

Policies on Leases, Major Renovations and Other Major Assets with delegation

POLICY NAME and PRACTICE: Leases, Major Renovations and Other Major Assets with delegation	Date received by the Regional Council: November 13, 2021
	Review date:
Purpose: The purpose of this policy establish rules governing property	

WHEREAS under the United Church of Canada Manual 2019, section G.2, Trustees may lease Congregational Property or undertake Major Renovations of Congregational Property or deal with Other Major Assets only with the consent of the applicable Regional Council, the Conseil Régional Nakonha:ka Regional Council adopts this policy applicable to all communities of faith within its bounds, in order to remove any ambiguity.

Leases

With regard to consent for the leasing of any Congregational Property, any lease which falls under **at least two** of the following categories, must apply for Regional Council approval prior to its coming into effect:

- A) The duration of the lease is one year or more
- B) The lease if for \$12,000 or more annually
- C) The lease involves the use of the sanctuary

Leases include all agreements or arrangements regarding the use of Congregational Property even though the word lease is not used.

Significant changes to the terms and conditions of all renewals of such leases require Regional Council consent.

In the case of Communities of Faith failing to conform to the above, the Regional Council reserves its prerogative to declare render any such lease null and void and the Trustees may be liable for the consequences.

The Regional Council may, in exceptional circumstances, limit the use of proceeds for the foregoing leases to particular activities of the Community of Faith.

Major Renovations

With regard to consent for Major Renovations of Congregational Property, any renovation project which meets **any one** of the following conditions, must receive Regional Council consent:

- A) The footprint of the structure is to be changed
- B) The physical envelope (basic physical appearance) is to be changed
- C) The project cost is greater than \$100,000. In this case the request for consent must include a statement regarding the source of funding for the project.

Consent is not required for:

- A) standard maintenance
- B) renovations to existing roofs or other features etc to restore same in substantially the same or improved state
- C) Items A and B are subject to available funds being at the discretion of the Trustees

Other Major Assets

For greater certainty, no Regional Council consent is required for Trustee transactions in publicly traded securities or other investment grade securities.

Other Major Assets include only assets of more than \$50,000 in a contemplated transaction, it being the intent that Trustees exercise their fiduciary duties in respect of assets of lesser value and on the understanding that the conflict of interest policies of The United Church of Canada are fully respected. Other major assets include any part of the property on which the church building is located.

Delegation

The Regional Council delegates to its Property and Finance Leadership Group as a Commission of the Regional Council, all decisions in regard to its consent for Leases, Major Renovations and transactions involving Other Major Assets, provided this delegation shall not apply to any sale or long term lease of more than ten years, of a Church building, as such will require explicit Regional Council consent.