Episcopal Parish Network
Where the Church Gathers

Summary and Transcript
Building for Tomorrow:
How The Church of Bethesda-by-the-Sea is Planning for the Future
Originally presented October 29, 2025

Summary

This workshop, hosted by the Episcopal Parish Network (EPN), featured a discussion between Tom Franz of Building Solutions and Joe Sinelli, Parish Administrator at The Church of Bethesda-by-the-Sea, focusing on the stewardship and management of church facilities. The session covered the importance of strategic planning, comprehensive facility audits, and the integration of technical expertise to ensure the long-term sustainability and mission alignment of church properties.

Key takeaways:

- **Facilities stewardship is often learned through experience, not formal training:** Most church and school leaders lack formal education in real estate or facilities management, making practical experience and external expertise crucial for effective stewardship.
- **Strategic planning must include facilities management:** Effective stewardship begins with integrating facilities goals and actions into the organization's strategic plan, including asset management and financial planning for maintenance and replacement.
- **Comprehensive facility audits provide critical data:** A full facilities condition assessment (or audit) offers a detailed inventory of assets, identifies deferred maintenance, and forecasts capital needs over 1, 3, 5, 10, and 15 years, enabling informed decision-making and prioritization.

- **Technical expertise is essential for major projects:** External experts, such as those from Building Solutions, provide valuable support in areas like roofing and HVAC, ensuring that RFPs are well-written, bids are comparable, and contracts protect the church's interests. This expertise can prevent costly mistakes and ensure long-term value.
- **Data-driven planning supports financial sustainability:** The audit data enables churches to establish reinvestment reserves, plan for major expenditures, and make the case to donors and finance committees for necessary investments, moving beyond short-term, reactive budgeting.
- **Comprehensive audits can reveal unexpected critical needs:** At Bethesda-by-the-Sea, the audit identified urgent issues (e.g., roof and koi pond repairs) that were not previously prioritized, demonstrating the value of expert, holistic assessments over piecemeal or volunteer-driven approaches.
- **Ongoing partnership and communication with experts is valuable:** Building Solutions' continued involvement—providing expertise, presenting to vestries, and supporting project management—ensures that facility decisions are well-informed and aligned with the church's mission and financial goals.
- **Facility stewardship directly impacts mission and program funding:** Efficient, data-driven facilities management can reduce long-term costs, freeing up resources for ministry and outreach.
- **There are different types of facility assessments:** Reserve studies, property condition assessments, and facilities condition assessments serve different purposes; the latter provides both financial and operational data, which is most useful for churches.
- **Selecting the right audit partner is critical:** Churches should seek firms with a team of specialists in various building systems, not just generalists, and should expect direct communication and tailored recommendations.
- **Expert support is available for expansion and renovation projects:** Building Solutions and similar firms can serve as owner's representatives, guiding churches through planning, vendor selection, and project management to ensure successful outcomes.
- **Unresolved issues and next steps:** Some attendees asked about costs, how to convince vestries to invest in audits, and how to find qualified firms. Building Solutions offered to provide further information and presentations to executive committees, and encouraged follow-up for specific needs.

Transcript

Joe Swimmer (EPN)

Good afternoon, everybody. We're gonna let folks come into the room. Afternoon to you all joining us. Oh, we've got a healthy number in the room, so we'll get started. Good afternoon.

Joe Swimmer (EPN)

My name is Joe Swimmer. I'm the executive director of Episcopal Parish Network, and so pleased to have you all with us today, to be joined by Tom and by Joe, Building Solutions and Bethesda-by-the-Sea. We're looking forward to their conversation with us this afternoon with important information about our facilities, and some good stories from Joe along the way. But before we get to that, a couple of thoughts. We have a few more webinars coming up this month and then into November.

Joe Swimmer (EPN)

I believe we have seven webinars scheduled for November, which we're really excited to be presenting to you all, and then a few in December as we get up to the holidays. Of course, EPN 2026 just launched, EPN 2026 is our annual conference. A note came out today about our keynote conversation for Friday morning. It's going to be a fabulous conversation about faith being formed at home and the importance of the home in that faith formation process. We have some other great content, including Bill Keslar from Building Solutions who'll be with our vestry wardens and lay leaders in their preconference.

Joe Swimmer (EPN)

So lots of good stuff to check out there at our website, episcopalparishes.org. Please do visit. Do register and join us in March in Charlotte. And then look for additional

webinars to be coming between now and then. If you ever have a suggestion for a webinar, please send that to us at info@episcopalparishes.org.

Joe Swimmer (EPN)

And without any further ado for me, I'm gonna hand it off to the experts and let them get their conversation started. Again, gentlemen, we're so glad to have you with us. Thanks very much for joining, and we're appreciative of all of our attendees and look forward to being in touch with you all soon. Thanks so much. Take care.

Tom Franz

Great. Thanks, Joe. And thanks, Laura, for hosting us and pulling us together. My name is Tom Franz. I work for Building Solutions, as a senior associate of partner development.

Tom Franz

But, previously, I spent thirty eight years, as an educator, the last twelve, as a head of school, and thirty two of those years were an Episcopal school. So, the Episcopal tradition, and the working with the Episcopal organizations has been near and dear to my heart, and I'm happy to be here, with Joe Sinelli today to talk a little bit about what I think of as stewardship of facilities and the very best way that you can, really be thinking about practices and procedures and policies to put into place to make sure you're taking care of the amazing churches, and facilities and buildings that you've got. Joe, you wanna introduce yourself?

Joe Sanelli

Absolutely. So I'm Joe Sinelli. I'm currently the parish administrator of the Church of Bethesda-by-the-Sea in Palm Beach, Florida. Been here for three years. My prior thirty

years were spent as an administrator in Christian education, twenty of those years as a head of school.

Joe Sanelli

So we know a lot about facilities, been through a lot with facilities, so we're pleased to be able to present this to you today.

Tom Franz

Great. And I think one of the things that, that occurs to me as we we get rolling here is that, I don't know about you, Joe, but I think for me, as a teacher and a coach who became head of school, I didn't know really much of anything about real estate or facilities facilities operation management. And so most of what I've learned and now talk about, I've I've kind of had to learn, from experience, and I'm I'm hopeful, that we can provide some folks some insight into some stuff that we had to learn by experience, and and, hopefully, they can actually ask some good questions along the way.

Joe Sanelli

And I think that's the way, I think, for most people in ministry is that facilities comes as an experience rather than a train pretraining.

Tom Franz

Yeah. But most of the priests and bishops and canons I talk to will say that, yeah, like me, there was no class in real estate management as part of our head of school or seminary training. And so this is hopefully really valuable and hopefully valuable to Vestries as well. And so, what I wanted to do is just say who Building Solutions is. We are, been around for about thirty five years now, founded by Bill Keslar.

Tom Franz

Actually, quite a while ago in connection with an Episcopal church, where they had some deferred maintenance needs. He was in the commercial real estate world, and he did facilities condition assessment for them. And, of course, there were other people on that trip, part of other great episcopal organizations who realized that they could perhaps use the services as well. We've evaluated hundreds of churches, mostly episcopal, but also schools across the country, 44 different states as part of it. And we really do three things.

Tom Franz

We supply data and information for your financial planning, as well as condition assessments, narrative explanations of how your roofs are, what kind of shape they're in, how they might be better taken care of. And so that idea of having data and information for both the financial planning as well as for the facilities operators. And then we offer technical expertise that ensures the resources are well utilized so that if you have a need to replace a roof, typically, in the organizations that I've worked with and in, we didn't have expertise around roofing. The facilities director didn't know all the different information and details about roofing or HVAC, and that's where we can really become helpful. Oftentimes, churches have legal counsel for their director, and they might have some accounting services for their CFO or finance director, but they don't necessarily have that same kind of technical support for their facilities director.

Tom Franz

And we'll talk more about that as we go through. And then the last thing we do is we provide owner's representative services to help support project leadership when you're going through either a renovation project or a construction project. Because as a developer said to me when we were building a new center for community in the arts at my school, you don't have the time or the technical expertise to actually be able to project manage this thing. He said the same thing is true for your CFO and your

facilities director. So those are the kinds of services that we bring to the table to try to support all kinds of organizations, but almost all of them are nonprofits.

Tom Franz

Probably 70% or so are schools, educational institutions, higher ed, and k 12, and then 25% are religious organizations, and then a handful of food banks and museums and the rest. So Joe and I thought it would be, as two educators, we thought we ought to start with, essential questions, which is what teachers do in classrooms, with students as they're building units and lessons, and really about facility stewardship for leaders and what are the kinds of questions that you should be asking of your organization. And these questions really are leading to a process of important steps and important procedures that are really important for our organizations to successfully be able to steward their facilities. Very difficult for some organizations. Joe and I talked about Bethesda-by-the-Sea being a well resourced organization, and we're not always all necessarily that well resourced.

Tom Franz

But when we're less well resourced, we actually need to plan better is what I found. And so these steps are really important, and it really starts with strategic planning. And are there any goals or actions that are connected to your facilities in your strategic planning? I think this is a really important one, for all of our organizations. Do you have an inventory of what's on your campus and what it's gonna cost to replace it?

Tom Franz

It's called an asset management plan. And this is one of those time and technical expertise things. We might have facilities directors who do have technical expertise to do it, but they don't have the time to do it because they're so busy taking care of all the facilities that we have. And then how are you funding that asset management plan

with a real estate reinvestment reserve? You should have funds set aside specifically for that based on data.

Tom Franz

Have we provided technical expertise for the facilities director, as I just mentioned, similar to the rector or head of school or the accounting firm for a CFO or finance director? And do we have the time and expertise required to ensure we can manage major projects effectively? This is one of those things that sometimes we get volunteers to jump in and support, which is great. But if you're the rector of a church and you've got a volunteer who's leading a project for you and it's not going well, it's really hard for the rector to fire the volunteer in a project like that when they're giving up their time and talent, if it's not going well. And then lastly, are your deferred maintenance and campus reinvestment part of your financial sustainability?

Tom Franz

Our nonprofits are all trying to figure out how to be financially sustainable, and what does that look like? What are the various ways in which we can become sustainable? Whether it's, you know, getting annual money, having grants, whether there's endowments, whatever those resources are, how can we be sustainable as an organization? And we need to make sure that your deferred maintenance and campus reinvestment is part of that because sometimes we forget about it. Anything you wanna layer on there, Joe?

Joe Sanelli

Well, I think we're about to hit on the stewardship side of it, which I think is critical for every ministry as they ask these questions to understand just the magnitude that facilities and campus play toward fulfilling mission and carrying out mission?

Tom Franz

Yeah. When we talk about facility stewardship, we think about, as I said, kind of the strategic plan is an important component. And oftentimes, the strategic plan will direct us to gathering data. Like, what's all the information about what we have on our campus? What it's gonna cost to replace?

Tom Franz

What's its useful life? And that actually leads to the planning part of trying to figure out how we're gonna prioritize and identify the things that are most important. I think, Joe, you'll probably have some stories around that, and then figure out how we're gonna pay for it. What does that funding mechanism, like, look like, and how are we gonna come up with the funds, whether we're raising them or whether it's part of our regular annual budgeting process, whatever that happens to look like. And then when are we gonna plan for those replacements?

Tom Franz

Oftentimes, in churches and schools, we try to do it during the summer when the building is less active, and we can get a lot of stuff accomplished over the two or three months during that time period. And then it just continues. The feedback, you've taken some things out of the list of stuff you need to do. But if you've replaced an HVAC unit, that goes from a newly replaced into the data as an item that needs to be replaced twenty years from now. So it doesn't just drop off the list because you are gonna have to have funds down the road, and you can't just I think I've heard you use this phrase before, Joe.

Tom Franz

Kick the can down the road for the next folks whoever happens to be there, following you.

Joe Sanelli

And I think it's really critical as people understand that this is a process that is just continual as you're constantly looking to upgrade that strategic plan, looking further down the road without having this data and information. It's almost impossible to then put together a solid strategic plan that really is going to be forward thinking and not just how are we gonna get to next year's budget and get through that year.

Tom Franz

Yep. So these are the three key documents. We've talked about a strategic plan. Oftentimes, there's a campus plan that goes along with that. If you've got, you know, five acres that your land is on or three acres that it's on, how can you best utilize that?

Tom Franz

The church, obviously, sanctuary has taken up a prominent place on that property, but how else might you use that property or what might you need to renovate? That's all kind of the use of the land. And then the existing asset management plan is really all the stuff that's here and what it's gonna cost to replace. So why don't you share a little bit of your story, Joe, at Bethesda-by-the-Sea? I think you said you arrived in about '22 or '23?

Joe Sanelli

In '23. Yes. So when I arrived, we are in a 100 year old building. So everything that we do is a little more complicated when it comes to facilities. We can't change a doorknob or can't change an air filter without it needing some kind of specialty or a historic element.

Joe Sanelli

But when I arrived, one of the things I realized is we had been kicking the can, as I do like to say, down the road for many years. And, eventually, the road runs out, and we

reached a point where we realized, okay. Where there is so much deferred maintenance, and how do we go about addressing these needs? And everybody there are well meaning individuals that are part of your buildings and grounds committees, fill this facility committees, and everybody's got a different idea of what the need should be, what should be in the budget. And, of course, every finance committee, their job is to always try to cut the budget and have you spend less.

Joe Sanelli

And so you always are up against this. And then, sadly, facilities often become some of the last dollars when you're thinking of programs and other personnel and things of that matter. But so we found that we knew we had a lot of deferred maintenance, but we had a lot of ideas, but nothing concrete. And so what my goal was was to seek out a full audit of our campus. And when we first started looking into this and trying to piece it together, there was no way we would be able to efficiently and effectively do an audit piece by piece.

Joe Sanelli

And in the idea of being good stewards of what we had, we knew we had to do a complete audit, and that's when I was introduced to Building Solutions and a great partnership was formed. And we were able to bring them in and do a complete assessment of our campus, every asset we have, every safety feature, things of that nature. And so we were able to put together a comprehensive audit that not only let us know what do we need to do in the immediate, but what is that one, three, five, ten, fifteen year facility need? And we were able to with their help, as they put together for us the financial costs associated. So we were able to not only put together a strategic plan of what needed to be done, but be able to look at it from a financial perspective and to see what we needed.

Joe Sanelli

And we certainly learned, as I'm sure anyone that's a part of this webinar or anybody in ministry realizes, that people don't like to just keep the lights on. They are good investors, they wanna know where their money is going. And this was a tremendous tool for us to be able to say that we had experts come in, evaluate every part of our campus, and be able to provide us hard data that we could put in front of them and say, that we need to raise this money for this reason. And we did our work on our campus. We immediately started putting these things in place and immediately starting to use the information to better our campus and use our dollars wisely.

Joe Sanelli

And then we also have a Church Mouse, which is our retail shop, which is relatively close to the church. And so we were able to bring Building Solutions back in to do a full assessment of that building as well and provide us much needed information there as well. And so now we have a very strong understanding of what our needs are, but more importantly, how we can set our financial goals, our strategic plan with all of that in mind. And that's what we've been working on up to this point.

Tom Franz

And, Joe, let's talk about our little, our roofing exercise. Yes. Think I came to visit you. We had done the audit for maybe four or five months, and I just was coming through Palm Beach. And I think I said, hey.

Tom Franz

Let's go get lunch. And I think when I walked into your office, you maybe had a roofing vendor, or we were delayed because there was a roofing vendor there. And, as part of that, I said, well, have you talked to Shannon, our roofing expert, about this? Has he helped write the RFP, or has he given any feedback on this? And you're like, oh, no.

Tom Franz

I kinda forgot about that. Right?

Joe Sanelli

Yeah.

Tom Franz

And I think you got a couple proposals. We shared them with Shannon. Right? And help me remember, did we then write an RFP for you after that that we then issued to some folks?

Joe Sanelli

Yes. You provided the outline, all the information for us, and this was an absolute tremendous asset to us. We so the building the roofing needs were identified during the audit that we needed to do the roof. And not obviously being a roofing expert, I'm looking for companies, didn't know what direction to go, what questions to ask, what were the key information, and what were even the hidden terminologies, if you will, that we needed to know about. And so being able to use the expertise with Building Solutions, they were able to provide basically an essential talking points that I was able to go back to each contractor so I knew that we were getting apples to apples comparisons from each contractor because we've we ultimately, once Shannon reviewed, realized each contractor was doing something different.

Joe Sanelli

So we were able to narrow it down to get apples to apples so we had a hard comparison of each contractor. Then I was able to send those to Shannon to review, and he was able to narrow that down to just two contractors. And we dialed in on

those two contractors, and we even went into the contract with them, the verbiage that should be in there, the protections for the church, including the warranty details. And so it was so valuable to us. And from that, we were able to pick a contractor that met all the specifications, answered all the questions, and had all the protections for the church.

Joe Sanelli

And then when all was said and done, we were able to get a final response back. And now in the process, we have our roofer. They've actually started the roofing prod project, and I can see the things that I didn't even know to ask for playing out in this project. And now to also have the expertise to be able to go back through the process, ask questions, and to monitor the work that's being done. And we never would have been able to do all of that.

Joe Sanelli

And I look back now at what some of the other contractors were presenting, and we would have left ourselves open to serious problems. And the fact that even just like I said, the wording for the warranty that Shannon provided us wording to go back to them, and those contractors went back to the manufacturers with those questions. And the manufacturers supplied more information and more warranty documents and more warranty length based on the information that we had that I never would have known to ask those questions. And so now we're able to know that that's underway, we've also been utilizing the expertise now with our HVAC. And, again, going back to the audit, the information that was presented to us, and figuring out how do we start asking those questions.

Joe Sanelli

And I think one of the questions that's come up in the chat as far as the strategic plan and the strategic plan for us and and the strategic plan I've always done for schools, facilities is always a part of it. So when we're talking about the strategic plan, we're

saying that facilities, your campus management needs to be a part of that overall strategic plan. You can develop a strategic plan, just a facilities plan as well, but we're referencing that in terms of your total strategic plan of what needs to be accomplished and what are those strategic initiatives that you're looking to accomplish in the next year, three years, five years, ten years. Somebody else did ask, and we can get to this a little later talking about the cost associated and how this process then starts out.

Joe Sanelli

So we can react to that. But that's a little bit about how Building Solutions not went beyond the audit. And I will also say, a critical important part of it is the ability to partner with them far beyond for the expertise working with our speaking to our vestry, explaining it to them so that it's not just me passing on second and third hand information, but being able to have them give a breakdown of that audit and what all is involved in it, to provide further buy in from the the Vestry and the finance committee for them, for that purpose as well.

Tom Franz

Yeah. And we may get to the various types of audits. I won't jump there right now, but there are three different kinds of ways of gathering this data. One's called a reserve study that typically is done by HOAs and and, country clubs and the like that just is financial data. The second is a property condition assessment, which is really what real estate owners use, not different than what we use home inspectors for to figure out, like, is there does it does it need a new roof, and can I discount the cost of what I'm gonna pay for the house or ask them to replace it?

Tom Franz

And then last is a facility's condition assessment, what we call facilities audit at Building Solutions. That facility's condition assessment gives you both the financial data that is really important for the planning, and figuring out funding, but it also gives

a condition report that is useful for the facilities operators. So you get really two different strands of data and information that serve two different purposes, all focused on your facilities. And I will say that the story that you just shared, and I forgot all the depth and all the stuff that Shannon had done for you all, which, you know, makes me feel warm and fuzzy. But, it is that technical expertise that we just lack, as, you know, folks who are focused on something other that are mission centric.

Tom Franz

And while the building is mission centric, it's not, as I said, what I learned in head of school nor what typically priests and rectors learn in seminary about the facility. And so when you're replacing a complex roofing system or HVAC unit, all we can do is rely on vendors. And we don't do it, as I said earlier, with our, with our legal counsel. We've got somebody to call and mitigate risk and make sure that the brand and and we're protected in all kinds of ways. And it's interesting how we assume that the facilities director will just have a guy.

Tom Franz

And I think I may get to a slide that talks a little bit more about that. Let's see.

Joe Sanelli

Somebody had asked the question, how do they convince the Vestry that this is money well spent? And, what I will tell you is if you were to bring an HVAC expert in and then a plumbing expert in and a fire and safety person in, the amount of money that would be spent on all those alone makes a comprehensive audit worth it. But it's also the fact that to be good stewards, we need to put every dollar to use in the right way. And I'll give you an example with Bethesda. We talked a lot about air conditioners because that's what everybody here in Florida means a lot.

Joe Sanelli

So, it was common every year that there would be money put into the budget for replacing an air conditioner, but we had no idea if the air conditioners were gonna need to be replaced that year. The roof was never even discussed. Nobody knew anything about the roof or ever thought about the roof. And so from this audit, we found out that the roof was our most critical need in the immediate and realized just how much the roof was failing. And had we not found that out and just continued course with the things that we could see or the things that we thought we knew about the facility, the amount of damage that would have been done because we found out recently just how critical the roof was.

Joe Sanelli

I mean, we had the hard data that told us, and now we're seeing it with our eyes now that we've gone out on the roof and looked at it. But that's where this is just such a valuable tool because you don't know what you don't know. And this is what Building Solutions does. They come in, and they let you know what you don't know. And they're the experts to look for that.

Tom Franz

Yeah. I think the way I've described it is how my father described a good accountant. Right? If we're doing our jobs really effectively, we are both saving you money and paying for ourselves. And I think I would suggest that with Shannon's input on that roof, we probably paid for the audit in spades and maybe way more because if you had the wrong roofing system put in, you'd be going back to redo that five years from now because it wasn't working properly.

Tom Franz

So I think really having the peace of mind that you've got the right thing and also making sure that you're getting the best value for the dollar and you're not spending money on something that isn't worth what you need to pay, or having to repeat stuff. It's really common that we get stuff put in and it doesn't work when we don't have the

technical expertise connecting to it. So the data collection, as we think about it, really, you know, it's an inventory of what you have on your campus, as part of your church or organization. And it really is a comprehensive inventory, and I'll show you what all those things are here in a minute that are included in that. But it doesn't just include an inventory.

Tom Franz

It includes two really important pieces, which is your maintenance backlog, which we call deferred maintenance stuff that you should have done three or five years ago. And my guess is, if you're deeply involved with the facilities at your church, then you know that you have some of that. You can probably name three things right now that you should have done three years ago that you haven't yet done. That's true for most of us. And then there is the capital forecast.

Tom Franz

So not the stuff that's backlogged, but the stuff next year, five years, fifteen years from now. What are we looking at needing to replace down the road, and how are we preparing ourselves so that we can afford to replace those things in a timely fashion and be ready. And that really comes with what's called a reinvestment reserve. So the data, the comprehensive inventory, this combination of a maintenance backlog and capital forecast would tell you how much money you should save every year in order to build that pot of money, knowing that you may only spend a small amount in years one, two, and three, but you've got big expenditures in other years. And we tend to just say we've got a $100,000 to do projects this year regardless if we needed $40,000 or if we needed $200,000.

Tom Franz

We just have $100,000 and we're here. And it's really not very thought out without that comprehensive inventory, and it all should be reconciled back to your campus or master plan that's part of it. And these are the scopes that come with the facilities

audit. There's four major scopes, the site. Sites, depending on how, how large your campus is, can vary.

Tom Franz

They can be extraordinarily expensive. I've been in part of schools that had 142 acres on their campus and 11 buildings, and I was head of a school that had one building and was on 4.6 acres. Two acres was land leased from the city. So it was much different site challenges at the small campus than a big campus. But there are certainly the site issues of paving, drainage, landscape, playgrounds if you've got them, any other kind of equipment that's outside.

Tom Franz

This would be all the stuff that isn't connected to a building. Then when we think about the buildings, we think about the roofing systems, which is the most expensive of these as Joe was just talking about. The envelope really refers to the exterior siding of the building, the windows, the cladding on those windows, and glazing as well as any kind of siding that you have, brick, if there's mortar tuck pointing and the like. We're evaluating all of those. Elevators, you've got them.

Tom Franz

When I got into this line, this company, I realized that elevators are also referred to as vertical transportation, which is a new one for me, and then interiors. And I think interiors is one of those that can be very expensive and also is probably one of those that could be deferred responsibly relative to other things. I've I've I've joked with lots of folks that I was part of an all boys Episcopal school for twenty one years, and the bathrooms hadn't been renovated from the nineteen fifties. Right? And nobody cared because it was a boys school, and it just was what it was.

Tom Franz

And so they're clearly saying to save some deferred maintenance around that. The third scope is really around code, code issues, and churches have some exemptions, for code some code stuff, but codes like safety stuff. If you've got fire protection, fire prevention, fire suppression systems, fire alarms, or other kinds of emergency alarming, that happens on your campus for any kind of emergent issues, be they weather or human, instigated, are all part of that code life safety, area. And then the MEP, the m is mechanical, but most of us think of it as HVAC, the electrical and plumbing. And the HVAC is another really big number.

Tom Franz

And and as Joe said, depending on where you are, that can be a really, intense challenge for the organization of the church.

Joe Sanelli

And I will say the scope of the audit is one of the greatest values to it. So for instance, with Bethesda, this is not likely the case with maybe most of the people on this webinar or most people most churches in general. But Bethesda has two very large koi ponds, and it's something that is a part of our history, and people come from all over to see our koi ponds and our gardens. But when we had Building Solutions here to do the audit, one of the things they evaluated was our koi ponds and the plumbing and the systems with our koi pond. And in fact, they identified that there were problems.

Joe Sanelli

And no sooner, probably a month after they left, that the systems failed. And it was the fact of just long, long overdue deferred maintenance, and it was identified. So I'm sure not all of you are gonna need Building Solutions to come check out a Koi Pond, but that's just shows you part of the the the comprehensive nature of this that it it also included just pointing out safety issues like carpeting that was that was bubbling, that was a tripping hazard. So it provided us a lot of information in a lot of areas so that we

could evaluate. And then they take all those areas and they break it down as to here's your critical your your top three, top five critical things that you need.

Joe Sanelli

And they may be very, very different things. So in our case, one of them was a roof. One of them was the koi pond. So two very, very different ends of our facility. But without that knowledge, we never would have entered into and invested the money as we have, in a very critical way.

Tom Franz

Yeah. It's interesting. You said koi pond, and you said roofs. And I think earlier, you said neither of those were on our radars. You had HVAC and other issues that were on your radars.

Tom Franz

Even and they're certainly important, but probably not as urgent as maybe the other two were. So then we get to the, and you may if you have other questions there that you can see, Joe, that would be helpful. But the database, sorry, all that data is put into a database that can be uploaded into a computerized maintenance management system if you have a work order system and the like. But this really just shows you how it's kind of organized. And, you know, you may not be able to read this, but, hopefully, you can if you come back to see the video.

Tom Franz

But the first two items are site items, and it's really talking about planning a playground, artificial turf replacement that might be around a playground and what that's gonna cost and when it comes due. And you can sort this in your database by just '25, '26, or '27, And then you can actually look and see what are we gonna have

to to budget for in those given years coming out of your reserve, not out of your annual operating budget, which is, I think, how lots of folks do that. And this would be you know, Joe, I don't remember for you, but I imagine there's about 80 or a 100 items on the spreadsheet that have this kind of information. And then there's also a narrative that describes each one of those conditions more thoroughly and has photos connected with two of them in a photo log that are really helpful for the facilities operators, for sure. And then we roll all that data up.

Tom Franz

This is more for the vestry level folks. The full database is really what the facilities director, parish administrator, finance director would be working with. But what, you know, you really wanna know is kinda how are we with our various buildings, and this is a facilities condition index score that just uses a ratio against your insurable value. And if it's 5% or less, it means you're in good shape. If it's five to 10, it means you're fair.

Tom Franz

If you're between 11-30%, we think it's a poor condition and poor can shape, and you need a lot of reinvestment, probably a lot of deferred maintenance. And if you get above 30%, the commercial real estate industry would tear it down. And this is not our facility condition index. This is kind of the commercial real estate index that goes along with that. And yet, it may say tear it down, but we all know that in our kinds of mission centric organizations, it may have a family name on the building that we would never tear down that building.

Tom Franz

That family has been too important to our organization. They continue to fund and be generous givers to the church, and so we would not do that. This is just a way of getting an overview as to what that might look like. And then here's kind of the short term needs that Joe was referring to. This also can come by building, but most

importantly, to be able to see kind of the forecast for the next three years of what's out there, what needs doing.

Tom Franz

I always like to, on this particular one, pull up the roofing numbers because there's a good size number there for the next three years of 1 and a half million dollars. Sorry. Of yeah. 1 and a half million dollars, $1,480,000. And, but could we postpone, defer responsibly the roof that's supposed to be redone in 2026 and make it last for another year if it's not doing significant damage?

Tom Franz

And might we push 2028 up a year and replace all those roofs at the same time and maybe have some cost savings as a result of that? Because you've got roofing coming out once. And so this is just really good helpful data that helps you think about and plan for the financial needs of the organization.

Joe Sanelli

And I will say that's in our case, that is exactly what happened. We identified we in this process of the audit, the roof was the worst, but then we looked at the cost analysis of replacing the roofs further down the road, and we were able to get far better value out of doing what we're doing now. And I I will say also in this area, somebody had asked a question between a facility audit and capital needs audit. And I think far too often, the facility audit is just what we're looking at immediately in the short term. The capital audit provides us with what we're looking at in the next three, five, ten, fifteen years.

Joe Sanelli

But I and for many ministries, know that it's hard when you get to that point. Everybody wants to think about, k. Next year's budget. We just gotta get through next year. What money do we have for next year?

Joe Sanelli

And this really helps. This information really helps with finding the donors that are interested in the preservation of your campus and your and your church building, your school building, and seeing that process beyond this year and the value in that. And that's what I think this information can provide for everybody in that way.

Tom Franz

Yeah. Somebody asked, how do you find a business who will do it? Well, you're, you just found one. We're in 44 different states. So, you'll get my contact information at the end of this.

Tom Franz

And there are others for sure that do this, but I would highly recommend that you get a facilities condition assessment of facilities audit done. The next piece of this, I think, Joe was just alluding to is taking that three year kind of immediate outlook, but then rolling it out, over the next, fifteen years, and making sure that you have an understanding of what that is. And this is done sliced two different ways. One is by location, the buildings, and then the other is by the building system. You can notice what each one is and comes up to about $6,000,000.

Tom Franz

And the way that I thought about this as a head of school and our finance committee thought about this as a head of, was that we've got $6,000,000 that we need over the next fifteen years. If you divide that by fifteen years, now you come up with a

number of whatever that is. I'm gonna say, half a million dollars a year and or maybe less than that, maybe $400,000 a year, and that is what we would put aside into a reserve every year for $100,000. And then we would take whatever we needed from that reserve. In some years, we only needed $125,000.

Tom Franz

And then we put another $400,000 in, and now we have $700,000 or $675,000, and we only need $150,000. And then we put another $400,000 in, and now we have $1,200,000. And we have a large HVAC cooling tower or plant that goes down, and we need a million dollars to replace it. And that's really the thinking is that when you're replacing these things or creating reserves, it's really around those things that you're going to need, not what's gonna necessarily happen this year as part of it.

Joe Sanelli

And I think when we think in terms of this slide, I would often say to my boards in the past, if we don't plan for our building ten years out, the building may not be here in ten years because we were constantly just doing the little pieces that were needed. And I think, ultimately, the goal in this webinar is for everybody to make a change and rather than budgeting for how much duct tape and chewing gum you can you can get to hold your building together, but rather to use those dollars wisely in a good stewardship manner and spend every dollar wisely on your campus to get the maximum return. And that's that's really what this plays out to be is the long term investment, a very short a very small price to pay for this long term solution.

Tom Franz

So we're kinda back here again. I thought I had one more slide that talked about the way in which I do this presentation about facility stewardship pretty often. I was at the Southern Association of Independent Schools, which accredits schools in about 17 states and Mexico as well as some of the island nations. I was on with their new heads two weeks ago and had this great slide that really talked about endowment

management. And when we have an endowment that we're managing, the finance or investment committee is not picking stocks.

Tom Franz

They have clear policies about investment. They have clear draws, and policies around what the draw is going to be. They vet the various investment managers who they've hired that they're paying a fee to every year to manage this money, and then they compare them year over year to one another and see how they did to the general markets. And oftentimes, that's an endowment that might be two or three million dollars. And we have a lot of focused attention on preservation and how we can utilize those dollars with a four and a half percent return rate and spin off rate to support the operational budget.

Tom Franz

And when we talk about facilities, which is for almost all of us, the largest number on your balance sheet, you might have a $2,000,000 endowment, but you have a $8,000,000 campus. We tend to ignore that, and we assume that the facilities person is gonna have a person that they can call to get this information from, and it's almost always a vendor. And that, I think, is where we can fall into challenges and problems and end up, I think, Joe described with the roofing exercise, you end up with stuff that isn't really what you need or is, undeserving what you need, and that can create real financial challenges along the way. And, I think it's that perspective that from facilities oftentimes is how can we figure out what we're gonna spend each year, not a good way of thinking about it, or how can we spend as little as possible? Where our goal is to run these things beyond their useful life, run them into the ground, and get them fixed.

Tom Franz

And as nonprofits, we certainly wanna get value and not overspend. But oftentimes, we have folks that are spending thousands and thousands of dollars fixing something

that is just a Band Aid, and they're better off reinvesting that in something new that can be taken care of and tended to well.

Joe Sanelli

A couple of questions to hit on before we run out of time. One of the questions was, does Building Solutions work with churches that are considering expansion?

Tom Franz

Yeah. I mean, that's a great question. We serve, as I said, owners representatives as well. So we do take care of what you've got with technical expertise. And then if you're thinking about renovation or building new, we do.

Tom Franz

And I didn't put all the slides in here that start with kinda campus planning to the predevelopment phase where you kind of get how much bigger your expansion is. Are you gonna build a new church itself in a different location? Are you talking about building, a a larger, flex space for the community? What does that look like? And you just get a number of square feet in the dollars with it, and then it moves on from there to the kind of predevelopment, preconstruction phase where you're doing actual drawings that put all that on there.

Tom Franz

And what we do is we help the owners. We help the church, the vestry, actually, with the expertise to make sure that we're vetting, we're getting the right kinds of architects to do that work, and we're getting the right GCs to do that work. And then we're helping supervise them. And I've got great stories about owners, reps, in my experience. I had a facilities committee that decided to make this recommendation about a center for community in the arts, and one of the three developers on that

committee who made the recommendation to the board said to me after we kind of celebrating the idea that we're gonna make this recommendation to the board.

Tom Franz

He said, Tom, now you know what the first thing you're gonna do is. Right? And I said, yeah, Pete. I'm gonna go raise money. Like, we got some money to raise.

Tom Franz

And he said, no. That's the second thing you do. The first thing you do is hire an owner's rep who has the technical expertise and time to do the things that you, your CFO, your facilities director doesn't have time for. He said, I'm a developer. I would never try to manage this on my own.

Tom Franz

You're gonna need that because you have a full time job. You already have a full time job, and that's what is necessary. And, again, we have a guarantee around that that we will pay for ourselves and save you money, and we track all of that as owners reps to ensure that that the value that you're getting is actually, saving you money, not costing you money at the end of the day.

Joe Sanelli

And I think one of the other questions had to do with what are we? What do you look for in selecting a company to do your audit? And I can tell you for Bethesda, we were looking for a company that indeed had individuals with expertise in the various areas, not just one person coming in that would evaluate multiple things and had some knowledge here and there. So we were provided, here are the people that are gonna be on your audit team. Here's their background, their experience, their areas of expertise so that we knew going into it that we were gonna have all these areas

covered by specific individuals. Then we had the opportunity to sit down with the team and talk to them and hear from them as as they were getting ready to do their audit and the various areas they were gonna be looking into.

Joe Sanelli

So it's extremely important for you to have an organization that has a variety of experts that can evaluate more than just one or two individuals. Another question came in asking, Tom, would you be willing to speak to the church's executive committee about what you do and how important it is to do an audit.

Tom Franz

I do these all the time, for schools and churches, and, really, I'm not coming, so much as a salesperson from Building Solutions. I'm coming as a former head of school who has had to wrestle with the very problems you have wrestled with in making a presentation around stewardship of facilities as it pertains to your financial sustainability, and there's business modeling as part of that. And I'm more than happy to do that. I know my, my, other partner development buddy would be happy to do the same, and make that presentation. Joe Swimmer, who introduced us today, I introduced Joe and the folks at the National Association of Episcopal Schools a few months ago because I think there are really important synergies between churches and schools.

Tom Franz

And I think we've missed out on that opportunity because I think schools have done a lot of work around facility stewardship, and churches have an opportunity to learn from the schools and vice versa. And we also have parish day schools where you've got a church and a school, and they're trying to live in harmony and bringing all of this together to talk about how this works together and how everybody has a role in it. I've made presentations to parish day schools, both the church and the board at the same time to help everybody get on the same page for what really needs to happen

because it's such big numbers and expenses, and it has to be well thought out and planned. Otherwise, we all just end up in a really tough place, financially as well as the relationship that can be bruised and difficult between leadership of the church and leadership of the school. Happy to do it.

Joe Sanelli

Yeah. And I think we're again, where it all begins with that conversation of how important our facilities are to our mission and the important part that they play. And if we are being good stewards and using every dollar efficiently when it comes to facilities, then that ultimately turns around and and is more money that we have for doing the program part of our ministry and to have the proper personnel and so forth. So it's such a big number in our budget. And sometimes we just take it for granted that this is what we're gonna have to spend, and we just write it in.

Joe Sanelli

But to know that every dollar in that line item is being maximized because we now have the knowledge that we didn't have before that chips away at how much money we need to be spending on these things as we go on. And that's really where Bethesda has seen the tremendous value because we've looked at the replacement that we are doing now and how much that is gonna pay for itself in the very short term, and then the amount of money that it's gonna save us in the long term that we are hoping to then reinvest back into the program ministries and to the outreach that Bethesda does.

Tom Franz

Well, Joe, I just wanna thank you for partnering with me on this. You guys are doing great work, and I know it's not easy, but the data certainly is helpful. I appreciate your partnership. I wanna thank Joe Swimmer and Laura again for hosting us, and thank you all for listening and joining this important session. I do think that facility stewardship is something that our nonprofits don't do very well, and it's one of the

reasons why I'm doing this now is I feel like as an educator, I have the opportunity to to support folks in doing something that is really important, as Joe just described, as not only mission centric, but really expensive, and try to get our arms around some things that are gonna help our organizations be more financially sustainable and successful going forward.

Tom Franz

So thank you all for joining us. I appreciate it. Have a great day.

Joe Sanelli

Thank you.