. Ex. Replace the cooling coils on an air handler rather than the entire unit.

# Findings

## Summary

The property and buildings are generally found to be in **Good to Fair** condition based on the effective age of each evaluated component and system. However, several building components across multiple buildings were found to be in **Poor** condition and a few require immediate repair or replacement.

# Findings

## Summary

### Facility Assessment Summary Table

Physical Condition Summary	Good	Fair	Poor
Site	√		
Historic Church		√	
Alda's Chapel	√		
Rose Hill		√	
Clark House	√		
CME - 2001 Additions	√		
Carter Education		√	
Parish House - Auditorium/Media Center		√	
Parish Life Center		√	
Chatham House	√		
Maintenance Shed			√

# Findings

20 Year Asset Replacement  
Budget Total – Current  
Total and Escalated Total

<u>Financial Summary</u>	<u>Total Current Value</u>	<u>Escalated Total</u>
Replacement Budget Total – All Buildings	\$2,726,243	\$4,634,990
Church Buildings and Site Only	\$1,471,730	\$2,553,457
School Buildings Only	\$1,254,513	\$2,081,533

- Asset Replacement Budget provides the annual expense in both today's dollars and escalated over time for inflation
- Escalation/Inflation Rate is 6% year over year
- Identifies yearly Reserve Requirement
- Treatment of building masonry and slate roofs

# Findings

20 Year Asset Replacement  
Budget by Building with  
Immediate and Short Term  
Repairs

Financial Summary	Replacement	Immediate and
	Reserves	Short Term Repairs
Site	\$ 354,900	\$ 1,550
Church	\$ 729,250	\$ 35,000
Alda's Chapel	\$ 31,050	\$ 4,500
Rose Hill	\$ 122,250	\$ 8,425
Clark House	\$ 84,460	\$ 1,025
CME	\$ 1,086,113	\$ 10,900
Carter Education	\$ 101,400	
Auditorium/Media Center	\$ 67,000	\$ 450
Parish Life	\$ 102,500	\$ 2,625
Chatham House	\$ 28,300	\$ 9,575
Maintenance Shed	\$ 19,020	\$ 4,500
Total	\$ 2,726,243	\$ 78,550
Financial Summary	Total CV	Escalated Total
Immediate Repairs	\$ 59,500	
Short Term Repairs	\$ 19,050	
Replacement Reserves	\$ 2,726,243	\$ 4,634,990

# Findings

20 Year Capital Replacement Budget

Years 1-5 Major Replacement Costs

Years 15-17

## Years 1-5 Major Replacement Costs

	1	2	3	4	5
<b>Total Annual Expense (Uninflated)</b>	\$447,913	\$508,950	\$76,150	\$79,900	\$137,450
<b>Inflation Factor</b>	1.0000	1.0600	1.1236	1.1910	1.2625
<b>Total Annual Expense (Inflated)</b>	\$447,913	\$539,487	\$85,562	\$95,162	\$173,527
<b>Annual Reserve</b>	Annual Reserve to be completed with Owner				

## Years 15-17 Major Replacement Costs

	15	16	17
<b>Total Annual Expense (Uninflated)</b>	\$138,650	\$243,450	\$421,050
<b>Inflation Factor</b>	2.2609	2.3966	2.5404
<b>Total Annual Expense (Inflated)</b>	\$313,474	\$583,442	\$1,069,615
<b>Annual Reserve</b>			



# Findings

## Additional Concerns and Recommendations

During the course of the Assessment, several other concerns were identified by the Consultants and staff that should be addressed by staff or through additional investigations and testing by outside consultants.

# Findings

Additional Concerns and  
Testing Recommendations  
(Cont'd.)

## Additional Areas of Concern and Testing Recommendations (examples):

Item	Consultant/Contractor	Recommendations	Cost
Church Envelope	Stained Glass	Inspect and create repair budget	\$2,500
Carter Education	Architect/Fire Protection	Verify ceiling separation requirement between classrooms and attic space	\$750

# Questions

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# Thank You!