

**FAQ Addendum- INSPIRE Phase, Ministry Expansion Campaign
Messiah Lutheran Church
New questions received week of Sept 11th**

The following report is the 4th and final addendum to the original FAQ document. The Campaign video along with a copy of the booklet and original FAQ document are available on the church website at www.messiah-nc.org/capital-campaign. We cannot wait to see what God can accomplish!

The following question from the 3rd Addendum has been revised:

1. Can my giving be contingent on the congregation meeting our pledge goal or choosing a specific course of action?

UPDATED ANSWER: Conditional/Contingent pledges do not fit the spirit, nor intent, of this Ministry Expansion Campaign. In truth we are not pledging to a goal, a building, nor a specific plan. Rather, out of the abundance God has blessed each of us with (Ps 24:1; 89:11; 104:27; 145:15), we are pledging to make a sacrificial gift from the heart to fund the ministry needs of current and future generations of the congregation at Messiah. To consider making one's pledge contingent is not planning to give cheerfully nor out of love, but rather out of selfishness and pride. (See Psalm 54:6; Luke 6:38; 2 Cor 9:7; 1 Peter 4:9-11; Small Catechism, Creed, Article 1; Acts 5:1-11) If you feel the need to put conditions on your pledge, we encourage you to speak to one of the pastors about your concerns. Should the congregation elect to significantly change the scope of the building project, we will revisit all the details of a new plan together as a congregation. (The answer was provided by both Pastors Patton and Penny)

2. You've said that Hondros is a design/build contractor. Does this mean there is no separate architecture firm designing this \$6 million building? At what meeting did the congregation approve Hondros? Were there only two contractors that bid on the building? Who was the second contractor?

ANSWER: The Messiah construction team initially invited 6 contractors (Southside Constructors, SC Hondros, Randolph and Sons, Matthews Construction, Alexander Design Build and MCT) to submit proposals for the new building based on recommendations from other congregations. Only Southside Constructors and SC Hondros submitted proposals. The construction team also selected design/build contracting as the preferred method to control costs and have a realistic budget from the outset of the process. SC Hondros contracts with the architectural firm, ADW, who designed our sanctuary.

3. You mention that "exact room dimensions may change during the design phase." How do these changes affect the cost?

ANSWER: Since the congregation is waiting to approve the loan before releasing the design, a complete building design has not yet been created. All we currently have is a conceptual estimate from SC Hondros and a general building floorplan. The architect will need to review all applicable codes and modify the layout as needed for the structure to meet code. We believe that the minor "tweaking" of the layouts by the architect will not result in additional costs. The Messiah construction team and SC Hondros have had extensive discussions on building components that need to be including in the pricing in order to avoid price increases at a later date.

4. It sounds like a lot of work for the "Construction Team." Who are they?

ANSWER: The Construction team is comprised of Josh Zilke, Julia Zilke, Don Bucholz, John Skytta, Randy Teten, David Johanson, Chuck Shue, and Ed Jenkins. Their mission as stated, May 2022 is:

- Determine options/costs for construction of previously determined needs and wants
- Evaluate options/costs for demolition of any permanent structures as needed
- Design of new structure

**FAQ Addendum- INFORM Phase, Ministry Expansion Campaign
Messiah Lutheran Church
New questions received week of Sept 4th**

We're wrapping up the **INFORM** phase of our Ministry Expansion Campaign which began with the August 20th Campaign launch. The following report is the 3rd addendum to the original FAQ document. The Campaign video along with a copy of the booklet and original FAQ document are available on the church website at www.messiah-nc.org/capital-campaign. This report will be updated weekly as needed for one more week. We cannot wait to see what God can accomplish!

1. When will we have information on exactly what changes to support the bigger mortgage?

ANSWER: The team will distribute a simplified financial report in support of the new mortgage two weeks prior to the voters meeting. This meeting is tentatively scheduled for early November.

2. Can my giving be contingent on the congregation meeting our pledge goal or choosing a specific course of action?

ANSWER: Contingent giving does not fit the spirit, nor intent, of this Ministry Expansion Campaign. In truth we are not giving to a goal, a building, nor a specific plan. Rather, out of the abundance God has blessed each of us with (Ps 24:1; 89:11; 104:27; 145:15), we are making a sacrificial gift from the heart to fund the ministry needs of current and future generations of the congregation at Messiah. To consider making one's gift contingent is not giving cheerfully nor out of love, but rather out of selfishness and pride. (See Psalm 54:6; Luke 6:38; 2 Cor 9:7; 1 Peter 4:9-11; Small Catechism, Creed, Article 1; Acts 5:1-11) If you feel the need to put conditions on your gift, we encourage you to speak to one of the pastors about your concerns.

**FAQ Addendum- INFORM Phase, Ministry Expansion Campaign
Messiah Lutheran Church
New questions received week of August 27th**

We're continuing in the **INFORM** phase of our Ministry Expansion Campaign which began with the August 20th Campaign launch. The following report is the 2nd addendum to the original FAQ document. The Campaign video along with a copy of the booklet and original FAQ document are available on the church website at www.messiah-nc.org/capital-campaign. This report will be updated weekly as needed during the next two weeks. We cannot wait to see what God can accomplish!

Please note that some questions received are not related to the Ministry Expansion Campaign and have been referred to Called Staff and Lay Leaders.

Questions received about the general ministry plan, e.g., staff salaries, property maintenance, etc. are answered and made transparent in our regular November voters' meetings when we approve the annual ministry plan.

Questions were received regarding the "belt tightening" initiative which was discussed during March voters' meeting. This issue will be addressed concurrently with the annual ministry plan by the Vision and Planning Board.

We've also received inquiries about summer Sunday school attendance, a newer idea for Messiah which exceeded our expectations and is now a permanent, year-around program. The strong reception for studying God's word during the summer months brought about the decision to continue it as a year-around ministry. The highest summer Sunday attendance was 94, for which we thank and praise God! We've received questions about worship attendance and current volunteer levels. We've verified that worship attendance figures reported are accurate. Regarding volunteer participation, we believe that

this campaign will energize our volunteer base as the Holy Spirit uses our time and talents in service to God's church.

3. When we are giving extra the next 3 years for the \$2.5M goal, what happens after the 3 years to continue to pay for the new building mortgage? Can families go back to their previous giving, and it not impact paying the mortgage?

ANSWER: The Campaign commitments essentially fund a down payment on the building which will reduce expenses in future years' ministry plans. After the 3-year campaign is fulfilled, the remaining mortgage will be funded through each year's ministry plan, which may require asking members to give above their current level. Families may decide themselves how best to support our ministry plan with their weekly giving. This is a personal decision between the giver and God.

4. I'm looking at the giving chart to where I can give with my current debt I'm trying to handle. I sometimes pay less for tithing lately because of my debt. I want a new building for the youth. The Chart for 3 yrs, \$500 total; \$167 annually; \$3 weekly; \$14 monthly [but] \$3 x52 weeks= \$156/yr. = \$468*, a difference of \$32. I see there is rounding* on the chart, some gifts are higher/year/3 years, some are lower/year/3 years. I'm not an accountant, but I have to balance and reconcile #'s/figures at work. My confidence is stronger when #'s match.

ANSWER: Yes, it's true that values on the chart were rounded to create a simplified example for people to refer to rather than taking all the numbers out several decimals. The chart was designed to give members a visual range of giving levels.

5. We have 210 contributing families (FAQ #6), the giving chart is for 230 families. Where are the other 20 estimated families coming from?

ANSWER: An additional 20 families are included in the chart. This is an estimate of new members, previous members, and others associated with our fellowship, e.g., preschool families, vendors, etc. choosing to participate in the 3-year campaign.

6. At the voter's meeting I remember voting on the full building, but if we need another option, how is this going to be discussed. What if we just keep current fellowship hall- but upgrade kitchen/stage area if that's what we can afford.

ANSWER: After the campaign commitment Sunday, the congregation will need to review the total project cost for the proposed buildout and will vote on moving forward. A detailed funding plan will be provided in advance of the meeting so that everyone has an opportunity to study it. If the plan is not approved by the congregation, we will consider other options. Leadership is prepared to consider other options with feedback from members.

7. Are sound & acoustic engineers consulted in the process at all?

ANSWER: Our construction team did not plan to hire an acoustical consultant, however, Hondros recommended that we install acoustic panels in the multi-purpose room, and we have included this expense in the project budget.

8. What is the "unique device log-ins" used to estimate online attendance? 40-75 people???

ANSWER: Analytic data provided to us by YouTube and website traffic suggest an average of 20-30 hits per week. My (Pastor Penny) personal knowledge is that we average somewhere between 2 & 3 people per unique "hit." This gives us a best guess of 40-75 people attending online. We are working on a way to better understand our metrics (and take online attendance).

FAQ Addendum- INFORM Phase, Ministry Expansion Campaign

New questions received week of August 20th

Beginning with our Ministry Expansion Campaign launch on Sunday, August 20, we are now in the **INFORM** Phase of the campaign. If you were not able to join us, the informational meeting and Campaign video along with a copy of the booklet and original FAQ document are available on the church website at www.messiah-nc.org/capital-campaign. This report is an addendum to the original FAQ document since we have now formally launched the campaign. As new questions are asked, this report will be updated weekly as needed. We cannot wait to see what God can accomplish!

1. [Paraphrased] Would it be possible to incorporate the soundboard for the new gym space into a small balcony that's accessible from a 2nd story classroom per my sketch?

What is the plan for entryways? I don't see anything portrayed in the booklet on what the entryways will look like. Will there be a least one drive thru entryway so cars can drop off passengers during inclement weather? The minimal sketch provided in the booklet does not seem to show anything resembling adequate entryways for the size and use of the building.

I like that you have included "...from generation to generation" in the campaign theme. But as I look at the proposed room drawings, I'm concerned that we're not planning for 20 or 30 years future growth. Is this really enough space for our next generation ministry needs? Has the construction team considered an unfinished and lower cost 3rd floor to the building that could be built out at a later time?

ANSWER: The building plans, originally submitted by two contractors as proposals, were modified by our construction team to closely fit our current needs. During the upcoming planning phase, the contractor, along with our staff and each ministry group will meet to determine the best possible design for room sizes and entryways matched to function and access, while also considering future ministry space needs. All these suggestions will be provided to the team for consideration during that time.

2. Kindly wondering what is the plan to grow our ministries aside from a building? (Is infrastructure our main barrier or is it something else, people, ideas, resources?)

ANSWER: Yes, the infrastructure is the main barrier to growing new and expanding existing ministries. The additional classrooms and activity rooms will be put to effective use for Sunday and weekday programs. This will provide us more space and flexibility for VBS, Sunday school, Pre-School, Adult Bible studies, and Outreach ministry. This year we have started a children's choir and a middle school youth group; these activities in addition to our high school youth group continue to meet in constrained spaces, not conducive to growth. A Wednesday evening program, "The Gathering" ministry is starting in September with dinner, followed by an elementary age class, confirmation classes, and an adult Bible class, with hopes to expand later to include high-school youth activities and a 20-30's focused small group.

With expanded footprint, our teenagers will have a dedicated space to call their own. Our youth will know they are a priority to our congregation when they walk through the doors. Our prayer is that the new youth room will be a place teens feel known and loved as they enjoy more room to study, grow, and have fun together. We want to see our youth thrive as the young men and women God has created them to be!

3. I don't see any figure given as to the actual cost of this building. From the FAQ document, I see Messiah was approved for a \$5.7M loan. At current prices, what will it cost to construct this addition?

ANSWER: The project cost is estimated at \$5.7M, (this is not the pre-approved loan amount) based on proposals submitted last Spring from two contractors. During the design phase the final project cost will be confirmed. The loan amount at \$4M, combined with the campaign goal of \$2M is our plan to support this project cost. If we reach the stretch goal of \$2.5M, the debt burden of the loan will be reduced.

4. Pages 6-7, Building Expansion – it is almost impossible to read the wording for the various rooms inside the building and their dimensions. Could you provide a design sketch with a larger font so that we can read what the various rooms are and proposed sizes?

ANSWER: The room layout is posted to the church web site where you may read the room dimensions (*More Information, Resources, Renovation Renderings, Messiah-Renderings-and-Floor-Plans.pdf*). Alternately, we're preparing an enlarged diagram of the proposed space as a handout.

5. As to the cost, I don't see any figures given as to the projected cost to equip this building, such as office equipment, desks, chairs, audio-visual hardware, and other anticipated technologies. What are the projections for the cost to equip this building? We need more details!

ANSWER: The construction team has allocated a \$100,000 furnishings budget for the project. The plan is to continue using existing equipment (desks, copier, etc) as long as these items are serviceable.

6. What will be the projected increased costs in operating budget for maintaining the building such as utilities, insurance, maintenance, etc? Question 17 of the FAQ said this was submitted to LCEF as part of the loan application. Can the congregation know what these additional costs are?

ANSWER: Due to the proposed larger building footprint, we provided the following budget estimates in our April 19th loan application: Custodial- increased from \$25,452, CY2023 to \$37,000, CY2025. Property maintenance- reduced from \$40,428, CY2023 to \$20,900, CY2025 because older air conditioning and heating systems will be replaced with new equipment. Utilities- increased from \$25,056, CY2023 to \$31,000, CY2025. Property insurance- increased from \$14,663, CY2023 to \$20,900, CY2025.

7. Growing Opportunities For...Yes, these ideas look nice, but do you have any data to show that Messiah is growing now to warrant a building this size? Do we have any basis for projected membership growth to where we need this plan?

ANSWER: Our church grows as members invite friends to worship and to other ministry and fellowship events. We're experiencing a growing number of visitors joining us in worship each week! Worship service attendance during 2023 has averaged 230/week and Sunday school is now a year-around program that has enjoyed record high attendance during the summer weeks. However, we don't have enough space and we don't fit into the original building... some examples: Jr and Sr High youth meet for Sunday school in a curtain-divided room that's also used for chair storage and configured with preschool size furniture. Youth have no indoor activity room for them to meet during the week. The children's choir rehearses Sunday mornings in the copier room, a tight space for 14 with standing room only. With a larger structure and additional space, we anticipate and can accommodate growth in membership and participation in ministry activities. Only God knows the answer and we pray for HIS direction as we grow!

8. I'm troubled by the answers to question #4 on FAQ. What happens if we don't make our financial goal? The answer seems to imply we're not going to consider other options but will continue to seek guidance from LCEF. Did the building planning committee only consider Plan A or B? Were there no other options considered? How can the church vote to proceed if we don't meet our projected goal?

ANSWER: After the campaign commitment Sunday, the congregation will meet to review the total project cost for the proposed build out and will vote on moving forward. A detailed funding plan will be provided in advance of the meeting so that everyone has an opportunity to study it. If the plan is not approved by the congregation, we will consider other options. Leadership is prepared to consider other options with feedback from members.

ORIGINAL FAQ DOCUMENT

Messiah Lutheran Ministry Expansion

Questions related to the Campaign:

1. What are the most important outcomes we hope to accomplish because of the Ministry Expansion Campaign?

Answer: We want to expand our Youth Ministry so that Messiah is a place where young people come to explore their faith and learn what it means to be an active part of a congregation, through fellowship and service.

We want to expand our Ministry Options so that Messiah is a place where people have options in areas of spiritual study, ministries to serve in and activities to participate in, so that spiritual needs are met in every phase and season of life.

We want to achieve Growth in Outreach so that Messiah is a place where members value the benefits of participating in the life of the congregation, as we look up and grow in faith, look around and grow in service, and we look outward and grow in spiritual impact in our neighborhoods and the wider Charlotte community.

2. What is the financial goal of the [Ministry Expansion] Campaign? What is the total amount we expect to reach including the LCEF loan? How does LCEF favor us as a lender versus other banks and lending agencies?

Answer: LCEF has served as a trusted ministry partner to Messiah Lutheran for 35+ years, offering training and financing solutions with the lowest available interest rates for commercial (non-residential) construction. The reciprocal benefit of their business model encourages Lutheran families to invest savings and retirement accounts at competitive rates, knowing they are assisting congregations and called church workers with low-cost loans.

In January, we voted to engage them to lead a Ministry Expansion Campaign at a cost of \$47,995 to support us through five phases over a 3-year period for raising at least \$2 million. The balance of the total project cost (\$5.7million, based on proposals received) will be funded by a pre-approved \$4 million mortgage at a variable 4.5% rate (locked for 1 year), and repaid over 25-30 years. During the construction period the loan repayment terms are interest-only at 5.5% because they will service the contractor billing and payment process.

3. What is the timing of the October Commitment Sunday and the vote by the congregation to approve? How long is the Ministry Expansion Campaign? What will the timing look like after October 15, 2023; will we start to go forward with the building plan and construction team? Is there a specific request regarding giving for the building campaign? Are we asking people to [double] tithe or is there some other way to let people know how to give to reach our goal? When will someone get a home visit?

Answer: The Campaign executive team has received strong volunteer response and is assembling various teams (Preparation phase) to lead the Inform, Inspire, Commit, and Fulfillment phases. The Communication team published a booklet for the August 20th Campaign Launch event which explains the schedule, the leader roles, and how everyone can participate. The heart of the campaign is the Inspire phase where we lift up the ministry expansion into the larger vision of Christ's work among us. The congregation will meet together on Commitment Sunday, October 15th to declare with one voice how God has blessed our vision and to celebrate the future He has laid before us. The Fulfillment phase of the Campaign follows, covering a 3-year period.

4. What if we do not reach the amount of money needed by Commitment Sunday? Are there optional plans if we do not raise the amount of money needed to do the larger expansion?

Can we choose another building plan if we do not get a consensus vote to go with the plan illustrated in the brochure?

Answer: The campaign plan is based on LCEF's experience with hundreds of churches like ours, which typically raise between 2 and 2.5 times their annual weekly giving. There are no formal contingency plans in place if we don't reach our campaign goal other than to continue working with our LCEF coordinator for guidance. Called staff, lay leaders, and the campaign team believe our plan is the best scenario for our ministry and it was agreed to in our March voters' meeting. The detached "Plan B" design, although less expensive, was rejected by voters in March as it's not fully aligned to the priorities listed above. The construction team discussed smaller and less expensive plans, but the plan that the congregation approved best met the needs of the church ministries. The idea of phasing delivery of the building (i.e. building it in stages) was discussed but was found to add significant cost.

5. How will we pay the mortgage on the money we are borrowing, estimating that we will need around \$210,000 a year for 25 or more years? There has been discussion regarding the staff looking at belt tightening strategies. Have they arrived at any solutions?

Answer: On Commitment Sunday, October 15th, we will see how the people of God at Messiah Lutheran, through the encouragement and guidance of God, have responded to the challenge set before us. If we reach the \$2M goal, our cash flow plan to support a debt service (estimated at \$210,000/yr.) will be explained and voted on during a subsequent congregational meeting. Additionally, if we reach our campaign stretch goal, the long-term debt burden will be reduced further. The forecast to support this higher mortgage payment was provided to LCEF in our loan application and was approved by them. During the March voters' meeting, a belt-tightening proposal was discussed which would provide temporary (2-3 year) cash flow savings in our ministry plan budget. Lay leaders and Called Staff have reviewed the proposal and will consider it for implementation, possibly starting in the fourth quarter of 2023. There will be ongoing discussions with our Vision and Planning Board on ways these reductions can be realized without compromising our current ministry or staff support.

6. How many contributing families are in our congregation?

Answer: We have approximately 210 families who are giving to our ministry plan.

7. How much did we pay LCEF to work with us and what are we getting for that fee?

Answer: During our January voters' meeting, the congregation agreed to engage Lutheran Church Extension Fund to manage our campaign (see answer #1 above) to help us achieve our goal for expanding ministry. Their process with congregations is hands-on, using large volunteer teams and meeting every other week (alternate meetings via teleconference) to learn best practice for a successful campaign. Our LCEF coordinator and his in-house staff have deployed a web-based platform for our use and are keeping each of us on task, step by step, to reach our goal.

Questions related to the building expansion and construction:

8. Have we engaged a contractor, and do we have a contract with them?

Answer: The Construction team has selected Hondros as the design/build contractor based on interviews, company culture, proactive communications, proposed building design, and previous work experience.

9. What is the projected time frame for the whole project?

Answer: Building completion will take approximately 20 months from now; here are key dates:
-Capital Campaign launch, August 20th
-Commitment Sunday, October 15th
- Voter's meeting (accept and sign Hondros' contract and consummate our pre-approved LCEF loan), *tentatively, end of October*
-Building design (Lay leaders, staff, and Hondros), *tentatively, November 2023*
-Permitting approvals by city and county, *tentatively, end of March 2024*
-Groundbreaking; begin construction, *tentatively, April 2024*
-Construction completed with certificate of occupancy, *tentatively, April 2025.*

10. What design plan will be included in the Campaign book?

Answer: The “option A” design which was approved at the March 26th voters’ meeting is our current plan-of-record. It features a two-story structure and a multi-use high ceiling gymnasium, both integrated into our existing Sanctuary and Narthex for easy and visitor-friendly access to all functional areas. Although the functional areas (preschool, classrooms, administration, etc.) are defined, the exact room dimensions may change during the design phase.

11. When we start the expanded building project, what parts of the existing building will be demolished?

Answer: The Sanctuary and Narthex will remain; all other areas will be replaced by new construction.

12. Will the contractor use time management plans during the construction phase?

Answer: Hondros’ initial project proposal included time management plans which satisfied our Construction team.

13. Have you considered a Project Manager from the Congregation to oversee the building phase?

Answer: The Construction team will provide careful oversight during the construction phase. (Our congregation is blessed with several experienced construction and engineering professionals.)

Questions related to ongoing ministry during the construction phase:

14. How will we continue present ministries while the structures are down? When demolition starts what plans are being made to continue the Preschool, Sunday School, and other ministries? Will there be a temporary facility on or off site? Will the parking lot be available during the demolition and construction? How do we hope to support and carry out all the other areas of our ministry during that time (construction)?

Answer: The Property team is developing a master plan to accommodate existing ministries during the construction phase. They have received proposals to lease two, or possibly 3 modular buildings to be sited on the North side of our campus after the existing modular building is removed. These will house the Preschool and the Administration offices and some activities. Preschool rooms will serve double duty during Sunday school and the adult Bible class will likely use the Sanctuary. Activities such as Braille, Quilting, and BASIC groups may also be able to use the existing Narthex, although there will be times during construction when that space is being integrated with the new building. Some parking spaces will be fenced off for material staging and equipment. The Team will prioritize safety and employ temporary signage throughout our campus to help avoid confusion. They will be asking for your patience and will do their best to facilitate a smooth transition from old to new.

15. What are the plans for the current modular unit on the property?

Answer: The original plan approved by the congregation last Fall was to have it demolished and hauled away at a cost not to exceed \$15,000. Recently, the Property team has identified a buyer who plans to purchase and move it. The buyer is in the process of procuring land and we can move forward as soon as the building title is secured.

Questions related to communications and other topics:

16. Is Messiah doing Outreach? There is a concern about [low] attendance. How can we get more people to attend church? Why aren’t attendance numbers published?

How are we doing with attendance at church and meetings? [Is it wise to go forward] with plans that anticipate and envision large growth? Are we trying to build our way into growth with our physical building?

Answer: Worship service attendance during 2023 has averaged 230/week; additionally, there are 40-75 who worship on-line (based on unique device log-ins). Sunday school attendance during the summer weeks is at a record high; recent voters’ and Town Hall meeting attendance has ranged from 37 to 76. The June and July Q&A forum attendance was 31- 40 members.

A recently commissioned Outreach team contacted leaders of Intentionally Faithful (I.F.) initiatives and published a report in the August newsletter which describes how our I.F. culture, foundational to Outreach on a personal and congregational level, is alive and well and is bringing visitors (including the unchurched) into our fellowship! The Team is also working with Called Staff, Elders, and other Lay leaders to amplify our communications and social media presence, to provide new resources and training for members, and to implement attendance and assimilation tracking through our new church management software platform. Our synodical partner, LCEF (ref. #1 above) approved our financing plan and the ability to service a larger mortgage commitment by assessing our ministry commitment, financial giving, and worship attendance.

17. Have we considered the additional costs of maintenance, cleaning, utilities, and insurance for the larger building?

Answer: We submitted expense estimates for these items in the cash flow worksheet on our loan application, knowing that a larger building would incur higher maintenance expenses.