

St. Andrew's Vestry Minutes
02/09/21

Members Present: Fr. Jeff Packard, Andrea deCarle, Barb Downs, Tom Hall, Paul Hochreiter, Paul Humphreys, Michele Marini, Kitty Mussett, Jason McCloskey, Amy Pritchett, Connie Puckett, JudithAnn Rule, Scott Strouse

Members Absent:

Guests: Julie Kwasnica

Clerk: Kevin Lowe

Call to Order: 7:03 p.m.

I. Opening Prayer - Fr. Jeff

II. Minutes

Motion: Michele Marini; 2nd JudithAnn Rule – Accept the minutes of the January vestry meeting as distributed. Motion carried with no abstention or dissension.

III. Reports

A. Rector's Report - see Attachment I

B. Wardens

- Junior Warden: Out of the Cold ran 1/18-1/31; there were between 6 and 12 guests each night
 - During the second week at St. Andrew's OOTC decided to procure hotel rooms for the guests for three nights, before returning to StA's.
 - Was uneventful with no issues; had full set of volunteers and everything ran according to plan.

C. Treasurer (reports distributed electronically prior to meeting)

- Income down slightly from Jan 2020, but not to a concerning degree (mostly just fewer people paying full year's pledge in January)
- Expenses were lower than Jan 2020, largely because there were three employee paydays in Jan 2020

D. Committees and other ministries

- Finance Committee: After speaking with parishioners, FC recommends revising the anticipated pledge amount for 2021.

Motion: Finance Committee: Adjust the budgeted pledge income for 2021 to \$426,788. Motion carried with no abstention or dissension.

IV. Discussion: Vestry Orientation

V. Unfinished Business (Action Item Register)

VI. New Business

A. Officer Elections/Appointment

1. Senior Warden: Scott Strouse (**appointed by the rector**)
2. Junior Warden: **Motion: Scott Strouse; 2nd Jason McCloskey: Nominate Michele Marini for Junior Warden.**
3. Clerk of the Vestry: **Motion: Michele Marini; 2nd Jason McCloskey: Nominate Kevin Lowe for Clerk of the Vestry.**

4. Treasurer: **Motion: Kitty Mussett; 2nd Paul Humphreys: Nominate Julie Kwasnica for Treasurer.**
5. Financial Secretary: **Motion: Connie Puckett; 2nd Jason McCloskey: Nominate Mary Andrew for Financial Secretary.**

All of the above unanimously elected by a single vote of the vestry.

B. Liaisons to Committees

1. Adult Formation: Paul Hochreiter
2. Children & Youth Formation: Andrea de Carle
3. Evangelism & Newcomers: Kitty Mussett
4. Finance: Amy Pritchett
5. Outreach: Scott Strouse
6. Parish Life: Michele Marini
7. Pastoral Care: JudithAnn Rule
8. Property: Connie Puckett
9. Planning & Development: Jason McCloskey
10. Stewardship: Paul Humphreys
11. Worship: Tom Hall
12. Parishioners' Ministry: Barb Downs

C. Appointment of Parishioners' Ministry Stewards (nominated by the rector)

Motion: Fr. Jeff: Appoint Sarah Klinetob Lowe and Wendi Keeler as Stewards of Parishioners' Ministry. Motion carried with no abstention or dissension.

D. Community Cafe request for Centre Gives fundraiser

- Centre Gives 2021 runs May 11-12, 2021. Community Cafe (representing St. Andrew's) participated last year and would like to participate again this year.

Motion: Scott Strouse; 2nd Jason McCloskey: Give standing approval to the Community Cafe to participate annually in the Centre Gives fundraiser. Discussion ensued.

Motion: Paul Humphreys; 2nd: Amy Pritchett. Amend the motion on the floor. Motion to amend carried with no abstention or dissension.

Amended motion: Approve the Community Cafe to participate in the 2021 Centre Gives fundraiser. Amended motion carried with no abstention or dissension.

E. Recommendations of the Trinity House committee (Attachment II)

- An opportunity has arisen to rent TH to the daughter of a parishioner, with two of her friends, all Penn State students, for up to the next three years
- The subcommittee makes the following recommendations for the TH property:
 - Do all the things that are required to meet code and obtain the rental permit.
 - Obtain the student housing rental permit.
 - Rent the property to our parishioner/student and her friends at \$700 per month each.
 - Consider professional management of the property.
 - Have an energy audit on the property to receive recommendations for specific projects to improve energy efficiency.
 - Reserve any profit from the rental of the property for future energy efficiency projects.
 - Consider using endowment funds to supplement rental profits in order to complete energy efficiency projects, or possibly borrow against future income from the further

rental of the property.

- Using the income from the student rental to help pay for energy upgrades and improvements will make the property more feasible/attractive for mission purposes such as renting as low-income housing
- Discussion: will the students stay for three years? How long a lease will they sign? Is it better financially to take a loan to pay for the upgrades faster, rather than doing it gradually by renting? What potential ministry uses are likely in the future? How much income would this rental plan actually bring in? How best to invest in the building's future?

Motion (TH Subcommittee): Adopt all seven of the recommendations from the Trinity House subcommittee. Motion carried with no abstention or dissension.

- Send this back to the committee to begin managing the project and working out details of lease and property management
- Make clear that vestry would like to begin some of the energy projects this summer if possible

VII. Closing Prayer and Benediction – Fr. Jeff

VIII. Vestry Planning Retreat: February 20, 10am-noon on Zoom

Meeting adjourned, 9:29pm

Minutes submitted by Kevin M. Lowe, clerk

Attachment I

Rector's Report to the Vestry
St. Andrew's Episcopal Church
Tuesday, February 9, 2021

1. 1 Wedding prep ongoing (via Zoom); 3 Weddings on hold; 2 Funerals on hold; 1 Funeral (family member coming up)
2. Average Sunday Attendance: mean 69; median 81 (we had one Sunday with no attendance when I took a vacation day after Christmas)
3. Attended a webinar "Ambassadors of Reconciliation: the Hard Work of Repairing our Social Compact" presented by the Consortium of Endowed Episcopal Parishes (CEEP), 1/14
4. We had extra prayer in the form of all the daily offices in the five days before the inauguration.
5. We hosted Out of the Cold Centre County 1/18-1/31
6. Session 2 of Sacred Ground, the program about racism, 1/27
7. Annual Meeting, on Zoom, 1/31
8. Standing Committee, 2/2
9. The Bishop has updated her guidelines around reopening the parishes for in-person worship. Our county will need to have 4 weeks in a row of 5% or less positivity rate. The CDC recommends 2 weeks, but the extra time is intended to avoid the whiplash of opening and then seeing a spike the next week or 2 and having to close again quickly.
10. We will have take home Communion for Ash Wednesday next week, just like we did for Christmas. In addition, you can take home ashes too, or come to the church for drive-by ashes on Ash Wednesday in the afternoon and evening. Sunday morning services during Lent will be Morning Prayer.
11. Our Lenten program is on the Gospel of Mark, based on a book by former Archbishop of Canterbury Rowan Williams. It will be a cooperative program with the other churches in the Altoona Convocation on Wednesday evenings at 7:00, starting February 24.
12. I am working with a small committee to put on the poetry contest. I talked about it in my article in the February newsletter and in my address to the annual meeting.
13. The Trinity House Committee completed its work.
14. Ongoing: Diocesan Standing Committee, vicechair; bimonthly Clergy Council Meetings with the bishop; bimonthly local ecumenical/interfaith leaders meetings; we've started a monthly meeting of downtown pastors (in addition to the larger ecumenical meeting); monthly spiritual direction
15. Upcoming: Shrove Tuesday (Mardi Gras), 2/16; Ash Wednesday, 2/17; Lenten Program

Attachment II

Report and Recommendation to the Vestry of St. Andrew's from the *ad hoc* Trinity House Committee

Charge from Vestry:

Research possibilities for the rental of Trinity House and recommend a course of action to the vestry that 1) either breaks even financially or makes money, but does not cost the parish overall, AND 2) has a ministry component.

Approach:

- We researched the legalities of renting the property, such as zoning, permitting, number of occupants, and whether renting to students is a legal option.
- We looked into what it would take in work and investment to rent the property.
- We considered different strategies for rental, i.e. to whom to rent.

Legalities:

We consulted with the Greg Garthe, the zoning guy, and Walt, the code guy via Zoom on December 7. The property is already zoned in such a way that we can rent it, either to three unrelated persons or a single family. We also have the option to rent for student housing. In order to rent, we need to obtain a rental permit. Non-student rental permit is \$60 per year. Student housing rental permit is \$1,000. If we rent to a single family, we can count it as a 4 bedroom house. (Previously, we were led to believe that one of the bedrooms on the second floor didn't qualify as a bedroom because it was not large enough. The code inspector measured and asserts that all four bedrooms qualify.) The third floor does not count as rentable space, however, it could be occupied during the day just not as a bedroom. If we apply for the change of use to a rental property, it can be changed back in the future. Once the property is a rental property, we will be liable for property taxes on it, approximately \$5,000 annually. Since there is no mortgage, we would be able to avoid the unrelated business income tax (UBIT) on rental income.

Needed to rent:

Code inspector Jeff Martin did a walk-thru inspection as a courtesy on December 10 and gave us a list of what needs to be done to meet code as a rental property, i.e. get a rental permit. (His report is at the end of this document.)

The property does not need that much investment to meet code and get a rental permit. Most of the work we can do ourselves, either Scott Luzier our sexton, or church volunteers. Most of it relates to safety concerns, such as proper handrails and guard rails, wiring, and dryer vent. The biggest job would be replacing the smoke alarms, adding a smoke alarm inside each bedroom and ensuring that there is a carbon monoxide detector on each floor. All smoke alarms need to be connected, in other words if one goes off they all go off. We already have that, but no detectors in the bedrooms. This job will require a work permit, and we think it should be done by an electrician. Depending on how we handle these upgrades they could run \$1,000 to \$2,000.

Also required annually to maintain the rental permit are: boiler inspection, \$120; fire extinguisher inspection*, \$120; and pest control*, \$180.

*We are already doing these things.

An Issue:

We noted that the property is really expensive for utilities, costing us about \$400 per month even while it is vacant and the thermostat is set at a minimal temperature. There is no insulation in the house at all.

Rental Strategies:

The most viable strategy to achieve the ministry component directed by the vestry would be to rent to a single family with low income. There are two possibilities we identified. First, we could rent through the Housing Choice Voucher system, formerly Section 8 housing. In that case, we would set the rental rate in alignment with the HUD Fair Market Rental value. The tenant applies for the voucher. The government determines how much the tenant can afford to pay. The federal government provides a voucher to cover the difference. We would need to apply to participate in the program.

The other possibility we see for low-income rental would be through a local organization such as Housing Transitions. They would find the tenant and pay a below-market rent to us.

An Opportunity:

While the committee was doing its work an opportunity presented itself. A parishioner approached me about having her daughter and two friends rent the property as college students. Their budget was \$500 per student, which is slightly below market. At first, we struggled with this opportunity, not because we think the students in question would be irresponsible tenants, but because we were charged to make a recommendation with a ministry component. Then a possible new strategy emerged.

The students would be interested in renting for the next three years, starting in August. We could rent at the suggested rate, adding \$200 per student to cover utilities. That would give us a healthy profit over those three years. That profit could be retained and designated toward projects to improve the overall energy efficiency of the property. This would not only improve our stewardship of the property and the environment, but it would make the property more affordable for low-income renters in the future.

We recognize that renting to students in the short-term does not fit the charge we were given, but we saw this opportunity as a win-win.

Our Recommendations:

1. Do all the things that are required to meet code and obtain the rental permit.
2. Obtain the student housing rental permit.
3. Rent the property to our parishioner/student and her friends at \$700 per month each.
4. Consider professional management of the property.
5. Have an energy audit on the property to receive recommendations for specific projects to improve energy efficiency.
6. Reserve any profit from the rental of the property for future energy efficiency projects.
7. Consider using endowment funds to supplement rental profits in order to complete energy efficiency projects, or possibly borrow against future income from the further rental of the property.

See spreadsheet next page for analyses of potential income and expenses.

STUDENT RENTAL			HOUSING CHOICE VOUCHER RENTAL		
Student market rate rent; student housing permit; all rental income from tenant(s)			Fair market rate rent determined by HUD; non-student housing permit; part rental income from tenant, part rental income gov't		
INCOME	<i>Monthly</i>	<i>Annually</i>	INCOME	<i>Monthly</i>	<i>Annually</i>
Rent	\$1,500	\$18,000	Rent	\$1,368	\$16,416
	\$1,500	\$18,000		\$1,368	\$16,416
EXPENSES	<i>Monthly</i>	<i>Annually</i>	EXPENSES	<i>Monthly</i>	<i>Annually</i>
Property Tax	\$417	\$5,000	Property Tax	\$417	\$5,000
Property Insurance	\$60	\$720	Property Insurance	\$60	\$720
Student Housing Permit		\$1,000	Non-Student Housing Permit		\$60
Boiler Inspection		\$120	Boiler Inspection		\$120
Fire Extinguisher Inspection		\$120	Fire Extinguisher Inspection		\$120
Refuse Bills		\$408	Refuse Bills		\$408
Pest Control		\$180	Pest Control		\$180
Miscellaneous Maintenance		\$500	Miscellaneous Maintenance		\$500
3rd Party Prop. Mgmt (optional)		\$1,500	3rd Party Prop. Mgmt (optional)		\$1,368
			HUD Inspection?		\$100
	\$477	\$9,548		\$477	\$8,576
NET (INCOME-EXPENSES)	\$1,023	\$8,452	NET (INCOME-EXPENSES)	\$891	\$7,840
<u>COST TO LIVE THERE (TODAY)</u>			<u>COST TO LIVE THERE (TODAY) **</u>		
	<i>Monthly Total</i>	<i>Per Person (3 People)</i>		<i>Monthly Total</i>	<i>Per Family</i>
Rent	\$1,500	\$500	Rent	\$1,368	\$1,368
Utilities	\$626	\$209	Utilities	\$626	\$626
	\$2,226	\$742		\$2,094	\$2,094

Code Requirements for Rental Permit

guardrail at front porch to be a min. of 36 high above the floor. and rear porch and at bedroom porch

- foil dryer duct to be rigid or flex metal
- water on basement floor
- open ground at bathroom GFCI receptacle
- all handrails shall be a min of 34 high measured vertically above the nosing of the tread.
- all closet lighting shall be removed be of an approved type
- 110v smoke alarms needed on every level + in every bedroom, all smoke alarms must interconnect - a building permit is required
- all handrails must have caps at both ends
- open wires in basemen must be in junction boxes
- CO alarm required outside the sleeping area.

Continued

- a handrail is needed at the basem exterior steps
- peeling paint to be painted
- a guardrail is needed at the basement exterior steps
- attic is not habitable space