any refinancing requests where the principal of the loan is not increased, the interest is decreased, and the other terms and conditions do not materially change to the church's detriment, provided the church submits:

i. Letter of session stating intent
ii. A copy of the bank commitment letter;
iii. The prior year financial statement
iv. Current year budget.

b. Except when there are special circumstances, the Trustees intend to recommend to Presbytery for approval refinancing requests where the principal of the loan is increased over the current outstanding balance (whether the interest rate is reduced, remains the same, or is increased), only if the following information is furnished and deemed to provide reasonable evidence that the church can fulfill its obligations under the proposed loan.

i. Letter of Session stating intent for additional funds.
ii. A copy of Bank Commitment letter
iii. Completion of the forms and information required for new GA Coordinated Loan Program loans (including financial records membership data, and pledge information).

T-7. STATEMENT OF INVESTMENT OBJECTIVES, POLICIES AND GUIDELINES.

Amended by substitution 6/14/16

Statement of Investment Policy - T7

Article I. Purpose

This Investment Policy Statement adopted by the Presbytery of Detroit ((POD) (a tax exempt 501(c) 3 corporation)) Trustees establishes a clear understanding of the values, philosophy and investment objective to be applied to the Investment portfolio (Portfolio(s)). The purpose of the Investment Policy statement is as follows:

a. To document governance responsibilities and operational policies established for the management of the Portfolio's assets.
b. To establish objectives and guidelines for the investment of the Portfolio assets that meet the overall goals of the Presbytery of Detroit.
c. To outline timing, criteria and procedures to assess on an ongoing basis the Portfolio's asset management.

Article II. Definition of Assets to Invest

a. Restricted investments are defined as those funds commonly called: #410, James Joy Fund; #430, Connor Fund: # 440 McKay Fund , #420 Ranney-Balch Fund and #200, Designated Fund.
b. Investments from the above named funds are combined for efficient investment management purposes and are further defined by the following percentages.

Table 1 – Designated Funds

Fund Name & Account	Percentage of Total *
• James Joy Fund # 410	76.842%
• Ranney Balch Fund # 420	9.349%
• Connor Fund # 430	3.324%
• McKay Fund # 440	2.584%
• Designated Fund (Capital) # 200	7.901%

* Based on the agreement (Appendix III) between POD and Fort Street Presbyterian Church (FSPC) the percentages above reflect the asset allocation as of August 17, 2009

c. Income from the above funds are further defined for purposes of investment income distribution and protection of principal following the formula, below;

<u>Table 2 – Income Distribution from the above funds</u>

Fund Name	Fort Street Church	Presbytery of Detroit	Use of Principal
• James Joy #410	50%	50%*	Restricted
• Ranney Balch # 420	0%	100%	Restricted
• Connor # 430	100%	0%	Restricted
• McKay # 440	0%	100%	Restricted
• Designated(Capital) # 200	0%	100%	Unrestricted

*Presbytery of Detroit distributes, per covenant, to designated beneficiaries.

d. These investments are also governed by the covenants as originally described by the donors and or the Trustees based on the wishes of said donors. Further, the investments are defined by the State of Michigan, as restricted, or unrestricted as it pertains to distribution of principal.

Article III, Additional Unrestricted Investment Assets

a) Surplus cash beyond operational needs in fund accounts is also available for investment. The cash includes funds from committee escrow accounts #510 and Shared Mission & per Capita #600. (See the Presbytery of Detroit, Cash Policy T-17 for the definition of surplus cash).

b) These general funds may be needed for the Presbytery of Detroit funding requirements and therefore the investment style of these funds may different from the other investment strategies in this policy to enable these operational requirements.

c) The Investment Committee is also encouraged to invest funds directly into the Presbyterian Investment Loan Program (PILP) for the general benefit of churches of the Presbytery of Detroit.

Article IV, Duties/Responsibilities: Board of Trustees

a. Under the bylaws of the Presbytery of Detroit (Article II, Section 5, subsection 5bv The Board of Trustees has the responsibility for managing Presbytery temporarily and permanently restricted funds, in consultation with the Treasurer and the Staff.

b. The Board of Trustees assigns this management duty to the Investment Committee. The Investment Committee reports in writing at minimum on a quarterly basis to the Board of Trustees regarding performance of the investment funds.

c. The Investment Committee is composed of a minimum of three current Trustees and the Presbytery of Detroit Treasurer (ex officio). In addition two Elders are appointed by the session from Fort Street Presbyterian Church. The Fort Street representatives have voice and vote in all matters concerning the management of the Connor and Joy Estate Funds.

See Appendix III for a copy of the agreement which outlines the relationship between Fort Street Presbyterian Church and the Presbytery of Detroit.

d. The Investment Committee is empowered to employ the services of an Investment Manager to direct and conduct the daily investment activities as directed and governed by the policies and procedures listed below.
e. The Investment Committee shall conduct a review of the Investment Manager on an annual basis and at its discretion may choose to issue a Request for Proposal (RFP) for new investment manager.
f. The Investment Committee shall review annually compliance with the covenants of the donors.

Article V. Objectives

InvestmentObjective: The objective of the investment policy is to maximize income (dividends and interest) given a level of risk consistent with the preservation of capital and anticipated future cash flow requirements. This objective will be accomplished utilizing an investment strategy of equities, fixed income securities, mutual funds, REITS and money market investments and other approved instruments to participate in rising markets while allowing for adequate protection in falling markets.

Article VI. Investment Guidelines

a. Management: Management of the asset mix among classes of investment is both necessary and desired. To the extent possible, allocation and diversification of investments among asset classes that are not subject to geopolitical events are desired to limit volatility. Therefore, the goal is to provide an appropriate return to enhance growth of the portfolio and enhance income production. In addition, concentration in single asset classifications and categories is to be avoided.

b. Funds deposited in FDIC insured accounts may not exceed the current maximum standard insurance per depositor, per bank and for each account ownership category.

c. All commercial paper investments are limited to A1/P1 rated paper.

d. Fixed income securities held directly by the portfolio and not via a mutual or common fund **must have** an investment grade credit rating assigned by Moody's and or Standard & Poor's rating services.

e. Mutual Funds or Common Funds held in the portfolio are subject to the overall risk measurement for the portfolio.

f. If a rating of any individual security held directly by the investment account is lowered after initial purchase, the Investment Manager will notify the Investment Committee, with an explanation of the credit downgrade and recommended action.

g. Guiding principles of our organization discourage investing directly in 1.) Tobacco and Liquor companies; 2.) Gambling enterprises; and 3.) Defense contractors. (See

Appendix I for specific PCUSA listing).

h. Turnover – There are no specific guidelines regarding turnover of the portfolio. The Investment Manager is given the flexibility to alter the asset mix and selection adjusting to changing market conditions.

i. See Appendix II for definitions of financial terms.

Article VII. Asset Allocation

The Investment Manager will allocate assets within the following ranges and in consideration of the following target positions**:**

<u>Target Ranges</u>

Equity Investments 40%-60% (Includes REITS up to 15% of the total) Fixed
Income Investments 40%-60%
Cash Equivalents 0% - 5%

Amended 3/10/18

j. Assets expressly **approved:**

1. Money Market Funds
2. Certificates of Deposit
3. Commercial Paper
4. U. S. Government Securities
5. U.S. Agency Securities.
6. Mortgage Backed Securities
7. Floating Rate Notes
8. Real Estate Investment Trusts (REITS)
9. Asset-backed securities
10. Corporate Bonds
11. Mutual Funds (open or closed end)
12. Preferred Stock
13. Zero Coupon Bonds
14. Convertible Securities
15. Common stock
16. International equity or fixed income securities
17. U.S. dollar denominated issues of international agencies, foreign governments and foreign corporations
18. Foreign Securities or American Depository Receipts(ADR) listed on U. S. Stock Exchanges
19. Exchange Traded Funds (ETFs)
20. Common Trust Funds

k. Assets expressly **prohibited:**

1. Derivatives
2. Margin or Lending securities
3. Non-Marketable securities

4. Private placements
5. Selling short or short against the Box
6. Venture Capital

Article VIII: Portfolio Performance & Measurement

a. Time Horizon: The Investment Committee seeks to achieve the objectives stated above over a full market cycle. To that end, investment objectives may be achieved each year. The committee recognizes that the portfolio may significantly over or under perform relative to broad market measures. Consequently, long term investment returns will be measured annually, over a 3 year moving period and a 5 year moving period.

b. **Benchmarks**

1. Composite: 50% Russell 3000 Index/45% Barclays Int. Gov./Credit Index/5% 90 Day US Treasury Bill
2. Equities: Russell 3000 Index, MSCI ACWI (ETF benchmark)
3. REITS: FTSE NAREIT Index
4. Fixed income: Barclay's Aggregate. *Amended 9/26/17*

c. **Risk Parameters:** A Beta (as a measure of volatility) no greater than 1.2 as a general guideline for the overall performance of the portfolio.

Article IX: Duties/Responsibilities: Investment Manager

The Investment Manager is responsible for all aspect of managing and overseeing the Investment Portfolio. On an ongoing basis the Investment Manager shall:

a. Implement the overall investment strategy, including the selection/termination of securities and/or investment managers within these investment policy guidelines:
b. Monitor the asset mix and allocate assets as of each investment strategy within these investment policy guidelines:
c. Distribute monthly income pursuant to standing instructions to the Presbytery of Detroit and Fort Street Presbyterian Church.
d. Provide the Investment Committee with quarterly performance reports:
e. Assist the Investment Committee at its discretion, with a review of the Investment Policy Statement, including an assessment of the current investment objectives and current asset allocation: and
f. Supply the Investment Committee with reports and information as reasonably requested.

Article X: Reporting/Guidelines/Restrictions

The Investment Manager shall:

a. Have full investment responsibility commensurate with the above policy.
b. Immediately notify the Investment Committee members via email and in writing of material changes in the economic / financial outlook, portfolio structure, ownership of the investment firm, or senior personnel.
c. Vote proxies and share tenders in a manner that is in the best interest of the Investment

portfolio and consistent with the investment objectives contained herein.

d. Advise the Investment Committee on the payment of investment fees and have an annual vote by the committee on how fees are to be paid either out of realized gains and or investment income or some combination of both.

e. Report at a minimum on a quarterly basis to the Investment committee the following:

1. Market value of funds under management.
2. Percent return: quarterly, 1 year, 3 year and 5 year annualized: Total and by asset type.
3. Asset allocation by market relative to ranges specified in the policy
4. Income payments: quarterly, YTD to POD & FSPC
5. Current year income estimate and previous year actual income.
6. Fees: YTD directly invoiced, % of total assets, including fees charged by mutual funds.

ACKNOWLEDGEMENT of the POLICY by the INVESTMENT MANAGER

As the Investment Manager, we recognize the importance of adhering to the Presbytery of Detroit's investment policy outlined in this document. The Investment

Manager agrees to work to fulfill the objectives and follow the policies stated herein, to the best of our ability. Clear and timely communication between the parties is essential to fulfilling this mission between the parties is essential to achieving these investment goals. Therefore, as Investment Manager we acknowledge the Investment Policy of the Presbytery of Detroit, the process for adjustment of the policies, and the reporting requirements of this statement.

______________________ ____________________

Comerica Wealth Management, Authorized Signature Date

______________________ ____________________

Investment Manager Date

▶ **Appendix I**, **PRESBYTERIAN CHURCH (U.S.A.)**

2014 -2015 General Assembly Divestment List

October 10, 2014
By the Committee on Mission Responsibility through Investment
(MRTI) Compassion, Peace and Justice Ministries
Presbyterian Mission Agency

The General Assembly of the Presbyterian Church (U.S.A.) urges divestment and/or proscription of some corporations due to their involvement in military-related production (MR), tobacco (TO) or human rights violations (HR). The following is a comprehensive list of corporations or securities affected by those General Assembly policies:

1.	Alliance One International	AOI	(TO)
2.	Altria Group (Philip Morris)	MO	(TO)
3.	ATK (formerly Alliant Techsystems)	ATK	(MR)
4.	BAE Systems	BAESY (ADR)	(MR)
5.	Babcock International	BAB (London)	(MR)
6.	Boeing	BA	(MR)
7.	British American Tobacco Industries	BTI (ADR)	(TO)
8.	CACI	CAI	(MR)
9.	Chemring Group, PLC	CHG (London)	(MR)
10.	Cobham	COB (London)	(MR)
11.	Cubic Corporation	CUB	(MR)
12.	Elbit Systems	ESLT	(MR)
13.	Finmeccania	FNC (BIT)	(MR)
14.	General Dynamics	GD	(MR)
15.	Hanwah	Korea:00880	(MR)
16.	Harris	HRS	(MR)
17.	Imperial Tobacco PLC	ITY (NYSE ADR)	(TO)
18.	Israel Aerospace	ARSP.81 (Tel Aviv)	(MR)
19.	ITT Exelis	XLS	(MR)
20.	Japan Tobacco	Tokyo Exchange	(TO)
21.	K.T.& G.	“033780”	(TO)
22.	L-3 Communications	LLL	(MR)
23.	Lockheed Martin	LMT	(MR)
24.	Lorillard	LO	(TO)
25.	Man Tech International	MANT	(MR)
26.	Norinco	000065Shenzhen	(MR)
27.	Northrop Grumman	NOC	(MR)
28.	Oshkosh Corporation	OSK	(MR)
29.	Philip Morris International Group	PMI	(TO)
30.	Poongsan	Korea:103140	(MR)
31.	Qineti: Q Group	LSE:QQ	(MR)
32.	Raytheon	RTN	(MR)

33.	Reynolds American Inc.	RAI	(TO)
34.	Rockwell Collins	COL	(MR)
35.	Saab	Saab B (OMX)	(MR)
36.	SAIC	SAI	(MR)
37.	Singapore Technologies Engineering	SGX:S63	(MR)
38.	Textron	TXT	(MR)
39.	Ultra-Electronics Holding	ULE (London)	(MR)
40.	Universal Corp.	UVV	(TO)
41.	Vishay Technology	VSH	(MR)

Military-Related Investment Policy

The General Assembly military-related divestment policy was first adopted in 1982, and has been revised three times since then. The most recent revision was made by the 1998 General Assembly. This policy is an outgrowth of the General Assembly's adoption of *Peacemaking: A Believer's calling, which* asked the entire church to review its witness and seek additional ways to promote peacemaking. MRTI conducted a review of its engagements with military-related companies, and developed guidelines consistent with the historic concerns of the General Assembly. These included concern about the overall spending on the military, over-dependence on military contracts by a company, and weapons that do not distinguish between combatants and non-combatants. Later amendments stemmed from General Assembly actions on foreign military sales and land mines. The General Assembly's guidelines, which identify affected companies, are:

1) Corporations that are among the five leading military contractors (measured as dollar volume of military contracts in the most recent year) until such time as the United States is no longer among the top ten nations ranked according to per capita military expenditures.

COMPANY	PREVIOUS RANK	2012 AWARDS (in billions)
Lockheed-Martin	1	$44,883
Boeing	2	31,378
BAE Systems	3	26,813
Raytheon	5	22,705
General Dynamics	4	21,023

2) Corporations that are among the 100 leading military contractors and in addition are dependent on military contracts (domestic and/or foreign) for more than 50 percent of their sales (measured as the average ratio of military contracts to sales in the most recent three-year period). Insofar as sales to the military can be shown by the corporation to be merely general supplies readily available to civilians, rather than weapons production, such general supplies sales shall be excluded from the

percentage of sales to the military for purposes of these criteria.

COMPANY	DEPENDENCY PERCENTAGE
1. ATK (formerly Alliant Techsystems)	65.57
2. BAE Systems	95.07
3 Babcock International	64.60
4. CACI	78.56
5. Chemring Group PLC	97.87
6. Cobham	66.63
7. Cubic Corp.	65.90
8. Elbit Systems	95.00
9. Finmeccanica	58.43
10. General Dynamics	75.60
11. Harris	50.70
12. Israel Aerospace	75.03
13. ITT Exelis	65.63
14. L-3 Communications	82.80
15. Lockheed Martin	94.37
16. Man Tech International	95.93
17. Northrop Grumman	84.17
18. Oshkosh Corporation	59.57
19. Qineti	69.00
20. Raytheon	93.00
21. Rockwell Collins	58.33
22. Saab	86.64
23. SAIC	77.57
24. Ultra-Electronics Holding	80.67

Note: The source for these calculations is Defense News, which annually issues a ranking of the top 100 military contractors worldwide, and includes the percentage of company revenue derived from military contracts.

In tracking the statistics from Defense News over the last four years, the nature of the top 100 corporations has been shifting significantly toward including numerous non-U.S. companies. For example, BAE Systems (a UK company) is now the third largest military contractor, and has a dependency ratio of 95.07%. Three companies are new to the list this year. All have the required dependency percentage, and were on the waiting list last year. They are Israel Aerospace, Oshkosh Corporation, and Saab. Three corporations have been removed: Anselsan, FLIR Systems and Rheinmetal. Four additional companies saw their three-year average dependency percentage exceed 50%, and have been placed on the waiting list. MRTI will verify that all are publicly traded.

3) Corporations that are among the top five firms engaged in foreign military sales during the most recent fiscal year for which statistics are available.

Note: Until this year, these statistics were compiled for and published by Government Executive magazine. This is no longer the case. However, the Stockholm International Peace Research Institute collects data on arms sales. Initial research confirms that the largest military contractors are also the largest in terms of foreign military sales. With the growing presence of non-US companies among the top 100 DOD contractors, it is not surprising that BAE Systems, a UK company, is the largest seller of military equipment to foreign countries. Its largest customer is the United States. At the same time, the United States remains its number one position as the world's leading arms seller.

4) Corporations that produce weapons whose use can lead to mass or indiscriminate injury and/or death to civilians. Such products would include the key components of nuclear warheads, chemical and biological weapons, anti-personnel weapons such as landmines, and "assault-type" automatic and semi-automatic weapons, rifles, shotguns, handguns and ammunition sold to the civilian market for purposes counter to General Assembly policy.

a) key components of nuclear warheads

None found. At present, there is no warhead production. Maintenance of existing stockpile goes continues through the ICBM Prime Integration Team involving the weapons and the missile delivery systems. The major companies involved are already on the GA divestment list.
Interestingly, the Norway Oil Fund (Government Pension Fund of Norway) includes in its screen companies that make missiles used for no other purpose than to carry nuclear weapons, companies that maintain the weapons, and companies that do the nuclear explosion simulations essential to maintaining the readiness of the nuclear weapon (the Fund excludes Honeywell for this reason). Excluded companies for the first two reasons include GenCorp. BAE Systems and EADS NV, Finmeccania, SAFRAN SA, and Serco Group PLC.

b) Chemical and biological weapons none found.

c) anti-personnel weapons such as landmines and cluster munitions (New policy states that "companies which manufacture components used in landmines will be affected by the criteria unless they have adopted a policy prohibiting such work and are making an active effort to knowingly sell any of their products that are intended for use in anti- personnel landmines.")

<u>Company</u>

ATK (formerly Alliant Techsystems)
Hanwah

Lockheed Martin Norinco
Poongsan Raytheon
Singapore Technologies
Engineering Textron
Vishay Intertechnology, Inc.

Note: The Convention on Cluster Munitions (CCM) categorically bans the use, production, stockpiling and transfer of cluster munitions. 97 countries have signed the CCM, and 57 have ratified it so it entered into force on August 1, 2010. The United States has not signed.

Pax Christi Netherlands has done extensive studies of investments in companies producing cluster munitions as defined in the CCM. This research identified publicly traded companies involved: ATK (U.S.), Hanwah (South Korea), Lockheed Martin (U.S.), Norinco (China), Poongsan (South Korea), Singapore Technologies Engineering (Singapore), and Textron (U.S.). ATK and Lockheed Martin were already on the GA divestment list. Several countries that have signed the Convention on Cluster Munitions have banned investments in companies producing cluster munitions. Research into other possible manufacturers continues.

d) "assault-type" automatic and semi-automatic weapons

Note: The current "assault weapons" ban has been lifted by Congress. MRTI is now researching any publicly-traded companies affected by the criteria.

SOURCES: Government Executive
Human Rights Watch
U.S. Department of Defense
Defense News
USASpending.gov
Stockholm International Peace Research
Institute Pax Christi Netherlands
Comprehensive List of Affected Military-Related Corporations

Tobacco Policy

The General Assembly's policy on tobacco-related investments recommends divestment and/or proscription of the top ten tobacco companies according to revenues averaged over two years. The most recent data revealed the following top ten companies:

Company Average Revenue in millions of US dollars

1.	Philip Morris International Group (PMI)	$31,237
2.	British American Tobacco (BTI)	24,167
3.	Japan Tobacco (2914)	21,853
4.	Altria Group (MO)	17,060
5.	Imperial Tobacco (ITY)	11,318
6.	Reynolds American Inc. (RAI)	8,423
7.	Lorillard (LO)	4,544
8.	Universal Corp. (UVV)	2,455
9.	K.T. & G. ("033780")	2,428
10.	Alliance One International (AOI)	2,151

Notes:

Reynolds American is the holding company for R.J. Reynolds Tobacco following its merger with the U.S. operations of British American Tobacco (known as Brown & Williamson Tobacco).

In June 2008, Lorillard was spun off by Loews Corp. and now trades under its own name. Imperial Tobacco acquired Altadis in early 2008.
In March 2008 Altria completed a spinoff of its non-U.S. operations into Philip Morris International. In January 2009 Altria acquired UST Inc. The revenues for Altria exclude those for wine.

Japan Tobacco acquired Gallaher Group in April 2007. Its tobacco revenues for the last fiscal year were down substantially.

In May 2005, DIMON Inc. and Standard Commercial Corp. merged to form Alliance One International.

Human Rights

As human rights issues arise, as in the case of South Africa and apartheid, or the Sudan crisis, the General Assembly may place a company on the divestment and/or proscription list. The 2000 General Assembly took such action regarding Talisman after a review of the company's role in Sudan. With the company's withdrawal, the 2004 General Assembly removed it from the list. There are currently no companies on the General Assembly divestment list for human rights concerns, although the church is engaged with several corporations on such issues through correspondence, proxy voting and dialogues.

MRTI is currently working on a phased, selective divestment process related to companies operating in Sudan, and to determine that investments in companies doing business in Israel, Gaza, East Jerusalem and the West Bank are only in companies engaged in peaceful pursuits.

For more information about these policies, and other MRTI activities including Corporate Achievement Awards, proxy voting recommendations, dialogues with corporations and socially responsible investing, please contact Rev. William Somplatsky-Jarman, Associate for Mission Responsibility Through Investment, at 888-728-7228, ext. 5809. Fax is 502-569-8963. E-mail is Bill.Somplatsky-Jarman@pcusa.org.

Appendix II, Terms & Definitions

- **Fund accounting** is an **accounting** system emphasizing accountability rather than profitability, used by non-profit organizations and governments. In this system, a **fund** is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.
- A ***benchmark*** is a standard against which the *performance* of a security, mutual fund or *investment* manager can be measured. Generally, broad market and market-segment stock and bond indexes are used for this purpose. e.g. Russell 3000 index
- Investment **Portfolio** is a range or collection of investments vehicles held by a person or organization.
- Investment **Vehicles** can be low-risk, such as certificates of deposit (CDs) or bonds, or can carry a greater degree of risk such as with stocks, options and futures. Other types of **investment vehicles** include annuities, collectibles (art or coins, for example), mutual funds and exchange-traded funds (ETFs).
- **Duration** is the lengthen of time defined in an individual Bond or the average time of a portfolio of Bonds
- Investment **Income** is defined as dividends paid and or interest earned.
- Investment **Fees** are those agreed to expenses for the active management of the investment portfolio and are determined as a percentage of the Total Market value under management at the end of each calendar month.
- **Principal** is defined as the value of the original investment and any reinvestment of dividends and or interest paid, this is also known as the cost bases of the investment.
- Market **Gains / Losses** are defined as the difference between the market value and the original investment or principal plus any reinvestment of dividends or interest also known as cost bases of the investment.
- An **asset class** is a group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. The three main asset classes are equities (**stocks**), fixed-income (**bonds**) and **cash** equivalents (money market instruments).
- A bond is considered **investment grade** or IG if its credit **rating** is BBB or higher by Standard & Poor's or Baa3 or higher by Moody's. Generally they are bonds that are judged by the **rating** agency as likely enough to meet payment obligations that banks are allowed to invest in them
- **Beta**, as a **measure of Risk**, is a measure of volatility compared to the volatility of a market index—a beta of 1.0 indicates that the stock is equally as volatile as the market, while a

beta greater than 1.0 indicates that the stock is more volatile and a beta less than 1.0 indicates that the stock is less volatile than the overall market.

Appendix III

Minutes of the Trustees

November 3, 2009

The Trustees of the Presbytery of Detroit convened with prayer in a stated meeting at the Presbytery office on November 3, 2009 at 4:53 p.m. Henry Borchardt moderated the meeting.

Present: Nancy Nawrocki, Don Morgan, John Daniel, Henry Borchardt, Alan Timm, Tom Neal, Marva Banks, Kenneth Hollowell.

Members absent: Lou Prues, Elaine Ellis

Also present: Alvin Smith, Ed Koster

Upon motion, minutes of October approved, amending to delete the Joslyn Avenue commentary on p.13 (no grant mortgage.)

Re: Fort St.

Upon motion, the Trustees adopted the Fort Street Agreement:

AGREEMENT BETWEEN FORT STREET CHURCH AND DETROIT PRESBYTERY TRUSTEES

Because the Session of Fort Street and the Trustees of the Presbytery have agreed that civil litigation has failed to produce a satisfactory resolution of issues mutually concerning them, and because subsequent informal conversation by a small group commissioned by their parent bodies has resulted in an agreement which settles those same issues, the following statement is appropriate to describe that solution and guide our behavior in the future.

The issues in question relate to the sharing of information and the need for effective and timely disclosure of that information so that Fort Street and the Presbytery can make informed decisions about their respective finances. The parties agree to arrange with the fund custodian (currently Comerica) to separate the income from the fund with checks sent to each party. The parties agree that the fund custodian shall provide Fort Street with a statement of principal, income, and expenses of the Joy-Connor estate funds within a reasonable time at the conclusion of each quarter. The interest and dividends after fees from these funds shall be distributed monthly within five business days of the receipt of that income for the previous month by the fund custodian to the Presbytery and Fort Street.

It is further agreed that Fort Street's Session may appoint two persons to serve on the investment committee of the trustees which oversees the management of the Joy and Connor funds.

Finally, the Session of the Fort Street Presbyterian Church and the Board of Trustees of the Presbytery of Detroit agree to take no further action in the courts regarding matters which occurred prior to September 28, 2009.

Mr. Borchardt will notify Fort Street.

Above agreement approved by the Fort Street Presbytery Church session October 7, 2009

T-8. THEOLOGICAL EDUCATION FUND GRANTS. The Committee on Preparation for Ministry shall have complete control over and responsibility for providing funds through grants from the Theological Education Fund Program. *Amended 4/23/16*

T-9. GUIDELINES FOR RECEIVING DONATIONS OF REAL ESTATE.

a. Overview. The Detroit Presbytery and its member congregations periodically receive offers of donated real estate. While support for the mission of the Presbytery and its congregations is always welcome and appreciated, the legal and financial burdens created by real estate can be substantial and should not be undertaken without careful consideration. It is our hope that these suggestions will help avoid potential problems in the future.

b. Types of Real Estate and Relevant Considerations. Potential donated real estate can be divided into 3 general categories: Property that can be used for mission, income-producing property, and property that must be sold to benefit the recipient.

i. Property that could be used for mission activities include houses suitable for use as a manse, land or buildings that could be used for worship or education activities, and facilities that could be used for mission activities such as a warehouse for supplies. Prior to accepting property that fits this category a specific use for the building must be identified and a task force with adequate expertise must determine that the donated property would be the best solution to the space needs created by that activity. After the property has been identified as the best space solution, the building should be inspected by a qualified engineer, contractor, or architect (the appropriate specialty will vary with the property features and the proposed use). The purpose of the investigation is to determine what repairs or renovations are required to utilize the property for the intended use in compliance with current laws and regulations and functional requirements of that activity. It is important to be sure the program funding is adequate to cover the day-to-day operation costs of the program space. It is equally important to insure that the funds for any initial required renovations and expected future repairs are also in the budget.

ii. Income-Producing Property. Real estate is an excellent investment; it also requires careful management and the ability to fund unexpected repairs or vacancies. Thus rental real estate is not a good investment for not-for-profit corporations that lack capital reserves for non-program needs and lack real estate expertise. Income-producing real estate investments should be restricted to property under long-term fully net leases to major corporations. Prior to accepting such property an attorney should be retained to review the lease and an appraiser be retained to estimate the value of the property and the probable security of the lease. Multiple-tenant buildings, whether residential rentals, a shopping center, or an industrial complex are not recommended as appropriate investments.

iii. Property that must be sold to benefit the Recipient. There can be significant tax benefits (as of September 2000 law) to the donor of property that will be quickly resold by the recipient. However, such a donation can produce a risk to the intended beneficiary. There are expenses associated with owning real estate, even during the marketing period. Current law has significantly speeded the time in which property can be lost due to non-payment of taxes. Even