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Appendix F



THE TORONTO UNITED CHURCH COUNCIL

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November 19, 2010

David Allen
Toronto Conference Office
65 Mayall Ave.
Toronto, ON. M3L 1E7

Dear David,

The following is an extract from the October 21, 2010 meeting minutes of Council's Board of Directors:

Collapsing the Church Development Fund – Toronto Conference ended its involvement in Conference/Council church development agreements on June 30, 2009 and both parties were excused from their obligations under the agreement. In October 2009, this Board decided to administer the church development guidelines to December 31, 2010 “as if” the agreement was still in place. Pam Lock reported that, since church development “administration” has now fully evolved to the Presbyteries, the Church Development Committee is recommending collapsing the Church Development Fund to complete the process.

Motion: Lock/Mabee that the Church Development Fund be collapsed on or before December 31st 2010 as set out in the terms of the agreements with Toronto Conference dated September 30th 1995 and thereafter. Carried.

The agreement on the establishment of the Church Development Fund is among the several accords ended on July 1, 2009. That agreement sets out:

In the event [this church development fund agreement] is terminated, the balance of the fund including residual loan and mortgage payments will be distributed to Toronto Conference and Toronto United Church Council in proportion to the amounts deposited by each body over the period of the fund's management by Toronto United Church Council.

The calculation of the amount deposited by each body since 1995 is:

Toronto Conference	\$ 2,329,979 (86.6%)
Toronto United Church Council	\$ 359,209 (13.4%)

The cash balance of the Fund on December 31, 2010 is estimated to be \$120,000 with a subsequent asset division of \$103,920 and \$16,080. A complete accounting will be carried out and reported at year-end. These disbursement amounts are totally separate and independent of the settlement proposal set out later in this letter.

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There is, of course, an understanding among the Presbyteries that future financial support previously granted from the Church Development Fund to the continuing new church developments will now be managed and financed using administration and funding procedures developed as part of the Conference restructuring. We have advised both Living Waters and Southwest Presbyteries, as part of a lengthy church development reporting letter, to communicate with you on this matter. Our understanding is that under the former Church Development Guidelines, the 2011 distribution would be \$11,200 to the North Star Mission and \$50,000 to each of New Hope and Painswick United Churches.

There are three non-performing mortgages associated with the Fund. They are:

1. Toronto United Church Council (Springdale) – \$300,000 (2002). This amount was loaned to the Dufferin & Peel Presbytery Extension Council. Upon amalgamation of the corporations, the mortgage was retained with bare trustees because of Toronto Conference's interest in the financing through the Church Development Fund
2. Wasaga Beach United Church – \$100,000 (2008)
3. New Hope United Church – \$50,000 (2009)

All three mortgages have the same provisions; that is, 5% simple interest and maturity on the sale of the property or departure from The United Church of Canada. In most cases, the mortgage is permitted to follow the congregation if it relocates. The division between Conference and Council of the repaid amount would occur when the mortgage matures.

Our Treasurer, Jim Dillane, and I are bringing the following recommendation to our Finance & Investment Committee and our Board of Directors in the hope that it will be supportive of the ministry of both Conference and Council:

that Council offer Toronto Conference \$260,000 on January 1, 2011 as a settlement of all residual mortgage obligations due to Conference under the Church Development Fund agreement of 1995.

This proposed settlement would put money immediately in the hands of the Conference to assist with its restructuring and mission endeavours. It will also provide a clear end date to all obligations by both parties with respect to the Church Development Fund that is now based on unknown mortgage maturity dates that could be years, perhaps generations, into the future.

If you would like to speak to me about the division of the cash assets and the proposal on the long-term residual assets of the Fund, please contact me. It would be helpful to have a resolution on Council's proposal by year-end. If this is not achievable, then an indication of the time the Conference would require to consider the proposal would likewise be helpful. I look forward to your response.

Yours truly,



Vincent Alfano
Executive Director

c.c. Marg Walker, President, Toronto Conference (by e-mail)
Jim Dillane, Treasurer, Toronto United Church Council (by e-mail)