



DIOCESE OF AUSTIN

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## **FACILITIES PLANNING AND MANAGEMENT**



## DIOCESE OF AUSTIN

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### **Policy on General Procedural Requirements of the Parish for Construction**

*Effective 2005*

When a parish anticipates a construction project the Director of Construction Prospects should be the first contact point. He will provide a Parish Construction Packet to help guide the parish through the process of designing, funding, and building the project. The information is based upon combined experience and intended to help the parish building committee with the nuances of planning, designing, selecting architects, and contractors.

It is essential that the parish work with the Director of Construction Prospects, Chief Financial Officer, and the Director of Development to follow the diocesan guidelines for the project. The parish will find their guidance and advice beneficial.

The Diocese of Austin, as the owner of property that has great value, has the responsibility to be a good steward of all assets entrusted to it. It is for this purpose that the Bishop asks parishes to follow diocesan policy and take advantage of the experts serving the diocese. It is the joint responsibility of the parish and diocese to see that all construction projects reflect good stewardship.

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. In the interest of the Diocese of Austin, all parishes and other diocesan entities are to follow the following steps in planning for and accomplishing all new construction, additions, alterations, remodeling, and renovation projects with a budget of \$25,000 or more or that require the services of an architect or engineer.
  - A. All projects must have approval of the Director of Construction Projects and the Chief Financial Officer.
  - B. Projects must comply with all local building codes and ordinances.
  - C. The contractor must have appropriate skill and experience for the project, must warranty his work, carry liability insurance, and workers compensation insurance.

- II. The pastor or the administrator (hereafter “pastor”) of the entity involved is responsible for pursuing the following steps.
- A. The pastor will meet with the parish Pastoral Council and parish Finance Council to determine, in the vision of the parish, if there is a need for new construction or renovations and how the construction will be funded.
  - B. The pastor will contact the diocesan Development Office if a capital campaign or other fundraising is planned or needed for this project.
  - C. The pastor will contact the diocesan Chief Financial Officer to establish a project budget and to schedule a diocesan Finance Council review, if necessary. The parish will submit the Financial Plan Analysis Summary to the Chief Financial Officer.
  - D. Members of building committees should be familiar with *Built of Living Stones: Art, Architecture, and Worship*. This guide, available from the U.S. Conference of Catholic Bishops, is helpful to those who serve on these committees.
  - E. Once needs are established, the pastor will form a Steering Committee to analyze the desires and the financial capability of the parish to proceed with the plans for the project.
    - 1. The Steering Committee should have representation from the Pastoral Council, Finance Council, School Board, Liturgy Committee (if worship space is involved), and the Stewardship/Development Committee.
    - 2. The Steering Committee should set priorities on the types of facilities to be constructed to ensure the pastoral plan of the parish is addressed.
    - 3. When a parish builds or alters an existing building, it must give the greatest consideration to improving service to the Catholic community.
      - a. Parishes must give the highest priority to the construction of facilities such as meeting rooms, multipurpose space, gathering space, administrative space, classrooms, and parish activity centers when embarking on a capital improvement plan.
      - b. Worship space should only be constructed or renovated when facilities (as described in § 3.a above) for the parish’s ministries are adequate.
    - 4. Funds dedicated to construct or renovate worship space, although built to the glory of God and inspiring to the eye, may be inappropriately dedicated if there are facility needs that will not be met in the parish for education, fellowship, recreation, administration, and other activities.
  - F. The findings of the Steering Committee will be presented to the Director of Construction Projects and the diocesan Chief Financial Officer for approval of the program, budget, and funding.

1. After receiving this approval, the parish may start architectural master planning and schematic design following appropriate guidelines and budget.
  2. At this time the Parish Building Committee should be formed.
  3. The Steering Committee has completed its work.
- G. The pastor will select a Parish Building Committee and chairperson. The task of this group will be to make decisions regarding the architectural design and to see the project through its conclusion.
- H. For projects that include worship space, the parish or its architect/engineer must employ a liturgical consultant, unless the Bishop determines otherwise.
1. This consultant's qualifications must be submitted to the diocesan Director of Worship for approval.
  2. The design plans for worship space must be reviewed and approved by the diocesan Director of Worship and the Bishop.
- I. The Parish Building Committee will then solicit, interview, and select an architect/engineer for their project and negotiate a fee.
1. The architect/engineer must be approved by the Director of Construction Projects.
  2. The architect/engineer selected by the parish may be required to make a presentation to the Diocesan Building Commission.
  3. The Parish Building Committee must request the architect/engineer construction packet from the Director of Construction Projects.
  4. The Parish Building Committee must complete and return the architect/engineer construction packet to the Director of Construction Projects.
- J. All documents sent to the diocese for signature or payment must be accompanied by a cover letter from the parish approving the attached document(s) signed by the pastor or his delegate.
- K. After the architect/engineer is approved by the Director of Construction Projects the architect/engineer must submit three signed copies of the Pre-Design Agreement between Owner and Architect/Engineer to the Director of Construction Projects to be reviewed and signed.
1. Contact the Director of Construction Projects for the most recent version of the Pre-Design Agreement.

2. Only the Bishop or his delegate may sign the contract.
    - a. The pastor may not sign the contract.
  3. After the contract is approved the architect/engineer may begin the master plan, written building program, and schematic design.
- L. The architect/engineer will prepare a written building program at this time.
1. The study should include a summary of input from parish members, type and size of facility needed, space on the site to locate the building or the purchase of land, and how the parish intends to fund the project.
  2. See the *Diocese of Austin Parish Construction Packet*.
- M. If applicable to the project, the parish must provide the architect/engineer with a topographical survey using the “Diocese of Austin Instructions to the Surveyor” and a geotechnical report.
- N. The pastor must meet with the diocesan Chief Financial Officer for approval of the project funding.
1. The diocesan Chief Financial Officer will review the total project budget.
    - a. The total project budget must include construction cost, fees, permits, furniture, fixtures, sound system, and other costs.
    - b. The parish must also estimate the cost of operation of the facility including utilities, supplies, insurance, personnel costs, and a budget for maintenance.
    - c. If a loan is required, the Chief Financial Officer will approve the amount and terms of the loan.
  2. After approval from the Chief Financial Officer, the Director of Construction Projects may require a review of the project by the Diocesan Building Commission and, in the case of worship space, the Director of Worship.
  3. After the master plan, schematic design, and an estimated project budget have been prepared by the architect/engineer, the pastor, the architect/engineer, and delegates of the Parish Building Committee will meet with the Diocese Building Commission for a review of the project and the budget.
- O. The Bishop will also review all projects at completion of schematic design.
1. The architect/engineer must submit a site plan, floor plans, exterior elevations, interior elevations, and budget of the project for the Bishop’s review.

- P. At this point the diocese may enter into a design contract with the architect/engineer for completion of the project.
1. Contact the Director of Construction Projects for the most recent version of the Design Agreement.
  2. The architect/engineer must submit three signed copies of the Design Agreement between Owner and Architect/Engineer to the Director of Construction Projects to be reviewed and signed.
  3. The parish may wish to have a contractor to act as a consultant to the architect/engineer during the design phase.
    - a. This would require a contractor to be selected by the parish with the input of the architect/engineer according to diocesan procedure which requires consideration of the general contractor's experience as well as the fee.
  4. The Agreement for Preconstruction Services between the Owner and the Contractor will then be executed.
  5. Only the Bishop or his delegate may sign the contracts.
    - a. The pastor may not sign the contracts.
  6. After the contract is approved, the architect/engineer may begin the design phase of the project.
- Q. The purpose of the contractor as a consultant during design is to take full advantage of the contractor's or consultant's expertise in accruing maximum appropriate cost savings and value for the parish.
1. It is important to determine that the proposed design team members, architect/engineer, and general contractor fully understand and are committed to the value engineering technique and its objective.
    - a. In construction projects, the concept of value engineering allows a contractor to suggest alternatives to materials, equipment, or even designs provided by the architect that may save the owner money in up-front materials or long-term maintenance costs. These alternatives would not affect reliability or satisfaction.
    - b. From the contractor's perspective, value engineering may also simplify the construction process, thereby reducing the chances of construction errors or disputes.
    - c. This process is conducted by the contractor, architect, and owner with the consensus on any changes in material or workmanship.

2. It is important to evaluate the team's expected performance in the pre-construction area for each phase of the work in choosing team members.
  3. It is recommended that subcontractors be involved in the cost estimating and that "constructability reviews" be done during the design process.
- R. The parish will establish and maintain a regular meeting schedule for the ongoing review of all cost elements and value engineering.
1. During the regularly scheduled meeting process, the contractor will submit written value engineering pricing information for team review.
  2. It is the intent of this procedure that, with limited exception, alternate pricing information will be submitted for all cost elements in the project.
- S. The architect/engineer and the Parish Building Committee must identify additive alternates to the project which will allow for adjustments in the construction cost so the project cost does not exceed the established budget.
1. A contingency allowance amount must also be established.
  2. Alternates and the contingency allowance amounts must each total a minimum of five (5) percent of the project construction costs.
- T. At the end of the design development phase, the architect/engineer must submit the drawings, outline specifications, and revised project budget to the Diocesan Building Commission for review.
1. If there are any changes to the project budget they must be approved by the diocesan Chief Financial Officer.
- U. When the construction documents are 90 percent complete, the documents and budget will be reviewed by the diocesan Chief Financial Officer.
1. A final review of parish finances and compliance with lending guidelines will be performed.
    - a. Compliance with financial (DIAL) guidelines is required before construction contracts can be signed.
  2. After approval by the diocesan Chief Financial Officer, the parish must also receive approval from the Director of Construction Projects and make a presentation to the Diocesan Building Commission before bidding can begin.

- V. The architect/engineer, pastor and Parish Building Committee will review, interview, and select three or more pre-qualified general contractors to be included in a bid invitation list or negotiate with a single general contractor.
1. These general contractors must be approved by the Director of Construction Projects.
  2. The architect/engineer will furnish full sets of plans and specifications to the invited bidders.
    - a. Bids will be received, opened and tabulated in a closed meeting with only actual bidders present.
    - b. In the case of a negotiated guaranteed bid, the subcontract and material bids will be opened in private with the contractor, architect/engineer, and parish representatives present.
  3. The architect/engineer will forward the bid tabulations and recommendations to the Director of Construction Projects for approval.
  4. After approval of the diocesan Chief Financial Officer and the Director of Construction Projects the architect/engineer will forward three copies each of the signed General Conditions of the Agreement for Construction Contract and Agreement for Construction Contract, Payment Bond, Performance Bond, and other required certificates of insurance to the Director of Construction Projects.
    - a. The Bishop or his delegate are the only persons that may sign these documents. The pastor may not sign them.
- W. If the project includes modifications to any building constructed before 1980, the diocese requires that environmental testing be performed for asbestos or other hazardous material prior to any work.
1. Asbestos must be abated (removed) if it will be disturbed during the project.
    - a. This abatement must be done by a qualified abatement contractor before the start of construction.
    - b. The abatement contractor must provide the Texas Department of State Health Services a demolition/renovation notification.
- X. After approval and signature of the construction contracts and compliance with all financial guidelines, the parish may proceed with the construction.
1. The pastor will appoint a parish project liaison.
    - a. The project liaison must not be involved in the construction of the project as a contractor, subcontractor, or supplier or profit from the project in any way.

- b. The project liaison will visit the site frequently to monitor quality and progress as well as be the point of contact between the architect/engineer and the parish.
  - c. The project liaison will not bypass the architect/engineer when responding to questions.
  - d. The project liaison will report to the Parish Building Committee each month.
  - e. The pastor or project liaison will notify the Director of Construction Projects if a major problem develops.
- Y. All change orders with documentation, all construction applications for payment, all invoices from the architect/engineer, and other associated costs must be submitted to the Director of Construction Projects.
- 1. All diocese construction loan payments will be made by the diocesan Finance Office after approval of invoices from the pastor or his designate and the Director of Construction Projects.
  - 2. All change orders that increase the approved project budget must be approved by the Chief Financial Officer and the Director of Construction Projects.
  - 3. No work shall be done without a signed change order.
  - 4. All other documents will be for review only and a verbal approval is all that is required.
  - 5. No payment on the project is to be made without a properly approved application for payment approved by the architect/engineer.
- Z. Before final payment is made on the project:
- 1. The contractor's final application for payment must be approved by the Director of Construction Projects.
  - 2. Copies of the as-built plans, warranties, proof of building systems training, and equipment operating manuals must be sent to the Director of Construction Projects for storage in the Diocese of Austin archives.



## DIOCESE OF AUSTIN

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### **Policy on Naming Buildings**

In order to address questions related to appropriate procedures for honoring persons by naming buildings after them, the Diocese of Austin, after consultation with the Presbyteral Council, maintains the policy that a parish or school shall not name a building after a living person.

- I. This policy does not prohibit recognition that a person has contributed funds for the construction of all or part of a facility (for example, a plaque in a building that states that a certain person donated funds for the construction of the building, donors' names on bricks, or similar recognitions identifying donors).
- II. If a parish or school seeks to name a building, the parish or school should consult the Bishop prior to taking any action.



## DIOCESE OF AUSTIN

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### **Policy on the General Procedure for Identifying Hazardous Materials and Abatement**

*Revised 2010*

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. Parishes should always be vigilant regarding the possible presence of asbestos and/or mold within their facility.
- II. If a parish suspects asbestos on its property or mold growth and is concerned regarding health issues and liabilities, the parish should call the Manager of Facilities for assistance with asbestos or mold testing.
- III. If the parish plans to renovate any building built before 1980, the diocese requires the parish to perform environmental testing for asbestos prior to any renovation.
- IV. If hazardous materials are discovered, the parish must develop a plan to deal with them.
  - A. In the case of asbestos:
    1. It must be abated (removed) if it will be disturbed.
    2. It may be managed (left in place) if it is not disturbed.
  - B. Mold must be abated in all cases.



## DIOCESE OF AUSTIN

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### **Policy on Property Transactions**

*Revised 2010*

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

#### **I. Procedure with Respect to the Purchase of Real Property**

The Bishop of Austin requires that all parishes and diocesan organizations follow the procedures outlined below with respect to the purchase of real property. According to Canon Law the Bishop is the administrator of temporal goods in the diocese. Therefore, it is the Bishop who is to sign documents buying, selling, or leasing property for the diocese, parishes, and diocesan organizations (as trustee). Clergy, religious, and other staff do not have authority to approve and/or sign real estate documents.

- A. Preliminary approval must be obtained from the chancellor.
  - 1. Information supplied to the chancellor should include:
    - a. The proposed purchase offering price
    - b. The use for which the property is intended and the need for it
    - c. A brief description of the site and existing buildings, if any
    - d. The method of financing for the purchase, including the source of funds
- B. Prior to approval being granted, the chancellor may require assessments and studies to be made.
- C. When approval is granted, the parish may proceed with negotiations for the purchase according to the chancellor's instructions.

- D. An owner's policy of title insurance must be purchased, which is typically provided to the seller.
1. The contract should contain a due diligence period for the property to be inspected and, for commercial properties, a Phase I environmental study should be completed.
  2. The Phase I environmental study should indicate whether the property is free of hazardous materials contamination and/or whether additional testing for mold, asbestos, or other hazards is needed.
  3. Property containing improvements must be inspected by a qualified inspector to insure that the air conditioning/heating system, plumbing, electrical, roof, foundation, and other building components are correctly functioning.
- E. Contract of Purchase
1. When a satisfactory oral agreement has been reached between the parish (or diocesan organization) and the seller, the full details of the agreement must be set forth in a contract of purchase which, depending on the circumstances, may be prepared by a realtor, local attorney, or the diocesan attorney.
  2. Once prepared, the contract shall be submitted to the diocesan attorney and chancellor for review, approval, and execution by the Bishop.
  3. The seller should be required to provide a survey, title commitment, and title insurance.
    - a. Otherwise, the parish (or diocesan organization) should arrange for the land title survey (including locating any improvements) to be paid for by the seller under the contract.
  4. The contract should state the intended use of the property and if the property is being purchased to be used for religious, charitable, and/or educational purposes.
  5. The contract must provide that the instrument may be terminated by the diocese and be null and void and of no effect if any restrictions or limitations in the title would prevent any such use or in the event that any zoning law, ordinance, or any other governmental regulation would prevent the use for any such purposes.
- F. Timely arrangements will be made by the diocesan attorney for the examination of the title commitment prepared by the title company.
- G. When scheduling a closing, parishes and diocesan organizations should allow sufficient time for closing documents to be reviewed before the closing.

- H. After closing is completed and the deed is recorded, the title company will issue the owner's policy of title insurance.
  - 1. The title company should send copies of all closing documents to the chancellor.
  - 2. The original owner's policy of title insurance, together with the original deed as returned from the County Clerk's office, must then be transmitted to the chancellor for inclusion in the archives of the diocese.

## II. Procedure for the Sale or Lease of Diocesan Real Property

The diocese requires that all parishes and diocesan organizations follow the procedures outlined below with respect to the sale or lease of real property owned by the diocese.

- A. Consult with the chancellor regarding the contemplated sale or lease.
- B. Confer also with the Parish Council and Finance Committee regarding the contemplated sale or lease.
  - 1. Document this process.
  - 2. Determine that the parish or diocesan organization will not need the property for future use or expansion.
  - 3. Capital assets such as real property generally should not be sold to satisfy short-term cash needs.
- C. Assure that the sale or lease of the property will not adversely affect the remaining property after the sale or lease.
- D. Contract to have the property appraised by an appraiser or a qualified realtor. It is recommended that neither the realtor nor the appraiser be a member of the parish.
  - 1. Submit the appraisal or opinion in writing to the chancellor so that he may request the Bishop's approval after the pastor and Parish Council have conferred on the proposed sale and/or lease.
- E. If a parish plans to place a property on the market for sale or lease, it should engage the services of a real estate broker who is to be approved by the chancellor.
- F. All legal documents are to be reviewed and approved by the diocesan attorney and chancellor.
- G. The Bishop is the only person authorized to sign the contract of sale and deed or the lease.

### III. Procedure with Respect to Real Property Gifts

Significant gifts of real property have been offered to some of the parishes, schools and other institutions related directly to the diocese. These gifts have taken a variety of forms. Most often they are given from a genuine motive to be of assistance to a parish, school, or institution. However, not all such gifts should be accepted.

- A. It is imperative that such transactions be reviewed by the chancellor and diocesan attorney so that the letter and spirit of laws affecting religious organizations are respected.
- B. In addition, since some of the gifts represent rather significant long-range commitments on the part of the institution, which is the beneficiary, some serious consideration must be given prior to binding the institution to such a commitment.
- C. Contact the chancellor before any gift of real property is accepted by any parish or directly diocesan-related institutions so that the required information may be gathered for review.
- D. Misjudgment in accepting real property can have a significant negative financial impact on the parish and/or diocese. It also could be cause for controversy and could then be used adversely by those who question the church's right to the exemptions allowed by present law. More importantly, such misjudgment could cause the Church to become involved in negotiations and transactions that are improper for the Church.

### IV. Procedure with Respect to Real Property Taxes, Assessments, and Related Notices and Correspondence

- A. All parish and diocesan organizations owning real property must submit notices, questionnaires or other correspondence relative to property taxes, assessments, fees, or other similar issues to the Chief Financial Officer of the diocese.
- B. As cities and towns struggle to increase revenues to close budget gaps, they are attempting more and more to charge tax-exempt properties for fees and services to help offset their municipal costs.
  1. It is essential that applications for exemption be reviewed by the Chief Financial Officer and the diocesan attorney so that the letter and spirit of the laws affecting religious organizations are respected.

### V. Landmarking or Historically Designating Church-Owned Properties

Most often, reasons for landmarking a property are twofold: to recognize its historic value and/or to seek grant monies to assist in the upkeep of the property. Both are admirable motives; however, from a diocesan standpoint, a historic designation by its very nature may have a long-range negative impact on church-owned property. As a result, the diocese has adopted a policy that opposes the historic designation or landmarking of church-owned property.

- A. The reasons for the adoption of this policy are as follows:
1. If a parish ever decides to alter, demolish, or divest itself from one or all of its buildings, no governmental nor other outside authority should be granted the right to override the church's decision as to the proper use and prioritization of religious funds and property.
  2. Expending funds for the preservation of an unwanted building or for incurring additional costs to preserve the appearance of a religious edifice may result in an inversion of value of the buildings.
  3. In the long run, landmarking may have a negative economic impact on a parish, creating an unnecessary financial burden that outweighs the benefits derived from the limited grant monies that may be available.
  4. By its very nature, the Church is called to serve the religious and social mission of its faith community. Any encumbrance, economic or otherwise, which would impair its ability to serve this mission is to be discouraged.
- B. If a parish and/or a diocesan organization seeks to deviate from this policy, it must submit a written request to the chancellor for review and approval by the Bishop.



## DIocese OF AUSTIN

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### **Policy on Parishes that Offer Facilities for Use by Counselors**

*Effective 2005*

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

Some parishes may have invited counselors to use parish facilities for counseling of parishioners. The following are recommended guidelines offered for the protection of the parish, the counselor, and the individuals seeking counseling.

- I. All counselors should hold a current state license (e.g., Licensed Professional Counselor, Licensed Marriage and Family Therapist, Licensed Chemical Dependency Counselor, Licensed Clinical Social Worker, Licensed Psychologist) and should practice only within the scope of their license as defined by the State of Texas Occupations Code.
  - A. A copy of the license and annual renewal permit should be submitted and kept on file at the parish. The annual renewal permit should be resubmitted each calendar year to ensure that the license is current.
  
- II. All counselors should maintain liability insurance at the level of \$1 million per claim/\$3 million per aggregate.
  - A. A certificate of insurance should be submitted and kept on file at the parish.
    1. It should be resubmitted to the parish each year to insure that the insurance policy is kept current.
  
- III. All counselors must have completed the Ethics and Integrity in Ministry requirements for working with vulnerable populations, because a differential of influence is inherent in the counseling relationship.
  
- IV. The Diocese of Austin Ethics and Integrity in Ministry policies should be followed at all times by counselors practicing in parishes.

- V. Counselors should practice in areas of the facilities that maintain a balance between confidentiality and visibility. For example, areas should be private enough that what is discussed in counseling is not overheard, but counselors should not meet with clients in rooms without windows or in isolated parts of the facility.
  - A. Counselors should not schedule appointments at times when they and their clients will be the only persons in the building.
  
- VI. All counselors must be familiar with and compliant with HIPAA and other federal and state laws regarding privacy practices and the protection of health and mental health related information.
  - A. It is recommended that counseling records not be stored at the parish.
  - B. If they are stored on parish property, they must be secure (e.g., in a locked file cabinet) and only licensed professionals and their subcontractors (named in insurance policies) should have access to records.
  
- VII. It must be clearly stated in the written consent form for counseling/therapy that counseling services are not being provided by the parish but by a private practitioner who is using the facilities even if the parish helps to subsidize fees.
  - A. This form must be signed by the client before the initial session.
  
- VIII. The parish should have a written agreement with the counselor that sets forth the requirements on this policy and also establishes that the relationship between the counselor and the parish is a landlord-tenant relationship.
  - A. The parish should contact the chancellor for guidance with respect to such an agreement.