

DIOCESE OF FARGO

THE BUILDING PROCESS - The Role of the Diocese

PROCEDURES FOR THE BUILDING AND RENOVATION OF CHURCHES AND CHURCH PROPERTIES

Undertaking a remodeling or building project can be both exciting and frustrating. The decisions that are made about the renovation, remodeling, expansion, or construction of facilities will have a lasting impact on that community and its worship. The financial impact of a building project will also affect the life of the entity, possibly for many years.

The decisions made now will be part of history for a long time. With so much at stake, it is vitally important to use a sound process for making the best possible decisions. The Diocese wants to assist in establishing a process that will lead to wise and prudent decisions about any building or renovation project one undertakes.

Before beginning the building process, ***Bishop's approval must be sought***. An overview, in letter form, from the pastor is required and should be sent directly to the ***Bishop for his permission to begin***.

Coordination of all aspects leads to a successful completion. In that spirit, three "contact points" with different offices of the Diocese have been established as part of the building process. The goal of these contact points is to help the parish building and finance committees ask the necessary questions, make them aware of important issues, and address any potential problems early in the process.

First Contact Point: The first contact involves notification of the Bishop, Diocesan Finance Officer, Properties Manager, and Director of Liturgy when a project is being considered.

1. If a parish has not already established a building committee, it should do so at this time. The purpose of this committee is to establish and evaluate current and future needs of the parish, serving in an ***advisory*** capacity to the pastor. The evaluation may include communication with parishioners through surveys, open meetings, bulletin information, and pulpit announcements.
2. Once the parish needs have been established and evaluated, the pastor needs to contact the **Bishop**. Approval of the Bishop is necessary for any building project to begin. This initial notification simply informs the Bishop that you are beginning the process and that there is sufficient consensus in the parish. Initial comments on how the project will be funded are needed at this time. The Bishop will respond in writing to this request.
3. Cost / Contracts:
 - A. A building or renovation project (excluding Liturgical renovations – see below) with a total cost of \$9,999 or less can proceed **without** approvals from the **Bishop or Diocesan Properties Manager**.
 - B. After approval is given by the Bishop, any building or renovation project with a cost that exceeds policy limits [\$10,000 for smaller parishes; \$20,000 minimum for larger parishes], including projects with multiple payments adding up to or more policy limits, must notify the **Diocesan Finance Officer and Properties Manager** of their funding plans and project intent.

If the parish is exploring the option of building a new facility, the following items need to be

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included in the evaluation: a ten-year time frame analysis detailing needed major repairs and/or renovations to the existing facilities, including the cost; parish demographics for each of the last five years; and projected growth within the parish geographical area over the next ten years.

Once complete, the parish's building committee needs to present their findings to the Diocesan Properties Manager. If the estimated construction value for the project is over \$300,000, a formal presentation to the **Diocesan Building Committee (DBC)** may be required – this will be determined on a case by case basis.

- C. Any contract, series / group of contracts, or proposal for services exceeding policy limits must be **signed by the Bishop**. Also, contracts **CANNOT** be signed by the parish/pastor if they involve one of the following:
- The contract is for work requiring a permit, i.e., electrical, building permit; etc.
 - The project involves changes in the worship space;
 - All contracts for architectural services; and
 - All asbestos-related contracts, including abatement (removal).
4. When worship or sacramental space is first contemplated, contact the **Diocesan Director of Liturgy (DDL)** to arrange for an in person formal presentation. The presentation will focus on the theology, history, and / or liturgical needs to conform with Church teachings. It is vital the pastor review *'Built of Living Stones'* prior to the meeting.

Second Contact Point: When the project is in the preliminary design phase (meaning that the design is still at a very early stage, before any final concept drawings, and prior to the parish committee(s) voting to accept a particular design), three meetings must happen:

1. The **Diocesan Finance Officer** will work with you to ensure the fiscal viability of the project. This meeting will address issues ranging from the needs evaluation for the project, to the current financial status of the parish, to a five-to-seven year projection of debt service.
2. The **Diocesan Building Committee (DBC) and Properties Manager** will help the parish building committee with advice on designs, architects, contractors, the building process, etc. Preliminary design plans must be submitted and presented by the Pastor. The parish's design consultant is not required to be at this meeting. The **DBC** will submit questions and/or comments regarding the preliminary design to the Pastor with a copy to the Bishop. The Pastor and his design consultant(s) shall submit to the Properties Manager written responses to each of the questions/comments no later than two weeks after their presentation.
3. The **Diocesan Director of Liturgy (DDL)** will review the preliminary design with you to ensure that the design of the worship space(s) follows the directives of the Church and the principles of good liturgical art and practice. This consultation at an early stage can address many potential issues, in addition to providing suggestions for alternative ways of addressing your community's needs. The **DDL** will submit a summary of the consultation and recommendations to the **DBC**, Parish Pastor, and the Bishop.

Third Contact Point: Approval

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Toward the end of the design development phase, the building plans and financial report must be submitted to the **Diocesan Finance Officer and Properties Manager** for review. Once reviewed, two presentations are required and will be set up by the **Diocesan Finance Officer and Properties Manager**: one with the pastor, parish's design consultant(s), and/or parish's building committee to the **DBC**, and the other with the pastor and/or parish's finance committee to the **Diocesan Finance Council (DFC)**. The pastor, consultant(s), and/or committee members should be prepared to answer questions regarding design intent and finances at each of the corresponding meetings. The pastor and his design consultant(s) will be required to provide written responses to each of the **DBC's** questions/comments within two weeks following their presentation. Once responses have been received, the **DBC** and **DFC** will make a recommendation to the Bishop, **who must formally approve the project in writing.**

Starting in January of each year, the **DBC** meets every other month. Contact the Finance & Administration office at the Diocese to request time on the **DBC's** and **DFC's** schedules. You will need to gather ten (10) copies of the information listed below for the review and submit it to the Finance & Administration office one week prior to each meeting. This allows time for the **DBC** and **DFC** to review your project before you make your presentation and helps them make a more informed decision regarding your project.

The purpose of the **DBC** is to advise the Bishop. It is composed of pastors with experience in building projects, and with business/construction people from the Diocese. The required presentation will provide the **DBC** with the tools it needs to lay the foundation for a successful and community-strengthened building project. The recommendation from the **DBC** will provide the parish with a general overview of the process and some common pitfalls to watch out for, as well as some specific areas that need to be addressed in any project.

Information needed by the **Diocesan Building Committee**:

- a. Parish demographics for each of the last five years
- b. Projected growth within the parish geographical area over the next ten years
- c. Schematic / Design Development building plans - two (2) full size sets and eight (8) sets reduced to 11" x 17".

No building or remodeling project will be approved without stamped engineered drawings, including specs.

Information needed by the **Diocesan Finance Officer**:

- a. Financial information
 - i. current indebtedness;
 - ii. financial statements for the past three years including balance sheet, operating statements, and cash position;
 - iii. available year-to-date financials;
 - iv. 10-year income & expense projection for the parish including all debt service (existing, if any, special assessments, if any, and the proposed new debt service) and increased operating costs;
 - v. a revised 10-year income and expense projection as prepared in (iv) above assuming a 10% reduction in total revenues;
 - vi. projected parish reserves – restricted & unrestricted – for scenarios (iv) and (v) above.

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Flowchart for Renovation and Construction Projects

Parish Building committee formed to establish / review needs of Parish

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Letter from Pastor to the Bishop

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Written Approval from the Bishop

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Contact Diocesan Finance Office, Director of Liturgy and Properties Manager of intent. Pastor and Parish Building and Finance Committees prepare presentation of project needs.

Parish Building Committee:

- Meet with Property Manager.
- Select Architect (with approval of Property Manager and Bishop; *and DBC if over an estimated construction value of \$300,000*).
- Select Contractor using a negotiated contract (with approval of Property Manager and Bishop; *and DBC if over an estimated construction value of \$300,000*).
- Appoint a Liturgical Consultant (if necessary).
- Meet with *Diocesan Building Committee*, if required, to review needs / Master Plan.

Parish Finance Committee:

- Prepare initial financial projections.
- Develop fundraising plan and loan needs.
- Complete initial funding and financing plan.
- Make presentation, if requested, to *Diocesan Finance Council*.

Written approval from the Diocesan Finance Officer and Properties Manager for the funding plans and project intent

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Select fundraising consultant (if necessary – this step may be started earlier in the process).

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Fundraising Drive / Capital Campaign

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Revise Project Costs to fit funds that are raised.

Written approval from the Diocesan Finance Officer regarding funding and / or financing

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Schematic Design

- Building Committee, Architect and Liturgical Consultant produce schematic Drawings.
- Parish Comments on the design concept.
- Diocesan Building Committee reviews Schematic Design and Project Budget.

- Parish collects pledges.

Acceptance of Schematic Design by the Diocese Building Committee (with the Bishop approval)

Design Development Construction Documents.

- Building Committee, Architect and Liturgical Consultant develop construction drawings.
- Building Committee reviews construction drawings at 95% completion.

- Continue collecting pledges.
- Complete loan paperwork with Diocesan Finance Officer.

Diocesan Finance Officer approves cost estimates, cash flow and fundraising.

Stop Contract Documents until fundraising and /or financial plan is complete.

Written approval from Bishop to proceed with construction project

Construction Contract and Construction