**Presbytery of Northern Waters**

**Special Presbytery Meeting**

**Via Zoom**

**Minutes**

**July 22, 2023, at 10:30pm**

**Call to Order**

Ruling Elder Phil Peterson, Moderator, called the meeting to order at 10:30 am.

**Opening Prayer**

Ruling Elder Phil Peterson, Moderator, opened the meeting with prayer.

**Declaration of a Quorum**

Rev. Brad Carloss, Stated Clerk, declared a quorum. Brad stated there were at least three Ministers of Word and Sacrament, three ruling elders, and three teaching elders present from different congregations. The meeting was called appropriately.

There were no objections to Amanda Keppers serving as Recording and Minutes Clerk.

**Approval of the Docket**

**MSC- A motion to approve the docket as written was moved by Corey Larsen, MWS; seconded by Ken Ribe, MWS; and carried by Presbytery.**

**Purpose of Special Call—Phil Peterson**

Phil Peterson, Moderator declared the purpose of the meeting to be to consider action on the following:

* To clarify, amend and expand the authority of the Administrative Commission to First Presbyterian Church, Duluth, MN.
* The authority to utilize all parts of Section 4.105 of the Manual of Operations to resolve all uncompleted actions involving the future of the congregation, and always be guided by this section.

Phil Peterson, Moderator, invited the Administrative Commission for First Presbyterian Church of Duluth (AC) to speak on behalf of the above actions.

Richard Blood, General Presbyter and spokesperson for the AC, spoke to the above actions. The rationale for these actions is that after three (3) years of working with the church it has become apparent that they cannot support the building anymore. The AC has been working with the congregation to resolve the situation. The congregation voted sometime last year to gift the building so they would no longer have responsibility for it and the Presbytery would no longer have responsibility for it. The AC has been in the process of trying to facilitate that happening. They are at a point where it looks like they have a resolution in sight. The AC needs clarification of its authority due to the initial authority not being specifically spelled out. The statement we are working with from the Manual 4.105 talks about the dissolution of the church and its property, but we are not talking about dissolving the congregation at this point in time. The request is simply to facilitate the transfer of the title on the building. The AC is requesting the ability to go forward and negotiate a deal without having to continually come back to Presbytery. They would like the authority to conclude the deal and to gift the property to a different entity. Barring that the need is the ability to negotiate without coming back to Presbytery and bring a vote to Presbytery. They are asking for authority to just get it done.

**A motion to clarify, amend, and expand the authority of the Administrative Commission to First Presbyterian Church, Duluth, with the clarification to utilize all the parts of Section 4.105 of the manual of operations to resolve all uncompleted actions involving the future of the congregation and be guided by these sections, for the purpose of divesting of the building was moved by the AC.**

Discussion occurred.

Brad Carloss, Stated Clerk, clarified that the motion is to authorize the AC to use the section of the Manual of Operations that allows them clear authority. The commission will be guided by this. The AC is requesting they be granted permissions of this section.

John Gibbs, MWS, stated that he sits in on the AC but is not a member of it. He stated that the AC is at a point in negotiation and conversation where several legal matters need to be resolved. Therefore, one of the first things the legal teams are asking for is a clearer understanding of an AC’s authority to negotiate on behalf of the presbytery and to be able to use documentation as they assemble the agreement between the Presbytery and another entity. This is a necessary step in a formal process.

Corey requested the section of the sale of property 4.102 be added to the motion as a point of clarification.

**MSC- A motion to amend the initial motion to include Section 4.102 of the Manual of Operations was moved by Corey Larsen, MWS; seconded by Richard Blood; and carried by Presbytery.**

**MSC- A motion to approve the above amended motion was moved seconded and carried with 15 votes (83%) for, 2 votes against (11%), and 1 abstention.**

***Final approved motion reads as follows:***

**A motion to clarify, amend, and expand the authority of the Administrative Commission to First Presbyterian Church, Duluth, with the clarification to utilize all the parts of Sections 4.102 and 4.105 of the Manual of Operations to resolve all uncompleted actions involving the future of the congregation and be guided by these sections for the purpose of divesting of the building was moved by the AC. The motion was moved by the AC to First Presbyterian Church of Duluth, amended by Corey Larsen, MWS, and carried by the Presbytery with 83% voting for, 11% against, and one abstention.**

**Adjournment and Closing Prayer— RE Phil Peterson or designee.**

**A motion to adjourn was moved by Dianna Bell, MWS; seconded by John Gibbs, MWS; and carried by the Presbytery.**

Phil Peterson, Moderator, asked Ken Ribe, MWS, to close the meeting with prayer.

The meeting closed with prayer at 11:15 am.

Report of Roll

* Minister of Word and Sacrament (MWS): 14
  + Present:

Matthew Arneson, Phillips

Dianna Bell, Vice Moderator, Retired

Richard Blood, General Presbyter, Retired

Brad Carloss, Stated Clerk, Retired

Wendy Christianson, Virginia

James Deters, Ashland

John Gibbs, Retired

Robert Goodin, Retired

Robert Hickman, Retired

Joel Huenemann, Retired

Corey Larsen, Ely

Ken Ribe, Pastoral Care, Retired

Jason Schiller, Grand Rapids

Robyn Weaver, Duluth Glen Avon

* + Excused:

Sharon Johnson, Retired (technical issues)

Lawrence Lee, Bayfield (on sabbatical)

Kathy Reid Walker, Eau Claire, First (prior obligations)

* CRE: 2
  + Present:

Chip Holt, Bemidji

Katie Larson, Hibbing

* + Excused:

Leslie Anderson, Pioneer Parish (prior obligations)

* Commissioners: 6
  + Present:

Candy Deal, Coleraine

Hope Dougherty, Manitowish Waters

Albert Gartner, Duluth First

Cindy Martinson, Duluth Lakeside

Barb Meyer, Grand Rapids

Paul Rigstad, Duluth Westminster

* Council: 1
  + Present:

Phil Peterson, Moderator, Ashland

* Observers/Visitors: 11
  + Present:

Cheryl Behling, Duluth First

Erin Behling, Duluth First

Kathy Brantner, Duluth First

Lori Clements, Duluth First

Roger Johnson, Duluth First

Tanya Johnson, Duluth First

Kathy Peterson, Duluth First

Ted Policka, Duluth First

Betty Sola, Duluth First

Bill Wilton, Duluth First

Sharon Wilton, Duluth First

* Staff: 1
  + Present:

Amanda Keppers, PNW Minutes and Roll Clerk, Office Administrator

Total: 35

Minutes Respectfully submitted by

Amanda Keppers

PNW Minutes and Roll Clerk

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**4.102 The Purchase or Sale of Church Property**

1. The Book of Order states in G8.0501: "A particular church shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the Presbytery transmitted through the session of the particular church." (When applicable, see 4.104: “Use of the Proceeds from the Sale of Manse” policy.)
2. The commission shall consult the Presbytery's Manual of Operations 4.102 (The Purchase or Sale of Church Property) and 4.103 (Administrative Commission Report Form for Encumbrance or Sale of Church Property) and note in its report that it has complied or not with the provisions of these policies. In addition, when the church plans to encumber its property, it should complete the Churches and Their Work form for such purpose and get the approval of that group prior to the Congregational Meeting.
3. For a church to borrow money it is required that the church have a

minimum of one-third of the required funds on hand, an additional one third of the funds pledged, and no more than two-thirds can be borrowed. If the borrowing is for the purpose of refinancing an existing loan with no additional funds, these requirements may be relaxed by the Trustees, at their discretion.

1. Once the Session has determined it wants to sell, mortgage, or encumber real property or to purchase property, it must call a congregational meeting to authorize the action. It is recommended that the congregation place either a floor in selling property or a ceiling in purchasing property. (Book of Order G7.0402) The church must come to the Trustees for their approval before the Committee on Ministry forms an Administrative Commission to approve the loan in behalf of Presbytery.

Similarly, when a church proposes to refinance an existing loan or to apply for a loan from the Synod, it must come to the Trustees for their approval, and then also seek the approval of the Committee on Ministry.

1. Once the Congregation has voted, the Session is to transmit its action to the Presbytery through its Committee on Ministry. The Presbytery and the Committee on Ministry will act on such requests only after the congregation has acted.
2. The Committee on Ministry may request that the Presbytery or the Presbytery Council form an Administrative Commission consisting of an elder and a minister of the church, the area representatives from the Committee on Ministry, another minister and an elder from the Presbytery, and the Moderator of Presbytery or his/her designee. This Commission will have the authority to oversee the purchase or sale agreement and the terms of a mortgage, if such is required.
3. When a purchase or sale agreement is made, it will state that it is contingent upon official action of The Presbytery of Northern Waters at a regular Presbytery Meeting or a Special Called Presbytery Meeting. The church shall provide the legal description, the purchase or sale agreement and the terms of the mortgage, if such is required, to the Administrative Commission. The Administrative Commission may then grant permission for the transaction.
4. Once the transaction is completed, the Administrative Commission will make a report to Presbytery and request that the Commission be dissolved upon the Presbytery's approval of its report.
5. The Trustees require that they receive an annual report from all lending institutions where churches have encumbered their church property. The Trustees also require from the church a written plan for the repayment of the loan(s).

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**4.105 The Dissolution of a Church and the Disposing of its Property**

A. Ordinarily, the session of a church will first decide, in consultation with the Committee on Ministry, that it is prudent to dissolve the church. The Presbytery will then create an Administrative Commission consisting of not less than seven (7) members to oversee the dissolution of the church, which will include an elder and a minister of the church, the area representatives from the Committee on Ministry, and the Presbytery's Moderator or his/her designee. It shall then proceed to make a recommendation to the congregation that will include:

1. The date the last service will be held, which normally will be a celebration of the church's ministry, and a request that the church be formally dissolved upon the sale of the real property.

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2. Once the transaction is completed, the Administrative Commission will make a report to Presbytery and request that the Commission be dissolved upon the Presbytery's approval of its report.
3. The Trustees require that they receive an annual report from all lending institutions where churches have encumbered their church property. The Trustees also require from the church a written plan for the repayment of the loan(s).

*End of section 4.102*

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1. A plan for how the contents of the building(s) will be disposed. This plan should be clearly communicated with all members so that all will feel treated equally and fairly.
2. Permission to list the property for sale or to transfer the property.
3. A plan for how the building will be cared for after the last service until it is actually sold.
4. A statement that the proceeds from the sale of the church is being dissolved will be first used to pay all outstanding bills and that the remainder will be given to the Presbytery for use in its dedicated funds for church development within the Presbytery. Any other use requires prior Presbytery approval.
5. A plan for the transfer of members to either another church or the rolls of the Presbytery.
6. The Call for the congregational meeting should be read for at least three weeks and preferably four weeks in advance. The call shall be read at the regular worship time and shall include the purpose of the meeting. An affidavit may be required of the Secretary of the Corporation stating that this process was followed. If the church does not have a Secretary for the Corporation, it may elect one at the Congregational meeting, but such an election must be part of the call. (The clerk of the session shall be secretary of meetings of the congregation.

B. Once the congregation has voted to dissolve, the following will need to be done:

1. Investigate as to whether there are outstanding obligations to the Presbytery, Synod, and/or General Assembly.
2. Appraise the building, secure the services of a realtor, it that seems prudent.
3. Secure Presbytery's written permission to sell the real property and presbytery's approval of the congregation's plans.
4. Carry out the plan for the celebration of ministry.
5. Carry out the plan for disposing of the building's contents.
6. Ask the members where they would like to transfer their membership and carry out the transfer, effective the date of the congregation dissolution.
7. If a buyer is not found by the date of the last service, the congregation may choose to not dissolve the church until after the sale is consummated.
8. Before an agreement can be entered into, the Abstract of Title must be located and brought up to date, and a Warranty Deed drawn. If may be appropriate to seek legal opinion regarding the marketability of the title. It is the policy of

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the Presbytery that the Deed shall contain a declaration that the church building shall not be used as a place where alcohol is sold.

C. Once a buyer is found the session will:

1. Review the purchase offer with the Presbytery's commission, in order to make sure that it is in keeping with the plans and in the best interests of the congregation and the Constitution of the Presbyterian Church (U.S.A.). Once approved by Presbytery's commission, the transaction may be completed.
2. Make sure that the insurance is canceled, utilities are transferred and the Presbytery is notified.
3. Make sure that all bills and obligations are paid.
4. Notify the Secretary of State that the corporation has been dissolved.
5. Notify the Office of the General Assembly and the Synod of Lakes and Prairies telling them of the church's dissolution and requesting that the per capita for the succeeding years be forgiven. The church will also transmit to Presbytery the per capita payment for members placed on the rolls of Presbytery.
6. Provide a legal description to the Presbytery of Northern Waters along with a   
   cashier's check made out to the Presbytery for what remains of the proceeds of the sale and other assets.

D. Once the work of the administrative commission is completed, it will make a report to

presbytery along with a request that the Commission be dissolved upon

approval of its report.

*End of Section 4.105*