

Report on Investment in Asset at 105 Brooks Street, Medford, MA

Summary of the Scope of Discussion

The intent of this communication is to provide you, the congregation, with an overall update as to the parsonage renovation project, to review 2018 spending in connection with the previously-approved budget, and to determine approved budgeting toward project completion.

Background and Time Line of Project

Background / Budget regards investment and maintenance of property:

- 2014 budget for maintenance was \$2000.00; spending \$3064.00
- 2015 budget for maintenance was \$2000.00; spending \$0.00.
- 2016 budget for maintenance was \$2700.00; spending was \$29.18.
- [2016 Moderator's Report](#) (bottom page 3) recommends need for investment in this our highest value physical asset and notes need for additional one-time budget for 2017.
- 2017 Budget for maintenance and repair \$18,700 (\$ 3700.00 regular maintenance plus 15,000 for bath and painting); spending \$2959.36.
- [2017 Moderator's Report](#) (page 3) defines history of deferred maintenance, value of making the investment and the need for \$100,000+ investment in property in 2018/2019 as follows:

“Since before 2013, we have regrettably deferred some necessary maintenance and repair and all improvement costs for the parsonage, not for lack of money but for lack of volunteers able to take some responsibility for planning and overseeing the repairs. In 2017 we appropriated \$15,000 to begin significant necessary repairs to the parsonage. Rev. Wendy investigated the necessary repairs and potential improvements to the property including major repairs in the kitchen and bath, and adding a second bath, which would considerably increase the market value of the house. Thus we are proposing to set aside, outside the recurring budget, \$50,000 to be spent this financial year on repairs and major improvements to the parsonage with the full expectation that such improvements will require up to an additional \$50,000 to be appropriated in the 2019 budget. The congregation should be fully aware of the need to cease deferring critical maintenance and improvements and be prepared to invest \$100,000+ in the parsonage. With the gains we have achieved in the market over the past two years, there is no better time to finally do what we should have done several years ago but could not for lack of human resources. We believe the property value would increase to >\$600-650,000 in market value with the improvements. We hope that we will be able to assemble a small committee of volunteers to oversee the effort, including some people whose terms expire on the Leadership Circle.”

- [2018 Budget](#) (page 10) for maintenance and repair is \$55,200.00 (\$5,200.00 regular maintenance, 50,000 investment in renovations); with expectation set for additional \$50,000 to complete the work in 2019.

The timeline of the current investment/renovation project, in addition to budget discussions noted above:

- 2017 – 2018: Congregational and Leadership Circle discussion identified this asset as requiring repairs, updating, and upkeep including specific recommendations as noted above
- 2017 January – Property Valued via Insurance Board – \$ 484K
- 2017 July – September: Developed [Punch List](#) of maintenance and safety concerns to use with contractors. Estimates were sought from four contractors; Linda and Wendy met with 3 contractors for 1 to 2 hour walk through of property.
 - Barbosa submitted estimate for a portion of the work (\$12K) and a thorough list of questions that needed answers and request for specific design in order to produce further quote.
 - One contractor offered suggestion as to the overall cost (100K) but did not respond with bid.
 - Peter Soames, contractor also suggested overall cost of 100 – 150K during walk through and later wrote to say he could not commit to the job.
- 2017 August – Architect Doug Carr offered (pro bono) walk through and proposal of addition of half bath with kitchen renovation; provided half bath design and confirmed that Kitchen Renovation would cost approximately 100K; addition of bath and open space to DR would be upwards to 150K.
- Research on wisdom and value of investment in the addition of bath to one bath property and renovate kitchen suggests a win-win with immediate return on investment – online research and call to local Medford Real Estate Broker, John Veneziano (ReMax) encourage proceeding with same.
- Further effort stalled due to inadequate staff of lay resources to pursue further bids.
- Annual Meeting 2018 – \$50K designated to begin renovation work, with expectation for additional \$50K set for investment – either in 2019 or through special congregational vote.
- 2018 Feb – Jim Silva and Peter Stone (architect/design) offer to lead project, donate design, project management, build cabinets and work on design to use with contractors; recommend Junior Barboza as having great access with similar projects with which they were involved.
- 2018 March – Leadership Circle plus Bruce Roberts and Paul Roberts, who offered to try to help with project management are provided initial design to add full bath, with small addition to accommodate kitchen gut and renovation and open wall to Dining Room. All respond in the affirmative to proposal.
- 2018 April - Continued discussions validate our ongoing discussions about the value of investing in this asset.

Timeline Continued...

- 2018 April - The disrepair of the parsonage continues, cabinets no longer usable due to structural concerns, drawer face falls off and water damage from upstairs bath a growing concern as tile falls off walls and black mold continues to grow under tile and at bathtub.
- 2018 April – Barboza invited to bid – defines a two-month lead-time to begin from time of contract; LC requests of Bruce Roberts and Paul Roberts recommendations for additional contractors.
- 2018 April 30 – Barboza provides bid including scope of work for\$ 46,500 (see three bids, [Barboza](#) and Subcontractors: [Electrician](#) and [Plumber](#)).
- April/May – further attempts at seeking contractors; waiting for final design
- June 1 - Peter Stone agrees to pursue additional bids from Essex and K&T recommendation from Bruce.
- June 6 – Bruce writes via email to Rev. Wendy, Joanna and Paul that Essex and K&T have not responded to him so they may not be interested.
- June 9 – Paul reflects that our efforts to date are well within the guideline of seeking input from multiple sources and that the Barbosa quote is the right price and the offer of Peter Stone and Jim Silva to take leadership has high value. Suggest we proceed so as to get planning done.
- June 11 – Peter and Bruce meet with Essex and review project.
- June 24 – Checked with Peter to determine if any quote received from Essex; none received
- 2018 – Jim Silva assumed lead to move this project forward.
- 2018 June 26 - based on lack of further engagement on the part of Essex, the strong recommendation of Barbosa as responsible, high quality contractor who is available to begin the job quickly, reasonable price based on our experience and research and Paul Roberts' recommendation noted above - Leadership Circle voted unanimously to proceed with Barbosa contract.
- 2018, July 12 – Signed Contract with Barbosa with him to begin asap.
- 2018, August 6 – City Permit acquired, Barbosa begins 8/7
- 2018, August 14 – Bruce Roberts forwards [Essex Bid of \\$60,196](#) to LC with note that contractor stated they sent bid approx. month earlier. Search of emails (Rev. Wendy, Sanctuary Office, Joanna, Paul, Peter Stone) does not find bid.

Timeline continued...

- 2018 August to Current – Contractor goal to finish kitchen and first floor bath by October 1, including demo of 2nd floor bath to use same dumpster
 - Crew is very careful in their work, protecting the established resource while working; Quality excellent, responsiveness and flexibility high
 - Job is coming in true to estimate, exceptions for unexpected issues noted in detailed spread sheet – including additions recommended as the design took shape and problems that needed to be corrected from previous mistakes
- August, 2018 – Paul Roberts reviewed the rough work approximately 1 month after demolition began and was very pleased with the accomplishments.
- August and September – Rev. Wendy working with Peter Stone, Jim Silva and Junior Barbosa to make material choices and implement the project.
- 2018, September 14 – IKEA cabinets and appliances delivered, Peter Stone donates his time to build cabinets

Why is this project important, and why is leadership asking for more money to complete these renovations?

- **The contractor is moving quickly which allows for the whole investment to be made in 2018, thereby requiring the expected 2019 expense to be incurred in 2018.**
- **Leadership wants to include the congregation in the excitement and positive work of bringing improvement and value to our asset, the parsonage.**
- The parsonage was suffering from disrepair. Our congregation was in agreement that we needed to invest in the property to increase its value.
- This is not a financial loss – it is financially beneficial to our congregational assets. Based on conversations with the architect, a number of contractors, local real estate broker and an understanding of current real estate valuing, it is entirely expected that the resulting appreciation in value will exceed the cost of these renovations.
- When the kitchen ceiling was opened up, it was discovered that a previous renovation had not been conducted “to code”; the contractor found structural deficiencies in the joists that had to be reinforced for integrity of the structure.

What is the specific request being posed to the congregation?

- Approve additional funds of up to 30,000 to be spent in 2018 to complete the addition of a full bath, a complete kitchen renovation, corrections to plumbing and structural concerns, and demo and renovate 2nd floor bath.
- High Level Cost Considerations (the following reflects actual contractor quotes, some actual quotes for materials and some estimates for other materials – the materials that have not been chosen are noted in the detailed listing which can be access via the link below):

Subtotal Kitchen Renovation and Bath Addition - some materials estimated	64,404
Subtotal Additions and Corrections	7,675
Subtotal Upstairs Bath Renovation - estimate	<u>11,350</u>
Current Total Estimated Spending	72,078

[Detailed list of materials and quotes as of September 11, 2018, including a comparison of the contractor quotes that were received can be found here.](#)

~~~~~

### **Direct Links to Project Documentation:**

#### **Initial Parsonage Punch List**

[2017.07.12 Parsonage Projects Initial List of Concerns](#)

[2017.09.15 Parsonage Projects Updated List of Concerns](#)

#### **Contractor Barbosa Quotes (3)**

[2018.05.07 Barbosa Quote](#)

[2018.04.30 Electrician Estimate 1007 from JE Electric Inc](#)

[2018.04.30 Plumber Estimate \(No#1\)](#)

#### **Contractor Essex Quote**

[2018.06.18 Essex Contractor Sanctuary LLC Quote](#)

**Detailed Project Tracking Spread Sheet** (This spread sheet will be updated as changes are made)

[2018.09.11 Parsonage Project Cost Tracking](#)