



Diocese of Toronto
Anglican Church of Canada

Capital Redeployment Policy

Approved by: Diocesan Council
Approved: June 2003
Revised: November 2018

Capital Redeployment Policy

Preamble

In March 2003, a working group was formed in the Diocese of Toronto to develop a strategic policy for the reinvestment, redeployment or spending of proceeds from the sale or other disposition of real estate assets of the Diocese. This document contains both the policy statement and the discussion points from the working group's deliberations.

A copy of the original policy document approved by Diocesan Council in June 2003 (Capital Redeployment Policy, June 19, 2003) is available from the Secretary of Synod on request.

In June 2008, this policy was updated to reflect the reconfiguration of diocesan boards and committees as approved by Synod in 2007. The policy revisions were approved by Diocesan Council in June 2008.

Context for Policy Development in 2003

Scope and application of policy

The working group believed that it was important that any policy be understood and applied in the context in which it was developed. This section outlines the canonical and policy context which existed when they developed this policy (Spring 2003) and within which the policy was formulated.

First, it is intended that this policy will apply

- whenever real property, including without limitation real property rights, is sold within the diocese after June 2003, and
- whenever after due consideration of statute, canons and Diocesan policy, the Diocese has an interest or share in the proceeds arising from the disposition of the real property.

In the spring of 2003, Canons 6 and 13 address the disposition of real estate and how one determines when proceeds are allocable to the Diocese and available for re-deployment. A copy of these Canons at that time and in their entirety may be found in Attachments 3 and 4 respectively.

The diocesan policy on the books in the spring of 2003, which speaks to the redeployment of proceeds, is the Parish/Diocesan Sharing policy, approved by the Executive Committee (subsequently renamed the Diocesan Council) in February 1990. The policy provided as follows:

That this Executive reaffirms that all church property in this Diocese is held for the purposes of the whole church, irrespective of the name of the registered owner, and that it is the policy of this Diocese that the proceeds realized from any sale or other disposition of surplus property or any land by any parish, in excess of \$25,000 (or \$5,000 annual rental), are to be shared with the Diocese for the purposes of the church.

The degree of such sharing shall be determined from time to time in each particular case having regards to the needs of the parish and the needs of the Diocese, and the Diocesan share of such proceeds shall in the first instance be allocated by the Executive Committee for the capital purposes of the Planning and Development Board subject to any restrictions of trusts which may have been imposed and subject to other specific Diocesan requirements.

The Parish/Diocesan Sharing policy was retired when Diocesan Council approved the Capital Redeployment Policy in June 2003.

Strategic and scriptural context of policy

The Diocese's vision for 2003-2005 was centered around Building Communities of Hope. The following section is taken from that year's strategic planning document.

In the Diocese of Toronto in the year 2003, we are building communities of hope through three distinct but complementary strategies:

Making our Anglican life seeker friendly [Matthew 6:19-21, Luke 5:38, Luke 14:28-30]

- Being, and being seen to be, welcoming to and supportive of all individuals in our communities that seek spiritual, social and/or physical nurturing.
- Being seen as a beacon of light, of good news and celebration, of friendship and of caring, to all who look for a source of affirmation and joy amidst the noise of a modern world.

Creating distinct and supportive ministries which respond to and reflect the diversity of our society [Matthew 28.1, Galatians 3:28]

- Sponsoring and encouraging ministries which are, and are seen to be, supportive of diverse cultural communities
- Sponsoring and encouraging new ways of ministry which resonate with young people and speaks to young seekers
- Renewing our ministry around that which is sacred to reflect the key segments of our society.

Advocating Christ's message to influence social policy and social realities [Matthew 5:1-12, Luke 4:17-19, Micah 6:8]

- Being, and being seen to be, a courageous and persuasive voice for the homeless, the poor and the marginalized.
- Creating and carrying out ministries which address the needs of the homeless and the poor across our Diocese as living examples of Christ working among us.

Our use and redeployment of capital that is freed up by selling real property, including without limitation real property rights, should enable the strategies of the Diocese and help us to extend God's reign.

Underlying Values and Principles

The working group formulated and documented certain core values and principles which are important to understanding how the policy should be applied in the future

- The mission of the Diocese calls us to use assets entrusted to us for the benefit of the church's work and to the glory of Christ. Assets – real estate or otherwise - are a means to an end rather than an end in themselves. Property can be sold. Indeed, sometimes property should be sold.
- We must always remember that we have inherited the church today and its assets from earlier generations. They are entrusted to us as stewards to grow ministry. We have a responsibility to future generations to consider the ongoing work of the church and the, as yet, unknown needs of future generations whenever we make decisions.
- We are called on to balance the needs of the present with the needs of the future, ensuring that we neither hoard nor squander, but rather find the balance needed for the sustainable growth of our ministry in obedience to Christ's call.
- As leaders in a changing world, we are called on to recognize the diversity of our society and the diversity of needs and to respond to diversity in a meaningful way to make our ministry relevant and engaging. We acknowledge that, although much of our ministry today is carried out in the form of the parish church, it is but one form of ministry. We must be ever open to other forms of ministry and be aware of the many ways in which Christ calls us to minister.

The Policy

In the following statement of policy, "the policy" is in italics. The other text is provided as explanation and guidance.

This policy shall be known as the Capital Redeployment Policy.

The Diocesan Council reaffirms that all real property in this Diocese is held for the purpose of ministry throughout the entire Diocese irrespective of the name of the registered owner, and that it is the policy of this Diocese that the proceeds realized from any sale or other disposition of surplus real property (referred to as "proceeds" in this policy), are to be shared with the Diocese for the purposes of the church.

Readers of this policy may wish to refer to the definition of Real Property which is found in Canon 1, Section 1(13): **REAL PROPERTY** - Includes land, buildings, any other thing that is erected or

growing on or affixed to land, minerals and other things under land, and all rights issuing out of, annexed to, and exercisable within or about land such as leases, licenses, mortgages and air rights.

The determination of surplus real property and the degree of such sharing shall be made from time to time in accordance with the canons having regards to the needs of the parish, as applicable, and the needs of the Diocese. The Diocesan share of such proceeds shall be placed in the Ministry Allocation Fund which shall be designated and accounted for within the financial accounts of the Diocese.

Although there is no policy definition for “surplus” real property, the working group believed that it would be useful for such a definition to be developed by Executive Board in consultation with the College of Bishops. The determination of whether any particular asset is “surplus” ultimately rests with the College of Bishops in consultation with the parish and others.

On disestablishment of a parish, all proceeds are designated as Diocesan share.

Under Canon 13, all assets of the predecessor parishes become assets of the merged parish on amalgamation. However, in many situations, one of the church properties is viewed as surplus to the needs of the merged parish. Canon 13 requires all of the proceeds of surplus real estate to be designated as the Diocesan share and requires this to be sorted out as part of granting the amalgamation.

In all other situations involving parochial real property, there will continue to be a starting assumption that the parish and Diocese will share proceeds on a 50/50 basis. The parish will then, in consultation with its Bishop, prepare a plan that shows how the parish will use the parish share in ministry and mission. The Executive Board will review whether the 50/50 basis should be modified based on the parish’s plan and the Bishop’s comments thereon. The Executive Board will then make a recommendation to Diocesan Council on whether the 50/50 should be varied, and if so, how.

The Diocesan Council hereby assigns Executive Board the responsibility to make recommendations to Diocesan Council within the framework set out in this policy.

Diocesan Council will make decisions on these matters giving serious consideration to the recommendations of the Executive Board.

The Executive Board will acknowledge and reflect as a priority in its decisions the obligation of the Diocese of Toronto with respect to Residential School Settlement until such debt is extinguished.

The Executive Board will recommend to Diocesan Council the allocation of funds across four broad categories:

- *The importance of maintaining and renewing our existing real properties.*
- *The need for new or expanded properties in growing communities.*

- *The importance of investing in new forms of ministries while continuing to strengthen Diocesan capabilities to serve.*

The Executive Board will recommend to Diocesan Council the allocation of funds across four broad categories:

- *Real estate purposes*
- *Congregational growth and ministry development*
- *Creating new forms of ministry*
- *Other urgent or strategic needs of the Diocese*

The Diocesan Council believes it is inappropriate to use proceeds for ongoing operating expenses of the Diocese.

The allocation of funds shall be carried out at least annually, looking forward three years to coincide with and support the budget planning processes. The Diocesan Council may choose to allocate less than 100% of the proceeds from time to time, in order to permit adjustments to allocations.

The Diocesan Council has considered the long term financial needs of the Diocese and has formed these opinions with respect to the redeployment of capital over the longer term:

- *That approximately 70% of the Ministry Allocation Fund will need to be reinvested for real estate purposes to support the maintenance and redeployment of our land and buildings;*
- *That approximately 20% will need to be allocated to congregational growth and ministry development needs;*
- *That approximately 10% will need to be allocated to creating new forms of ministry.*

The Diocesan Council expects the Executive Board to be guided by these opinions over the longer term and further expects that the Executive Board will take into account in any given decision, urgent and strategic needs that arise from time to time and that demand financial capital. Such a need would be met as a priority and would reduce the amounts to be redeployed in the relative portions set out above.

After the Executive Board has recommended how proceeds will be allocated in any given period and the recommendations have been approved by Diocesan Council, the funds shall be administered in the following way:

- ***Real estate purposes.*** *The Executive Board will consider the needs of the Diocese and will recommend to Diocesan Council how to redeploy proceeds and any income earned thereon for real estate purposes. These recommendations can include making loans or grants to acquire real property, acquiring real property, forgiving or repaying parish debt incurred to acquire real property, or creating an endowment fund, the income of which is for real estate purposes.*

- **Congregational growth and ministry resources.** *The Executive Board will consider the needs of the Diocese and will recommend to Diocesan Council how to redeploy proceeds and any income earned thereon for congregational growth and ministry resources. These recommendations can include making loans or grants to Areas and, with the concurrence of Area Councils and/or Area Bishops, to congregations within Areas, creating program materials, initiating leadership or people development strategies, or creating an endowment fund, the income of which is for congregational growth and ministry resources needs.*
- **Creating new forms of ministry.** *The College of Bishops, in consultation with others will consider the needs of the Diocese and will recommend to Diocesan Council how to redeploy proceeds and any income earned thereon for creating new forms of ministry. These recommendations can include making loans or grants to create ministry initiatives, initiating non-traditional ministry strategies, or to create an endowment fund, the income of which is for supporting new forms of ministry.*

Undisbursed proceeds are financial assets of the Diocese and as such are under the stewardship and administrative oversight of the CAO and the Treasurer, as delegated by Diocesan Council and the Bishop.

Members of the Working Group

Mr. Ted Aldridge	Planning and Development Board
The Rev. Canon Rod Barlow	St. Paul, Lindsay
Mr. Paul Baston	Chair, Stewardship Development Committee
Ms. Jennifer Clarke	Chair, Human Resources Committee
The Rev. Canon Dawn Davis	Director, Ministry Resources
Ms. Marie DunSeith	Interim Director, Stewardship Development
Canon Robert Falby	Chancellor
The Rev. Canon A. Paul Feheley	Chair, Communications Committee
The Rev. Barbara J. Hammond	Chair, Treasury Board
The Rev. Jim Houston	Acting Director, Community Ministries
The Ven. Colin Johnson	Bishop-elect, Trent Durham Area
Ms. Alison J. Knight, CA	CAO & Secretary of Synod
Mr. Stuart Mann	Communications Manager
Mr. Brian Mills	Director, Planning and Development
Mr. Dave Robinson	Acting Director, Program Resources
Mr. Rob Saffrey, CA	Treasurer and Director of Finance
The Rev. Janet Sidey	Chair, Program Resources Board
Mr. David Taylor	Vice Chair, Community Ministries Board
Bishop Ann Tottenham	Bishop, Credit Valley Area
The Rev. Canon James Woolley	Chair, Planning and Development Board

What is prompting us to look at changing the policy?

Several issues and concerns have prompted the formation of this working group and the recognition of the need to revise policy.

The Planning and Development Board initiated work a year ago when it became apparent that the existing processes, policy and procedures were not ideally suited to handling major grant requests. Our processes follow functional “stovepipes”. Our canons lack clarity on key issues and this results in issues and decisions being constantly re-debated in various forums. The delegation of decisions under the Sharing Policy to only Planning and Development mischaracterizes the way in which ministry is developed and sustained in the Diocese today.

The Board concluded that to strengthen Diocesan outcomes in the redeployment of capital, the canons, policies, and processes ought to be reworked to accomplish the following:

- Greater clarity in the respective canons as to which proceeds from which dispositions flow to the Diocese.
- Greater clarity as to the types of needs and uses which must be considered in re-deploying the proceeds.
- Decision making processes that include all the key ministry disciplines critical to growing successful ministry and are not biased towards real estate resources.
- Decisions that re-deploy, and are seen to re-deploy, Diocesan resources in ways which have maximum impact on growing ministry.

Meanwhile, in other Boards and Committees, members have wrestled with the question of how the Diocese should be renewing and strengthening its ministry in light of these realities and observations:

- Shifting demographics have led to shifts in residential neighbourhoods, jeopardized the viability of some churches built many years ago and resulted in church closings.
- These shifts also have created potential growth areas where we have no church properties or where the existing property is inadequate to support a growing congregation.
- In the past, we have under-funded certain projects because we have not developed a multidisciplinary picture of the ministry needs – our bias has been to overemphasize the real estate or building part of the growth initiative as that which required capital.
- As we look across our Diocese and the ways to strengthen our ministry, we see opportunities for programs and initiatives aimed at our leaders, both lay and ordained; however, we don’t often recognize our “human capital” as a key force in how we build ministry.

- Real estate values throughout the Diocese have increased significantly, forcing up the opportunity cost of holding real estate where the “ministry returns” may be marginal.
- New forms and means of ministry have been created by a changing society representing a need for formation capital and not necessarily an investment in real estate.
- The Diocese is entrusted to manage an asset base comprised of financial investments and real estate properties. Care and maintenance of church properties requires increasing amounts of financial resources as the buildings age or require restoration/modification to adhere to evolving building standards and uses.

These realities and observations lead us back to the need to refresh and define our policies, processes and procedures for managing and re-deploying our capital.

In particular, the working group believes that a sense of overall cooperation and collaboration needs to be a critical part of the Diocese’s long-term capital redeployment strategy. In that regard, the processes and policies that we use in the Diocese for re-deploying capital ought to require a multidisciplinary view of ministry and an appreciation for the alternative uses for capital.

The working group also notes that many parishioners think that when real estate is sold and proceeds are remitted to the Diocese, the proceeds simply disappear into a “black hole”. That perception arises, in part, because our canons are not easy to read and our existing sharing policy is very vague. The group intends to support both the changes to canons and the development of policy in order to make the decisioning process more transparent; to set out clearly and simply what the strategic intent of the Diocese is when it comes to re-deploying capital.

Canons Approved by Synod, November 2003, Related to this Policy

The following revised canon sections were approved by Synod in November 2003 in order to support the implementation of the policy. [The previous versions of Canons 6 and 13 are found in Attachments 3 and 4.]

Canon 1 – Definitions

- 7) **Ministry Allocation Fund-** The fund maintained and accounted for within the financial accounts of the Diocese under the authority of Diocesan Council to receive, hold, and disburse the Diocesan share of proceeds realized from any sale or other disposition of Real Property together with income earned thereon.
- 13) **Real Property-** Includes land, buildings, any other thing that is erected or growing on or affixed to land, minerals and other things under land, and all rights issuing out of, annexed to, and exercisable within or about land such as leases, licenses, mortgages and air rights.

Canon 6 – Acquisition, Disposition and/or Alteration of Real Property and Related Rights

1. All Real Property Held for Ministry

All real property in the Diocese is held for the purposes of ministry throughout the Diocese irrespective of the name of the registered owner.

2. Acquisition of Real Property

No church, rectory, or other building shall be erected, purchased, or otherwise acquired, or have structural alterations made thereto or be removed from one locality to another, and no land shall be purchased or otherwise acquired, without consent of the Bishop, and the Diocesan Council.

3. Disposition of Real Property and Proceeds of Sale

No real property, which for greater clarity includes land, cemetery, air/density or mineral rights, church, rectory or other building shall be sold, licensed, leased or mortgaged or otherwise encumbered, without the consent of the Bishop and the Diocesan Council.

The proceeds of the sale of any real property shall be paid to the Synod in accordance with applicable law. In the event that a mortgage is acquired in connection with any such sale, such mortgage shall be in the name of the Synod.

Except in the case of amalgamation or disestablishment, where any parish disposes of surplus real property, 50% of the proceeds of the sale shall be designated as the Diocesan share. This percentage may be altered with Diocesan Council approval. In the case of amalgamation or disestablishment, the procedures under Canon 13 shall be followed.

The Diocesan share from the disposition or the sale of any of the above shall be deposited to the Ministry Allocation Fund. The Diocesan Council shall have the responsibility for this Fund and shall prescribe policy from time to time under which it is administered on behalf of Synod.

4. Loans

No parish shall incur any financial obligation not expected to be liquidated within one year without the consent of the Bishop and the Diocesan Council.

5. Consent of the Diocesan Council

The consent hereinbefore referred to, of the Diocesan Council, shall be in writing and under the signature of the Secretary of Synod and shall only be effective when endorsed on the final documents under the common seal of the Synod, unless the Diocesan Council specifically grants an exemption from this requirement.

6. Vestry Resolutions

All applications submitted for the approval of the Diocesan Council shall be accompanied by a copy of the resolution of the vestry, certified by the Vestry Clerk.

7. Repairs and Alterations

The Churchwardens shall take charge of any alterations or repairs to the parish church and other buildings and in a parish having a rectory or other residence, the Churchwardens shall keep it in good and substantial repair, save in the case of damage caused by willful act or neglect of the Incumbent or other resident or the family of the Incumbent or other resident, for the repair of which such Incumbent or other resident shall be responsible. When vacating a rectory, the Incumbent shall leave the house and grounds clean and in good condition.

8. Rental of Rectories

- 1) If the rectory is to be rented, a committee of the vestry or of the Advisory Board or of the Executive Committee of the parish should be appointed whose primary responsibility would be to supervise and manage and be concerned in the proper maintenance and management of the rectory.
- 2) 40% of the net rental derived from renting the rectory shall be placed on deposit in the Consolidated Trust Fund of the Diocese to the credit of the parish, to provide a fund for the capital repairs of the rectory.

Notwithstanding the foregoing, the Diocesan Council may in exceptional cases, waive any one or more of the above two clauses upon the recommendation of the Trusts Committee.

9. Memorials

No memorial shall be placed in or removed from any church, rectory or other parochial building without the consent of the Bishop.

10. Procedure

The procedure to be followed under this canon shall be as prescribed from time to time by the Diocesan Council.

Canon 13 - Parishes

3. Amalgamation of parishes

- 1) Whenever the Bishop shall consider it advisable to amalgamate or merge two or more existing parishes or congregations, and the Diocesan Council has expressed its approval by resolution, the Bishop shall seek voluntary consent to such amalgamation or merger by a conference of the Incumbent and Churchwardens of such parishes or congregations.
- 2) If a voluntary agreement cannot be reached, a Commission shall be appointed to consider the objections of those opposed to the amalgamation or merger, and any other matters pertinent thereto, and to report thereon. If such report is in favour of the proposed amalgamation or merger and has been confirmed by the Bishop and the Diocesan Council, the Bishop may proceed to carry it into effect by disestablishing any one or more of the parishes or congregations and by erecting a new parish or parishes or congregations or by allotting the territory to one or more parishes or congregations. If the report of the Commission is unfavourable, further action shall be deferred for a period of not less than one year, from the date of such report.
- 3) If the parish thus formed consists of more than one congregation, and the distribution of the financial obligations to be borne by each cannot be agreed upon by the congregations themselves, the Bishop shall appoint a Commission to consider the matter. Their report, after confirmation, shall be carried into effect, but the matter may be reconsidered at the end of a three year period, if requested by the Churchwardens of any one of the congregations concerned.
- 4) Where two or more existing parishes or congregations are merged under the provisions of this Canon, the proceeds of the sale of surplus real property shall be placed in the Ministry Allocation Fund. All appointments of clergy or laity of the merged parishes or congregations, including the Incumbents, assistants in ministry, Churchwardens and other lay parish officials, shall terminate as of the date of the approval by the Bishop and the Diocesan Council of the merger, but the Bishop may in the Bishop's discretion continue any clerical or lay appointments on such terms as the Bishop deems fit, or make other appointments.
- 5) Subject to the approval of the Bishop and the Diocesan Council, vestries of two or more congregations or parishes may enter into arrangements for their more effective administration, including, but not limited to, the consolidation of financial resources, joint vestry meetings, joint advisory boards, combined services and other cooperative acts. (1994)

Canon 6 - In force at March 2003

Church Building and Lands

11. Acquisition of Property

No church, rectory, or other parochial building shall be erected, purchased, or otherwise acquired, or have structural alterations made thereto or be removed from one locality to another, and no land shall be purchased or otherwise acquired, without consent of the Bishop, and the Diocesan Council.

12. Disposition of Property

No land, church, rectory or other parochial building shall be sold, licensed, leased or mortgaged or otherwise encumbered, without the consent of the Bishop and the Diocesan Council

13. Loans

No parish shall incur any financial obligation not expected to be liquidated within one year without the consent of the Bishop and the Diocesan Council.

14. Consent of the Diocesan Council

The consent hereinbefore referred to, of the Diocesan Council, shall be in writing and under the signature of the Secretary of Synod and shall only be effective when endorsed on the final documents under the common seal of the Synod, unless the Diocesan Council specifically grants an exemption from this requirement.

15. Vestry Resolutions

All applications submitted for the approval of the Diocesan Council shall be accompanied by a copy of the resolution of the vestry, certified by the Vestry Clerk.

16. Proceeds of Sale of Property

The proceeds of the sale of any parochial property shall be paid to the Synod in accordance with the provision of the Statutes of Ontario. In the event that a mortgage is acquired in connection with any such sale, such mortgage shall be in the name of the Synod.

17. Repairs and Alterations

The Churchwardens shall take charge of any alterations or repairs to the church and other parochial buildings and in a parish having a rectory or other residence the Churchwardens shall keep it in good and substantial repair, save in the case of damage caused by willful act or neglect of the Incumbent or other resident or the family of the Incumbent, for the repair of which such Incumbent shall be responsible. When vacating a rectory, the Incumbent shall leave the house and grounds clean and in good condition.

18. Rental of Rectories

- 1) If the rectory is to be rented, a committee of the vestry or of the Advisory Board or of the Executive Committee of the parish should be appointed whose primary responsibility would be to supervise and manage and be concerned in the proper maintenance and management of the rectory.
- 2) 40% of the net rental derived from renting the rectory shall be placed on deposit in the Consolidated Trust Fund of the Diocese to the credit of the parish, to provide a fund for the capital repairs of the rectory.

Notwithstanding the foregoing, the Diocesan Council may in exceptional cases, waive any one or more of the above two clauses upon the recommendation of the Trusts Committee.

19. Memorials

No memorial shall be placed in or removed from any church, rectory or other parochial building without the consent of the Bishop.

20. Procedure

The procedure to be followed under this canon shall be as prescribed by the Diocesan Council.

Procedure Pursuant to Canon 6 as Prescribed by the Diocesan Council

1. Consultation

Before calling a meeting of the vestry to deal with matters outlined in Canon 6, the Incumbent and Churchwardens shall first consult with the Bishop.

2. Special Vestry and Notice

If the matter is not dealt with at the annual vestry meeting, a special meeting of the vestry must be called by giving due notice thereof during Divine Service on the two Sundays next preceding the special meeting; provided that the Bishop or Suffragan Bishop may, in extraordinary circumstances and in writing, permit the giving of notice only on the Sunday next preceding.

3. Notices

All notices of special vestry meetings shall state precisely the purpose for which the meeting is called, and no other business shall be dealt with at that meeting.

4. Certified Copy of Resolution

A certified copy of the vestry resolution is to be forwarded to the Secretary of Synod for the approval of the Diocesan Council.

5. Material to be Sent to the Secretary of Synod

In order to facilitate approval, parishes are requested to forward the following information and material to the Secretary of Synod.

1) Respecting Purchases:

- a. Vestry resolution
- b. General description of property (with sketch of location)
- c. Purchase price
- d. Method of financing purchase, and statement of parish's financial condition with respect to purchase.
- e. Some evidence as to value, preferably by a disinterested party.
- f. Copy of offer (if available).

2) Respecting Sales:

- a. Vestry resolution
- b. General description of property (with sketch of location).
- c. Original deed (or advice that deed is on file at Diocesan office).
- d. Offer to purchase - if not available, statement setting forth:
 - i. Amounts to be received
 - ii. Name and address of purchaser
 - iii. Terms of payment of purchase price
 - iv. Date of expiry of offer
- e. Proposed disposition of proceeds
- f. Statement that property is not consecrated
- g. Some evidence as to value, preferably by a disinterested party.

3) Respecting Building or Structural Alterations:

- a. First Step (for approval in principle)
 - i. Vestry resolution

- ii. Preliminary plans
 - iii. Estimated cost
 - iv. Method of financing
- b. Second Step (for final approval)
 - i. Vestry resolution
 - ii. Final plans
 - iii. Actual cost as established by a tender or contract
 - iv. Method of financing
 - v. Particulars of performance bond furnished by contractor.

4) Respecting Mortgages or Loans:

- a. Vestry resolution
- b. General description of property (with sketch of location).
- c. Original deed of property (or advice that deed is on file at the Diocesan office).
- d. Amount, terms and interest rates
- e. Names and address of mortgagee or lender.
- f. Statement of intention of parish as to use of proceeds.
- g. Statement outlining method of providing funds for repayment.
- h. Statement that property is not consecrated.

5) Respecting Leases

- a. Vestry resolution
- b. General description of property (with sketch of location).
- c. Terms of the lease
- d. Rental
- e. Disposition of proceeds to be received.

6) Legal Fees

Any legal fees incurred by the Diocese as a result of any transaction originating in a Parish shall be the responsibility of the Parish. (1996)

Canon 13 - In force at March 2003

Parishes

1. Commission of Investigation

Wherever the word "Commission" is used in this canon it shall denote a Commission appointed by the Bishop, consisting of two clerical and two lay members of Synod, who shall report to the Bishop in writing. Such report, after approval by the Diocesan Council by resolution, and by the Bishop under the Bishop's hand and seal, shall be deemed to be confirmed, and shall be final.

2. Establishment of a New Parish (1985)

1) Whenever the establishment of a new parish is desired by:

- a. a group of persons, not less than 20 of whom shall be communicants of the church of the full age of 18 years, residing in the Diocese, who present a memorial to the Bishop stating their reasons, or
- b. the Bishop, or
- c. the Planning and Development Board in consultation with the Bishop,

the Bishop shall convene a meeting of the Director of Planning and Development, two representatives of the Planning and Development Board, the Regional Dean, the Chairperson of the Deanery Council and the Incumbent and lay representatives of immediately adjoining parishes, to assess the situation and to make recommendations thereon.

2) If the meeting referred to in 2(1) recommends the establishment of a new parish, the Bishop shall communicate the recommendation to the Planning and Development Board who shall forward their recommendations to the Bishop. The Bishop, having considered the matter, shall forward the Bishop's recommendation to the Diocesan Council. If the Diocesan Council approves the establishment of a new parish the Bishop shall notify in writing the Incumbent or Incumbents and Churchwardens of parishes affected of the particulars of the new boundaries. If no objection to the proposal is raised within one month from the date of such notices, and the Bishop approves of the proposal and is satisfied that the provisions of the Church Temporalities Act (section 17), where the same applies, have been complied with, and that proper and sufficient means have been or will be provided for the maintenance of work in such a parish, the Bishop may proceed to the establishment of the parish.

- 3) If any of the parishes notified as aforesaid objects to the proposed new parish, the grounds of objection shall be delivered to the Bishop in writing within one month. The Bishop may thereupon refuse the prayer of the memorial, or the Bishop may appoint a Commission which shall confer with the Incumbent or Incumbents of the parish or parishes affected, and consider the objections made. The Commission shall then report its findings to the Bishop and Diocesan Council. If such report is favourable to the erection of the parish and is confirmed by the Bishop and Diocesan Council, the Bishop may proceed to the establishment thereof.

3. Amalgamation of Parishes

- 1) Whenever the Bishop shall consider it advisable to amalgamate or merge two or more existing parishes or congregations, and the Diocesan Council has expressed its approval by resolution, the Bishop shall seek voluntary consent to such amalgamation or merger by a conference of the Incumbent and Churchwardens of such parishes or congregations.
- 2) If a voluntary agreement cannot be reached, a Commission shall be appointed to consider the objections of those opposed to the amalgamation or merger, and any other matters pertinent thereto, and to report thereon. If such report is in favour of the proposed amalgamation or merger and has been confirmed by the Bishop and the Diocesan Council, the Bishop may proceed to carry it into effect by disestablishing any one or more of the parishes or congregations and by erecting a new parish or parishes or congregations or by allotting the territory to one or more parishes or congregations. If the report of the Commission is unfavourable, further action shall be deferred for a period of not less than one year, from the date of such report.
- 3) If the parish thus formed consists of more than one congregation, and the distribution of the financial obligations to be borne by each cannot be agreed upon by the congregations themselves, the Bishop shall appoint a Commission to consider the matter. Their report, after confirmation, shall be carried into effect, but the matter may be reconsidered at the end of a three year period, if requested by the Churchwardens of any one of the congregations concerned.
- 4) Where two or more existing parishes or congregations are merged under the provisions of this Canon, all assets and liabilities, including real property and trusts of the merged parishes and of the congregations involved, shall be amalgamated and merged into the new amalgamated parish which shall be named by the Bishop. All appointments of clergy or laity of the merged parishes or congregations, including the Incumbents, assistants in ministry, Churchwardens and other lay parish officials, shall terminate as of the date of the approval by the Bishop and the Diocesan Council of the merger, but the Bishop may in the Bishop's discretion continue any clerical or lay appointments on such terms as the Bishop deems fit, or make other appointments.

- 5) Subject to the approval of the Bishop and the Diocesan Council, vestries of two or more congregations or parishes may enter into arrangements for their more effective administration, including, but not limited to, the consolidation of financial resources, joint vestry meetings, joint advisory boards, combined services and other cooperative acts. (1994)

4. Disestablishment of a Parish or Congregation

- 1) The Vestry of any parish now or hereafter established may, by a resolution adopted by at least a two-thirds majority of those present at a special meeting thereof called for the purpose of considering the matter, resolve that it is expedient, for reason to be stated in the resolution, that the parish should be disestablished. Upon the said resolution being approved by the Bishop in writing under the Bishop's hand and seal, the Bishop shall thereupon disestablish the parish.
- 2) If the Bishop deems it advisable that any parish now or hereafter established in the Diocese should be disestablished, the Bishop may, with the approval of the Diocesan Council, confer with the Incumbent and Churchwardens of such parish with a view to bringing about, if possible, a voluntary disestablishment under the preceding subsection.
 - b. If voluntary disestablishment cannot be so arranged, the Bishop may appoint a Commission to investigate and report on the advisability, or otherwise, of the proposed disestablishment. If its report recommends disestablishment, and is confirmed by the Diocesan Council, the Bishop may thereupon declare in writing that the said parish is disestablished. If, however, the report be unfavourable to disestablishment, no further action shall be taken, and all interested authorities shall be notified to such effect.
- 3) Provided that before disestablishing a parish the Bishop shall require to be submitted to the Bishop a financial statement of the assets and liabilities of such parish. If the liabilities are found to be greater than the assets, the Bishop shall submit the statement to the Diocesan Council of the Synod which shall take such action as seems necessary under the circumstances.
- 4) On disestablishment, the register and other books, records and documents of the parish shall be surrendered forthwith to the Registrar of the Diocese.
- 5) On disestablishment, the capital assets of the parish, of every nature or kind, and the place or places of worship therein shall be conveyed forthwith to and be in the control of the Synod.
- 6) The Churchwardens of such disestablished parish shall continue in office for the purpose of winding-up only and shall, within a period of not more than three months after the declaration of disestablishment has been issued, discharge all current financial liabilities so far as the current assets at their disposal will allow,

and shall then hand over to the Synod any balance remaining in their possession, together with an audited statement of receipts and disbursements of the said parish since the end of the last financial year.

In the event that the Churchwardens of such disestablished parish fail to transfer assets to the Synod, the Diocesan Council may by resolution remove the Churchwardens of such disestablished parish and appoint others in their place for the purpose of the transfer of assets pursuant to this section.

- 7) Any assets or property real or personal resulting from such disestablishment may be dealt with by the Diocesan Council, and without limiting the generality of the foregoing, the Diocesan Council may sell, lease or otherwise dispose of any of the real or personal property, but apart from any necessary expenses of the disestablished parish or congregation, the proceeds of such property shall be held for a period of twelve months from the date on which the Bishop made the declaration and dealt with as provided in this Canon.

Where the Diocesan Council deems it appropriate, monies or assets resulting from such disestablishment may be used during the twelve month period for the repair or refurbishing of any building in the disestablished parish or for the continuance of ministry in that area. Where disestablishment occurs as part of an amalgamation or merger of parishes or congregations, the proceeds of any such property may be used for the purposes of the amalgamated or merged parish or congregation with the approval of the Diocesan Council. (1988)

- 8) If within the said period, a petition is presented to the Bishop by former members of the vestry of the disestablished parish, expressing their desire to form a new parish elsewhere, to be known by the name of the disestablished parish, the Bishop may proceed to erect such new parish in the manner hereinbefore provided.
- 9) If no such new parish be erected within fifteen months after the disestablishment has been declared, the said assets shall be dealt with and disposed of by and under a Commission, and the award of such Commission, when confirmed, shall be binding on all parties. Such commission is to be appointed by the Bishop and the report of such commission may be confirmed by the Bishop with the approval of the Diocesan Council.
- 10) A Congregation within a parish may be disestablished and the other provisions of this Section 4 shall apply mutatis mutandis, except that the territory and any assets shall be allotted at the discretion of the Bishop, after consultation with the Diocesan Council.

5. Adjustment of Boundaries

- 1) The Bishop may direct the Planning and Development Board to report on the boundaries of any or all parishes, districts or ministry areas in the Diocese,

whenever the Bishop and the Diocesan Council consider it necessary. If the report of the committee is confirmed by the Diocesan Council, the Bishop may proceed to effect such adjustment by declaration.

- 2) The Incumbents and Churchwardens of any adjoining parishes may confer regarding the boundaries which they have in common, and may petition the Bishop regarding any adjustment of such boundaries which they consider advisable. This shall be referred to the Planning and Development Board for study and report and, if the report is approved by the Diocesan Council, the Bishop may proceed to effect such adjustment by declaration.
- 3) At the request of the Diocesan Council a recommendation regarding the allocation of the territory formerly occupied by a disestablished parish shall be made by the Planning and Development Board after consultation with the Incumbents and Churchwardens of adjoining parishes, and shall be reported to the Bishop and to the Diocesan Council. If the report of the Board is confirmed by the Diocesan Council, the Bishop may proceed to effect such allocation by declaration.

6. General Regulations

The boundaries of a parish having been once defined, approved, and declared, shall not be disturbed for a period of five years except in the case of the formation of new parishes, or in the discretion of the Bishop.