



GROWING LEGACY

FOR THE GOSPEL

COUNCIL UPDATE TO THE
CONGREGATION

JUNE 15, 2023

In November 2016, Desert Foothills Lutheran Church (DFLC) adopted a policy-based governance model. At the highest level, the core tenets of this model are that a) the Voting Assembly of the congregation delegates authority to the Governance Council for the short-term and long-term direction of DFCL, and b) that the council works in partnership with the Senior Pastor to establish and manage the short-term and long term-direction of DFCL.

YOUR COUNCIL is comprised of passionate, dedicated, and knowledgeable individuals that collectively have over 75 years of experience in their respective careers. We are volunteers who leverage our considerable knowledge and expertise to help achieve DFCL's mission of Connecting People to Jesus. The current council members are Marlene Halden, Jay Jasper, JJ Kieley and Gwen Shaneyfelt.

Your council strives to be as transparent as possible with the progress of DFCL's efforts to deliver against our mission and to communicate the progress of DFCL's Legacy Building Campaign. With that desire in mind, we wanted to provide you with updates in key areas of the Legacy Building Campaign.

What is the Legacy Building Campaign and what has been approved by the congregation?

On May 8, 2022, Pastor Mark and the Governance Council presented a three-phase Building Campaign to the Voting Assembly. Phase 1 included a new Contemporary Worship Center and remodeling the preschool, Phase 2 included expansion of the existing Sanctuary and choir room, common areas between the existing Sanctuary and new Contemporary Worship Center and site work including the courtyard/cloister, Phase 3 included a new Family Life Center, gymnasium, youth room, classrooms, and new church offices.

Pastor Mark and the Council recommended that DFCL pursue Phases 1 and 2 and recommended deferring Phase 3 until a later time. A motion was submitted to the Voting Assembly to move forward with Phases 1 and 2 at a total cost not to exceed \$12,000,000. Funding for Phases 1 and 2 would be obtained by utilizing committed dollars and a LCEF mortgage not to exceed \$5,000,000 including DFCL's existing mortgage. This motion was approved by the Voting Assembly on May 8, 2022.

How will DFCL fund Phases 1 and 2 of the Legacy Building Campaign?

DFCL is blessed with a dedicated and passionate congregation. Through June 2023 a total of **\$7,991,777** has been committed towards phases 1 and 2 of the Legacy Building Campaign. Of this, DFCL already has collected over **\$4,296,500**. The remaining amount will be provided via a mortgage from LCEF, thus our non-stop work to reduce costs throughout this process.

How is DFCL managing oversight of Phases 1 and 2 of the Legacy Building Campaign?

Under DFCL's bylaws, the Governance Council may create and supervise ad hoc committees to assist in specific areas that are critical to the long-term and short-term priorities of DFCL. The Governance Council created the Building Team Committee in October 2022. The scope and purpose of the Building Committee includes the following:

- Interact with the architect, construction manager, and other construction professionals relating to the day-to-day aspects of construction.
- Advise and guide the building project during construction to enable the successful, budgeted, and timely completion of the building project as approved by the Voting Assembly.
- Communicate with and report to the Council regularly (at least monthly, or as issues arise) to keep the Council informed and to enable the Council to make decisions, or refer matters to the Voting Assembly, as necessary.
- Communicate to the congregation regularly to keep the congregation informed regarding the Project.

Like the Governance Council, YOUR Building Committee Team is comprised of dedicated, experienced, and passionate individuals with over 75 years of experience in construction management, architectural design, networking and information technology. The current Building Team Committee members are John Wendel (Chair), Chuck Krahl, Greg Billmyer, Alex Williams and Ethan Robinson. The chair of the Governance Council is a member of the committee as well.

How do the Governance Council and Building Committee work together to deliver the Legacy Building Campaign on time and on budget?

The Governance Council and Building Committee have a multi-pronged engagement model to ensure that the Legacy Building Campaign delivers against the budget and timeline that the Voting Assembly approved.

This engagement model includes the chair of the Governance Council's participation in all Building Committee meetings and the chair of the Building Committee providing regular updates to the Governance Council during Governance Council meetings and via email. With the recent vacancy of the chair, a new member of the Governance Council will soon join the Building Committee Team as an ex officio member of the committee.

Additionally, if any substantial, material, or significant decisions or changes in the Legacy Building Campaign are considered, proposed, or required, the Building Team will make a recommendation to the Council. The Council and the Senior Pastor will then collaborate and consider the issue, along with the Building Team's recommendation, and the Council will decide the issue in light of the Council's responsibility (with the Senior Pastor) for the planning of the near and long-term direction on the congregation. The Council will decide the issue and, if necessary, make a recommendation for presentation to the Voting Assembly.

What is the progress of the Legacy Building Campaign in terms of what the Voting Assembly approved in May of 2022?

There are several items that are actively underway as it relates to the Legacy Building Campaign, those items and their status are as follows:

Preschool & Playground Remodel - As you may have seen, Phase 1 of the Legacy Building Campaign is well under way with the remodeling of the preschool building and playground. In May of 2022, the preschool/playground remodel was forecasted to cost **\$230,124**. Through value engineering the Building Committee was able to reduce the cost of the preschool/playground remodel to **\$153,837**. Thereby delivering savings of over **\$76,000**.

Audio Video Lighting (AVL) – In May of 2022, the Building Committee forecasted that the AVL needs for Phases 1 and 2 would cost approximately **\$440,000**. After engaging three (3) separate vendors to provide specific estimates, the estimated costs of the AVL needs increased to **\$689,000**. This increase is primarily due to significant inflation of AVL components and inflation in installation labor costs. The incremental **\$249,000** will be offset by savings that the Building Committee and Governance Council have identified in the construction bids for the existing and new worship centers. We will not have to leverage project contingencies to offset the increased AVL costs.

Updated Construction Bids – The Building Committee obtained updated estimates from the general contractor in May of 2023. Despite significant inflation, the overall estimates of phases 1 and 2 continue to be below the total amount that the Voting Assembly approved in May 2022. The Building Committee plans to obtain final estimates for the construction over the next several months and, once obtained, we will provide you with updates once the final estimates are obtained.

How Will Governance Council Keep the Congregation and Voting Assembly Updated with the Progress of the Legacy Building Campaign?

YOUR COUNCIL is committed to being completely transparent with the progress of the Legacy Building Campaign. We plan to publish periodic updates in the DFCLC newsletter to keep you apprised of key developments and milestones. In addition, we have also created a new DFCLC email for the council for you to email us. Any emails that you send to this email address will email us all directly, and we'll respond back to you ASAP. This new email address is GovernanceCouncil@DFCLC.org. Finally, you can reach out to us directly at our phone numbers if you'd prefer to have a conversation and/or ask us questions. Our phone numbers are:

- Marlene Halden (480) 575-2709
- Jay Jasper (602) 301-4862
- JJ Kieley (707) 495-0480
- Gwen Shaneyfelt (561) 400-5034