



## The Presbyterian Church Property Trustees

### **Is the local church a community asset, such that the community has a legitimate stake in deciding its future?**

This is a question that has been at the heart of the long-running debate over the future of the earthquake-stricken Christchurch Cathedral. It is also a question that has often been raised with the Trustees.

In a very general sense, local churches are 'community assets' because the community benefits from the presence of the church and the church rightly sees the community as a significant field for mission.

When it comes to making decisions about the future of the local church, and particularly about the disposal of its property when the local congregation ceases to exist, local churches are definitely not 'community assets.'

In fact, it only muddies the water to start talking about 'community sentiment' and the 'interests of the community' as if these vague notions might entitle members of the community to have a voice in deciding the future of the local church and its assets.

Section 39 of the Presbyterian Church Property Act 1885 states that, when a congregation is dissolved, it is the Presbytery that decides how the property of the former congregation is to be disposed of. In exercising this power, the overriding consideration is the mission of the Presbyterian Church, which may include considering the interests of the local community but not as an end in themselves.

It is clearly stated in the Church's Property Handbook that "The Church's assets, including its buildings, belong to the whole of the Presbyterian Church and are part of our mission. They do not belong to the people in the congregation, either past, present or future."

And, they do not belong to the local community either, because even if the community has helped in fundraising, it did so knowing that it was for the Presbyterian Church. The Church, at its discretion, may allow its buildings and facilities to be used by the wider community - and frequently does. However, the Church's mission is not about providing community assets.

The best way for a congregation to have a voice in such matters is to make sure that it participates actively in the life of the Presbytery, where matters of mission are always on the agenda.

## Pentecost "winter check list" for your Church



Although we are a few weeks past Pentecost, the coming of the Holy Spirit accompanied by tongues of fire and fierce winds, it's not too late to protect your church buildings from fire and wind. If you've not already done so, now is an opportune time to do an inspection and remedy any defects before winter hits hard. Below is a short check list which may assist you. Further information on property maintenance can be found at: <http://www.presbyterian.org.nz/for-parishes/church-property-trustees/the-property-handbook>

### Your Pentecost Checklist

- Roof inspected and any defects fixed
- Gutters and down pipes clear from leaves and debris
- Storm water drains clear
- Rubbish bins secured away from the building to reduce risk of arson
- Doors and windows water tight
- Adequate ventilation throughout the interior and under the building
- Smoke alarms and other fire fighting equipment in good working order
- Book cases and all equipment on shelves or hanging from the ceiling secured
- Grounds including paths, steps and stairs tidy
- Building Warrant of Fitness current

### A reminder that PIF statements are no longer being posted

As advised in our October 2016 newsletter, due to the rising cost of printing and postage, we are no longer posting out the quarterly PIF statements which can be accessed electronically.

This allows the User to view or print statements at any time and to process their own transactions if they choose.

We've had a large number of parishes updating their contact details and requesting login access for their Authorised Users. If your parish has yet to do this, contact Pat at [pat@presbyterian.org.nz](mailto:pat@presbyterian.org.nz) and she'll let you know what's needed to set you up.

### IMPORTANT NOTICE - AUDIT CONFIRMATION LETTERS

If you receive a letter from the Church's auditors Ernst & Young (EY) requesting confirmation of your PIF account balances as at 30<sup>th</sup> June, it is important that this is completed and returned to the address provided without delay. This is an important part of the Church's audit process and the audit is held up if these confirmations are not received.



## A look at the work of..... The Trustees' Property Committee

The Trustees' Property Committee was established in 2013 with delegated authority to consider and approve (and sometimes decline) property applications from parishes.

The Committee deals with a wide range of property proposals such as selling, buying and leasing property, major renovations, building projects and earthquake strengthening, subdividing land, the use of capital funds, borrowing by parishes, gifting of property or funds and applications for lottery and community trust grants. As you can see, the list is extensive. The Committee's expertise is also central to the development and periodic review of the Earthquake Prone Buildings Policy and the Property Handbook.

When a property application is received, the CPT office prepares a briefing for the Committee. All property applications, whether large or small, are dealt with in the same manner and either the Committee or the full Trustees must formally agree to approve or decline an application.

As with everything in today's world, property proposals, particularly those involving a purchase, a new development, major alterations or earthquake strengthening, have become more complex and more expensive. For that reason, and because all the Trustees are collectively responsible for the decisions made by the various sub-committees, the Property Committee will refer complex or very expensive proposals to a meeting of the full Trustees to canvass their views or make a collective decision.

In 2014 the Committee did a major update of the various property application forms. The new format has proved invaluable to the Trustees when evaluating a proposal, especially with regard to how it fits with the parish's mission, the size and future viability of the parish and Presbytery's views on these matters. We also believe the forms enable parishes to focus more closely on these issues and not just on whether they can afford to undertake a particular project.

The Committee meets each month and is also able to consider the more routine applications by email. The Committee is not simply a "rubber stamp". Its focus is on making decisions that fit with the mission of the parish, the region and the wider Church - as the Trustees have been tasked to do by the General Assembly.

The Committee, through the CPT office staff of Kos, Pat & Marion, is happy to work with parishes and Presbyteries to achieve the best possible outcomes for their property proposals.

## Property Application Fees

Property application processing fees have remained unchanged since 2012. However, the current fees rarely reflect the time required by the CPT office to collate an application, obtain any additional information required, prepare a briefing for the Trustees and deal with the multitude of issues that arise with contracts and other documentation required to see a proposal through to its conclusion - even for a straightforward sale or renovation project. Property proposals have also become increasingly complex, particularly the large building projects that are upwards of a million dollars in value.

It should be noted that the Trustees own no property in their own right and receive no funding from the national Church. Their only source of income is from fees charged for the administration of the various trusts under their control and from property application fees. The Trustees themselves are volunteers, but the CPT office running costs and salaries for its three staff, Kos, Pat & Marion, must be covered by this income.

The Trustees have therefore taken the decision to increase property application fees for the first time in 5 years. **From 1<sup>st</sup> September 2017 the new fees will be as follows:**

Proposals valued under \$20,000	\$172.50 (\$150.00 + GST) no change
Proposals valued from \$20,000 to \$1million	\$575.00 (\$500.00 + GST)
Proposals valued at over \$1million	\$862.50 (\$750.00 + GST)

The Trustees also reserve the right to charge an additional fee of \$500 + GST for complex proposals that require their ongoing involvement during the course of the project. This might occur where a parish has applied for and been given approval to sell or buy a property and it might take two, three or more proposals to finally achieve a sale or purchase. At each step the CPT office is involved with reviewing valuations, contracts and various other reports as well as liaising with both the parish and the Trustees' solicitors to ensure all documentation is up to standard.

## Correspondence from Local Authorities and Heritage NZ

Just a reminder to please ensure that any correspondence relating to a Heritage or Historic places designation is forwarded to both your Presbytery and to the Trustees' Office without delay. This is important, as proposals to heritage list church buildings are not generally in the best interests of the Church, and there is frequently a tight time frame to make any response or objection.

Copies of letters concerning overdue rates, overdue Building Warrants of Fitness, Section 124 Notices and other similar matters should be forwarded to your Presbytery and to the Trustees, with a note indicating what action has or is being taken. Importantly, if you receive incorrectly addressed mail not relating to your parish, please forward it to the Trustees' office as in some cases, the consequences could be significant.