

St. Paul's Episcopal Church
Vestry Meeting Minutes
August 10, 2026

PRESENT: The Rev. Caleb Lee (Rector), The Rev. Deacon Nick Kohlmann, Barbara Ellington Banks (Rector's Warden), Steve Bucci, Tori Cannon, Karen Day, Mait DuBois (People's Warden), Shelley Jonik, Anne O'Dell (Clerk), Cecelia Peers, Scott Sheble (Treasurer), Rhonda Stroud, Leon Tillery, Brad Van Amberg, Frank Wolf

OPENING PRAYER: Fr. Lee called the meeting to order at 6:00 p.m. and invited our deacon to lead the vestry in prayer.

APPROVAL OF JUNE MEETING MINUTES: Karen Day moved to approve the vestry meeting minutes of June 15, 2026, and Leon Tillery seconded the motion. The vestry unanimously approved the minutes, redacting from the public copy the name of the individual previously referred to the police for trespassing.

RECTOR'S REPORT: Fr. Lee reported that worship attendance dipped in late June and early July but has recently rebounded. He thanked the choir and worship participants for their faithful service throughout the summer. The Source has officially closed in preparation for construction; its close-out sale was successful. Fr. Lee thanked Rhonda Stroud and her volunteer team for their dedication to this ministry. It remains uncertain whether or where The Source will reopen after construction, and a new manager will be needed following Rhonda's resignation.

Fr. Lee reported that there have been some livestreaming issues over the summer, caused in part by a bad black box and low bandwidth. Jonathan Graves, the church's IT consultant, discovered that St. Paul's uses Spectrum's lowest tier of service, so an upgrade may help. We are also considering a switch to AT&T for its fiber-optic service.

Allan Dolman agreed to serve as pre-construction coordinator. He and the GNP spent the summer moving, sorting, storing, and disposing of items from areas that must be cleared before construction begins. In late June, St. Paul's cohosted a successful week of Summer Arts Camp with St. Andrews-On-the-Sound at St. Andrews. Special thanks were extended to Meaghan Thomas, Isaac McDowell, Nick Kohlmann, and volunteers from both churches. The following week, a group of youth and adults traveled to Glory Ridge for a work-filled and faith-affirming youth mission trip. This past week, Isaac and Nick organized several youth events, including a trip to Isaac's parents' home in Conway, SC; service projects at 2Share and the Diaper Bank; church tours of First Presbyterian, St. Mary's Basilica, and Grace United Methodist; and a visit to the Miracle League Fields.

The staff held a major program-planning meeting in July. The new program year will begin on September 13. The website is coming along, and hopefully its launch will coincide with the start of the program year.

We are grateful for the anonymous donors who stepped forward to fund the comprehensive computer replacement plan discussed at June's meeting; new staff computers have been purchased and installed. The phone system at St. Paul's is old and obsolete. We are switching to a VoIP (Voice over Internet Protocol) system. We need 3 locations in the church to dial out and receive calls. The decision has been made to locate the phones in the Narthex, the entrance to the Princess Street doors, and the kitchen. We can add more phones if it proves necessary.

Fr. Lee received a call from the diocese asking him to consider training seminarian Mike Roberts. Mike is in his 3rd year of study, training to be a bi-vocational priest, and needs a field education placement. He will work 8–10 hours per week as a lay person from September to April and be mentored by Fr. Lee and Nick. Fr. Lee expects to approve the placement after meeting with Mike to confirm it is a good fit, provided the vestry has no objections. None were voiced.

Nick's ordination has been scheduled and planned. He will be ordained along with the two other transitional deacons from the diocese on December 12 at 11:00 am at St. Mary's in Kinston, NC. We will host a festive reception for Nick following his first celebration of the Eucharist on December 13.

Because the vestry did not meet in July, Fr. Lee provided a brief construction update. Asbestos remediation began in preparation for construction of the narthex bathroom. The asbestos contractor discovered that the church's entire crawl space, including the area where the plumbing was to be routed, contains a very hazardous type of asbestos. Remediating that area would take four to six weeks, require removal of the HVAC ducts and installation of a temporary HVAC unit inside the church, and cost at least \$100,000 for asbestos remediation alone. The contractor proposed an alternative plan, which St. Paul's accepted. Under this plan, the steps on 16th Street will be removed and later replaced so the plumbing can connect to the sewer line on 16th Street. This approach will cost slightly more than the original quote. The approved contract includes contingency funds for necessary changes of this kind, so no additional vestry approval was required.

Several weeks ago, during Adult Faith Formation, Nick did a presentation on Bibles. He shared a large Lutheran Bible from the 1840s that did not belong to him, and it has disappeared. We are hoping it will turn up. Please keep an eye out for it.

PEOPLE'S WARDEN REPORT: (Submitted in writing prior to the meeting)

Construction Update

Asbestos remediation started on 6/29/26 & completed on 7/6/26. Removed 260 bags of contaminated debris (pipes, asbestos, PVC, ductwork, tank, bricks & misc. debris).

7/15/26 - Meet with Norman Chambliss, Caleb, Bob B and Chambliss field personnel. Decision was made to not lay sewer pipe in the asbestos contaminated crawlspace. Current recommendation is to remove 16th St steps, lay sewer line from Narthex bathroom to known 16th St existing sewer tie-in point, replace steps and replace broken sidewalk slabs. This option will be much cheaper and faster than the original option, but will require permits from Historical Preservation, ROR, Sewer Dept & Engineering.

Discussed repairing cracks in interior church floor while working on ramp, no action taken. For ADA compliance, ramps will have carpet runner with rock edging.

On 7/21/26, met with Dale Haynes regarding stucco repairs. Dale recommended we remove a small area of interior stucco to reveal the bricks below the loft windows. This will help determine the source of the exterior water influx and extent of interior damage.

On 7/23/26 met with Historical Preservation personnel to discuss necessary permitting for Narthex sewer tie-in, blocking/replacing sidewalk, and ROW requirements. I will submit the Historic Preservation permit & Chambliss will do other permits.

On 7/24/26, Atlantic Shores Environmental sampled for asbestos in balcony area. Lab results showed asbestos present, but below regulated limits. Getting cost estimate to have 2' x 10' area removed by professionals.

On 7/29/26, attempted to remove Japanese Maple and bush with the intention of removing roots blocking the drain pipe and also preparing for ramp construction. Dug to approximately 4'-5' and found water drain pipe, steel vent pipe and buried AC high-pressure line. Decision was made to not pull tree due to potential of damaging AC piping. Decided to fill hole and re-install fence. Project delayed until Chambliss ready to install ramp. They will be liable for cutting down tree and removed roots.

Chambliss researching portable restrooms to set in the parking lot during construction. Andrews was not receptive to parking restroom trailer on their lot.

Chambliss agreed to remove and save all doors and shelving we want to keep.

Outside door to storage room will not be relocated. Discussing options to eliminate permanent ramp at chapel door due to limited space and cost. Looking into a stair lift

GNP Update

GNP has completed moving furniture, books, equipment and misc. items from Library, old Admin office and 3rd floor Finance office. Completed moving items from the basement area where the #1 AHU will be relocated. Shrink-wrapped & boxed Christmas figurines. Dismantled 2 sections of shelves in preparation to moving #1AHU.

GNP completed moving all Archives records, equipment, furniture and consolidated remaining items left in the room to provide sufficient work area for construction workers. Also emptied small storage in basement to access to sewer.

Removed corkboards/white board, patched holes and touched-up paint in Nick's office.

GNP replaced 4-300 W bulbs (1 bulb has already failed).

Southeastern HVAC fixed church thermostat and repaired short-circuit wiring in AC unit and performed annual HVAC inspection .

Recent heavy rains flooded gym due to plugged window well drain. Had Roto Rooter run camera to find plug and used jetting tools to remove plug (tree roots & debris). Cleaned drain line to 16th St. Total Cost = \$1,972.

Bob contacted Duke Energy about trying to resolve our electrical issue concerns. They could not help, but did give him a number to possible sources of electrical problems.

Upcoming Projects

- Fix two pews with cracked seats and backs on 8/13.
- Fix leaking sink in basement.
- Clear hallway to improve access to AHU #1 (has to be moved for ramp construction).
- Clean debris from basement window wells & install new drain covers.
- Sand, stain & varnish window sill in stairways.
- HVAC weathered outdoor insulation needs replaced.
- Clean & paint Ormond back door.

Projects On Hold

- Have \$350 turnkey price to seal leaking gutters on east side of church.
- Repair damaged exterior Stucco (contains asbestos) caused by leaking gutters. Must be removed by abatement personnel. Cost Est - \$7,300.
- Have 3 bids to sandblast (offsite) & paint church signs (low bid \$750).
- Stein & Stevens estimated \$500/door to repair old Red Doors. Includes sealing top & bottom of doors, adding sweeps, and repairing any damage. Waiting on Silkwood for revised painting cost estimate.
- Shield Electric was not able to get a man-lift to remove center-aisle light fixture near the altar and repair. Also, will inspect condition of wiring. Will reschedule.
- Due to potential damage during construction installing new 16th St doors & Canopy are on hold.

TREASURER'S REPORT: Scott Sheble presented the Monthly Treasurer's Report, which compares the proposed annual budget for 2026 to actual year-to-date figures.

For the seven months ending July 31, 2026, St. Paul's reported total income of \$582,346, which is 54.5% of the total annual income budgeted for 2026 (\$1,068,275).

Total expenses for the same period amounted to \$556,517, which is 52.1% of the total annual expenses budgeted for 2026 (\$1,068,275). Salary & Benefits are running slightly under budget as are Ministries expenses. Both are expected to increase to more closely match projections. Business operations were on budget. Net income for the seven months ending July 31, 2026, was \$25,829.

Other account balances as of July 31, 2026, were reported as follows:

Wells Fargo Investments (Endowment Fund)	\$1,071,287
First Carolina Reserves	\$102,467
Wells Fargo Special Gifts	\$208,713

As planned, we have started to draw from Special Gifts to support operations, taking \$20,000 from the Richard Rhoads Fund and \$25,000 from the Anonymous Gift.

Scott reviewed the status of the capital campaign as of July 31, 2026:

Total Pledges (2024-2027+)	\$1,645,115
Total Gifts	\$657,192
Total Pledges & Gifts	\$2,302,307
\$2.5M	92%

We have raised approximately 92% of the originally projected \$2.5 million needed for Phase 1 & Phase 2 renovations. Outstanding pledge balances are \$0 for 2024, \$0 for 2025, \$264,737 for 2026, and \$166,667 for 2027 and beyond. There is a high level of confidence that the outstanding pledges for 2026 will be honored in full.

Since its inception in 2023 through July 31, 2026, the capital campaign has collected gifts, pledges and interest totaling \$1,972,434; total expenses amount to \$359,269 for net income of \$1,613,165. The bulk of these funds are kept in a money market account at Wells Fargo.

With no further discussion, a motion was made to accept the Monthly Treasurer's Report. Requiring no second, the vestry voted unanimously to accept the report.

COMMITTEE REPORTS:

Membership: The Membership Committee is co-chaired by Karen Day and Lisa Harney, working closely with Head Usher and Head Greeter. We welcome newcomers and guide them through the process to membership. As well, Membership plans events to help old-timers forge new connections and to embrace newcomers into the church family.

- Transfers in since January 1, 2026: 8

NOTE: At this point last year we had 16 new members, double what we have this year.

- Prospects

Definition: Newcomers or visitors who have signed the guest book or filled out a visitor card

of Current Prospects: 40; in consultation with ushers and greeters, this list needs to be trimmed again (last trimmed in May)

- Events

- Monthly dinner groups: This year we have 64 participating in 8 groups, up from 40 participants last year. Dinners began April 19 and will run through next January or February. I check in to make sure the groups are meeting on a regular basis.

- Fall newcomers' social: To be planned

Capital Campaign/Building Process: See the Construction Committee Update below.

Stewardship: The theme for the upcoming campaign is All Things New. The new steeple logo will serve as the campaign logo.

Community Ministries:

- Delivered \$3,000.00 to support Good Shepherd's ongoing programs in Wilmington,
- Delivered check for \$750.00 to 2Share for our support of their operational needs.
- Contacted Nourish NC about 2026 cost per student for Backpack Buddies. August donation will allow St. Paul's to reach a significant milestone.
- Spent several days taking Nick around Wilmington to meet

Human Resources: Nothing significant to report.

NEW BUSINESS:

Diocesan Convention Delegates: The Diocesan Convention will be held November 13–14 in Goldsboro, NC. St. Paul's needs to submit the names of four delegates and one or two alternates. The selection process is determined by the vestry. Both wardens are unable to attend; Brad Van Amberg and Cecelia Peers volunteered to represent St. Paul's. Fr. Lee asked any other vestry members interested in attending, or wishing to nominate someone, to speak with him within the next week. If no one steps forward, Fr. Lee will find the additional delegates. A motion was made, seconded and unanimously approved by the vestry to proceed with Fr. Lee's proposed plan.

Discretionary Fund Apportionment: With the addition of the new curate, St. Paul's now has two discretionary accounts: one for Fr. Lee and one for Nick. After a brief discussion, Steve Bucci made a motion to approve the proposed division of the monthly loose-change offering 75/25 between the rector and the deacon, with the understanding that the rector will cover any additional needs requested by the curate. Cecelia Peers seconded the motion, and it was unanimously approved by the vestry.

OLD BUSINESS:

Curate Housing Allowance Declaration: Whereas, the Reverend Nicholas P. Kohlmann is compensated by St. Paul's exclusively for services as a minister of the Gospel, and whereas, St. Paul's does not provide Deacon Kohlmann with a rectory; therefore, it is hereby resolved that \$38,000 out of Deacon Kohlmann's total compensation is hereby designated to be a housing allowance, and it is further resolved that the designation of \$38,000 as a housing allowance shall apply to calendar year 2026 and all future years unless otherwise provided.

A motion was made by Steve Bucci to approve the Curate Housing Allowance Declaration. It was seconded by Barbara Banks and unanimously approved by the vestry.

Changing the designation of the Kauno Lehto Scholarship Funds: No action was taken on this matter pending further discussion.

CONSTRUCTION COMMITTEE UPDATE: The vestry welcomed Construction Committee members Mona Clites, Darren Jones, and Rob Nipper at 7:20 p.m. Mona directed the vestry's attention to the Renovation Cost Estimate submitted by Chambliss & Rabil. Efforts are underway to further refine the numbers, but the bottom line is not expected to change dramatically. At present, the estimated Total Construction Budget, which includes a \$200,000 contingency fund, is \$2,204,766. Once the numbers are finalized and St. Paul's gives the go-ahead, a contract with Chambliss & Rabil will be executed. When asked, Darren indicated that the Construction Committee had thoroughly reviewed the Renovation Cost Estimate and was comfortable with it. Rob emphasized that Chambliss & Rabil is eager and ready to begin as soon as all hurdles are cleared. The exact start date of construction is yet to be determined.

Mona explained that the contingency fund will pay for unexpected costs that arise during construction. The process for reviewing and approving change orders has not yet been formalized, but in general, simple and straightforward change orders will be reviewed and approved by the Rector and the People's Warden. More complicated change orders will be reviewed and approved by the architect, the Construction Committee, and the contractor, along with Fr. Lee and Mait. Vestry approval will not be necessary provided the cost of the change orders do not exceed monies available in the contingency fund. Once construction begins, the architect, Construction Committee, and contractor will meet on a regular basis, serving as a system of checks and balances.

Mona also reported that the contractor has proposed a different approach to constructing the elevator shaft, which could potentially save money. This change will require a redesign from the architect and the engineers and will cost approximately \$5,000. Because we are not yet under contract with Chambliss & Rabil, Fr. Lee requested vestry approval for this change. The Construction Committee is recommending that we move forward with the redesign of the elevator shaft.

The vestry thanked Mona, Darren and Rob for the construction update, and they exited the meeting at 7:40 p.m.

After a brief discussion, Shelley Jonik made a motion to approve the Construction Committee's recommendation to engage the architect and engineers to redesign the elevator shaft. The motion was seconded by Cecelia Peers and unanimously approved by the vestry.

Discussion then turned to Capital Campaign finances. Lynne Rooks prepared a detailed analysis of total cash inflows and outflows to date, added estimated future pledges, gifts and interest, and then offset the estimated

future available cash against the estimated remaining cost of renovation. The projected shortfall in funding is approximately \$500,000. Note: this cost estimate does not include renovation of the Parish Hall.

Fr. Lee discussed plans to address the shortfall. Options to secure financing are being explored, and the Capital Campaign Committee will reassemble to reignite fundraising initiatives. Concerns were raised about the timing of a campaign to bridge the funding gap, making sure it does not interfere with this year's annual stewardship campaign. A question was also asked as to the reason for the shortfall. Fr. Lee explained that it is a normal part of any renovation process for cost estimates to be refined to more accurately reflect the true cost of construction as engineers and contractors thoroughly assess the specifics of the job. The cost of materials has also increased since the initial estimates were presented over 3 years ago, and asbestos abatement is proving more expensive than initially anticipated.

The vestry agreed on the importance of proceeding with efforts to secure financing and developing a targeted fundraising strategy to bridge the funding gap.

The next vestry meeting is Monday, September 14..

With no additional business before the vestry, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

Anne O'Dell,
Clerk of the Vestry