The Presbytery of Westminster met in Special Session on Monday, August 15, 2022 at 7:00pm at Gordon Presbyterian Church, and via ZOOM.

**CONSTITUTION**

The Moderator, Rev. Laurie McKay constituted the Court and opened the meeting with prayer at 7:05pm.

The Moderator welcomed the following guests:-

 St John’s Presbyterian Church – Keith & Lesley Leishman, Kestutis Glambinskas, Ritva MacLeod, Ping Erickson, Paula Shore

**DOCKET**

It was moved by Martin Baxter, seconded by Rebecca Simpson that the consent agenda below be adopted.

  **CARRIED**

**Consent Agenda**:

* that the Docket be as indicated,
* that the attendance be recorded as noted in the Roll Record Book & those participating by ZOOM
* that regrets and requests for permission to withdraw be noted as sent to the clerk of presbytery,
* that reports with recommendations be received and their recommendations considered,

that the presbytery treasurer be permitted to speak to financial issues.

If the Court is agreed, these motions will be adopted at the beginning of the meeting. Any member may ask for an issue on the consent agenda to be withdrawn from this list before the agenda is adopted.

**ROLL**

Constituent Roll:

M Baxter, P Dutcher-Walls, B Fraser, C MacLeod, L McKay, R Simpson, D Woods, M Adams, I Evans, B Feick, B Shepansky, E Wilson.

via Zoom – W van der Westhuizen, S Goble, B Skelding, G Davis, S Stacey, J Sonachansingh, M Zaine, L Boon Lee, G Shields, J Con

Appendix:

via Zoom - D Tait-Katerberg, B Garvin

Students:

Non-voting guests:

**REGRETS:**

J Cheng, L Bae, P Eastwood, R Watson, G Booy, G Snyman, L Lanaras, K Patrick, K Jordan, M Wong

**COMMITTEE REPORTS**

**Review Team REPORT – re financial situation at St. John’s PC, White Rock**

*The report was presented by Rebecca Simpson.*

*All motions, unless otherwise noted, moved by Rebecca Simpson, seconded by Martin Baxter.*

**Report of the “Review Team”**

**named to St. John’s, White Rock**

**May 3rd 2022**

**Preamble**

On March 29th 2022, a letter was sent to the Clerk of Presbytery (Clerk), on behalf of the congregation and the Session of St John’s Presbyterian Church, White Rock (St John’s) following their annual congregational meeting, held on March 13th 2022.

Mr Leishman, clerk of Session at St John’s, wrote to inform the Clerk that the congregation, having been updated about the church’s financial situation, voted that they could “no longer continue to meet the financial obligations of the pastoral tie with [their] current minister.”

As such the Session of St John’s wrote to ask Presbytery to review their financial situation and make any recommendations regarding their pastoral tie as per “section two of the Presbyterian Church in Canada’s policy on severing the pastoral tie.”[[1]](#footnote-1)

**What led up to this request being made by St John’s?**

The Presbytery directed the moderator to appoint a Visitation Team to St. John’s, in response to a Commission report submitted in April 2021. They were given a specific mandate to follow up on issues raised in the February 2018 visitation, as reported in the Presbytery minutes of June 2018, and to present a fulsome report to the Presbytery by November 2021. The terms of reference for the Visitation Team included the following:

* the need to engage St John’s in a visioning process for the congregation, and
* to help St John’s plot a financial plan for the ongoing viability of the congregation and its ministry

It was already apparent that the health and vitality of the congregation was in a precarious situation and any hope for a renewed vision for their life and ministry **would depend heavily on their financial situation**. Over the past few years St John’s has been in a deficit at the end of each year and in order to “balance” their finances funds have been transferred from their Legacy Trust Fund. In the Fall of 2021 the Session met to discuss whether this pattern was sustainable going forward.

The Session of St John’s circulated a report to the St. John’s congregation prior to their 2022 annual congregational meeting (ACM), to be held on March 13th 2022.

The following is taken directly from that report. It begins …

Over the last several months, the Session has been dealing with the future direction of the congregation. Over the last several years, we have had to balance our budget with **significant draw down** from the Legacy Trust. We believe continuing down that road will ultimately lead to the closure of the congregation. As you will see from this report, time is not on our side and we will need to make decisions to address the challenges before us.

They highlighted that congregational givings had dropped dramatically at St John’s over the past number of years: from $323,032 in 2004 to $114,000 in 2020. In addition they summarised the use of the St John’s Legacy Fund to balance operational costs over the past few years.

The St John’s Legacy Fund was established in 2017, with initial balance of $498,000.

The Legacy Fund was constituted and operated exclusively for charitable purposes and more specifically the Income and Capital of the Legacy Fund are to be used solely for the betterment of the Ministry of St. John’s.

At that time the Trustees of the Legacy Fund were directed to distribute amounts not exceeding $10,000/year. More specifically, only a maximum of 10% of the capital of the Legacy Fund should be used in any year, to be used for capital improvements, local ministries or special mission projects, ***but not to balance operational costs***.

Since 2017 the Legacy Fund has been used significantly to balance operational costs and the balance now stands at close to $280,000.

 $55,000 transferred to balance their budget in 2019

 $87,000 in 2020

 $62,000 in 2021

 ***$204,000 to balance their expenses over the last three years.***

The Session informed the congregation they were going to move a recommendation at the ACM to no longer continue to draw down on the Legacy Trust to balance their annual operational costs and seek to return to a withdrawal of 10 per cent, with the exception for funding that may be required and approved by the congregation for any plans for renewal. This recommendation came from their desire to do more than merely survive financially for the next 3-4 years but give them a chance to re-imagine and set some goals for a renewed vision. At the ACM, the congregation agreed.

Given their desire to not use the Legacy Fund to cover operational costs the proposed budget for 2022 was showing a projected $42,000 deficit, which the congregation discussed and agreed they could not see themselves covering. It should be noted that the budget included 10% transfer from the Legacy Fund ($28,000). As such the total budgeted deficit in their budget amounts to $70,000.

The draft budget included $239,000 in expenses.

 Salaries and Benefits - $168,000 – roughly 75% of their overall expenses

 Operating Expenses - $64,000 including $4,300 for church ministries

The Session, assuming the congregation would not agree to cover the deficit, continued in their report to deal directly with the financial situation, determining …

The Session also looked at expenses and believes that there are **no places left in the budget where reduction of expenses could be significant enough to address the deficit, outside of the stipend and salary portion of the budget**. The Session has concluded that cutting operational expenses outside of salaries and stipends will not address our current challenge.

Their report explains their reasoning which led them to recommend to the congregation that Session send a letter to Presbytery indicating that the congregation no longer has the finances to support the present call. Furthermore, Session recommends to the congregation that the position of Music Director be reduced [from ½ time, including benefits] to a quarter-time contract.

The congregation at the ACM, which lasted 3 hours, agreed.

**The Review Team**

At the April 2022 Presbytery Meeting the Visitation Committee to St John’s presented their final report. They concluded their report stating

Sadly, St. John’s is at a fork in the road financially based upon its limited and declining resources, as well as its short timeline to respond. If it continues to follow the pattern of previous years, it will simply and shortly run out of financial resources to continue its ministry.

As a result of their report and reception of the letter from the Session of St John’s, the Ministry team recommended the following

*Recommendation 1: that the Presbytery establish a team of three people to be named by the Moderator to review the request from the Session of St. John's.*

*Recommendation 2: that the review team will have the authority to consult any legal advice it felt necessary (to ensure we are complying with BC labour laws), to consult directly with the treasurer of St. John's regarding financial scenarios, to consult with the Clerks of General Assembly (to ensure we are following the guidelines of Category Two of the Dissolution of the Pastoral Tie) and report back to the May Presbytery meeting through the Ministry Committee with a course of action.*

Following the Presbytery meeting Rev. Rebecca Simpson, Mike Zaine, and myself, Rev. Martin Baxter, were named as a review team. We agreed to meet via ZOOM on Monday April 11, and invited Rev. Dr. Dale Woods, and Larry Eastwood, St John’s treasurer, to attend.

On that ZOOM, Mike Zaine, explained his role in the St John’s Session meetings, where he serves as an assessor elder. It was agreed that we highlight the potential conflict of interests to the Presbytery moderator, laying out possible alternatives for the review team. The Moderator agreed that Rev Simpson and myself continue as the “named” review team and that we continue seeking the help and assistance of Mr Zaine, Rev. Dr. Woods, Mr Eastwood, and others as we saw fit.

We understood our terms of reference as a review team to do the following:-

1. to review the financial situation of St John’s, including the financial scenarios presented to the congregation at their recent ACM.
2. to review the steps taken (summarised already in this report) that led to the decision to seek dissolution of the pastoral tie, under category II of the “Policy for the Dissolution of Pastoral Ties” (The Policy)
3. to connect with the Clerks of Assembly to establish whether this situation does fall under Category II of The Policy
4. to connect with an Employment Lawyer, if we established the need to do that, to ensure The Policy does not contravene any BC Labour Laws, for this particular situation.
5. to connect with the Pastoral Caregiver to inform him of the progress of the Review Team.
6. to connect with the Minister of St John’s and the Session to discuss our review in preparation for making any report and subsequent recommendations to Presbytery.
7. if need be, to draft a Settlement Agreement, and present that to both the Session and Minister as part of our discussions above.

Following our ZOOM meeting, April 11th, the Review Team requested the minutes of recent Session meetings and the March 13th ACM, to help us get a sense of the process used to reach the decision to request this dissolution. The Review Team would like to thank Mr. Leishman for his cooperation in providing those minutes.

In addition, the Review Team arranged to meet Rev. van der Westhuizen (The Minister) to determine how he was doing and get a sense if he saw any alternative(s) to this proposed dissolution.

**Our Review and Analysis**

1. The recent discussions at St John’s have not been easy for anyone. They have come face to face with two highly valued aspects of their life together: the value of relationships, particularly with their long-term minister, and the value of the sustainability of their life and mission. In this case, due to their current financial situation the values cannot be equally held and one must take priority. The congregation have not come to an easy decision but they have established that their only hope to have a future life and mission beyond the next 3-4 years requires them to prioritise their sustainability over and against the tie they have with their minister. This does not mean this latter relationship is no longer valued. The request to dissolve this pastoral tie is their last gasp effort to give them time and some limited resources to turn their life around.
2. The Session report sent to the congregation in advance of the ACM laid out in detail the analysis behind the Session’s recommendations, with respect to financial scenarios for their 2022 budget. It included three possible scenarios. If any of the first two had received congregational approval then scenario #3, which ultimately resulted in their request for dissolution, would not have been considered. The following is a summary of those three scenarios
	* Scenario #1 - that the congregation approves the full draw-down on the Legacy Trust as laid out in the draft 2022 budget. (In other words, keep doing what they have been doing and any annual deficits from the Legacy Trust Fund) ***Defeated***.
	* Scenario #2 - that the congregation approves the limited legacy draw-down as described in Scenario 2 of the draft 2022 budget. (In other words, agree as a congregation to increase givings to cover any budgeted deficit.) ***Defeated***
	* Scenario #3 - that the congregation approves Scenario 3 as described in the draft 2022 budget. (In other words, accept that St John’s cannot continue to financially support a full time call and a half time worship leader. Their only solution to balance their operating costs was to significantly reduce their salary portion of their budget.) ***Carried***

In the Session Report they clearly laid out that if Scenario 3 was approved then the next step was to seek Presbytery’s assistance given that the pastoral tie was no longer sustainable, and as such a one-year transition allowance would be initiated.

1. We reviewed the financial scenarios presented to St John’s at the ACM, and none of them are ideal to say the least. From our analysis it would appear that if they do nothing and continue as is they will be running significant deficits year on year and therefore be required to draw down from their Legacy Fund in the amount of $70,000 minimum year after year, which equates to 4 years maximum, if they can maintain the current level of congregational givings. (This is unlikely due to numbers continuing to drop from regular attendance) It is not viable to continue as is for as long as possible without some plan to be able to pay a transition allowance if any when that is required.
2. St John’s also have significant maintenance issues with parts of their building, including a broken elevator, windows needing to be replaced, and roof repairs. None of these issues are inexpensive to repair.
3. Due to the number of years of faithful service by their minister any transition allowance to be included as part of a dissolution of the pastoral tie will most likely require St John’s to draw down further from their Legacy Fund approximately $100,000 over the next two years, assuming there is no other avenue to acquire these necessary funds.
4. The Minister was inducted in St. John’s in June 2004. He has served there for 18 years. He will be 63 this coming year and so does not imagine many potential calls coming his way over these next couple of years, if he has to leave St John’s.
5. Having consulted the Clerks of Assembly their advice was as follows “if the presbytery is convinced that the financial constraint is genuine (and perhaps not reasonably resolvable by a means other than the dissolution of the pastoral tie), the presbytery can move ahead according to [category II of] the policy.”
6. If we agree as a Presbytery to undergo category II of The Policy then St John’s would still have significant discussions ahead of them in terms of their life and ministry. They would likely need to engage in a stated supply contract as a minimum. Furthermore in order to establish some new achievable goals they would also require further assistance from someone like the PMV. Their Legacy Fund balance would be close to $180,000 which does not provide them much reserve to cover the costs of much needed capital improvements. But perhaps there is a chance that they can stop running deficit budgets which might give them a slim opportunity to move forward and not merely see closure as their only possible direction.

**Pastoral Comment**

It is not hard to imagine that the discussions at St. John’s, in recent Session meetings and at the ACM, have not been easy for anyone. The Minister has recused himself from many of these discussions at “appropriate” times in order to allow those in attendance to speak freely and be able to vote openly. The Minister should be thanked for his sensitivity. This situation has obviously become a very stressful time for The Minister and his family as a whole, as it has been for the St. John’s church family.

After eighteen years of service it is hard to find yourself in a situation where the congregation you have served so faithfully have voted that they can not afford to keep paying you so that they can cling to a hope that they might not need to close within the next few years.

Emotions are raw right now. The Minister is hurting. Relationships that had been strong for many years are becoming frayed.

The scenarios presented to the congregation were not done without concern. As the Session said in their words

The Session is fully aware that it is one thing to talk about cutting operational expense. It is a far more difficult conversation to consider the need to reduce personnel costs. The Session felt it had no option but to consider this possibility given that personnel costs make up roughly 75% of costs. As members of the congregation can imagine, it has been a difficult conversation for the Session.

If this pastoral tie is to be dissolved the Review Team would urge The Minister, the Session and the congregation of St. John’s to reflect upon the successes and joys of the past 18 years and not see this situation as a failure on anyone’s part. As church leaders, whether we are teaching or ruling elders, we believe God’s Spirit guides us and directs us. His ways are not our ways.

**Proposed Process going forward …**

Is our task, as a Review Team and a Presbytery, to determine if we accept the Session’s assessment of their financial situation? Yes.

However is that enough?

In the early part of 2019 our Presbytery agreed five short term goals that includes the following

“the Presbytery commits to a process which will examine the health and vitality of every ministry within its bounds, with the express purpose of seeking to assist each ministry in identifying ways by which the Presbytery can offer support in achieving healthier, more vital outcomes. This process will include a review of the vision, structure and resources of each ministry and will also encourage and equip leadership within the ministries to best serve the vision and desired outcomes.”

The question the Review Team asked itself was “does a dissolution of the pastoral tie give St John’s the best hope to not merely survive 3-4 more years but somehow, if God wills it, become healthier and more vital?”

Can any church thrive if they literally run out of financial resource?

As previously stated, the final report from the visitation team concluded that “sadly, St. John’s is at a fork in the road financially based upon its limited and declining resources, as well as its short timeline to respond. ***If it continues to follow the pattern of previous years, it will simply and shortly run out of financial resources to continue its ministry.***”

The question before Presbytery is not merely “do we agree with the Session’s assessment” but “do we want to give St John’s a window of opportunity to continue its life and ministry in White Rock?” If we do, then we have no choice but to, with regret, agree that they must significantly reduce the salary portion of their budget as soon as possible.

Having reviewed the steps taken by the Session in preparation of a 2022 budget, their report to the congregation as presented at the ACM, and the financial situation of St John’s as documented by the Treasurer, the Review Team are prepared to move the following

**Recommendation #1 - That the presbytery accept the Session’s assessment that St. John’s cannot support the ministry position financially and move to dissolve the pastoral tie between the minister and the congregation, in accordance to Category II of “The Policy for the Dissolution of Pastoral Ties”**

**CARRIED**

**Recommendation #2 - The terms of the dissolution, including the effective date of the dissolution, be determined by the Review Team, following the Policy for the Dissolution of Pastoral Ties (category II), with power to issue, in consultation with Rev. van der Westhuizen, the Session of St. John’s Presbyterian Church, White Rock, the Moderator, the Clerk, the Ministry Committee, and any other persons as deemed necessary by the Review Team.**

**CARRIED**

Respectfully submitted by

**Rev. Martin Baxter**

**Rev. Rebecca Simpson**

**Report Addendum**

**August 2 2022**

The above report was circulated via email to Rev. van der Westhuizen, Mr. Leishman, and Rev. Booy (Pastoral Care for Rev. van der Westhuizen) on April 21st 2022, to advise them of our intention to present the report to Presbytery, on May 3rd 2022. In that email I invited Mr. Leishman to share it with the session of St. John’s, and I laid out a potential process for going forward if Presbytery chose to approve the recommendations.

On April 26th 2022 Rev. van der Westhuizen forwarded a sick note effective April 26th to the end of July 2022.

The Review Team did not circulate the report to Presbytery for the May 3 2022 meeting given Rev. van der Westhuizen’s medical leave.

Rev. Baxter was acclaimed as the new Clerk of Presbytery at the May 3rd 2022 meeting.

Rev. van der Westhuizen returned from medical leave on July 27th 2022, and preached on July 31st 2022.

Following Rev. van der Westhuizen’s return from medical leave the Moderator, in consultation with the Clerk, agreed that a special meeting of Presbytery needed to be called to deal with the above report, given the very difficult financial situation of St. John’s. It was also agreed that the report would be presented by Rev. Simpson, given Rev. Baxter’s role as Presbytery clerk.

If the above recommendations are approved it is apparent that Rev. Baxter can not serve as part of the Review Team going forward and so the Review Team is bringing a further recommendation, as follows.

**Recommendation #3 – that the Moderator appoint two presbyters to serve on the Review Team, along with Rev. Simpson as convener.**

**CARRIED**

Rev. Dr. Dale Woods and Isabel Evans have been contacted by the moderator and have agreed to participate.

A short discussion took place highlighting the need to ascertain clear terms of reference for the interim moderator (to be appointed in due course by the Ministry Committee) to work closely with the Session, the congregation, and the Ministry Committee, to offer as much assistance as possible to provide St. John’s with a vision and plan for their future life and ministry.

At this point in our meeting the moderator prayed for Rev. van der Westhuizen, the Session and the congregation of St. John’s.

**ADJOURNMENT**

Moved by Brian Fraser, seconded by Bev Shepansky to adjourn the meeting.

**CARRIED**

**Time and Place:**

* Presbytery of Westminster will meet on August 21, 2022, 2:30pm, St. Andrew’s & St. Stephen’s Presbyterian Church, for the ordination of Daniel Martinez, as a Minister of Word & Sacraments within The PCC.
* The next regular scheduled meeting of presbytery is September 20, 2022, 7:00 pm, St. Andrew’s Hall. (Dinner at 6:00 p.m.) Worship will be led by the Moderator, Rev. Laurie McKay

The Moderator closed the court with a benediction at 7:36 pm.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Rev. Laurie McKay**

(Moderator of Presbytery)

1. For information, we quoted the letter from the Session, but we should point out that the actual name of the policy is “Policy for the Dissolution of Pastoral Ties,” and within the policy, rather than speaking about a severance we use the term “transition allowance.” [↑](#footnote-ref-1)