

**Report of the Administrative Commission for
Covenant Presbyterian Church
Southfield, Michigan**

The Administrative Commission for Covenant Presbyterian Church of Southfield, Michigan recommends that the Presbytery approve the following motions:

- Under advisement of the Stated Clerk of the Presbytery of Detroit, the Administrative Commission of Covenant Presbyterian Church (AC) moves the Presbytery amend the charge of the Administrative Commission by inserting:

5. When dissolution has been discerned as the way forward, to take all necessary steps proper to dissolve the congregation, including:

- a. assisting in the preservation and distribution of records,**
- b. overseeing the transfer of the membership to other congregations,**
- c. filing appropriate paperwork with the State of Michigan,**
- d. bringing a recommendation to Presbytery as to the distribution of Covenant's funds and other assets.**

- Approve the plan for distribution of funds after all debts have been settled (Attachment 1), pending approval of the Committee on Ministry and the Board of Trustees
- Develop a thorough equipping and training curriculum for ACs, including both Presbytery Stated Clerk and Presbytery Executive.

Rationale

At the January 2021 meeting, the Presbytery approved an AC to work with Covenant Presbyterian Church, Southfield, with the following function, powers, and responsibilities:

Function: The commission shall visit Covenant Presbyterian Church Southfield which has been reported to be affected with disorder and inquire into and settle the difficulties therein.

(G-3.0109b(5))

Powers: The commission shall assume original jurisdiction if it determines that the Session is unable or unwilling to exercise its authority and manage its affairs wisely (G-3.0303e). The commission shall report its action to assume original jurisdiction to the next stated meeting of the Presbytery of Detroit.

Purpose: To provide guidance and leadership for Covenant Church as it seeks to discern the way forward by creating and developing a written plan for the congregation's future.

Focus Items:

1. To assist in the overall financial structure of the Church. This includes budgeting, accounting, checks and balances/reporting and procedures.
2. To assist in identifying grants/1001/new church development that Covenant Church would have available.
3. To assist with identifying a good fit for transitional pastoral leadership.
4. To help Covenant Church discern the way forward as it relates to the best congregational structure (including closing, merging, yoking, nesting, etc.).

Upon motion from the Committee and by unanimous consent, the Presbytery appointed the following persons to serve as members of the Administrative Commission to work with Covenant Presbyterian Church of Southfield, Michigan. The quorum for the commission shall be a majority of its members.

Ruling Elders: Greg Sykes; Stefanie Lewis

Teaching Elders: Kent Clise, Chair; Karen Stunkel

At the same meeting in January and prior to the formation of the AC, the Presbytery approved a motion by the Board of Trustees to sell the Covenant Church property "for at least \$830,000 to Kingdom Builders

Christian Church, and that the funds be held in escrow until their release is approved by Committee on Ministry and the Board of Trustees.”

The AC formed and was trained by the Transitional General Presbyter on March 4, 2021, and has been meeting twice monthly. In addition, the AC observed at all regular Session meetings of Covenant Presbyterian Church.

When the AC formed and met with the Session of Covenant Presbyterian Church for the first time on March 15, 2021, the church, along with Presbytery Trustees, was already in final negotiations to sell the church property to Kingdom Builders Christian Church. The final details of the sale were pending resolution of the requirement to remove an oil tank buried on property. The closing date was scheduled with Presbytery Trustees and the bank to occur by March 23, 2021. Covenant Church planned to lease the chapel of the property and continue to worship as a congregation there. The Presbytery Trustees had already created an escrow account to maintain accountability for the proceeds of the sale of the property. Our AC elected to trust the process occurring between the Session and the Presbytery Trustees regarding the sale of the property pending the results of our investigation as charged.

As the AC continued its investigation into the origin, history, and current state of Covenant Church, it became apparent that there was unreadiness among the Session, a lack of transparency with the congregation on the plan for the church, and distrust of the Presbytery in past and present involvement with Covenant Church. Covenant elders perceived a contradiction in advice from Presbytery leadership. The AC heard the elders say that they were tired and frustrated with Presbytery. Our AC listened carefully and took these feelings seriously.

Based on the progress of sale negotiations, the AC guided the Session to petition the Presbytery Trustees for \$26,000, to be repaid from the escrow account, to underwrite the total cost of the removal of the underground tank and the complete restoration of the property following the tank removal. Further investigation by the AC determined that there would be viability issues for the small congregation to lease the chapel at the agreed to price. In addition, the property sale agreement stipulated that Covenant vacate the premises by March 31, 2022, when it could then begin its lease at the negotiated price. With this deadline in mind, the AC assisted the Session in securing the services of a consultant to guide the Session in discerning the future of this congregation without its property. Considerations included remaining in the chapel, nesting in another facility, merging with another congregation, yoking with another congregation, and/or dissolving the congregation. The estimated time for discernment was 60-90 days, with the result being a plan to be reported to the AC. The plan would clarify congregational outcomes such that there is unity in the decision. The Session approved the proposal at their June regular Session meeting. The AC secured \$5066 monthly from the Presbytery Trustees to subsidize Covenant Church operating expenses and an additional \$2500 per month for the services of the consultant during the development and implementation of the plan. This money would come from the escrow account.

Beginning August 2021, under the guidance of the consultant, the Session researched its options for the future of the church, including surveys of the congregation, congregation town hall to improve transparency, and cancellation of 2 Sundays of December worship to attend Berkley Greenfield and Farmington First Presbyterian Churches as possible locations for mergers, nesting, or new congregation member homes.

On January 17, 2022, Session presented its plan to the AC, which included a recommendation that AC request of Presbytery the dissolution of Covenant Presbyterian Church. Upon receipt of the plan, AC requested from the Stated Clerk the process associated with implementation of the plan. The AC discovered that no Presbytery policy, other than P-21, exists that addresses all options associated with a plan for dissolution of a congregation. While other ACs are wrestling with similar options, their considerations were shared with this AC.

At a called congregational meeting on February 13, 2022, the Session's proposal was presented to the congregation, which held an advisory vote to affirm the plan and to request the AC move forward in obtaining Presbytery approval to dissolve. Additionally, an AC consideration for the distribution of funds was presented, which initiated debate.

At a subsequent Session meeting on February 21, 2022, the Session asked the AC to consider their request to increase possible allocation of funds to the Southfield community in the final determination of funds distribution. After prayerful discernment, the AC made adjustments to the original plan for disbursement of funds after all debts have been settled.

The Presbytery approved dissolution of Covenant Presbyterian Church with final worship service on Sunday, March 20, 2022. Final worship service was held on March 20, with Moderator of the Presbytery participating in the service. Subsequently the AC assumed original jurisdiction over the Session to oversee actions necessary to conclude the dissolution. The presentation celebrating the legacy of Covenant Church is included as Attachment 2, and is presented to the Presbytery at this meeting.

**ADMINISTRATIVE COMMISSION
FOR COVENANT PRESBYTERIAN CHURCH SOUTHFIELD**

The total amount presently in escrow from the sale of Covenant Presbyterian Church is \$721,153.09. Known debts as of May 9, 2022, totaling approximately \$15,067, leave a present balance of approximately \$706,086. Note that total of debts has yet to be determined and settled. In addition, The Session of Covenant Presbyterian Church distributed the funds from its operating account to local missions in the area totaling \$17,446:

Mission Project	Donation
Welcome Inn	\$2500.00
Transfiguration Food Bank	\$2000.00
Southfield Fire Fighters Charity	\$500.00
Igbere School	\$500.00
Oakland County Meals on Wheels	\$1000.00
Lighthouse/SOS	\$2500.00
Forgotten Harvest	\$500.00
Detroit Rescue Mission	\$1000.00
COTS	\$1000.00
Capuchin Soup Kitchen	\$1000.00
American Red Cross	\$500.00
Filipino American Fund	\$3846.00
Bentley Historical Society	\$200.00
Redford Historical Society	\$200.00
Southfield Historical Society	\$200.00

In adherence to the Trustee motion approved at the January 26, 2021 stated Presbytery meeting, the Administrative Commission for Covenant Presbyterian Church, Southfield, moves the Presbytery approve the distribution of remaining funds, after all debts associated with Covenant Presbyterian Church are settled, and charge the Committee on Ministry and Board of Trustees to approve the release of funds in the following manner:

- 1) 31% of the remaining funds to be distributed as follows:
 - a) \$100,000 to Berkley Greenfield Presbyterian Church
 - b) \$100,000 to Farmington First Presbyterian Church
 - c) \$21,000 to a fund for benefitting the Southfield community, to be determined by the former congregation of Covenant Presbyterian Church and to be distributed within 12 months
- 2) 66% of the remaining funds to establish a Covenant Presbyterian Church Legacy. This money may be used for new and/or innovative missions within the Presbytery, and particularly for aiding in securing the vitality and viability of Presbytery presence in Detroit. Presbytery approved guidelines and criteria will be developed prior to fund distribution. Any or all of the money may be distributed. (approximately \$465,000)
- 3) \$20,000 (3%) be held in escrow to cover any additional debt. Any money remaining after all debts are settled will be added to the Covenant Presbyterian Church Legacy.

Stefanie Lewis, Ruling Elder, Clerk
Karen Stunkel, Teaching Elder
Gregory Sykes, Ruling Elder
Kent Clise, Teaching Elder Retired, Moderator