

A Good Shepherd's Guide to Property Management

As we already know, spreading the “Good News” is challenging enough without broken down heating and air conditioning, leaking roofs, plumbing problems, parking lot issues, life safety concerns, etc, etc. Summed up, all of these “problems” can be called Property Management. In Jesus’ time I am not quite sure phrases like “proper maintenance”, “functional life”, “capital improvement”, “expense budget”, and “manufacturer and warranty info” carried quite the same meaning and cost that they do today. Quite honestly, in Jesus’ time His flock did not seem nearly as focused and concerned with comfort and convenience as we have become today- that is just my opinion anyways. Whatever the case may be, there is no real use in fighting it...in our times today some of our focus must be put into providing a comfortable, convenient, and safe environment at churches, and to make matters ever more challenging, this all must be done with the best possible scenario and outcome of economics of the economics of our parishes; that is if it is not going to “break the bank” in the long run.

The expansion of the Roman Catholic Archdiocese of Atlanta has brought with it both good and new challenge. With every new church that is built comes with it new opportunity to grow and expand upon Christ’s teachings here on Earth; however both new churches and older churches face many of the same challenges. Part of the challenge is keeping the flock comfortable, convenient, and safe, and doing so at a price that the flock can afford...some might call this a miracle...I call it great property management. For those of you who have volunteered your valuable time and efforts to take on this monumental and never ending task of Property Management for your respective churches, you are a kind and generous soul, because as you already know many times this will be a thankless and seemingly impossible duty. I admire your selfless service and understand your challenge, because it is my challenge in my job (chosen profession) as well. I know...we must either be crazy or desperate, but personally I like to view it as part of a bigger purpose! The info provided here, if used properly, will help you to better budget and forecast expenditures, control costs, and make the hard decisions of what needs to be done vs. what is wanted, and to determine who is best qualified to do the work. I am sure you are all in some ways already experts, but like the great John Wooden said, “It is what we learn *after* we know it all that counts”. By continuing to expand and build upon your knowledge and experience, you will be able to continue to help shepherd the flock into the future, and to seamlessly pass the staff on to another when the time comes to do so...when we are called to a greater purpose in God’s Kingdom. But there will be times that we need to bring in more specialized and expert inspectors to help us truly understand the major repairs that are needed and their estimated capital costs. And in essence, if we can set our prideful ways aside, our good and selfless works will live on long after we do, to help serve others in spreading the Lord’s Word here on Earth.

God bless you.

Michael Weinberger

Archdiocese Volunteer and Property Manager for Cobalt Capital Partners, L.P.

Suggested Capital Maintenance Inspection

“You don’t make something more valuable by paying too much for it with other peoples’ money”.

Place focus on functional areas of the property and building...a functional improvement is what is needed vs. a cosmetic improvement, which is often a luxury.

For this section we refer to “Economic life”, meaning the period beyond which it is cheaper to replace or scrap an asset than to continue to maintain it.

Property Inspection Items

Below are the key areas that may require major or capital repairs and the types of issues or problems you should be looking for:

I. Parking Lot

(Should be gravel, asphalt, or concrete or a combination of all three)

-Ingress/egress issues

-Surface/pavement condition

1. Is asphalt “alligatoring” (brittle and cracked)?
2. Is parking lot size sufficient?
3. Potholes?

-Curbs & gutters condition

-Car stops (if considering these, use rubber because they are more durable and less expensive)

1. Are they needed?
2. Are they secure if already in place?

-Look for areas of ponding water...this could indicate clogged storm drains, a need for storm drains, or worse yet a poorly engineered site (ponding water will shorten the life cycle of a parking lot and create liability issues).

-striping

1. Are lines clearly visible?
2. Is there a need to use striping to better direct the flow of car and pedestrian traffic (directional arrows and crosswalks)?

-“Seal-coating” is just a fancy word for painting an asphalt parking lot black...it looks pretty but will NOT increase the life of the lot and is cosmetic in nature only.

-If you have to replace a parking lot look for a company that uses a process called “reclamation”...it is better and cheaper than an “overlay”.

II. Sidewalks/Stairs/Landings

-Check condition and note any issues

-Look for areas where additional walkways are needed

III. Handrails

-Check condition and note any issues (ex: are they securely anchored, are they rusted, etc)

IV. Signage

- Is the property address and parish name clearly visible from the road?
- Are “No Parking” signs in place in case of an emergency so that a fire truck can get through during peak traffic times?
- Handicap signs

V. Parking Lot Lighting

- Is it working and sufficient?
- Many power companies will install parking lot lighting at a “leased” rate which is very reasonable...if needed look into this as an option.

VI. Retention Pond

- Should be bushwhacked quarterly or semi-annually by landscaper (this is not usually a capital item)? Are major repairs needed? Are there problems with the liner or any earthen dam?

VII. Plumbing

- Is there a septic system that needs to be maintained?
- Any sewer/storm drain issues?

VIII. Landscaping

- Much emphasis and attention is usually put towards cosmetic improvements; however be sure to pay attention to liability issues...overgrown shrubs and trees make it easy for a kid to pop out of nowhere and in front of a car. Also trees and shrubs planted near building may look pretty but can cause all sorts of expense (clogged gutters and damaged underground water lines to name a few).
- Irrigation systems can be a drain on expenses
- Look for areas of erosion (there are many options ranging from relatively inexpensive to very expensive, so choose carefully if this is an issue)

IX. ADA (American Disability Act) Compliant

- Are all sidewalks wheel chair accessible to code?
- Much of your property might be “grandfathered in”; however, we recommend understanding that the cost to make a property ADA compliant can be extremely expensive...if you do a renovation/addition to the church then you might have to address some of the “grandfathered in” issues. We want to be good citizens.

X. Child Protection

- Are we complying with safety codes in our nursery, classroom, and other youth areas? (windows, door locks, signs, etc.)

Building Exterior Inspection Items

I. Roof

-This is going to be one of the churches most important capital expense decisions when the time comes, so above all else you need to be proactive in your efforts to prolong the life of what you have and to accurately forecast what is on the horizon so your church is well prepared for what lies ahead. In my property management experience we have repaired and replaced millions of square feet of roofs for millions of dollars, which has forced me to become somewhat of an “expert” in this area. There are many types of roof systems (and the best one is predicated on factors ranging from the type of roof deck in place to the existing roof membrane in place). For many reasons we have like the TPO roof system the best, but it still needs to be installed properly, maintained properly, and purchased at the right price. The goal is to squeeze every bit of life out of your existing roof system, and when you find that your roof system has reached the end of its economic life, it is important that the funds are there and you are well prepared. We have attached a sample roof report which if used properly will tell you all you need to know to make the right decision on maintenance and replacement options. We recommend you schedule a “roof check up” sooner than later, and act based on what you find.

II. HVAC

-This is another big expense; however it can be much easier to manage and make the right decisions with a good maintenance program in place. These HVAC units are just like engines; they need to be lubed, have belts tightened, have filters changed, etc, and if properly maintained you can increase the lifecycle of your churches HVAC equipment, and also become proactive in the management and budgeting of expenses relating to HVAC equipment. We have attached a couple of sample reports that will help you in this process. We recommend bi-annual inspections and at each inspection the inspector should complete the attached report (reporting the critical data for each unit). This is really simple info: age, condition, make/model, and recommendations along with a price. Here again, the goal is to prolong the life of the HVAC units and squeeze every bit of life out of the equipment; however when the units reach the end of their economic life, to be prepared to make the right decision. There are many factors to take into consideration when repairing and replacing HVAC units and it really all boils down to choosing a company who models their business around service, quality, and price. Words like cracked heat exchanger, split system, RTU, returns, etc, should not scare you, and with a good company you will become an expert in your own right, and with a good log, you will easily have at your finger tips everything you need to know to make a good decision when the time comes.

III. Structural (Foundations and Walls)

-Look for areas of stress and visible cracks. All buildings settle and a little cracking is pretty typical, just keep an eye on it from year to year to be sure it does not get progressively worse too quickly.

IV. Doors & Windows

- Is weather stripping in place on doors; is caulking around trim of windows in good condition (this will drastically save on heating and air bills)?
- Any other apparent issues?

V. Facades (Siding, Brick, Stucco)

- Beyond cosmetics, how is the façade functionally holding up? Are there rotting areas of siding, is the mortar disappearing from in between bricks, are there holes in the stucco?
- Paint looks pretty, but is mainly cosmetic in nature...focus on functional areas first then look at paint if the money is there to do it.

VI. Trim & Flashing

- Look for rotten or missing pieces that can be a cause of water intrusion into the building which can be create compounded and more expensive issues to deal with.

VII. Gutters and Downspouts

- Are they free of debris? Are downspouts directed away from the building? Keeping them where the water is released close to the building can create very expensive foundation problems down the road.

VIII. Building Signage

- Are buildings clearly labeled? Is there need for additional signage? Again, this is mainly for the case of an emergency.

IX. Exterior Lighting

- Are wallpacks and floodlights working? Is there a need for any additional building lighting?
- Are timers and photocells working property as to come on at dark and go off when the sun comes up?

X. Plumbing and Electrical

- Be sure that all electrical outlets are safe. Be sure that all hose valves are water tight. Look for any other obvious issues that could create liability exposure and unnecessary expense.

Building Interior Inspection Items

I. Life Safety Systems

- Are annual fire sprinkler tests being performed?
- Are annual fire extinguisher tests being performed?
- This should all be logged in a binder called "Life Safety".

II. Doors & Windows

- Do they all function property and sealed tightly?

III. Plumbing

-Does every thing work property? Be sure that sinks are not leaking, and toilets are not running, etc.

IV. Electrical

- Do all outlets have proper covers?
- Additional outlets needed?
- Any other issues?

IX. Stairs (Stairwells)

-Are they safe? Any concerns that need to be addressed?

X. Restrooms and Kitchens

- Any issues?
- Any code or health violations?

XII. Storage Areas

- -Any major issues? Or is there just cosmetic wear and tear?

XIII. ADA (American Disability Act)

-Are interior areas of the building ADA compliant?

V. Floor Coverings

-Any major issues? Or is there just cosmetic wear and tear?

VI. Walls

-Any major issues? Or is there just cosmetic wear and tear?

VII. Ceilings

-Stained ceiling (tiles) could be an indicator of either a roof leak, an HVAC problem, or a plumbing leak. If the water mark gets bigger or is wet after a hard rain, probably indicative of a roof leak. If it is not raining however wet and it is during a season where the AC is being used this could mean a frozen condenser or a condenser drain pan that is clogged and overflowing. If it is a steady leak this could mean a plumbing leak from a water pipe or a sprinkler head.

VIII. Paint or Stain

-Any major issues? Or just is there just cosmetic wear and tear? (Note that this is not typically a capital repair item)

Potential Vendors

From CCSI:

Asset Works Appraisal (has an Atlanta Office) --- Shawn Callahan -- 1.877.809.0600

VFA, Inc. (Boston) (They say they are the biggest in North America, but no Atlanta Office) --- Mike Crosson --- 1.800.693.3132

Zum Brunnen, Inc. (Has Atlanta Office) ---Doug McMillan --- 404.601.4054