

# Saint Timothy's Episcopal Church Vestry Zoom Meeting Minutes Monday, August 12, 2024

**Attendees:** Rev. Todd Bryant, Rev. Susan Geissler-O'Neil, Karen Anderson, Dick Firth, Cathy Wickboldt, Eric Parnell, John Yow, Liz Knape, Teresa Rajaratnam, and Kris Manning

**Absent:** Taiwo Ojetayo, Teresa Centeno Kim

**Call to Order:** The meeting was called to order at 5:42PM

1) The Special Meeting was called for the purpose of determining whether Saint Timothy's would like to move forward negotiating with Building Kidz dba Building Kidz School, and addressing any concerns Vestry members may have. Please see the attachments below which drove our discussion.

**MOTION:** It was discussed by all and moved by Reverend Todd Bryant, seconded by Karen Anderson, and passed unanimously to approve the subcommittee to enter, in earnest, negotiations with Building Kidz and to inform the vestry of any important changes.

**AMENDED MOTION:** It was moved by Reverend Todd Bryant seconded by Karen Anderson, and passed unanimously to approve the subcommittee to enter, in earnest, negotiations with Building Kidz dba Building Kids School, as well as keeping the vestry apprised of any significant events.

**A decision was made to embargo tonight's discussion, keeping it within the confines of the Vestry.**

Meeting Adjourned at 5:49.



Background and Agenda	Special Committee Process
<ul style="list-style-type: none"><li>Noah's Ark Preschool ceased operations in June 2024</li><li>Approached by franchisees of Building Kidz for use of space</li><li>Presented a preliminary term sheet in June 2024</li><li>Formed special committee of Dick, Eric, and John to conduct preliminary evaluation of opportunity</li><li>Will be unable to meet long term maintenance obligations (~\$100k+/year) with present cash flow</li><li>Agenda<ul style="list-style-type: none"><li>Report and discuss findings</li><li>Determine whether to engage in serious negotiations for lease with Building Kidz, and find out on what terms a deal would be acceptable</li><li>Address concerns</li></ul></li></ul>	<ul style="list-style-type: none"><li>Evaluation of financial status of church</li><li>Meetings to review term sheet, plan for call with Building Kidz, debrief call with Building Kidz, discuss legal and operational process to enter into lease</li><li>Additional financial information provided on 8/8 and under review</li><li>One hour phone call with Building Kidz</li><li>Review of documentation submitted by Building Kidz</li><li>Discussion with legal representative of diocese</li><li>Extensive email back and forth</li></ul>

## Special Committee Process

- Evaluation of financial status of church
- Meetings to review term sheet, plan for call with Building Kidz, debrief call with Building Kidz, discuss legal and operational process to enter into lease
- Additional financial information provided on 8/8 and under review
- One hour phone call with Building Kidz
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## General Impressions

- The Building Kidz team has quickly responded to all of our requests for information
- Have shown desire to be collaborative and find way to co-exist in a positive manner
- Positive impression of their mission and methods
- No major red flags in history of finances
  - Note – This does not mean we have determined there is no risk on these fronts
  - Good finances are important to complete the remodels necessary.

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## Major Issues for Consideration

- Licensure will require over \$100k (est.) upgrade to sprinklers
- Due to year-round operation, HVAC will be needed. Estimate is at least \$60K.
- Building Kidz has asked for rent abatement or direct investment to offset
- Asking for daily use of kitchen (weekdays) for food prep and teacher breaks
- Signage
- Alignment with mission and long term vision of St. Timothy's

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## Risks

- Fails to follow through with upgrades
- Challenging partner
- Any negative incident at school would reflect negatively on church, but we lack any control over their actions
- Rent default

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## Conclusion of Special Committee

- Facts
  - While we have a beautiful space, there are extensive upgrades needed before it could be used. This will make finding a tenant challenging. This may be the best deal we get.
  - Church expects significant increase in maintenance costs and this will largely if not fully pay them.
- Conclusion
  - While not without risk, this is an appealing opportunity with a partner that seems committed to working with us. We lack any viable alternative and should therefore proceed with negotiations.

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## Main Terms for Negotiation

- Rent amount
- Rent abatement vs. direct investment
- Parking
- Signage
- Costs on St. Timothy's
  - Operating costs
  - Utilities
  - Property tax and other taxes

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## Proposed Process

- Negotiate term sheet
- Vestry approval of term sheet
- Incorporate term sheet into long form contract
- Negotiate legal terms
- Obtain diocese approval of full contract
- Vestry approval of contract
- Open: Inform congregation

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Submitted by Kris Manning