

The Presbyterian Church

Property Trustees



Issue 7

April 2012

Changes

Last year, the Trustees engaged an external consultant to undertake a functional review of their operations. The Trustees have responsibility for the management of two large funds, two working farms, and numerous trusts and estates, as well as church property matters. In many ways, their functions equate to that of a medium size commercial organisation.

The functional review highlighted the increasingly complex legal and financial compliance requirements faced by the Trustees. It was realised that

individual trustees, who are volunteers, were carrying high workloads in some areas. This led to a decision to redesign the current support roles to ensure that the Church is served by Trustees who operate in the most effective manner, and to the creation of a new senior management role of Executive Officer.

Kos van Lier (seen at left) was the successful appointee, and he took up the position on 1st March. Heather McKenzie continues in her administration role, and will provide support to Kos.

Dutch-born Kos has lived in Wellington for most of his adult life, and has many years' experience working for professional trustee companies. He comes to the Church Property Trustees from Trustees Executors, where he managed a portfolio of Private Wealth clients, which included responsibility for Trusts, Wills and Estates.

Kos says that he is looking forward to the challenges his new role will bring and to working with the Trustees and others in order to improve outcomes for the Church.



. . . . and challenges

The Trustees have followed closely the rapidly changing insurance challenges faced by parishes in recent months.

As was advised nationally by the Assembly Executive Secretary in December, the Trustees have agreed to allow parishes to draw on capital funds to pay this year's insurance premiums, if necessary. If a parish still wishes to draw on its capital funds to cover insurance, the standard capital funds withdrawal application form (available by email from the Trustees' office) will need to be completed.

Parishes which have taken out loans with the Presbyterian Development and Savings Society (PSDS) must insure for full replacement value the property which was mortgaged as security for the loan, or obtain the mortgagee's approval to some other arrangement. The Trustees, as the body which signed the mortgage, should be 'kept in the loop' about the mortgaged parish's insurance arrangements. The Trustees will need to sign off any variation to a mortgage.

New Trustee appointment

The Trustees have agreed to recommend to General Assembly that Mr Russell Garrett be appointed as a trustee. Until then, Russell will be an Associate.

Russell, who is a member of St Ninian's Uniting Parish, Karori, Wellington, works in financial markets, and has been invited to join the Investment Committee.

Parish budgets

The Trustees' Investment Committee knows many parishes will shortly be planning their next year's budgets. It may be helpful for treasurers to know that lower interest rates on new investments will make it difficult to maintain the current 5% rate on PIF funds.

The committee suggests that treasurers consider using a 4.50% return in their calculations as, in current conditions, this looks a more likely average rate for the next year.

P.I.F. interest rate

The interest rate paid for the Presbyterian Investment Fund is now

5.00 %

The Trustees review this rate each month, and the current rate is advertised in the Church Property Trustees' section of www.presbyterian.org.nz

Interest is credited to accounts quarterly.

Funds are available on call, though advance notice is required for withdrawals over \$250,000.

The PIF is open to parishes and other Presbyterian organisations, but not to individuals.

who to contact

For the PIF, property matters and general enquiries:

Kos van Lier

phone (04) 381 8296 or email kos@presbyterian.org.nz

Heather McKenzie

ph (04) 381 8290 or email heather@presbyterian.org.nz

Beneficiary Fund

Ministers with personal Beneficiary Fund enquiries should contact **Ashley Goss**, the Beneficiary Fund Account Manager, at AonHewitt.
phone (04) 819 4052 or email ashley.goss@aonhewitt.com