

Proposal for Fountain Hills Presbyterian Church Settlement

Fountain Hills Administrative Commission – Presbytery of Grand Canyon

August 23, 2016

Background/History

In February 1974, 12 dedicated persons made a commitment to join with the Rev. Glenn A. Atchinson to establish a new church in Fountain Hills, AZ. On March 31, 1974, the first service of worship was held at *Little John's*, a bar/restaurant, with 60 persons in attendance. The fledgling church moved to a 2,500 square-foot warehouse space in October 1974. The chartering service was held on Advent Sunday, December 1, 1974.

The church's present five-acre site was purchased from Pratt Properties in June 1978. Ground-breaking for the sanctuary took place on March 20, 1983, and the first worship service in the new sanctuary was on December 18, 1983. The church office and Memorial Tower were completed in 1984.

The growing congregation necessitated increases in church staffing and program spaces. The first associate pastor at the Fountain Hills church was installed on October 25, 1987. Construction of the Program Center began in January 1989, with dedication of the space in September of that year. The Columbarium was completed and dedicated in 1990, and the church received a gift that enabled the installation of a carillon system in the Memorial Tower. The Biblical Garden was planted in 1992 and the church added 1/3 acre to the site in 1993. In July 2004, the church completed construction of the Fellowship Center to ensure space for fellowship events, kitchen resources and additional classrooms to serve the needs of active youth, family and adult programming. The congregation worked diligently through a series of concerts to pay down the mortgage.

In the next few years, issues developed between the Senior Pastor and some members of the congregation, resulting in loss of some members and the resignation of the Senior Pastor in 2007. An interim pastor served the church until the Rev. William Good was called as Senior Pastor in September of 2010. Under Pastor Good's leadership, the congregation has hired a Christian Formation Director and a Pastoral Associate. The church has also added a second service of worship each Sunday, as well as education programs for children, youth and adults.

Discernment

Concern for the future of the Fountain Hills Presbyterian Church within the PC(USA) escalated in 2014. Congregants began to approach the Session with questions like, "*How is our Session going to respond to the actions of the 2014 General Assembly with regard to the authority of scripture?*" The Pastor and Session then entered into a time of study and reflection, and initiated a series of meetings with the congregation at-large. The Session formally requested to enter into a season of discernment with the Presbytery of Grand Canyon in October 2015, with a goal to seek dismissal from the PC(USA). As the Presbytery had not been party to prior internal discernment study and discussions, the Administrative Commission was obliged to "begin at the beginning" in order to determine the congregation's perspectives on whether the Fountain Hills church should remain within the PC(USA).

The AC conducted 12 meetings with small groups of congregants in March and April of 2016. The AC also conducted a mailed-in survey for members who were not able to attend a small group meeting. Key concerns raised in the small-group process included:

- A strong desire for the PC(USA) to specify essential tenets of faith for all members of the PC(USA), and dismay that the PC(USA) has not done so.
- Great concern over the Authoritative Interpretation to allow same-sex marriage in PC(USA) churches in states where same-sex marriage is allowed by civil law.
- Property ownership came up in almost every small group meeting, with significant concern over costs to transfer ownership to the Fountain Hills congregation.

Through the Discernment process, the AC heard from 182 members of the Fountain Hills congregation – a substantial majority of the active membership. 62% of respondents favored dismissal from the PC(USA), while 21% wished to remain with the PC(USA) and 18% stated that they were not sure on the question of dismissal. Many of the “not sure” group raised the issue of dismissal costs as at least a contributing factor in their personal decision-making process. Taken at face-value only, the statistics from the small-group process are somewhat misleading. The AC found that most members at Fountain Hills expressed a genuine love for their church family and a passionate desire to keep that family together. While 21% of small-group participants expressed a desire to remain with the PC(USA), it is highly likely that most, if not all, of these members will remain with the church regardless of denominational affiliation. The AC found no evidence for a viable remnant of the congregation, to continue as a PC(USA) church, following dismissal of the Fountain Hills congregation.

Items for Consideration

1. The town of Fountain Hills is not a retirement community, like Sun City or Sun Lakes. But, many residents in the town are retired and/or winter visitors. The same holds true for many members of the Fountain Hills church.
2. Like many churches, membership at Fountain Hills has declined in recent years. Presbytery records show that membership of 470 in 2005 decreased to approximately 257 by the end of 2015.
3. The Presbytery of Grand Canyon, Synod of the Southwest, and/or General Assembly have actively supported the Fountain Hills church with loans, grants, and loan guarantees from community financial institutions. Presbytery records show 5 such transactions from 1978 to 2016, with a total value of \$1,124,000. The Fountain Hills congregation paid most of these items in full; there is currently one active loan with Meridian Bank with an outstanding balance of \$323,437.47 (Feb. 2016 statement).
4. An appraisal of the Fountain Hills church campus by Valbridge Property Advisors valued the property at \$2,100,000.
5. The AC concurred with the Session at Fountain Hills to consider the equity value of the church property when determining the property settlement. Thus the basis for property settlement negotiations was reduced to \$1,776,563.
6. Including 2016, total per capita due to the Presbytery totals \$22,726.
7. The AC affirms that the Pastor and congregation of Fountain Hills Presbyterian Church desire to leave the PC(USA) and become members of the Covenant Order of Evangelical Presbyterians (ECO).

Proposed Dismissal Terms

In keeping with the Gracious Dismissal Policy of the Presbytery of Grand Canyon, and in keeping with the charge to the AC, especially item (e): *“in consultation with the session, to seek a mutually agreeable proposal for the disposition of all property, contents, and historical documents, with the aim for furthering the mission of Christ through good stewardship of resources,”* the AC proposes the following:

1. That the Fountain Hills Presbyterian Church be dismissed from the PC(USA) and allowed to join the Covenant Order of Evangelical Presbyterians (ECO) when the way is clear
2. That the Senior Pastor at the Fountain Hills church, the Rev. William Good, also be allowed to transfer his pastoral credentials to the ECO, when the way is clear
3. That the Fountain Hills church will be responsible for the following settlement costs:
 - a. \$177,656 – a biblical tithe of the appraised property value, reduced by the outstanding mortgage loan principal.
 - b. \$20,000 – mission support for Native American Ministries within the Presbytery of Grand Canyon.
 - c. \$18,750 – contribution to the Mission Endowment Fund of the Presbytery of Grand Canyon.
 - d. \$22,726 – per capita payments, including the amount due for 2016.
 - e. \$8,000 – estimated AC expenses, including cost for the property appraisal, records copying, etc. Actual costs at the time of dismissal shall be used for the final settlement.
 - f. \$247,132 – Total Settlement amount.
4. That the Fountain Hills church will pay approximately \$30,726.00 at the time of dismissal to cover per capita and AC expenses.
5. That the Fountain Hills church will make annual payments to the Presbytery of Grand Canyon in the amount of \$43,281.20, to pay items 3a, 3b and 3c above, at no interest, with first payment due on August 31, 2017, and the last payment due on August 31, 2021. Annual payments shall include:
 - a. \$35,531.20 – property settlement
 - b. \$4,000 – Native American Ministries
 - c. \$3,750 – support of the Mission Endowment Fund.
 - d. The Presbytery of Grand Canyon will continue to hold title and be on the mortgage until Items a., b., and c. above are paid in full.

Members of the Fountain Hills Administrative Commission are: Mary Danforth, Cecil Patterson, Lawn Griffiths, John Poling, and George Prohaska (Moderator).