

St. Joseph Church
Finance Council Meeting Minutes
May 3, 2016

Members Present: Tom Altenbach (Vice-Chair), Olga Avila, Kathy Hansen, Antonio Garcia, Joe Price, Bill MacBride, Fr. Jorge Roman (President ex Officio)

Others Present: Kathy Cage (Parish Center Project Manager), Tom Cage

Members Absent: Sergio Moreno

This was a special meeting of the Finance Council called by Fr. Jorge to review progress on the parish center project and decide on a near-term course of action. The meeting was called to order at 6:39 pm by Tom Altenbach. Fr. Jorge led the Council in prayer. Then he welcomed two new members, Joe Price and Bill MacBride.

Quorum

A quorum was established with six of the seven Council members present.

Parish Center Project

Kathy Cage made a lengthy presentation, generally repeating her recent presentations to the Diocese Building and Maintenance Committee and the St. Joseph Pastoral Council. Since the new Council members in particular were not familiar with the design details, it was important to bring the entire Council up to date on the design progress. Those details will not be repeated here, however new information and discussions will be highlighted.

- **Building Capacity**

The Council was shown various internal building configurations that can be arranged to handle instruction for up to 80 students, or dinner events up to 140 guests.

- **Fire Suppression**

The St. Joseph property resides in an area zoned for residential multiple family use (RMF2). The current building code for new residential construction requires a fire sprinkler system inside the building. According to conversations with Town of Mammoth staff, the new parish center will be considered a commercial facility. The requirement for sprinklers in commercial buildings only applies to those buildings greater than 5000 sq ft. Since the parish center will be smaller than that,

sprinklers will not be required in the hall. However, the kitchen will have its own fire suppression system.

- **Net-Zero Energy Use**

A calculation has been done that shows the building is expected to achieve its net-zero energy cost goal. Details were not provided at this meeting. The ground source heating system will require the drilling of about 7 to 9 wells. Primary building heat will be delivered through a hydronic system in the concrete floor. A forced-air system will provide supplemental heat for more rapid adjustments.

- **Potential Income from Building Use**

In discussing many potential uses for the building and possible income that could be derived, Kathy reported that certain income can trigger adverse tax consequences. Fr. Jorge stated that, in contrast to current St. Joseph policy for church use, we would charge users of the parish hall a set fee.

- **Parish Hall Design Direction Document Revision**

Kathy asked for Council approval of Revision 2 dated April 21, 2016. The Council approved the document, on condition of making the two changes as follows.

- 1) The first sentence will include the Finance Council in the list of entities providing design guidance.
- 2) In the list of Prioritized Building Uses, item 5 “Parish office expansion in rectory,” will be deleted. That item is inappropriate for this list. A note indicating the Building Committee’s desire for this expansion as a separate project may be added.

The changes were made the next day (See the Attached Rev. 3 dated 5/4/16).

- **Engagement of Kathy Cage as Project Manager**

Fr. Jorge raised his concern that Kathy has not been paid yet for a recent invoice due to the unclear nature of her contracting arrangement with the parish. The Council voted to pay any invoices for work up to April 30, 2016. It did not deal with the previous contracting discrepancy.

Kathy presented a new engagement letter to continue her project management work on Phase 3. The Council asked for several changes before it would approve this new contract. The term will be from May 1, 2016 to the end of Phase 3, defined as receipt of the Bishop’s approval of the final design drawings. This is anticipated to be in June 2016. The maximum amount of money committed for this effort must be specified. References to work prior to this contracting period will be

deleted. Finally, more specificity in the description of the work to be performed will be included. Once the document is revised and circulated to the Council, it is expected to be quickly approved via email. (Note: the subsequent revision was circulated for approval on May 4.)

If the Council desires to retain Kathy as project manager throughout the construction phase, then a proposal for a follow-on contract will be considered.

- **General Contractor (GC)**

The plan is to hire a general contractor once Phase 3 is complete and the bid package is ready. The returned bids from candidate GCs will be evaluated by the Diocese. This will be a large contract (approximately \$1,500,000) for the entire construction that will require a thorough budget review to determine exactly what we can afford. Approvals will be required from the Finance Council, Pastoral Council, Pastor, and Diocese. Once contracted, the GC will coordinate the construction process and hire the individual trade subcontractors.

It is hoped the GC will be able to break ground and complete the site work during this building season. The site work will include grading, trenching, well drilling, and preliminary paving. The final paving will be done at the conclusion of the project. If it is not feasible to complete the site work this season, the start will be delayed until the spring 2017 building season.

There was a discussion about the financial consequences of stopping work at the current point, due to the uncertainties in the affordability of the construction, as well as the operation and maintenance costs. The Council supports continuing the project through Phase 3 and securing the Town building permits. The question of affordability and the decision of when to start construction will be considered as part of the GC selection process.

- **Star Building Systems Contract**

The cost for Star Building Systems to design the steel structure for the building is now estimated at \$22,562. Once the final Phase 3 design drawings are approved, they will be sent to Star for them to begin work. At that time, we expect to have a contract to be approved by the Finance Council, and signed by Fr. Jorge. Then we will be invoiced for the design work.

- **Operation and Maintenance (O&M) Costs**

A thorough examination of projected O&M costs was deferred to a future meeting.

- **Updated Construction Cost Projections**

Kathy asked the Council to approve an updated construction cost projection dated 4/20/16 (Attached). It lists several items that the Finance Council will track for budget compliance on the project. It was noted that the estimates in the list of major systems to be subcontracted are very uncertain. The Finance Council expects that a detailed line item construction budget will be provided by the GC. The Council approved the document without changes.

The meeting was adjourned at 9:26 pm.

Respectively Submitted by *Tom Altenbach*, MS Nuclear Engineer (retired), Acting Chair, Vice Chair, and Acting Secretary