

RESOLUTION REGARDING GRLC LEASING ARRANGEMENTS

Proposed Resolution

The GRLC Partners delegate property management, including the establishment and renewal of leases (of no more than two years), to the Church Operations Manager with CLT oversight.

The congregation is to be advised of any changes in lease arrangements by "partners email" within 14 days of all parties signing said lease. An update on current tenants and leases is to be provided at the ACM.

Background information for partners

In the Baptist Association, church property is not held by the local church but by the Baptist Churches of NSW Property Trust (*Property Trust*). The Property Trust is managed under guidelines of the Baptist Churches of NSW Property Trust Act (NSW), 1984 (*Act*). The *Act* is beginning to show its age and it has a number of sections that do not reflect contemporary property and church management arrangements. Nevertheless, GRLC property is held by the *Property Trust* and we are obliged to comply with their instructions. The church has one property at 23 Stanley Street, which includes the church facilities with the 4 commercial tenants in the units and building unused by the church. Annual revenue is about \$152,000 a year.

Earlier this year it was brought to our attention that the *Property Trust* is required to approve any leases of property owned by the *Property Trust*, operating at the direction of the Church members (in our case partners). This would imply that all leasing arrangements should be approved by a Partners meeting and then advised to the *Property Trust* for their approval. Historically the arrangements at GRLC have been for leases to be managed by the Senior Pastor through the church Administrator with oversight by the CLT. In the last year there has been 1 new lease, a new property manager engaged and 6 changes in rents due to COVID impacts. In addition we expect to be entering leases for property for the new church sites in the future.

Dealing with all property matters, particularly during COVID in which there has been significant lease management, through the congregational meetings would be impractical and probably undesirable. At the August 2021 *Property Trust* meeting they agreed to our proposal to seek by resolution at a congregational meeting for property management to be delegated to an appropriate congregationally endorsed person, in GRLC's case the Church Operations Manager (Katharine Montoya) with CLT oversight. They are also looking at their own arrangements for managing lease issues to ensure that they are dealt with expeditiously. These measures should ensure that operational property decisions can be made in a timely manner while complying with the requirements of the *Act*.

The intention is that normal property matters such as lease management, defects etc. are dealt with by staff and advised to the Congregation by a Partners email and summarised at the ACM (normally in the

Finance report). Significant property matters, such as purchasing and selling property, proposals that impact the value of the property (large renovations etc.) or impact on church use will normally be dealt with as an item at the partners meeting.

Should there be any objections to the specific arrangements then Partners may call an extraordinary meeting, through a written submission which is signed by no less than 10% of the active membership (partnership) as is directed in the GRLC constitution:

“A Church Business Meeting shall be called by the Church Leadership Team annually and at other times as necessary, where notification has been given at the services of the preceding two Sundays. Under exceptional circumstances, or for minor business matters, the two weeks' notice may be waived by the Church Leadership Team. Special meetings may also be called following a written submission signed by no less than 10% of the active membership. The quorum shall be 25% of the active membership. Where a quorum is not reached, the meeting may be rescheduled with two weeks prior notice with no specified quorum.”

This system should provide the necessary balance of allowing normal business to continue by staff while allowing sufficient oversight of the church partnership.

This work is being used as a precedent by the *Property Trust* for all Baptist Churches in NSW.