

**Presbytery Response Team (PRT) Report to Presbytery May 19, 2018  
for El Montecito Presbyterian Church, Montecito (Santa Barbara), CA  
Chronology and History Narrative Report**

El Montecito Presbyterian Church, a member church of the Presbytery of Santa Barbara, has requested dismissal from the Presbyterian Church (U.S.A.) to ECO: A Covenant Order of Evangelical Presbyterians *GDP lines 158-160*. According to G-3.0301a in the Form of Government, the Presbytery has the responsibility and power to dismiss churches. According to G-4.0203, all property held by any council of the Presbyterian Church (U.S.A.) (“PC(U.S.A.)”) is held in trust for the use and benefit of PC(U.S.A.). A presbytery is dismissing a church with property must do so in compliance with its fiduciary duty to PC(U.S.A.).

Church information

El Montecito Presbyterian Church  
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Telephone: 805-969-5041  
Rev. Bob Ohman, Transitional Co-Pastor, HR 3/2018  
Rev. Barry Moller, Stated Supply Pastor

Presbytery Response Team

Rev. Janet Loughry, Chair  
Rev. Ted. Brandt  
Elder Diane Kirkpatrick  
COM rep: Rev. Jeff Holland  
Original PRT included Elder Larry Lindsay.  
Mr. Lindsay was removed 3/21/2017

This Report of the El Montecito Presbyterian Church PRT is a result of a nearly four-year process and journey. It has also been over two years since the last church was dismissed from our presbytery. Therefore, before providing an update as to the status of this dismissal request, the PRT reminds the Presbytery commissioners of the history of gracious dismissals within PC(U.S.A.) and of the PSB Gracious Dismissal Policy (re-written, received and approved by Presbytery, May 20, 2017. GDP is posted on the PSB web page. The Narrative Chronology Report begins on Page 3 of this document, in full as a line-by-line response to the Gracious Dismissal Policy.

We begin this report with a reminder of the principles Presbytery has agreed to in the most recent Gracious Dismissal Policy, dated May 20, 2017:

**GDP Lines 10-54**

The 218th General Assembly (2008) of the Presbyterian Church (U.S.A.), hereinafter PC(USA), approved Commissioners’ Resolution Item 04-28 which urged (adapted for the 2011-2013 Book of Order): “that presbyteries and synods develop and make available to lower governing bodies and local congregations a process that exercises the responsibility and power ‘to divide, dismiss, or dissolve churches in consultation with their members’ (Book of Order, G-3.0301a) with consistency, pastoral responsibility, accountability, gracious witness, openness, and transparency. Believing that trying to exercise this responsibility and power through litigation is deadly to the cause of Christ, impacting the local church, other parts of the Body of Christ and ecumenical relationships, and our witness to Christ in the world around us, the General Assembly urges congregations considering leaving the denomination, presbyteries and synods to implement a process using the following principles:

The Five specific principles are:

- Consistency: The local authority delegated to presbyteries is guided and shaped by our shared faith, service, and witness to Jesus Christ.
- Pastoral Responsibility: The requirement in G-3.0301a to consult with the members of a church-seeking dismissal highlights the Presbytery's pastoral responsibility, which must not be submerged beneath other responsibilities.
- Accountability: For a governing body, accountability rightly dictates fiduciary and connectional concerns, raising general issues of property (G-4.0201) and specific issues of schism within a congregation (G-4.0207). But, full accountability also requires preeminent concern with 'caring for the flock.'
- Gracious Witness: ... Scripture and the Holy Spirit require a gracious witness from us rather than a harsh legalism.
- Openness and Transparency: Early, open communication and transparency about principles and Process of dismissal necessarily serve truth, order, and goodness, and work against seeking civil Litigation as a solution."

Since the Presbytery of Santa Barbara (hereinafter known as "the Presbytery") adopted its Gracious Separation Policy in 2013, further guidance regarding the requirements and application of gracious dismissal policies has been provided from several denominational resources and authorities, including the Book of Order Annotated Edition, Office of General Assembly, General Assembly Permanent Judicial Commission (GAPJC) decisions, Synod of Southern California PJC (SPJC) decisions, and a Recommendations from the Synod Commission of Assembly to Presbyteries of the Synod of Southern California and Hawaii Concerning Dismissal Decisions, dated May 10, 2016 (Synod Recommendations). This Revised Policy is undertaken with reference to the most recent authorities and directives.

From the first request for the Presbytery Response Team (PRT) from Trinity Presbyterian Church (in 2013) to our most recent request from El Montecito Presbyterian Church (as of the date of this specific report, our most recent request is from First Presbyterian of Lompoc), the Presbytery has grown in its understanding in how to implement the five principles listed above. This new document will reflect a better way for the Presbytery to work with churches in their discernment process in deciding to leave the PC(USA), which will occur prior to the establishment of a PRT.

## **CONSTITUTIONAL REQUIREMENTS AND THE TRUST CLAUSE**

### **GDP Lines 58-79**

All processes and actions under this Policy shall be undertaken in accordance with the principles of Scripture, Book of Order, Book of Order Annotated Edition, GAPJC and SPJC decisions and most current ecclesiastical and fiscal directives from the PC(USA) and the Synod of Southern California and Hawaii ("Synod").

God has called us to be a Body in Christ. We are to be unified in community, loving, forgiving, and seeking reconciliation. We seek to practically live out Paul's calling to the Philippians church to "do nothing out of selfish ambition or vain conceit but in humility to consider others better than ourselves – looking not only to our own interest but also to the interest of others." (Phil.2:3-4) The Presbytery of Santa Barbara recognizes that the Presbytery has the fiduciary responsibility under the Trust Clause (G-4.0203) to consider the interest of the PC(USA) as a beneficiary of the property and the interests of the Presbytery even as we prayerfully consider the fiduciary needs and interests of a current congregation seeking dismissal. The Trust Clause in the Book of Order (G-4.0203) states that "all property held by or for a congregation, a presbytery, a synod, the General Assembly, or the Presbyterian Church (U.S.A.), whether legal title is lodged in a corporation, a trustee or trustees, or

an unincorporated association and whether the property is used in programs of a congregation or of a higher council or retained for the production of income is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A).” Also, according to the Book of Order (G-4.0201), the Property of the Presbyterian Church (U.S.A), of its councils and entities, and of its congregations, is a tool for the accomplishment of the mission of Jesus Christ in the world.

### *A Chronology and History*

## *STEP-BY-STEP ANALYSIS OF HOW THE ELMO PROCESS FITS WITH THE PSB GRACIOUS DISMISSAL POLICY*

### **GDP Lines 80-406**

The following summary of pertinent authorities and decision shall be considered when pursuing such conversations and actions. See also the full versions of the referenced authorities.

### **GDP Lines 82-84**

- A. When dismissing a particular congregation within its geographic region, the Presbytery must fulfill its fiduciary duty under the trust clause and consider the PC(USA) as a beneficiary of the property and the interests of the Presbytery.
  - a. **At all times during this process the PRT considered the PC(USA) as a beneficiary of the property and kept the interests of the Presbytery at the forefront. Doing so, PRT did made it clear to the ELMO dismissal team and the congregation that the property was not “owned” by the church. To that end, the PRT assures the ELMO congregation is knowledgeable on this point.**

### **GDP Lines 85-86**

- B. Each case must be considered on a case-by-case basis. Tom et al v. San Francisco Pby. GAPJC.
  - a. **Considering the dismissal request for the El Montecito church has always been a stand-alone request and process.**

### **GDP Lines 87-88**

- C. Requirement of case-by-case analysis precludes a policy setting dismissal terms as a set percentage of church assets for dismissal.
  - a. **The only pre-determined tool used was the Gracious Dismissal Policy. There was never used a set policy in determining the dismissal terms. The Due Diligence Worksheet was just that, a worksheet. No set percentages were utilized. All terms were based solely on this particular congregational request.**
  - b. **The negotiations between the PRT and the congregation were conducted with a wide body of information at hand, including all documents cited in this report.**

**The dismissal price was arrived at after much prayerful consideration, review of all documents, and deliberation. The PRT did not set the price based on what the PRT**

thought the congregation could afford. The price is far above what representatives from the congregation thought that they should or could pay. The PRT considered the following when arriving at terms of dismissal:

- i. A view of the church as in communion with all the saints, with responsibilities to those who came before and those who will follow.
- ii. The mission of the congregation and of the presbytery.
- iii. A duty to the well-being, financial and otherwise, of the presbytery and denomination.
- iv. The congregation and officers are trustees, not owners of the property in question. The fiduciary obligation is to the presbytery and denomination.
- v. The appraised value of the property and restrictions as above
- vi. The preservation of Presbyterian Christian worship in this community and on this property.
- vii. The constitutional principles of the Unity of the Church and Great Ends of the Church. (F-1.0302a) and (F-1.0304).

#### **GDP Lines 89-90**

- D. A full fiduciary review must be undertaken in all cases. Tom et al v. San Francisco Pby, GAPJC.
  - a. **Please refer to FINANCIAL REVIEW GDP Lines 234-309 for the details of the fiduciary review. The ELMO Dismissal Team did provide six (6) years of complete financials, together with endowment papers, payment history to Presbytery for per capita and other offerings.**

#### **GDP Lines 91-92**

- E. Payments for per capita or mission obligations are not satisfactory substitutes for valuation of property held in trust. Tom et al v. San Francisco Pby, GAPJC.
  - a. **PRT considered assets, liabilities, restricted and unrestricted funds, appraised value in determining valuation of property held in trust. Let it be known that the church has kept all per capita payments currents throughout the process.**

#### **GDP Lines 93-98**

- F. The interests of the Presbytery to be considered include the possibilities of continuing divine worship or other ministry in the subject real property; the Presbytery must also consider the possibility of transferring the “value” stored in the real property to another or new ministry more responsive to the needs within the geographic area encompassed by the Presbytery; this inquiry must not be perfunctory and should engage other committees with the Presbytery, Locke et al v. Presbytery of San Diego, SPJC.
  - a. **The PRT considered whether the presbytery should retain the real property and endowment and the possibility of selling the property and utilizing its stored value.**

- b. The leaders of presbytery committees were polled on the question of retaining or selling the property to further the mission of the presbytery. The committee leaders were instructed to discuss this question with their committees and report back to the PRT. Several creative ideas including a retreat center, counseling ministry, preschool, and new church development (NCD) were shared with and considered by the PRT. Please see the detailed responses by committees at the PSB website entitled PRT REPORT OF QUESTIONS TO WIDER PRESBYTERY COMMUNITY WITH RESPONSES, separately posted on the website.
- c. Continuing worship on this consecrated ground will uphold our most foundational principles:
  - i. The first *Mark of the Church*, namely, *The Unity of the Church* (F-1.0302a). Preserving Presbyterian Christian worship in this community, even and especially when a congregation is dismissed to another reformed body, is a sign of Christian unity.
  - ii. Much goodwill and ministry partnership has been exhibited between the El Montecito congregation, the other congregations in Montecito, and its PC(USA) neighbors. There is every reason to believe that the Unity of the Church would continue once the El Montecito Presbyterian Church is dismissed to ECO.
  - iii. The first three *Great Ends of the Church* (F-1.0304), namely:
    1. *The proclamation of the gospel for the salvation of humankind*
    2. *The shelter, nurture, and spiritual fellowship of the children of God*
    3. *The maintenance of divine worship*
- d. PRT identified other Presbyterian or Reformed Churches in the geographic area (Spitzer:Idyllwild). Please refer to the MAP on the PSB website.  
 Please also refer to PRT REPORT OF QUESTIONS TO WIDER PRESBYTERY COMMUNITY WITH RESPONSES as to the obligation of Presbytery as to intent and ability to continue ministry in this encompassed area (Locke/Regele). The member churches in Carpinteria, Summerland, nearby Santa Barbara and Goleta insure continued PC(USA) ministry in the area.

**GDP Lines 99-101**

- G. A self-implemented dismissal policy rooted in a congregational decision is a violation of that exclusive right and responsibility of the Presbytery to dismiss a congregation. NYC Pby v. McGee et al., GAPJC.
  - a. The PRT confirms that the congregation has no such self-implemented dismissal policy.

## **GDP Lines 102-106**

- H. A presbytery is obligated to determine if one of the factions is entitled to the property because it is the “true church within the PC(USA),” majority notwithstanding. Any negotiation and decision about the disposition of the property must inquire into and consider the interests of the true church, NYC Pby v. McGee et al., GAPJC. The Presbytery cannot do the inquiry required in a perfunctory manner. Locke et al v. Presbytery of San Diego, SPJC.
- a. **PRT worked with ELMO to reach out to those people who had already self-selected another church; those who voted NO at any Gathering; those who may still have questions/concerns. These contacts could be face-to-face meeting(s), telephone calls.**
  - b. **To that end: Letter(s) mailed to address (among other questions) as to whether there is a “true church” to be recognized from within ELMO: Letter #1, dated 3/7/18 to all members of ELMO to be sure PRT reached out to anyone having questions or concerns over possible dismissal, whether or not they attended any Gathering or voted yes or no. This meeting was scheduled for immediately following the Third Congregational Gathering, 3/18/2018. Four people stayed for this PRT meeting. The questions were general in nature and for clarification, and not in opposition to the dismissal. One person gave PRT members a letter (in favor of the dismissal) to be passed on to the Council. And PRT chair gave Council members a copy of the letter.**
  - c. **Further, PRT authorized ELMO to go back to 2015-2017 rolls for recipients of Letter #2, 3/7/18, but mailed just after Easter, to people who have departed ELMO over the past several years as to their views of possible dismissal, whether already worshipping elsewhere or undecided and not worshipping anywhere. PRT expressed that we would like to answer questions, want to know they are with another church or if desired, to assist in finding another church. TO DATE 5 people have contacted the PRT: (1) A couple who have been long time Presbyterians and whose daughter is a Presbyterian pastor, indicating that they decided to join First Pres of Santa Barbara over 4 years ago. (2) Former Elmo member for 30 plus years, also a long time Presbyterian, who could not understand the fuss about the gay issue when PCUSA has given churches freedom with dealing with the problem and did not understand why Elmo wanted to separate, felt ELMO leadership is exclusive and not inclusive and was concerned with the way Jeff was treated and did not think Jay was qualified to be in the senior leadership role. (3) A couple responded in voice message saying they were attending and very much engaged with another church and joining Santa Barbara Community Church, and thanking us for reaching out.**
  - d. **PRT determined through the above facts as well as the conversations from the congregation at the Discernment Forums, that there is no minority congregation of a church schism sufficient to retain subject property (McGee;**

- Locke). There is no show of sufficient dissenters to form a “true church” to run the property. The details provided in subparagraphs “b” and “c” shows the contacts made to meet the ministry needs of those not desiring to dismiss.
- e. There have been several “side conversations” with satisfied worshipers, that regardless of whether ELMO is in PC(USA) or ECO these folk will remain with ELMO. An example is that a member mentioned he “had not attended the (First) congregational gathering and will simply stay with congregation.”

#### **GDP Lines 107-109**

- I. It is important for the Presbytery to prayerfully discern and consider the mission of the church in its district and of the whole church as it decides whether to dismiss or dissolve a congregation (G-3.0301; G-3.0303a).
  - a. Since the beginning of this church’s dismissal discernment process it has been an honor, privilege and responsibility to lift Church, the ELMO Dismissal Team, Session and the congregation up in prayer by the PRT members, Council members and the full presbytery (as the chair asked those present at more than one Presbytery meeting to commit ELMO folks and the process to prayer).
  - b. Following the May 20, 2017 Presbytery meeting the PRT met with the ELMO session and then in two Forums the congregation to engage in a wider discernment process and PRT Assessment. Please refer to THE PRT REPORT OF QUESTIONS TO WIDER PRESBYTERY COMMUNITY, WITH RESPONSES, posted separately at the PSB website.

#### **GDP Lines 110-112**

- J. The full Presbytery, meeting in plenary, has exclusive right to determine the final terms of dismissal/dissolution (G-3.0301a). Amendments to a proposed motion to dismiss under agreed terms cannot be prohibited. (Locke et al v. Presbytery of San Diego, SPJC)
  - a. A careful review of Locke has clarified the last sentence above to show that what is prohibited is a prior action of the Presbytery not being permitted to prohibit amendments.
  - b. Stated Presbytery meeting is scheduled for May 19, 2018, Carpinteria Church.
  - c. The motions to be presented by the PRT are described below, in THE MEETING OF THE PRESBYTERY, GDP Lines 436-445, page 22.

### **INTRODUCTION TO THE PROCESS**

#### **GDP Lines 116-140**

The Presbytery of Santa Barbara seeks to facilitate worship, mission, and other shared ministries by engaging all of the churches in our bounds to be united in carrying out our vision and mission. As we have experienced the dismissal process the past four years, we have recognized that our current structure and organization has not facilitated strength in our unity, vision and missions. This new process will create a better structure for seeking unity and health prior to pursuing a formal dismissal

process with individual churches. Our hope is this process will create a stronger Presbytery. For the sake of our witness to Christ in the world, we hope to help churches stay in the PC(USA). However, in some cases, a congregation, through a process of discernment, may determine to seek dismissal from the PC(USA) to another Reformed body. This new process creates a gracious way for churches to leave as partners in ministry.

The Presbytery and congregations will be continually guided by these principles:

The Mission of God as expressed in the Great Ends of the Church is greater than the PC(USA);

Affirm that should the Presbytery dismiss a congregation to another Reformed body, the unity of the one Church of Jesus Christ has not been diminished. (F-1.0302 and F-1.0304)

The exercise of “mutual forbearance” is of utmost importance in our process. Therefore, all will treat each other with respect regardless of theological and ecclesiological differences.

We will pray and work for fairness to all parties in our decisions.

In matters of controversy, a larger part of the Church, (or a representation of it) shall govern a smaller. Our system of councils in regular gradation reflects this understanding (F-3.0203).

**The PRT believes that continuing worship on this consecrated ground would uphold our most foundational principles. This, together with other ongoing ministry partnership we believe God’s church will continue even when dismissed. If dismissed to ECO the Presbyterian Christian worship is preserved, and therefore the Great Ends of the Church.**

## THE PROCESS

### **GDP Lines 143-164**

The example of the apostles and of the early Church is authoritative in dealing with such matters. The Council at Jerusalem engaged in a process of discernment as it exercised leadership and oversight over the missionary activities of Paul and Barnabas. The role of testimony, prayer, discussion, deliberation, and collective discernment of the will of God were, and are, important. The process by which a congregation comes to discern whether it is being called by God to seek dismissal and realignment shall respect dissent and should safeguard and provide sufficient time and opportunities so that the will of God can be discerned by the whole congregation. A rush to judgment is not consistent with Biblical principles or Reformed polity.

In accordance with G-4.0207, the Presbytery has the right and responsibility to assess the situation in cases of conflict in a congregation.

In the Presbyterian tradition, an inter-connected relationship is assumed between the Presbytery and its congregations. Therefore, no congregation will be dismissed to another Reformed body unless and until, at a minimum, the following process is followed. A congregation can be dismissed with property only to another Reformed body recognized by the PC(USA) and the Presbytery of Santa Barbara; it cannot be dismissed to “independency.”

Throughout the process, a team from the Presbytery will companion members of the church considering dismissal. The purpose is to be a friend along the way and listen to the heart of the church, to listen and help the congregation discern God’s will for the congregation.

**October 28, 2012 Wilbur Tom, et al vs Presbytery of San Francisco, Remedial Case 221-03 Ruling from General Assembly Permanent Judicial Commission** (a full copy of which is posted on the Presbytery of Santa Barbara (PSB) website.

### Summer 2014

***GDP lines 148-151***

**A. The process of gracious dismissal for the El Montecito Presbyterian Church has been conducted since the summer of 2014, at which time the session conducted several open forums with the congregations. Speakers included, but not limited to: Rev. Dave Wilkinson, Fellowship of Presbyterians; Dana Allin, ECO; Rev. Kent Meads and Rev. Graham Baird, PC(USA); together with internal presentations. The purpose of these open forums was for presenting, hearing and discussing the options before them in possible dismissal to another Reformed body, or staying with the PCUSA, together with overall effect on the congregation within each option.**

**DISCERNMENT PHASE**

**Lines 167-209**

When the Presbytery becomes aware that a congregation may be considering withdrawal from the PC(USA), this information should be brought immediately to the attention of the Stated Clerk who will refer the matter to the Presbytery Council. The initial response of the Presbytery shall be pastoral and relational, seeking to listen to the concerns of the congregation and to engage in dialogue regarding those concerns as sisters and brothers in Christ.

After hearing from the Stated Clerk, the Presbytery Council shall form a Presbytery Discernment Team (PDT) to meet with the Session and individually with the pastors to listen and understand the following:

- 1) Overall spiritual health of the organization and leadership of the church, and
- 2) History of the church's relationship with the Presbytery. Accordingly, the Presbytery needs to inquire and make an informed judgment as to the possibilities of reconciliation.

Some of the ways to help determine this are:

- 1) what or who is preventing reconciliation; approximately how many people are 183 determined to leave and how many wish to remain in the PC(USA);
- 2) does the congregation understand what it is being asked to consider and have the implications of leaving the PC(USA) been fully and fairly explained;
- 3) and has the process been open and fair to all concerned?

This assessment shall be made via open forums and discussion. It is important that the process of discernment be conducted in a way that seeks the truth and is fair to all parties. Requests made by the congregation will not be considered valid unless the Presbytery has first met with and received the cooperation of the session and any installed teaching elders and determined that the principles and procedures herein outlined will be fairly implemented.

The Presbytery Council will appoint a PDT consisting of 3 to 5 members, including but not limited to a member of Committee on Ministry, a member of Presbytery Council and possibility a member-at-large, a member of the specific region, and/or a teaching elder.

After meeting with the Session and pastoral leadership, the PDT will give an assessment to the Session of what they have heard in the process. This assessment will not determine the viability of leaving, rather it will express the PDT's understanding of the current state of health of the church and leadership as well as the church's history to the Presbytery.

This anticipated initial process shall take eight (8) to twelve (12) weeks, but no longer than three (3) months. The PDT will then make a recommendation to the Presbytery Council as to how to proceed.

As noted under “Other Provisions” below, failure to follow this process may result in the appointment of an Administrative Commission and assumption of original jurisdiction in accordance with G-3.0109b.

#### **GDP lines 169-171**

May 4, 2014 **Presbytery of New York City vs Ruling elder Mildred McGee et al Ruling from Permanent Judicial Commission of the General Assembly** (a full copy of which is posted on the (PSB) website.

**October 22, 2014** the session voted to “request a Presbytery Response Team (PRT) to be assigned” to guide El Montecito through discernment in their request for dismissal. The first letter from the clerk of session was lost, so the Stated Clerk of the Presbytery asked for a second.

#### **2015**

##### ***GDP lines 169-171***

**January 29, 2015** Second request letter send by ELMO Clerk to Stated Clerk

**February 2015** The formal letter requesting dismissal received from the ELMO clerk of session dated January 29, 2015 and reported to Council on **February 4, 2015**.

##### **GDP lines 175-176**

At that same Council meeting the PBS Response Team, PRT, was appointed. Members named: Rev. Janet Loughry, chair; Rev. Ted Brandt, Elder Diane Kirkpatrick and Elder Larry Lindsay. The COM person most engaged with El Montecito church has been Rev. Jeff Holland.

*(May 4, 2013 GDP lines 144-146)*

**March 2015** PRT met with Session. As a result of that meeting it was determined/discerned there were irreconcilable differences between session/congregation and leadership, i.e. senior pastor Jeff Bridgeman. PRT reported the issue to Council who referred to Committee on Ministry (COM). The PRT process was put on hold.

(Please note that at this point and date, the PRT functioned according to the first GDP, dated May 4, 2013. Therefore, it was called the PRT not the PDT. Nonetheless, in the function of the PDT the PRT did meet with the session according to lines 176-187.)

**June 2015** Rev. Jeff Bridgeman, senior pastor departed the EL Montecito church;

**August 2015** an interim pastor was named. Rev. Jay Shirley had been the associate pastor at the church, departed, was asked by COM to return as the interim senior pastor. He stayed for a period of 16 months.

**August through January 2015** Interim Pastor Jay Shirley was installed and getting bearings.

## 2016

January 27, 2016 COM through Council authorized the PRT to continue.

*May 4, 2013 GDP Lines 176-187*

March 14, 2016 PRT met with session for the second time.

*May 4, 2013 GDP Lines 147-149*

April 2016 Letter from PRT announcing the Initial Gathering for May 1, 2016, was sent to the congregation. Verbal announcements were made in 4 consecutive worship services leading up to the meeting date.

*May 4, 2013 GDP Lines 153-159*

May 1, 2016 the Initial Gathering met. A 50% of membership was required (117). Of the then 235 members, 138 attended. Per the 5/4/13 GDP 2/3's (91) vote of those attending is required in the affirmative. Per the 5/20/17 GDP 3/4's (103) vote of those attending is required. Of the 131 votes cast, 122 voted in the affirmative to continue in the dismissal process (9 voted in the negative). Elder Sandy Thoits moderated; Revs. Kate and Eric Wiebe, Jeff Holland and Graham Baird spoke on behalf of the PC9USA).

May 10 2016, RECOMMENDATION AND RATIONALE FOR RECOMMENDATION from Synod Commission of Assembly to Presbyteries (a full copy of which is posted on the PSB website).

*May 4, 2013 GDP Lines 162-192*

In the Initial three months following Congregational Gathering, the Response Team:

1. May 29, 2016 Met with members of the congregation who expressed a desire to remain within the PC(U.S.A.) or had further questions and/or concerns they wanted to express (May 4, 2013 GDP Lines 171-173; *May 20, 2017 GDP lines 332-335*).
2. Communicated with the church's Teaching Elders: Interim Pastor Jay Shirley. Rev. Shirley indicated he desires to stay PC(U.S.A.), and is a member in good standing in the San Diego Presbytery. There are no Commissioned Ruling Elders (May 4, 2013 GDP lines 175-183; *May 20, 2017 GDP lines 337-345*).

January 3, 2017 Presbytery Moderator Peter Buehler and Sandy Thoits met with ELMO dismissal team John McManigal, Barbara Mendelson and Carl Perry with hopes of reconciliation, to no avail.

Please refer to the PRT SUMMARY of DISCERNMENT PHASE ASSESSMENT, as posted on the PSB website for PRT actions from June 2017-August 2017 Presbytery Discernment Team/Response Team. Note the final PRT Assessment for GDP Lines 159-209:

The assessment of the PRT is that there is energy, a feeling of love, growth and mutual support. There has been a genuine effort on everyone's part to claim Jesus in a new way, spreading Jesus within their church family and throughout the community...living out Jesus' Gospel message. Even though the congregation is down from 350 to 179; and the financial picture has been a deficit

**for the past two years; and even though they believe they will break even in 2017, they are a stronger, more stable, energized-for-Jesus congregation. It is the Assessment Recommendation of the PDT/PRT that El Montecito Presbyterian Church be granted permission to be dismissed to another Reformed body.**

### **DISMISSAL PHASE**

#### **GDP Lines 211-310**

#### **The Session and the Presbytery Response Team**

If after the discernment process, the Session, with its pastors/moderator vote by a minimum of 2/3 (two-thirds) vote to move into a dismissal process, the Session will notify the Presbytery it may form a Presbytery Response Team (PRT) in order to engage the congregation in discussions about potential resolution or dismissal. Once action has been initiated to form a PRT, the Session shall provide the PRT with the membership roll. All deletions and additions of active members of the congregation shall be open to review by the PRT to determine the appropriateness of these changes.

The PRT will consist of a Chairperson appointed by the Presbytery Council in consultation with the Committee on Ministry skilled in conflict resolution; and at least two others chosen by the Council, including at least one ruling elder and one teaching elder. The PRT may include some people from the PDT; however, the PRT should not include any members from the congregation seeking dismissal. When the PRT meets with the Session, the PRT Chairperson will moderate such meetings. On occasion, the PRT Chairperson may ask the pastor(s)/session moderator to excuse him or herself from a particular meeting.

The PRT will promptly report the results of the initial meeting with the Session and its recommendations to the Presbytery Council. Presbyteries (a full copy of which is posted on PSB website.

- A. Original PRT/PDT consisted of Rev. Janet Loughry, ch, Rev. Ted Brandt, Elder Diane Kirkpatrick and Elder Larry Lindsay.**
- B. The original PRT results from the first Gracious Dismissal Policy, dated 5/4/2013, which predates GDP dated 5/20/2018, calling for a PDT. PRT informed session that original PRT was formed 2/23/2015. After PRT referred ELMO to COM, the PRT was on hold and then renamed in full at Council dated 2/24/2016.**

### **FINANCIAL REVIEW**

#### **Gracious Dismissal Policy Lines 236-309**

Immediately upon its formation, the PRT shall begin working with the Session to review the property and financial records of the congregation. The PRT may provide a checklist of required documents and information to the Session; any such check list shall not replace or modify the requirements of this Policy.

#### **Lines 240-246**

A. "The Session will provide to the PRT copies of all executed documents concerning the congregation's incorporation and by-laws, real property and other assets including, but not limited to,

current deeds of trust, loan agreements (both past and present), liens, property and casualty insurance, and statements of tangible and intangible assets. Representatives of the Session and the PRT will review these documents to determine whether the Presbytery, the Synod or any Presbyterian Church (U.S.A.) body is named therein and/or is exposed to any liability claims which exist or may arise under these documents.”

**The PRT has received extensive material documenting this requirement. Commissioners who would like to view this material may make an appointment to do so by contacting Janet Loughry.**

**Lines 247-252**

B. “The PRT shall obtain a preliminary title report for all real property owned or used by the church. If the Synod (including under its original corporate name “Presbytery of Los Angeles”) is in the title or is involved in any fashion in the language of any recorded reversionary deed (or similar document), the Synod must be contacted immediately, in order to be adequately involved in the process. In such a circumstance, no dismissal decision can be finalized without Synod approval.”

**The PRT has a copy of the Preliminary Title Report and other title information, showing the chain of title, including that the church acquired title from a third party. Synod – under any name, was never on title.**

**Lines 253-257**

C. “The PRT shall obtain from a title company a chain of title (along with copies of all recorded documents effecting title transfers) back to the point before each portion of the real property was first owned by an entity of the Presbyterian Church (U.S.A.) (including its predecessor denomination(s)). It is critical that the involvement of any council of the connectional church in acquisition of the real property and growth of the church be acknowledged.”

**We have obtained a copy of original deed of 1888, current copy of preliminary title report, copies of the Minutes of the Meeting for Organization of the Church, dated November 13, 1887, including a list of Charter Members; by-laws, articles of incorporation, tax exemption receipt, employee handbook, proof of insurance. The only direct denominational support found by the PRT was the PILP loan, which the church will pay off before dismissal.**

**Lines 258-260**

D. ” The PRT shall review past support provided by the Presbytery, including but not limited to, purchase of land, payment of staff salaries, support of mission programs via operating budget, grants or other means, as well as financing and/or contributions to existing buildings.”

**The Congregation Purchased the land for \$2000 in 1888. ELMO received a PILP loan in the amount of \$1,000,000 on May 2, 2005. There is an unpaid balance of approximately \$404,000, which is to be paid in full as a requirement of the Dismissal Agreement. The PRT has not identified other denominational support.**

**Lines 261-261**

E. “The PRT shall review past support from the church for per capita, mission giving and any other support given to the Presbytery, the Synod or General Assembly.”

**The following recent per capita payments were made by ELMO in recent years:**

**2012: \$26,810; 2013: \$25,060; 2014: \$25,060; 2015: \$11,081; 2016: \$27,167; 2017:**

**\$19,000. From 2006-2011, \$11,000 was paid to Impact and \$2,400 was paid to Front Porch. In**

2010-2011, \$6,000 was paid to MOOD. In 2011, \$3,916 was contributed for the Lent Offering, and in 2011 and 2013, \$2,594 was paid for the Easter Offering.

In addition, the following contributions were made by ELMO to the Presbytery, totaling: \$167,000.00: 5/19/2003 for \$50,000.00; 3/04/2004 for \$27,000.00; 12/24/2004 for \$15,000.00; 6/03/2005 for \$25,000.00; and 3/24/2006 for \$50,000.00.

Not only has ELMO supported the Presbytery financially, but over the years several people have gone with IMPACT on Mission Trips. Most recently was about 3 years ago a couple (him being an elder) went on the Impact Mission Trip to Turkey.

#### Lines 263-266

F. "The PRT shall obtain a Fair Market Value (Current Use and Best Use) appraisal by a licensed appraiser in order to have an understanding of the value of the property held in trust. (The county property tax assessed value is not sufficient as an appraisal, nor is the insured value of any improvements.)"

In PRT's File and posted on SBP website are 2 appraisals, together with a summary of ISSUES REGARDING THE TWO APPRAISALS, detailing reasons for obtaining two appraisals and a report of some of the sources of the differences between the two appraisals and compilation of some of the comments received. The first appraisal is in the amount of \$8,200,000. The second appraisal is in the amount of \$5,000,000.

#### Lines 267-268

G. "The PRT shall obtain at least three years of full financial statements, along with the most recent audit or financial review."

On file are SIX years of full financial statements. The PRT INCOME AND EXPENSES AND CASH POSITION SUMMARY, from these financials is posted on the SBP web page. Commissioners may make an appointment to view financial statements in full, by contacting Janet Loughry.

#### Lines 270-271

H. "The PRT shall evaluate in detail any financial assets (in addition to the real property), all of which must be considered during negotiations."

Posted on the SBP website is the INCOME AND EXPENSES AND CASH POSITION SUMMARY of the past several years of ELMO financial statements. The value of the ELMO real property is described in the two appraisals and supporting documents; please see "F" above. The details of the endowment fund are described in "L" below. In addition, the most recent ELMO financial statements show fixtures and equipment with book value (without regard to accumulated depreciation) of \$123,167.87, including the parish hall organ, computer equipment, furniture and the Nehemiah Project. All of ELMO's assets were considered in the financial negotiations.

#### Lines 272-275

I. "Any indebtedness owed to or guaranteed by the Presbytery, the Synod, or the Presbyterian Church (U.S.A.) or to refinance such indebtedness through an independent creditor without support from Presbytery, Synod, or Presbyterian Church (U.S.A.) must be paid in full prior to finalization of the dismissal process."

**The unpaid balance of the PILP loan will be paid in full from funds borrowed from the**

Montecito Bank, “guaranteed” through personal accounts and management of the newly transferred endowment fund. This Montecito Bank account loan will not be secured by the church’s real property. ELMO also has what is called their Legacy Fund, into which all amounts from dismissal fund raised by the church are held.

**Lines 276-278**

J. “Appropriate action must also be taken to amend any organizational documents, as necessary, and to ensure that adequate insurance coverage of all property and activities of the church is maintained until dismissal/dissolution is completed.”

**The PRT has obtained copies of proof of insurance as well as line items on financial statements showing the payment of premiums for insurance.**

**Lines 279-281**

K. “The PRT shall separately identify and evaluate any accounts being held by the Presbyterian Foundation. Based upon the restrictions of each gift, the interest entitlement will be redirected to an appropriate PC(U.S.A.)-related entity.”

**There are no such accounts with the Presbytery Foundation.**

**Lines 282-285**

L. “If the congregation has established a foundation or received grants or endowment(s), related documentation must be examined to identify any terms or restrictions affected by the proposed dismissal/dissolution or involving the Presbytery, the synod or the Presbyterian Church (U.S.A.). Corrective action must be taken as appropriate.”

**ELMO’s Endowment was established in 1986 to take effect upon the death of a Mr. Hackbert, who passed away in 2000. The trust document provided as follows:**

- **“Upon the death of the Trustor ...the Trustee shall distribute the then remaining balance of the trust estate to EL MONTECITO PREBYTERIAN CHURCH... to establish an endowment fund from which the income but not the principal shall be used for the proper purposes of said church. Without making it a legal requirement, the Trustor requests that a substantial portion of such income be used for the Evangelistic and Missionary work of the Church.”**
- **The PRT notes that the endowment gift was given for the “proper purpose of said church,” referring to EL MONTECITO PRESBYTERIAN CHURCH. While taking into account the “trust clause” in the Book of Order, we note that this particular congregation is singled out as beneficiary, without mention of denomination or higher council, even as a reference point.**
- **Further, as the document states “the income and not the principal” was to be used for the purposes of “the Church.”**
- **Therefore, to fulfill the stated purpose of this gift, the PRT believes that the Presbytery must dismiss the congregation with the endowment.**
- **Relevant paragraph from endowment bequest:**
  - **“Upon the death of the Trustor .... The Trustee shall distribute the then remaining balance of the trust estate to EL MONTECITO PRESBYTERIAN CHURCH, 1455 East Valley Road, Montecito, California, to establish an endowment fund from which the income but not the principal shall be used for the proper purposes of said Church. Without making it a legal requirement, the Trustor requests that a**

**substantial portion of such income be used for the Evangelistic and Missionary Work of the Church.”**

**The endowment fund’s current value is \$1,374,925.56 of the original amount of \$1,700,000 the church received from the one estate upon the death of the trustor. These restricted funds have now been deposited with Montecito Bank for management. The Endowment documentation is posted on the PSB website.**

**Lines 287-288**

M. “Expenses incurred in taking the above stated actions will be paid by the congregation requesting dismissal/dissolution.”

**The only expenses incurred for any of the above actions were the payments in full for the two appraisals, which were paid by ELMO.**

**Lines 289-292**

N. “The PRT shall determine the amount of delinquent and future per capita and mission giving. As part of its fiduciary duty to PC(U.S.A.), a presbytery must share any amounts of per capita and mission giving (both past and future) paid by a church being dismissed proportionately with the Synod and G.A.”

**The church is and has remained current on all per capita amounts.**

**Lines 294-297**

O. “The PRT shall separately evaluate the value of all of the congregation’s property (real property and other assets). A set formula in a GDP is not appropriate. While no particular result is required (what is required is an “evaluation”), a token evaluation (e.g. setting a nominal value for the property) is not constitutionally adequate.”

**The PRT took under consideration the value of the real property, its contents, the early school, and all financial assets. While the PRT had only one appraisal at the time of negotiations about which questions were raised, a second appraisal was also ordered. The PRT was not able to determine an exact value for the real property, because of the differences between the two appraisals, as well as other factors, including a probable limited pool of buyers, recent fires and the Montecito mudslides. Please see the two appraisals and the PRT summary of ISSUES REGARDING THE TWO APPRAISALS. Also, please see all of the other supportive documentation as to the financial due diligence done by the PRT.**

**Lines 299-305**

P. “The PRT shall prepare a dismissal report that expressly acknowledges (as part of the Presbytery’s fiduciary duty) consideration of the value of the contributions (not just financial, but any other benefits of having been part of the connectional organization) of the denomination (including financial contributions from all levels) to the individual church and its property. While a presbytery may elect to not require recoupment of any or all such financial made by the denomination (particularly if made many decades before), at a minimum, recognition of those contributions is essential.”

**As stated above (“C” and “D”), El Montecito Presbyterian Church initially purchased the property in 1888 for \$2000, with church membership contributions. The PRT has found no**

evidence of financial contributions by Synod or Presbytery or Presbytery Foundation (“K”) for development. The PILP loan as stated (“I”) will be paid in full before dismissal. It is recognized and acknowledged by ELMO as well as the PRT that ELMO has benefitted over the generations simply by its affiliation with the PC(U.S.A.). Most recently, as a result of the Thomas fire, rains and mudslides, as a portion of the Presbytery Disaster Assistance grant funds were shared with the ELMO church’s Early School. Please also refer to the other documentation posted at the PSB website.

### Congregational Gatherings

#### The Initial Gathering of the Congregation

##### **GDP Lines 312-355 – Initial Gathering**

The PRT expects that at least 2/3(two-thirds) of the active membership will participate in this initial gathering meeting which will be moderated by a teaching or ruling elder appointed for this purpose by the Presbytery Council. The members of the PRT will attend this gathering and will be allowed sufficient time to speak on behalf of the PC(USA). During this gathering the PRT will ensure that the members of the congregation have been informed regarding the polity and practice of the Reformed body to which they may be going, including any practical implications this might mean for the congregation.

If the PRT determines that a significant proportion (at least  $\frac{3}{4}$  (three-fourths) 75%) of the attending members wish to be dismissed, a second gathering will be convened. After the initial congregational gathering, at least three months will pass before this second gathering. This allows the PRT to carry out the following functions:

1. Negotiate the terms of dismissal with the Session in accordance with the provisions of this Policy and the most current requirements of the Presbytery, Synod, and General Assembly. These agreed upon terms will be voted on at the second congregational 329 gathering as an integral part of any request for dismissal.

2. Meet with the members of the congregation who wish to remain within the PC(USA) to listen and work together to best strategize how to either maintain an existing mission presence, incorporate members into nearby Presbyterian congregations, or create a new entity and/or other appropriate measures.

3. Meet with Teaching Elders currently called or employed by the congregation to determine whether they shall remain with the congregation and transfer their ministerial status to the new denomination, whether they shall remain within the PC(USA) and need to request permission from the Committee on Ministry to serve in another Reformed body, or whether they shall remain in the PC(USA) and have been enrolled as a member at large of the Presbytery. Teaching Elders shall be encouraged to review the Board of Pension policies. Reasonable steps shall be taken to provide support and care to those Teaching Elders wishing to stay in the PC(USA) and not desiring to serve in a congregation of the other Reformed body.

4. Meet with any members of the congregation who are preparing for ministry and are under the care of Presbytery. Each member under care together with his/her liaison from the Committee on Preparation for Ministry shall be advised immediately of the congregation’s possible dismissal. The member under care will be given the option of being dismissed with the congregation or transferring their membership to another congregation within the PC(USA). If transfer to another congregation

within the PC(USA) is requested, Presbytery and the CPM liaison will assist the member in seeking a waiver of 353 the usual six-month requirement for church membership in order to maintain care status.

### **GDP Lines 356-406 - The Second Gathering of the Congregation**

After the PRT has completed these functions, a second gathering will be convened. Written notice shall be given by mail to all members at least 30 days prior to the time of the gathering, as well as announced from the pulpit of the church at regular church services on four successive Sundays immediately prior to the meeting. The gathering shall take place after 3:00 p.m. in the church sanctuary to give the members of the PRT and those traveling from other places sufficient time to attend. A concerted effort should be made to maximize the participation of the congregation in this gathering. There shall be at least  $\frac{3}{4}$  (three-fourths) of the current active membership in attendance. An affirmative vote of at least  $\frac{3}{4}$  (three-fourths) of those in attendance is required in order to further the dismissal process. The Session must provide to the Presbytery a list of members not wanting to leave the PC(USA) within 60 days of any vote by the Presbytery to dismiss the congregation. 368

The PRT shall conduct the gathering, which is technically a meeting of the PRT, not a congregational meeting (since the Book of Order does not include seeking dismissal as a purpose for which a congregational meeting may be called). The PRT members shall again be allowed sufficient time to speak on behalf of the PC(USA). A member of the Committee on Ministry, the Executive Presbyter, or the Stated Clerk of Presbytery, or a member of the Presbytery Council will moderate this meeting in order to allow the members of the PRT to fulfill their advocacy 375 role.

The Session will outline in detail the terms of the proposed dismissal including the financial terms. A written copy of these terms shall be provided to all attendees at the meeting.

The privilege of the floor is limited to persons who are appointed by the Presbytery, active members in good standing of the particular congregation and Teaching Elders currently called and or employed by the congregation. Others will not be heard or allowed to cast a ballot regarding the request for dismissal. After a full and fair discussion, in which each person with the privilege of the floor present who wishes to speak (for up to five minutes) has had an opportunity to do so, a secret ballot of the congregation members will be taken on the categorical question: "Shall the membership of the \_\_\_\_\_ Presbyterian Church (U.S.A.) request dismissal as a body by the Presbytery of Santa Barbara to \_\_\_\_\_, another Reformed body in accordance with the terms, including the financial terms as negotiated by the Presbytery and Session?" This motion may not be separated.

Two elders from the congregation and two representatives of the Presbytery shall count the ballots. Only ballots clearly legible shall be counted. In case of ambiguity, the ballot will be counted as "No." Abstentions count as "No" votes. The ballots shall be counted twice and the results shall be announced at the meeting, and the results shall be communicated in writing by the PRT to the stated clerk of the Presbytery.

Within ten days of the second gathering of the PRT with the congregation, any person of the unsuccessful side may contest the regularity of the call for, or the conduct of, or the manner of the request made at the meeting by a written notice to the Presbytery. The Presbytery Council shall review the questions at issue and, if the contest is sustained, it shall direct the calling of a new meeting of the PRT with the congregation. The congregation shall continue to be a member church of the PC(USA) until such time as the required meeting takes place and the Presbytery votes on any request for dismissal. Once the manner of the request is determined to be fair and regular, the

decision of the Presbytery Council shall be affirmed and, ordinarily, no further action should be taken to reconsider the matter for at least 24 months.

#### **ELMO PRT Summary of Congregational Gatherings-GDP Lines 311-406**

- A. The PRT held three Congregational Gatherings with the El Montecito Presbyterian Church. The Initial and Second Gatherings were held as described in the Gracious Dismissal Policy.
- B. Initial Gathering – per first May 4, 2013 GDP, Lines 151-192; Current May 20, 2017, GDP, Lines 312-354. Held May 1, 2016, 3:00 p.m. Current membership: 235; requirement of 1/2 to be attending was 118; actual number attended was 138. Per May 4, 2013 GDP requirement of 2/3 (89) (or 3/4 per May 20, 2017 GDP required 103) attendees to vote in affirmative: 131 voted; 122 voted yes; 9 voted no, to continue in dismissal discernment process. There was no contesting. All required functions were completed.
- C. Second Gathering – per May 20, 2017 GDP, Lines 356-406. Held November 5, 2017, 3:00 p.m. Current membership: 181; requirement of 1/2 (per Presbytery motion and vote, May 20, 2017) to be attending was 91; actual number attended was 113. Per requirement of 3/4 (85) of attendees to vote in affirmative: 113 voted; 110 voted yes; 3 voted no, in favor of the dismissal financial terms and to “be dismissed to another Reformed body....” There was no contesting from the congregation.
- D. Third Gathering – PRT called for a Third Congregational Gathering to complete the GDP requirements to assure that the congregation understood all of the terms of the dismissal, including the full written documents, the Dismissal Agreement and the Reversionary Deed. PRT conducted this Third Congregational Gathering in a manner consistent with the Second Gathering requirements per May 20, 2017 GDP, Lines 356-406. Held March 18, 2018, 1:00 p.m. (per motion at Presbytery February 10, 2018). Current membership: 180; requirement of 1/2 (per Presbytery motion and vote, February 10, 2018) to be attending was 90; actual number attended was 116. Per requirement of 3/4 (87) of attendees to vote in affirmative: 116 voted; 114 voted yes; 2 voted no, in favor of all final terms in Dismissal Agreement and Reversionary Deed. There was no contesting from the congregation.

#### **REPORT OF THE PRT**

##### **GDP Lines 408-432**

The Presbytery Response Team shall submit a written report to the Presbytery, to include the following:

- A. The results of its full fiduciary review including describing the efforts made to engage wider Presbytery committees in this assessment.
- B. What recommendations the PRT brings regarding the request for dismissal/dissolution, based on the guidelines noted above.
- C. What recommendations the PRT brings regarding (1) any financial transactions to occur between the congregation, the Presbytery, the synod and/or all General Assembly entities, (2) what provisions have been made and will be made for those members who wish to remain within the Presbyterian

Church (U.S.A.), and (3) what provision will be made for any Teaching Elders, Christian Educators, inquirers, candidates, or Commissioned Ruling Elders associated with the 420 congregation who request to remain within the Presbyterian Church (U.S.A.).

D. An assessment from the PRT regarding how the congregation's dismissal/dissolution may affect the larger mission and ministry of the Presbytery including describing the efforts made to engage wider Presbytery committees in this assessment.

E. The report shall acknowledge the involvement of any council of the connectional church in acquisition of the real property and growth of the church.

F. If the PRT and the Session of the Church seeking dismissal/dissolution have been unable to reach negotiated terms for dismissal/dissolution, the PRT may recommend to Presbytery approval for the Administrative Commission to assume original jurisdiction of the Session in order to seek resolution of the situation. (G-3.0303)

#### **A and D. PRT's Fiduciary Review , Efforts to Engage wider Presbytery community,**

**The PRT considered whether the presbytery should retain the real property and endowment and the possibility of selling the property and utilizing its stored value.**

**The leaders of presbytery committees were polled on the question of retaining or selling the property to further the mission of the presbytery. The committee leaders were instructed to discuss this question with their committees and report back to the PRT. Several creative ideas including a retreat center, counseling ministry, preschool, and new church development (NCD) were shared with and considered by the PRT.**

- **The leader who suggested a possible NCD at the property then went on to remark that there is likely no need to plant another Presbyterian congregation in or near Montecito, given that here are several PC(USA) congregations within a few miles of the El Montecito property, namely Summerland, Carpinteria, Santa Barbara First, and St. Andrews.**
- **Based on this poll, and in months listening to the presbytery on this issue, PRT has discerned no need or desire to establish an NCD in or near Montecito.**

**The alternative ideas for using the property all have obstacles to surmount, including zoning, managing, and the initial and ongoing investment required to support a going concern.**

- **In the unlikely event that presbytery could gain approval for a different use for the property that would mean the end of Presbyterian Christian worship in that consecrated sanctuary on that property.**
- **The PRT cannot support this outcome, believing that ending Presbyterian Christian worship in this community would subvert the longstanding purpose and use of this property.**

**The restrictions for the property since 1888 have limited its use to be a “consecrated sanctuary for Presbyterian Christian worship.” The church property was acquired, developed, and has been continuously used by the congregation for that purpose.**

- **Santa Barbara zoning officials have communicated to the PRT that, although the property is zoned for single family residential, that approval for a change of use and redevelopment to anything other than a church was “not going to happen.”**
- **A process is underway to designate the church property as an historical landmark.**

- It therefore seems prudent to assume that the property would need to continue being used for religious services and that approval for redevelopment or repurposing of the property is, at best, unlikely.

Furthermore, continuing worship on this consecrated ground would uphold our some of our most foundational principles.

- The first *Mark of the Church*, namely, *The Unity of the Church* (F-1.0302a). Preserving Presbyterian Christian worship in this community, even and especially when a congregation is dismissed to another reformed body, is a sign of Christian unity.
  - Much goodwill and ministry partnership has been exhibited between the El Montecito congregation, the other congregations in Montecito, and its PC(USA) neighbors. There is every reason to believe that the Unity of the Church would continue once the El Montecito Presbyterian Church is dismissed to ECO.
- The first three *Great Ends of the Church* (F-1.0304), namely:
  - *The proclamation of the gospel for the salvation of humankind*
  - *The shelter, nurture, and spiritual fellowship of the children of God*
  - *The maintenance of divine worship*

The negotiations between the PRT and the congregation were conducted with wide body of information at hand, including the underlying data and documents about ELMO cited in this report. The Presbytery must exercise due diligence in the valuation on the property. Under Tom and the terms of the GDP, the financial terms for dismissal must show a reasonable and fair relationship between the value of the property and the compensation to pay for dismissal.

The dismissal price was arrived at after much prayerful consideration, review of all documents, and deliberation. The PRT did not set the price based on what PRT thought the congregation could afford. The price is far above what representatives from the congregation thought that they should or could pay. (See Locke/Regele/Spitzer:Idyllwild.) The PRT considered the following when arriving at terms of dismissal:

- A view of the church as in communion with all the saints, with responsibilities to those who came before and those who will follow.
- The mission of the congregation and of the presbytery.
- A duty to the well-being, financial and otherwise, of the presbytery and denomination.
- The congregation and officers are trustees, not owners of the property in question. The fiduciary obligation is to the presbytery and denomination.
- The appraised value of the property and restrictions as above
- The preservation of Presbyterian Christian worship in this community and on this property.
- The constitutional principles of the Unity of the Church and Great Ends of the Church. (F-1.0302a) and (F-1.0304).

GDP Lines 408-432 above

B. Motion to Presbytery for May 19, 2018 stated meeting:

The PRT proposes the motions to the Presbytery as to El Montecito Presbyterian Church are as follows:

1. That the Presbytery has confirmed that the Evangelical Covenant Order of Presbyterians (“ECO”) is another Reformed denomination;
2. That ELMO shall be dismissed to ECO upon all of the terms and conditions set forth in the Dismissal Agreement and Release submitted to this Presbytery, including (but not limited to) those described below;
3. That ELMO would be dismissed with all of its property (except as to the payment obligations described below) including but not limited to its real property, the endowment fund, and all other assets;
4. Central financial payment terms are:
  - a. ELMO to pay in full, and show proof of payment, of the remaining balance of the PILP loan (approximate balance \$400,000) after the expiration of the ninety (90) day period for filing a remedial action with no such action being filed, but prior to the Dismissal Date, as defined in Dismissal Agreement And Release, Item 9;
  - b. ELMO to pay a Down Payment of \$350,000, to Presbytery after the expiration of the ninety (90) day period for filing a remedial action with no such action being filed, but prior to the Dismissal Date;
  - c. ELMO to pay the balance of Dismissal amount of \$1,522,594 (namely \$1,172,594) over up to 10 years. The first annual payment shall be \$65,000 due September 1, 2019, with each of the following annual payments due on each successive annual anniversary of the Dismissal Date.
5. Recordation of the Reversionary Deed submitted to this Presbytery; and
6. Satisfaction of all other terms and conditions set forth in the Dismissal Agreement and Release.

**GDP Lines 408-432 above**

**C. 1 See Motions above.**

**C. 2 There are no known members who wish to remain within the Presbyterian Church (U.S.A.) who desire provision be made, who have not already self-directed to other PCUSA or reformed congregations.**

**C. 3 There are no Christian Educators, inquirers, candidates, or Commissioned Ruling Elders associated with the El Montecito congregation. The Teaching Elder who is currently the stated supply is a member in good standing with the Presbytery of San Diego and will remain so. Determined that there are no CRE’s and no members of the congregation preparing for ministry and none under the care of the presbytery (*GDP lines 347-354*).**

**E. (F. on GDP Document) Does not apply at this time.**

### **THE MEETING OF THE PRESBYTERY**

**GDP Lines 436-445**

The Presbytery shall act in response to the congregation's action. Following notice of any request for dismissal, the Moderator will follow the normal procedures for calling a meeting of Presbytery, provided that there is not already a scheduled stated meeting of Presbytery within 90 days of the congregational request for dismissal.

The PRT shall report the results of its meeting with the congregation, and the Presbytery shall determine whether the process for requesting dismissal was fair and represents the will of the congregation. If so, the congregation shall be dismissed to another Reformed denomination, subject to any agreements that may be reached regarding the fair treatment of those members who do not wish to leave the denomination.

The Presbytery affirms its fiduciary responsibility to review the terms negotiated by PRT and the 447 congregation requesting dismiss/dissolution and reserves the right to modify said terms as it 448 deems necessary.

**PRT urged ELMO to delay the Presbytery vote from its scheduled February 10, 2018 stated meeting to the next scheduled stated Presbytery meeting, scheduled for May 19, 2018.**

- a. Reasoning: The Thomas Fires and many evacuations from early December 2017 through Christmas; the resulting Mudslides through Montecito on January 9, 2018; the recovery of son of members and death of their parishioner, who was chair of the ELMO dismissal team John McManigal; not being able to access the ELMO property because of the mudslides and road closures (even though property was not damaged).
- b. PRT also determined in the midst of "a" above that at the Second Congregational Gathering the Financial Terms were agreed on by the congregation, however the actual Dismissal Agreement and Release and the Reversionary Deed documents had not been reviewed and approved the congregation. Therefore, PRT called a Third Congregation Gathering, in conjunction with the Second, for March 18, 2018. The May 19, 2018 stated Presbytery meeting is within the 90 days stipulated in GDP Line 438.

### OTHER PROVISIONS

#### **GDP Lines 451-472**

A. If a congregation or its leadership preemptively files suit in a civil court against the Presbytery, the Presbytery of Santa Barbara may answer the suit. The Presbytery may seek to preserve its assets and assert its rights.

This provision is not relevant to the ELMO dismissal.

B. If the staff or session of a congregation has initiated specific, concrete action to withdraw from this Presbytery or the PC(USA), without prior consultation with the Presbytery and the initiation of the above-described process, the Presbytery may initiate an administrative commission. Such actions could include, but are not limited to, calling a meeting of members of the congregation to discuss the church's withdrawal from the denomination or the session voting to move toward membership in

another denomination. The Presbytery, at its next stated or called meeting, whichever occurs first, may appoint an administrative commission to address the situation at that church and attempt to modify the church's activities to follow the processes described above. The administrative commission may be granted any authority permitted in the Book of Order.

This provision is not relevant to the ELMO dismissal.

C. If, as of the effective date of this Revised Policy, any congregation has previously begun and not completed dismissal from the Presbytery under the previous Gracious Separation Policy dated May 4, 2013, the Presbytery may determine by vote of the Presbytery at a Stated or Special meeting that certain phases or portions of phases of this Revised Policy are not necessary and/or have been fulfilled.

**GDP Line 474 Approved by the Presbytery of Santa Barbara: May 20, 2017**

**Please note that regarding "C" above the following are copies of the motions made at the May 20, 2017 Stated Presbytery meeting because the Initial Gathering had already taken place prior to the re-write of the this current Gracious Dismissal Policy.**

**May 20, 2017 Being in receipt of the above noted Rulings from Synod PJC and GAPJC, Santa Barbara Presbytery proceeded to re-write the Gracious Dismissal Policy. Said document was approved by Presbytery at its stated meeting May 20, 2017.**

**Minutes of that meeting are posted on PSB web page, pointing to motion regarding dismissal phase of GDP, permission not to have a repeat Initial Gathering and required attendance numbers for Second Gathering and the naming of the Presbytery Discernment Team/Presbytery Response Team.**

**Motions from May 20, 2017 Presbytery Meeting**

**Gracious Dismissal Motions**

**Based on the recommendations from the Gracious Dismissal Policy Task Force and approved by Presbytery Council on May 3, 2017, Council recommends approval of the following motions by the Presbytery at the May 20, 2017 Stated Presbytery Meeting:**

- 1. That the Presbytery approve the Revised Policy for a Process for Reconciliation or Gracious Dismissal of a Congregation from the Presbyterian Church (.U.S.A.), ("Revised Gracious Dismissal Policy").**
- 2. If Motion #1 is approved, then the following motion is presented to the Presbytery regarding El Montecito Presbyterian Church (El Montecito):**
  - a. Pursuant Paragraph C of the Other Provisions section of the Revised Gracious Dismissal Policy, the Presbytery acknowledges that El Montecito has previously begun and not yet completed the process for dismissal from the Presbytery of Santa Barbara under the previous Gracious Separation Policy.**

- b. That having already completed the Initial Gathering of the Congregation portion of the Dismissal Phase in compliance with the previous Gracious Separation Policy, the Presbytery acknowledges and determines that El Montecito has fulfilled the Initial Gathering portion under the Revised Gracious Dismissal Policy.
- c. El Montecito must complete the remaining requirements of the Revised Gracious Dismissal Policy, including the Discernment Phase.
- d. The first step is for Council to appoint a new Presbytery Response Team (PRT), which may include members of the PRT formed under the previous Gracious Separation Policy; the PRT shall also act as the PDT for the Discernment Phase.

A motion was made by Carl Perry, ruling elder from El Montecito Presbyterian Church. Seconded. Motion as follows:

Pursuant to item “C” of the Other Provisions Section of the Revised Gracious Dismissal Policy, El Montecito Presbyterian Church requests: That in The Second Gathering of the Congregation section, concerning church membership attendance, that an exception be made for El Montecito on line 364 stating, “There shall be at least 3/4 (three-fourths) of the current active membership in attendance,” to be changed for El Montecito “to at least 50 % (fifty percent) of the current active membership in attendance.”

February 10, 2018 Stated Presbytery Meeting Minutes are posted on the PSB website. The following are the PRT Motions pertaining to ELMO:

Rev. Janet Loughry, Chair of the El Montecito Presbyterian Church PRT reported on the status of the dismissal process and delays and rescheduling requested. Because of the two recent disasters, as exceptions be made to the Revised Gracious Dismissal Policy. These motions were provided in writing and stated as follows:

The PRT moves that the dismissal vote be deferred, at the request of El Montecito Presbyterian Church, from today’s Feb 10 presbytery meeting to the May 19 the Presbytery meeting in Paso Robles.

Approved

The PRT moves that a Third Congregational Gathering be approved so that, together with the previously held second Congregational Gathering (11/5/17), all Gracious Dismissal Policy requirements for the second gathering would be satisfied, including the approval of the final Dismissal Agreement and the Reversionary Deed.

Approved

Rationale: Lines 378 and 379 state: “The Session will outline in detail the terms of the proposed dismissal including the financial terms. A written copy of these terms shall be provided to all attendees at the meeting.” Because of the recent fires and mudslides and the death of the chair of the El Montecito committee, it has and continues to be difficult to meet all the provisions of the GDP.

The PRT moves that the time of day for the Third Congregational Gathering be set for 1 p.m. (on a date to be determined) to allow PRT members and others time to travel to the meeting and to allow

**the congregation to remain on campus following worship, given that only two roads in and out of Montecito are now open.**

**Approved**

**Rationale: GDP lines 361-363 state: “The gathering shall take place after 3:00 p.m. in the church sanctuary to give the members of the PRT and those traveling from other places sufficient time to attend.”**

**The PRT moves that, consistent with actions of the May 20, 2017, Presbytery meeting establishing a quorum of 50% (instead of 75%) of the current congregational rolls, that the same 50% quorum be approved for the Third Congregational Gathering.**

**Approved**

**Rationale: GDP lines 364-365 state: “There shall be at least  $\frac{3}{4}$ (three-fourths) of the current active membership in attendance.” Many of the members of the church are elderly with mobility issues and/or housebound.**