

Reparative Action for Third Presbyterian Church

August 24, 2023 Presbytery Gathering

Motion presented by the Commission on Ministry

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I. INTRODUCTION

The Commission on Ministry recommends that the presbytery provide relief of outstanding loan debt for Third Presbyterian Church due to the presbytery's complicity in the circumstances that preceded the acquisition of that debt seventeen years ago.

The loans to be forgiven stem from repair issues that emerged in 2006 after the presbytery approved an arrangement between New Providence Presbyterian Church, John Knox Presbyterian Church, and Third Presbyterian Church, the largest weight of the financial burden carried by Third Presbyterian Church, and continues to this day.

The original arrangement involved Third moving into a building held previously by New Providence, which was dissolving. It has been documented that repair issues were known but not communicated ahead of Third's move into that building. The process used in the three-way arrangement did not result in an equal partnership. Processes facilitated by the presbytery limited Third's ability to make an informed decision about whether this property was advisable to accept. Upon assuming full responsibility for the building, Third was required to make immediate repairs under threat of the building being condemned. After unanticipated repairs that included areas of the roof, asbestos remediation, heating and cooling repairs, and required replacement of the fire suppression system, the loan debt was approximately \$400,000. Soon after, they were required to repair the parking lot as well.

Snowballing loans from presbytery's action on February 18, 2006, has resulted in Third Presbyterian Church being saddled with debt which they carry to this day.

Motion 1: In recognition of presbytery's complicity in the current loan situation of Third Presbyterian Church, the Commission on Ministry moves that the Presbytery of Giddings-Lovejoy assume the remaining PILP debt owed by Third Presbyterian Church (\$362,082.27).

Motion 2: In addition, the Commission on Ministry moves that we reimburse Third Presbyterian Church for principle paid to PILP (\$204,917.73), as well as interest (\$151,884.11.)

Total financial implications of both of these motions are: \$362,082.27 (remaining debt) + \$204,917.73 (Principle) + \$151,884.11 (Interest) = \$718,884.11, with the reimbursement to be paid from our liquid presbytery reserves.

RATIONALE

2. Frequently Asked Questions

A. What is this and why is it coming to the presbytery?

In short, one of our congregations was hurt by the resulting aftermath of a presbytery action, and they are still paying a cost from those actions. It is being brought to the presbytery to see if we can work together to address it.

B. What is COM's actual recommendation?

The Commission on Ministry's recommendation to the presbytery is to assume the remaining loan obligation of debt that Third owes to the Presbyterian Investment and Loan Program, as well as reimburse Third for principle and interest on those loans stemming from the condition of the building.

C. Why is the motion coming from the Commission on Ministry?

There are many bodies in the presbytery that could dutifully present this action: Vision Team, DRAWP, COM, the staff, etc. COM was tasked by seeing how they could come alongside a particular church struggling with the ministry issue of their debt burden and how it was impacting our presbytery's strategic mission in North St. Louis County. It was only after it was placed on the docket to discuss at COM that evidence of a need for reparative action was identified. COM has since remained with this matter in recognition of COM's part in the process that led to the issue with the building transfer.

D. What's the summary?

Third Presbyterian Church was a part of an arrangement presented by presbytery leadership in 2006 of acquiring a building that resulted in a cascade of repair liability that snowballed into its current state of loan debt. Even as they were raising questions about the process being followed, it was revealed how repair issues were previously known, yet were not communicated. We can chronicle how the acquisition of that building quickly became a financial and emotional burden left to Third to address on their own, and how the weight of that burden remains to this day. *(See Summary and Detailed Timelines at the end of this document)*

E. What churches were involved in this sale, and what was their role?

New Providence Presbyterian Church, John Knox Presbyterian Church, and Third Presbyterian Church. New Providence was in the process of dissolving, and the Commission on Ministry facilitated the process that the remnant of New Providence would "join" John Knox Presbyterian.

Because the building was becoming available, Third Presbyterian Church later entered into the agreement so they could move into the open New Providence building.

- F. The original arrangement approved by the presbytery on February 18, 2006 said that John Knox was to get proceeds from Third Presbyterian Church's sale above the first \$190,000 which was to be dedicated to repairs. Did John Knox receive money from Third's old building sale?**

Ultimately, John Knox did not receive any funds from the building sale of Third. The building sold in December of 2006 much later than anticipated and for a much lower amount. In April of 2006, there was a communication that, should the building sell as expected, John Knox could expect to receive \$50,325. Those funds did not materialize from the sale and John Knox was helpful to us in confirming that no funds from the presbytery were received from Third's sale.

- G. Wait, why were funds from Third's assets dedicated to John Knox in the first place as part of the formal agreement?**

We have no documentation for the rationale for why that stipulation was included. It is possible that it was conceived of as a kind of "purchase price" for Third to "buy" the building from the remnant of members from New Providence who had chosen to join John Knox. It is also possible that it was a holdover of an earlier draft from the New Providence/John Knox agreement that remained in the final draft from before Third came onto the picture.

- H. How much of Third's debt are we talking about?**

Third Presbyterian church has \$362,082.27 remaining of their debt stemming from deferred repairs on the building. They have paid to the Presbyterian Investment and Loan Program \$204,917.73 in principle and \$151,884.11 in interest.

- I. How is it possible for a church to have so many loans?**

In 2019, the Presbyterian Investment and Loan Program drafted public guidance for mid councils on what percentage of a church's budget can be committed to loans before further debt is inadvisable. When we review how all of Third's loan applications were vetted before approval, we can retroactively apply the formula from the PILP guidance: in doing so, we can see that the total amount of debt was within the recommended thresholds for how much debt a church could sustainably carry. That can change in the future as income changes and debt burdens remain heavy.

- J. Why is this coming to us now, seventeen years later?**

In analyzing the current loan situation from Third Presbyterian Church, we were able to document several instances in the past where Third Presbyterian Church raised questions and made their concerns known. We can see there were some attempts made to seek out the truth and make amends, and it is possible it was understood even then that it wasn't enough. We have the opportunity now to pick up where those attempts left off and see those efforts through.

- K. This is seventeen years ago—what do we know for sure?**

Almost twenty years ago, we saw the beginning of increased email communication for business use, and we are fortunate to have a good measure of record keeping around what was communicated and understood by different parties. We have been able to track the evolution of the drafts that culminated in what was presented to the presbytery for formal action. Financial accounts were documented and filed, and minutes vetting decisions were reviewed. While we cannot account for all the reasons decisions were made, we can account for the impact that the actions have made.

L. Who all was involved in feedback, conversation, awareness, and verification of these documents?

The Presbytery leader and staff, the Commission on Ministry, the Presbytery Treasurer, the Administration Team, the Vision Team, the session of John Knox Presbyterian Church, the Dismantling Racism and White Privilege Team, the Pastor and Clerk of Session of Third Presbyterian, all had the opportunity to review and give feedback on the documents and processes identified. Officers of the Presbyterian Investment and Loan Program were also involved in finding a way forward (*See Process of How this Comes to the Presbytery Gathering*)

M. Is it the presbytery's role to be accountable for this?

While we typically do not assume responsibility for building improvement projects of congregations, the presbytery staff and volunteer teams and commissions are responsible for living out our charges by the presbytery community to oversee the processes that conduct our business as a community. The impact of that work effects the health of our collective ministry witness. The action at the root of Third's snowballing loan situation was approved by the presbytery body of elected commissioners on February 18, 2006, guided by the staff and volunteers of the presbytery. It seems appropriate that the best step forward in making redress together is sharing collective responsibility together as a presbytery.

N. Was there a policy in place to guide this arrangement between the three churches that led to Third acquiring their current building?

There are three applicable quotations from the Book of Order that seem to be at the heart of the original arrangement: *"All property held by or for a particular church...is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)."* (G-8.0201, 2005/2007). *"Whenever a particular church is formally dissolved by the presbytery, or has become extinct by reason of the dispersal of its members, the abandonment of its work, or other cause, such property...shall be held, used, and applied for such uses, purposes, and trusts as the presbytery may direct"* (G-8.0401, 2005/2007), and *"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."* (G-8.0500, 2005/2007). All of these mandatory processes were followed.

We currently have an "assimilation" policy in place so that, should it be the agreed upon mission strategy for a dissolving congregation's resources to carry over to one congregation, we can make sure that everyone is on the same page. This way our processes are clear and there are no surprises. We have since had successful "assimilations" of dissolving churches into another existing church, but every context is to be treated individually, and always in accordance with the Book of Order. However, in 2006, this policy did not exist in the way it was finessed and is shaped

today. While the arrangement duly approved by the presbytery between New Providence and John Knox Presbyterian Church was later understood as an “assimilation”, it was presented at the time as a “joining.”

We did have a policy at the time for dispensing funds from dissolving churches that followed at 10/10/40/40 formula: 10% *for the cost of raising funds for church development, 10% to community ministries administered by the Missional Outreach Team, 40% to the Church Redevelopment Fund administered by the Congregational Development Team, and 40% to the Designated Fund for new church development administered by the Congregational Development Team.* It does not appear that this formula or its predecessor or successor forms were fully used for New Providence’s dissolution.

O. Did Third have a chance for input into the arrangement between the three churches?

We cannot find any supporting documentation that Third Presbyterian Church had equitable input into the process of the formal arrangement approved on February 18, 2006, other than clear agency in approving the move to the new building based on information available to them. On one draft of the document, Third was intended to have representatives that would meet with representatives from New Providence concerning what worship objects would stay with the New Providence building, but that accommodation was removed by committee action. (*see Detailed Timeline*)

P. Can we afford this, and how can we pay for this?

Yes. Please see Treasurer’s Comment on Probable Sources of Funding for Third Presbyterian Church Reparative Action. We have identified a number of sources of liquid assets we could use to accommodate the action from CDs, funds, and reserves. Because of the interest involved with PILP, there are incentives to paying it off sooner. But we may need to release the funds over time. The Administration Team can be tasked with overseeing the exact details.

As far as the technical forgiveness of the loans, PILP has communicated that *“After reviewing options, the easiest and most economical way for the Presbytery to assume the current loans for Third Presbyterian would be by signing a Mortgage Assumption Document. By doing so, the presbytery would become the borrower and assume responsibility for the loans, but all other loan terms would remain the same. If we were to consider refinancing instead, there would be additional closing costs, the interest rate would be higher, and the presbytery would ultimately pay more interest over a longer term.”*

Q. How does the issue of race factor into this conversation?

Over the last several years, Third Presbyterian Church has represented approximately 50% of the Black and African American population of our presbytery. Our presbytery has for a long time made addressing issues of race with courage and humility a central aspirational value. The *Apology to African Americans for the Sin of Slavery and its Legacy* drafted by our presbytery and adopted by the 225th General Assembly of the PC(USA) (2022) was a challenge to us today to be alert to how the impact of racism is still at play, including being mindful of whose feelings and comfort we are centering and who benefits from what processes. It is a charge to work together to take collective responsibility for injustices in our midst, and what we are able to notice and

not notice in how each other is affected. When we challenge ourselves to move *from apology to action*, it is the challenge to look at opportunities to create justice, balance, equity, restoration, and create an even playing field beyond the articulation of words. This is hard work. It involves seeing each other clearly and our impacts together.

We have the opportunity now to pick up where we left off in 2006 with the benefit of sharpened focus around commitment to racial justice, increased awareness of how issues of White flight compound, and how anti-Black racism can show up in our spaces even among the wisest of us.

It is interesting to note that on the same day this action was done on February 18, 2006, a new committee was formed in our presbytery that was called the Dismantling Racism and Privilege team. We are ever striving live out our values to each other!

R. Has Third missed any payments on their loans?

No.

S. Does Third Presbyterian Church have other loans with the presbytery?

Yes. They have approximately \$155,000 in loans with a promise for repayment to the presbytery that stem from the 2019 acquisition of the building next door for the expansion of their children's wing. Because it was an expansion of their growing ministry, and not impacted by the circumstances from 2006, there is no evidence of a need for reparative action regarding these particular loans. COM's recommendation is that these particular loans are not a part of this reparative action measure.

T. What impact will approving this recommendation have on Third Presbyterian Church?

The simple act of forgiving the remaining loan debt (a) would have the impact of freeing up \$4,252.47 a month or \$51,029.64 a year for ministry serving the Moline Acres and North St. Louis County community.

U. This sounds like a lot of money...

It is. But it would have been less had action been taken sooner. Regardless, the funds will be directly impacting our own presbytery membership—it will be reinvested into one of our own congregations. So technically, the funds are not leaving the presbytery. There are also other currencies to be considered, depending on the discernment of the presbytery: it can be difficult to itemize emotional hardship, indignity, and marginalization, just as it is difficult to establish the financial value of faithfulness, justice, and attempting to do the right thing. The task before the presbytery is to ascertain what is faithful and just in this particular situation.

V. Isn't this whole process moving quickly?

This material represents over a hundred hours of research and approximately two months of verification with different entities of the presbytery. In comparison, Third Presbyterian Church was integrated into the formal plan approved on February 18, 2006 in a matter of weeks.

W. Why do we have to do this at this August meeting?

We have a congregation that is being impacted now, and the first step in identifying harm is immediate intervention, which requires presbytery action. Due to accrued interest, there are financial incentives to acting sooner, without undue haste or undue delay. We are not able to move forward on this action responsibly without the opportunity for presbytery discernment and approval.

X. What does “Reparative Action” mean?

Reparative action involves the humility and grace to name specific harm that has been done to a community, the impact that followed, how we may have benefited or not benefited, and how we can make restitution for it. Elona Street-Stewart, first Indigenous American Moderator of the PC(USA) (Delaware Nanticoke Tribe) (224th General Assembly, 2020), has recommended to the church a distinction between the language of “reparations”, which she prefers to reserve for legislation in response to government action, from “reparative action,” the necessary work of the church in the world. The work of reparative action seeks to answer the question “what are we seeking to repair?” The Special Committee on Racism Truth and Reconciliation established by the 223rd General Assembly (2018) is quoted as saying, “there can be no true reconciliation without reparation.”

Y. Are there other examples of reparative action around the PC(USA)?

Yes.

1. There is an example from Eastern Oklahoma Presbytery in how they found in their history how building repair funds were available to majority White churches in a way that they were not available to Indigenous American churches. They then found out how much money was distributed and have sought to set up a fund to repair those churches due to neglect—even though the cost of restitution was beyond the original expense denied.
2. The Presbytery of Charlotte was able to identify how a vast amount of their Black/African-American pastors were not receiving pension benefits because they were part-time—Charlotte Presbytery has since created a fund that if you were ever serving in a part-time capacity in their presbytery and are Black/African American, you have access to those funds.
3. The Presbytery of Utica in New York State is working on accompanying churches and church-related bodies that are interested in laying the groundwork to take direct action for asset redistribution in acts of healing/repair/reparations.

Reparative action looks different in every context and would look specific and unique to our context as well.

Z. What are we learning from this?

The Commission on Ministry has already been processing how we can serve one another better and more faithfully in the wake of some of the resurfaced findings from 2006, including how operating in “silos” can disconnect ourselves from the larger impact of our work and make it

easier for oversights to occur. It is also a reminder on how easy it is for even the most respected, intelligent, faithful, and self-aware of us to be complicit in White Supremacy and anti-Black racism, and how easy to fail to most fully hear or see one another. It's a reminder that we have so much work to do.

AA. If I have questions about this, who can I contact?

Feel free to contact Presbytery Leader Rev. Ryan Landino rlandino@glpby.org or COM member Elder Chris Mahurin cwmahurin@yahoo.com.

3. Summary Timeline of Events of Third Presbyterian Church's Debt

- **December 2005:** COM works with New Providence Presbyterian Church on their closure and dispersal of resources, creates new process that would be a cross between a “merger” and a “joining” with John Knox Presbyterian Church.
- **January 2006:** Third Presbyterian Church commits to vacating their St. Louis City location and move to the New Providence building in Moline Acres in North St. Louis County.
- **February 18, 2006:** Presbytery formally approves: *Plan for New Providence, John Knox, and Third Churches* with conditions for resource allocation and transfer. Plan details include: Presbytery would manage funds from Third Presbyterian Church's old building sale; a limit of \$190,000 from Third's old building proceeds would go repairing the building, the remaining proceeds from Third's building sale would go to John Knox (all other repair costs would be Third's responsibility); (estimated payout to John Knox between February and April 2006 was \$50,000 - \$80,000). **Note that no money ultimately was forwarded on to John Knox from the sale of the Third's old building.*
- **March 2006:** Third begins to move into the building, prepared to replace HVAC system as part of successful move. Uncommunicated roof damage and asbestos was discovered by Third. They are held accountable by the city for repairs. Begins next several months of reporting of unexpected repairs required of the building.
- **April 21, 2006:** Presbytery staff confirms with insurance company that the insurance company previously communicated to New Providence that roof and HVAC repairs were instructed of New Providence, which some money given for those repairs, but the insurance company had no record that the repairs were completed.
- **June 2006:** Third Presbyterian Church holds first worship at new Moline Acres location.
- **June 6, 2006:** Congregational Development Ministry Team expresses concern with Third's situation, the processes followed, and the snowballing repair situations. Approves \$53,000 to stifle the bleeding.
- **August 5, 2006:** Third Presbyterian Church takes out \$58,000 loan from the presbytery for expenses resulting from repairs, at 6% interest.
- **August 22, 2006:** Third communicates that anticipated HVAC repair delayed due to tending for the other emergent repairs.

- **November 7, 2006:** Third Presbyterian Church's property at 2422 Union Blvd sold for \$234,000, below the \$305,000 estimate. (Therefore, no funds are available to be forwarded to John Knox per the original plan.)
- **August 9, 2009:** Third commits to completing remainder of outstanding repairs including the flat membrane roof, the chiller, and bathroom upgrades in the amount of \$405,000. Loan vetted and approved by the COM and synod loan program.
- **August 21, 2013:** All loans previously held by the synod and the presbytery are consolidated and placed under the oversight of the Presbyterian Investment and Loan Program totaling \$467,000 rolling in the preexisting loans with the presbytery.
- **December 16, 2016:** Third Presbyterian Church is fined for the condition of their parking lot, (issues documented by the COM as early as 2009) and are required to make repairs. Takes out additional \$100,000 loan at 3.5% interest.
- **April 2023:** Third approaches Vision Team for options for loan relief.
- **May 2023:** A Taskforce of the Vision Team refers the matter to COM as a matter of distress affecting one of the congregations under their care and our missional strategy in North St. Louis County.
- **June/July/August 2023:** COM and presbytery staff identify circumstances behind the mounting loan crisis that began in 2006 and explore recommendations to presbytery.

4. Detailed Timeline:

Summer 2004: *(Regarding New Providence Presbyterian Church)* Analysis by COM found that New Providence Presbyterian Church in Moline Acres would run out of reserves and no longer be financially sustainable as a ministry by the end of 2006.

Between 2004 and 2005: *(Regarding Third Presbyterian Church)* Third expresses challenges of their current building site on Union Blvd in St. Louis city. Issues included: not enough room for worshippers in sanctuary (and no room for expansion), oversaturation of neighboring congregations (approximately 27 in that community), security concerns, parking (small lot, 3+ block walk, other costly repairs). Engages presbytery for help finding a new building.

October 2005: *(Regarding Third Presbyterian Church)* Staff report documented that Third was asking about the formal process of buying another church building. According to the report, they were told that "if they moved into a vacant church owned by the

Presbytery, they would not be required to purchase it. The logistics would be handled by the presbytery. The hymn books, office equipment, etc. of the church they moved into would stay with the church." They were also told that if "a church is sold the proceeds would go to the Presbytery and distributed according to the 40/40/10/10 formula" (the current policy of distribution of resources of a dissolving congregation). Staff assists Third Presbyterian Church in finding new building site options.

November 2005: *(Regarding New Providence)* Reported that New Providence had approximately \$125,000 of remaining assets, and 95 members on its rolls.

December 2005: *(Regarding John Knox and New Providence Churches)* An arrangement was orchestrated by the COM that was designed to exclusively direct remaining financial assets of New Providence to John Knox Presbyterian Church, including the possibility of a portion of the building sale, its sanctuary items and other material property, with a plan for its membership to join John Knox Presbyterian Church. Plan was articulated in a COM report not as a "Merger" but as a "Joining."

January 2006: *(Regarding Third Presbyterian Church)* Documentation shared by Presbytery to Third Presbyterian Church with information on three different church sites, including community background information, and one inspection for a site that was ultimately not chosen.

January 18, 2006: *(Regarding John Knox and New Providence Churches):* First draft of formal agreement was written, approved by Session of New Providence Churches, with the following provisions that would go on to be approved :

1. Intent: *"The members of New Providence Presbyterian Church of Moline Acres, Missouri "New Providence") believe that they can best serve Jesus Christ by giving up the responsibility and cost of maintaining their property at 9900 Lewis and Clark Boulevard.*

2. Book of Order Provisions: *"...In particular, it is expected that a substantial portion of the value of the property held by New Providence will be transferred to John Knox"*

7. Financial Accounts: *"...after the payment of all obligations incurred by New Providence through February 28...any remaining funds held by New Providence will be transferred to John Knox"*

January 27, 2006: *(Regarding Third Presbyterian Church and New Providence)* Third Presbyterian Church's session votes to receive appraisal from New Providence building site (\$250,000), and shares intention to vote on Sunday, January 29th whether or not to proceed with moving to New Providence location in Moline Acres.

February 2006: (Regarding New Providence Church) Documentation was found of a lot of back and forth among those facilitating the process of the confusion around whether this was a formal dissolution, as stipulated by the Book of Order, or whether this was simply one church just “joining” another church. “You can’t have it both ways” was written on a hand-written note on a draft of the formal arrangement.

Between February 7 and February 14, 2006: Formal agreement was amended to incorporate Third Presbyterian Church into the process of deciding how material objects from New Providence building will be distributed.

“Amendment Proposal Plan for New Providence to Join John Knox Presbyterian Church”

9. *“Personal Property: Before February 28, any personal property of New Providence (such as furnishing, books, and symbolic objects will be assigned to the session of John Knox. **[The removal process of this personal property will be coordinated by representatives from the sessions of Third and New Providence. After February 28, any personal property not distributed by the session of New Providence will become the property of the presbytery.]***

February 14, 2006: Formal agreement was amended by the Executive Committee of the Mission Council to exclude Third Presbyterian Church from the process of deciding how material objects from New Providence building will be distributed.

“Amendment Proposal Plan for New Providence to Join John Knox Presbyterian Church” (Executive Committee of the Mission Council)

9. *“Personal Property: Before February 28, **[change this part to read: “any personal property of the former New Providence not needed by [insert John Knox and strike Third Presbyterian Church”]** will be assigned to the [insert presbytery] ~~[Strike the addition] [Add: The removal process of this personal property will be coordinated by representatives from the sessions of Third and New Providence. After February 28, any personal property not distributed by the session of New Providence will become the property of the presbytery.]~~*

Adopted by the Executive Committee of the Mission Council on February 14, 2006

Estimated in first half of February: A repair estimate provided by Albert Arno, Inc HVAC Repair Contractor, City of St. Louis was discovered that identified estimated repairs to be \$191,400.00. The repairs included \$14,000 for limited asbestos remediation around the boiler pump.

Between February 7 and February 14, 2006: The conditions for the sale of Third Presbyterian Church’s Union Blvd are added under Item 10: Real Property item 1 (a

routine legal document about the transfer of property) and 2 A,B (regarding how the sale is to be conducted. 2A provides for a limit of how much of Third's funds from their Union Blvd. sale would be spent on building repairs (\$190,000), and anything over that limit required for repairs would be Third's responsibility, and the rest of the funds acquired from their building sale is to be committed to John Knox.

2. The Third Presbyterian Church property will be placed immediately on the market and the [net] proceeds will be disbursed as follows:

A. Funds will be placed in escrow with the Presbytery of Giddings-Lovejoy to cover anticipated expenses and repairs to the new Providence ~~church~~ [building], [not to exceed \$190,000 for two years from the date of sale.]

B. Any remaining monies at the time of the sale will be transferred to John Knox Presbyterian Church.

February 15, 2006: Plan approved as amended and forward to Presbytery for vote.

February 18, 2006: Presbytery approves full plan:

"Stated Meeting Minutes, Plan for New Providence, John Knox, and Third Churches"

*"On the recommendation of Mission Council, with the concurrence of the Property Committee and the Congregational Development Ministry Team, presbytery approved the Plan for New Providence Presbyterian Church, John Knox Presbyterian Church, and Third Presbyterian Church. (Addendum IV)"**

** See attached "Proposed Plan for New Providence Church to Join John Knox Presbyterian Church (Revised February 15, 2006)"*

Timeline of Revelations on Building Issues

March 2006: Third begins to move into the Lewis and Clark Ave. building previously held by New Providence. It was reported that ceiling was leaking water in the wake of a rainstorm. A ceiling tile is knocked loose that reveals asbestos. Third commits to repair roof.

March 2006: First required inspection done in order to gain Occupancy Permit for legal transfer from New Providence to Third Presbyterian Church. The city inspector requires Third Presbyterian Church to update the fire suppression system with the repair of the roof.

April 2006: According to mail exchanges from Third Presbyterian, *“New Providence stated to the Presbytery and to Third that the roof was not leaking and had been repaired. This claim proved to be erroneous when it began to literally rain in the sanctuary one week after Third took possession of the building. Two different roofing contractors stated that the roof was irreparable and would have to be replaced...It was discovered that NP never replaced the roof, but put buckets out during worship service to catch water during rain events....Third should not be penalized for the negligence regarding the repair and upkeep of this facility.”* Third petitions to Presbytery staff to be permitted to retain \$34,325 from anticipated money of their Union Blvd sale promised to John Knox to be dedicated to the repair the roof, and also \$21,345.71 to their required Occupancy Code fire suppression system upgrade.

April 6, 2006: Congregational Development Ministry Team approves grant for \$15,000 for new signage and sound system for sanctuary.

April 2006: Presbytery staff investigates history of repairs from Insurance Company for New Providence.

April 21, 2006: Insurance company responds that *“the roof has prior damage that had not been prepared...the roof has been damaged several times...The church has documentation of the damage...I do not have any documentation that the roof has been repaired.”* It was also revealed that \$39,000 was paid to repair their HVAC system five years earlier, but there was *“no record of repairs in the insurance company’s files.”*

April 21, 2006: Presbytery staff communicates to John Knox that *“it does appear that the church was told several times to repair the roof, especially after an analysis was done by the insurance company. I also find it interesting that money was paid for the claims on the HVAC system but there was no record of the fact that the repairs had been made. I personally wonder if those issues are now part of the \$190,000 needed for the furnace and HVAC estimates that were given.”* It is conveyed to John Knox that Third Presbyterian will retain \$34,325 out of the anticipated amount from the sale of Third’s Union Blvd building previously promised to John Knox from the sale (but not the \$21,345.71 Occupancy Code upgrades).

May 2, 2006: Congregational Development Ministry Team May 2, 2006 Minutes

“The Presbytery of Giddings-Lovejoy has given Third Presbyterian Church a \$15,000.00 gift to help with repairs on their new building. Recently, they had storm damage to their new roof. Asbestos was discovered in the damaged ceiling tile. The Congregational Development Ministry Team cannot help Third with the additional costs to repair the roof and ceiling tile. Third may need to revisit how they will use the \$190,000.00 they will receive from the sale of the Third Presbyterian Church property and use it to repair the roof. They plan to have their first service in June 2006.”

June 2006: Upon roof repairs, a fuller picture of the asbestos was recovered, in the ceiling, and again in the flooring. In a communication to the presbytery detailing repair costs, Third Presbyterian stated:

“Three items that we had not planned on at all when entering this project blew it out of proportion. The asbestos removal, ceiling re-installation, and the fire alarm system alone totaled over \$150K. The monies allocated from the sale of the original Third were primarily for the HVAC renovations needed. There still remains \$125K in HVAC renovations that will have to be taken care of by the end of the year that the monies were spent on the above three items.”

June 6, 2006: The Congregational Development Ministry Team is aware of the issue and discerns how they can care for Third Presbyterian Church. They commit to some funding to assist with part of the roof repair. From their minutes:

“Third Presbyterian Church has moved to its new location. They encountered several unexpected problems prior to moving in:

- 1. The New Providence Presbyterian Church building had never been brought up to code.*
- 2. Third had to get an occupancy permit.*
- 3. Third had just repaired the roof when they were hit by a severe storm that destroyed the roof and some ceiling tile. This is when asbestos was found in the ceiling and it had to be replaced.*
- 4. As a result of the storm damage, the security alarm system had to be replaced...help [provided] with roof repair but not the alarm system. Third has requested a grant of \$53,000.00 to pay for the storm damage.*

There was an offer to purchase the old Third church building but the prospective buyers lost their funding....

It was felt that the Presbytery of Giddings-Lovejoy should have had the property inspected before Third moved in. Concern was expressed about the role of the Property Committee in this instance. The Property Committee should have been brought in earlier.

Since all property belongs to Presbytery, the Property Committee had the responsibility of making sure the property was in good shape. Presbytery had agreed that Third would spend \$190,000.00 to make repairs. The \$100,000.00

asbestos issue was the problem. When the Presbytery ever has to do assimilation, it should be sure the inventory the church's property.

Recommendation: The \$53,000.00 grant was approved. The money will be taken from the Church Development Endowment Fund."

August 5, 2006: Third Presbyterian Church is approved for an additional \$58,000 loan from the presbytery for expenses resulting from repairs, at 6% interest.

August 22, 2006: Due to the other repairs, it was communicated to the presbytery that the anticipated expense of the HVAC repair was postponed: *"We cannot afford to replace the chiller at this time, so this \$69,000 will have to be replaced with a capital campaign at a later time."*

November 7, 2006: Contract to sell Third Presbyterian Church's Property at 2422 Union Blvd was accepted by Rock of Ages Baptist Church for \$234,000, below the \$305,000 estimate. No funds are forwarded to John Knox.

Consolidation of Loans on the Old New Providence Building

August 9, 2009: Third commits to completing remainder of outstanding repairs, and consolidate all their debt with the presbytery with the synod's debt program. Congregational Meeting approves debt consolidation in the amount of \$405,000 at a rate of 5.5% for 30 years financed through the CDC.

"Replacement of the present Chiller, Removal and Replacement of Existing flat membrane roof, the construction of new men's and women's bathrooms and paying off our existing loan with the Presbytery's revolving loan fund... The roof replacement is a safety issue because our flat roof is sagging and the pooling water/ice has the potential to collapse. Our ability to facilitate other community events would be greatly heightened with the bathroom expansion."

August 21, 2013: All loans previously held by the synod and the presbytery are consolidated and placed under the oversight of the Presbyterian Investment and Loan Program.

LOAN #1	\$467,000	Remainder of roof repair (flat membrane roof), chiller, restrooms, preexisting loan amount	July 23, 2013	25 years	Interest rate set by PILP adjusted every 36 months	Held by CDC for Synod (then released to PILP in August 21, 2013)
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December 16, 2016: Third Presbyterian Church is fined for the condition of their parking lot, are required to make repairs: \$100,000 loan at 3.5% interest

“The purpose of this loan is to repave the church’s parking lot, and purchase and install a new sign. Third Church has entered into loans prior to this one with an excellent repayment record. They are financially stable and considered one of our viable, growing congregations. Both their pastoral staff and lay leadership is outstanding as is evident when we revisit them for presbytery meetings.”

LOAN #1	\$467,000	Remainder of roof repair (flat membrane roof), chiller, restrooms, preexisting loan amount	July 23, 2013	25 years	Interest rate set by PILP adjusted every 36 months	Held by CDC for Synod (then released to PILP in August 21, 2013)
LOAN #2	\$100,000	Repave driveway	February 22, 2017	10 years	Interest rate set by PILP	Made with Synod, passed on to PILP

5: Process for How This Came to the Presbytery Gathering

- **November 30, 2022:** Pastor of Third seeks options for available relief from loan challenges.
- **January 9, 2023:** Due to anticipated difficult accounting firm transition, commitment to find and present available options by June.
- **April 5, 2023:** Due to unavailability of options available for loan reprieve, permission granted to involve other bodies of the presbytery to explore options.

- **April 20, 2023:** Vision Team comes alongside Presbytery Leader to explore routes for relief, creates a taskforce to explore options including *Presbytery Leader, Treasurer, Dynamic Leaders Team chair, and Dismantling Racism and White Privilege Team chair.*
- **May 16-May 25, 2023:** Vision Team taskforce refers matter to *Commission on Ministry* on the basis that the loans represent a ministry hardship to one of the congregations under their care, and to its pastor, and affecting the strategic ministry witness of North St. Louis County.
- **June 5-8:** In preparing background notes for COM, the issues around the circumstances of the acquisition of building became clear.
- **June 7:** documentation presented to *Admin Chair and Treasurer*, who both concurred that a case for reparative action was worth presenting.
- **June 8:** documentation presented to *Associate Presbytery Leader and Stated Clerk*, who both concurred that a case for reparative action was worth presenting.
- **June 11:** Summary of documentation presented to *DRAWP chair* who concurred that a case for reparative action was worth presenting.
- **June 12:** documentation shared with *Clerk of Session at Third Presbyterian Church*, who verified history and understanding of timeline.
- **June 14:** *Commission on Ministry* hears findings, commits to exploring reparative action options for Third Presbyterian. Has a few questions that need to be addressed before a recommendation is prepared.
- **July 27:** *Vision Team* hears report on documentation, concurs that a case for reparative action was worth presenting.
- **Late July to August 7:** *COM member* independently finds corroborating documentation supporting a presentation for reparative action.
- **August 10:** COM reaffirms June position. Votes to make recommendation on reparative action to the presbytery.
- **August 13:** Documentation presented to session of *John Knox Presbyterian Church* with conversation and feedback.
- **August 14:** Documentation presented to full *DRAWP Team* with conversation and feedback.
- **August 21:** Documentation to be presented to past and present session members of Third Presbyterian Church, for conversation and feedback.
- **August 24:** Stated Presbytery Gathering to decide on course of action.