

April 30, 2017

**Renewing Our Vitality:****A Report on Reforming the Governance of Wesley-Knox United Church**

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*Background*

This report has its origins in an initiative undertaken by the Wesley-Knox (WK) Stewardship Committee early in 2015. Aware of concerns that the current governance structure was not serving WK optimally, the Stewardship Committee organized a “Governance 101” workshop in May 2015, inviting all those who are active in the leadership of our congregation to discuss their views on the current governance structure and how it might be improved.

Discussion at this workshop, as well as the results of a take-home survey completed by most workshop participants, revealed deep dissatisfaction with the current governance structure. The main drawbacks of the current system that were noted at the time included the following:

- decision-making is slow and cumbersome
- Official Board meetings suffer from high absenteeism
- Committee Chairs spend a great deal of time producing reports
- Committee Chairs often review the same materials three times in different venues (Committee, Council, and Official Board)
- despite extensive reporting, flows of information are not always clear
- the mandates of some Committees are not clear

In March 2016, the Stewardship Committee (of which I was a member at the time) discussed these findings and we agreed that I would do some comparative research, have discussions with key individuals, and develop a report that included a concrete set of proposals for governance reform. At the same time, Committee members agreed that any further action on governance reform was beyond the mandate of Stewardship.

At a special meeting of Council on November 26 2016, a governance working group composed of Rev. Tracy Crick-Butler, Marilynne McNeil, Cathy Grasby and Carl Hearn was constituted to support further development of governance reform initiatives.

The first draft of this report was completed in January 2017. The report drew on the findings outlined above, the United Church of Canada Handbook, my academic work on governance, and numerous informal discussions with leaders in the WK community. The draft report was submitted to the governance working group, which discussed key ideas contained in the report at Council, and then convened a series of meetings with me to work through some suggested revisions. On April 19, a revised report was presented to Council, and some further clarifications were requested. The present report reflects this input and discussion.

### *Reforming the Governance of Wesley-Knox: Key Objectives*

There is widespread consensus among leaders in the WK community that the current governance system no longer serves the community as it should. The heart of the problem is two-fold:

1. All significant decisions must pass through two governing bodies (Council and Official Board), not just one.
2. There is no clear separation between strategic leadership on the one hand, and day-to-day operational decisions and activities on the other hand.

Both Council and the OB are large, and include many of the same individuals who also provide leadership at the Committee level. As a result, the talents and energies of individuals are often wasted on slow, cumbersome decision-making, heavy reporting requirements and many meetings, all of which stifle creativity and discourage involvement by new individuals.

The reform proposals below are guided by the following principles:

1. Strategic leadership (i.e. setting vision and direction, coordinating and monitoring activities) should be separated from the day-to-day operations of Committees.
2. The number of individuals involved in strategic leadership should be greatly reduced so as to release time, talent and energy for vital action at the ground level, where large numbers of hands, hearts and minds are truly needed.
3. Committees and other ground-level groups should be fully empowered to act autonomously within the boundaries of their mandate and annual budget. This can be achieved by simplifying reporting and restructuring the Committee system.
4. Clear flows of information, clear lines of accountability, and efficient overall coordination of various activities must be maintained and strengthened.
5. The governance structure must be welcoming and supportive of creative action and new ideas at the ground level across all fields of activity.

The United Church Handbook gives congregations a great deal of freedom in designing a governance structure that supports their needs. As a result, Wesley-Knox can institute a custom-made governance model that, while conforming to all key requirements laid out in the Handbook, reflects the particular strengths and needs of this church.

The rest of this report proposes exactly that sort of governance model. The core element of this model is a greatly streamlined governing body. The section below discusses the proposed new body. The following section discusses reform of Committee structure and functioning. The report concludes with some recommendations for implementation of reforms.

### *A New Strategic Leadership Model: The Streamlined Board*

Given the nature of the governance challenges at WK at present, the church would be best served by adopting a modified version of the “Streamlined Board” model of governance outlined on p.279 of the United Church Manual. The Manual says the following:

“This model is usually much smaller than the Unified Board or Church Council. Those who serve on the [Streamlined] Board do not have to serve on any particular group, and those who serve with a group or team do not have to attend Board meetings. The Streamlined Board empowers mission teams by providing overall directions and boundaries for action while freeing teams to manage their mission as they see fit. The Streamlined Board discerns mission, forms policy, develops strategies, deploys leaders, and monitors progress. Staff and participants have freedom and authority to act, guided by the congregation’s purpose and core values and the parameters of each leader’s role.”

The basic principles animating the Streamlined Board model, then, are: the separation of executive from operational (ground-level) functions, the introduction of a small executive, and the empowerment of ground-level Committees and groups. I would suggest that a Streamlined Board at WK be called the **Leadership Council** and that it be structured and operate as follows:

1. The Leadership Council will be the main governing and decision-making body of Wesley-Knox, carrying out the business of the Congregation.
2. The primary purpose of the Leadership Council is *strategic leadership* – to set the vision, direction and key priorities for the life and work of the WK community. The Council will set vision, direction and priorities by identifying action areas and recommending financial and other resources to support them. The Council will do so in dialogue with all members of the WK community, and subject to annual Congregational approval at the AGM. In addition, the Council will coordinate and monitor the activity of Committees and other working groups, to ensure that the strategic direction and priorities are pursued.
3. The Leadership Council will combine the functions currently carried out by the Official Board and its Council. However, the Nominating Committee function will be constituted separately (see below). In addition, as discussed further below, the day-to-day work of the church will be decentralized to the Committee level; Leadership Council will not be obliged to approve proposed Committee actions unless those actions fall outside the current mandate of the Committee, or involve financial resources beyond those already allocated in the current annual budget.
4. The Leadership Council will have nine voting members. In addition, the Minister will be a non-voting *ex officio* member. The Chair of the Leadership Council will only vote in the event of a tie.
5. As required by the *Handbook*, the Council will include among its nine members the following Officers: Chair, Treasurer, Secretary and Presbytery Representative.

6. The Council will also include among its nine members a UCW Representative and a Trustee Representative. The UCW President and Trustee Chair cannot serve in this role.
7. Leadership Council members will be elected for a three-year term by the congregation at the AGM, based on nominations made by the Nominating Committee.
8. Election of Leadership Council members will take place on a staggered basis – three per year over a three-year cycle. [The exception to this will be the election of the initial Leadership Council – see discussion in transition plan below].
9. Individuals must have a minimum of three years of active service at Wesley-Knox to qualify as nominees for the Leadership Council. Council nominees will be expected to have a strong sense of vision and excellent communication skills. Committee Chairs will **not** be eligible to concurrently serve on the Leadership Council.
10. Leadership Council members will serve no more than two consecutive three-year terms. This limitation will *not* apply to the position of Treasurer. The Treasurer will give at least six months' notice of intent to step down from the position.
11. The Leadership Council will meet once a month. Meetings will be publicly accessible and open to observers, except for when in camera sessions are required (e.g., for discussion of personnel issues).
12. Meeting quorum will be at least six voting members, including the Chair or Designate.
13. Six of the nine voting Council members will serve as liaisons to Committees. This will facilitate timely communication and coordination without requiring Committee chairs to attend Council meetings. The Chair, Treasurer, and Secretary will not serve as liaisons. Each of the six liaisons will be responsible for attending the meetings of one Committee as a non-voting participant. (See next section of this report for the proposed restructuring of the Committee system into six Committees). Liaison assignments will be decided by consensus within the Leadership Council. Liaisons will not be required to stay with the same Committee for their whole three-year term; on the contrary, periodic shifts in assignment may be beneficial and the Council will be encouraged to consider them.
14. Members of the Leadership Council will be expected to maintain a consistently high level of commitment to their work throughout their term. They will be expected to attend all Council meetings, as well as all meetings of any Committee for which they serve as liaison. Their term on Council will be marked by consistent, thoughtful and constructive engagement with strategic issues and priorities. Council members that do not live up to these standards of commitment may be asked to step down by the Council Chair.

15. The liaison system will allow for a reduction of Committee reporting requirements in comparison with current practice. Chairs of Committees will not be expected to attend every meeting of the Leadership Council to deliver a report. Instead, they will deliver a report on their plans and activities only twice a year, during a mid-year Leadership Council meeting (in May or June) and a year-end Leadership Council meeting (in November or December, to precede the AGM). At all other times, representatives of Committees and other groups *may* attend a Council meeting to get information, ask for guidance, discuss a specific matter at the Council's request, or present a proposal for a project that is not feasible within the Committee's current budget.
16. To ensure effective communication with the congregation, an annual Fall Congregational Gathering (late September/early October) will be instituted in addition to the Annual General Meeting in February.
17. The Nominating Committee will be constituted separately from the Leadership Council. It will be composed of five members: the Chair and the Secretary of the Leadership Council, plus three congregation members who are *not* current Leadership Council members. These three members will be nominated from the floor at the Fall Congregational Gathering. [The exception to this will be the inaugural Nominating Committee, which will be selected as discussed in the transition plan below].
18. The Nominating Committee will meet once a year during the year-end meeting of the Leadership Council, to nominate candidates for the Council (including specific nominations for the positions of Chair, Secretary, Treasurer, Presbytery representative, Trustee representative and UCW representative). It will also nominate candidates for the Board of Trustees, Committee Chairs, and Committee Members. The full slate of nominees will, as per current practice, be presented to the Congregation at the Annual General Meeting.

### ***The Ground Level: Committees and Other Groups***

#### *Empowering Committees*

The shift to a new, lighter executive structure outlined above will allow for the empowerment of Committees and other ground-level groups. Under the new system, *Committees will have full autonomy to pursue their mission and mandate within their approved budget, without needing to secure approval from the Leadership Council.* Committees will, of course, be free to seek advice and input from the Council; much of this communication will flow through the Leadership Council liaison assigned to each Committee. Formal written reporting requirements will be limited to twice a year (once a year in the case of budget matters). Committees will only be obliged to seek Council approval for proposed activities that fall outside of their current mandate, or involves the spending beyond their annual budget allocation.

To support strong communications and ensure accountability in an empowered Committee system, Committees will be required to have a Secretary who will take detailed meeting minutes/notes. Committee minutes will be copied to the Leadership Council Secretary, who will retain a signed paper copy stored in a fireproof vault, and will upload an electronic version of the minutes to a proprietary website location.

### *Restructuring Committees*

The empowerment of Committees can be further supported by some changes to Committee structure. In my February 2017 meeting with the governance working group, it became clear that the group saw the governance reform process as an opportunity to also reorganize the Committee structure. The restructuring proposed below involves a system of six Committees (names may be revised), each of which will have their own Leadership Council liaison.

#### **1: Spiritual Life**

Made up of the former Worship. The choir programs will be responsible to this committee, who will oversee their mandate.

#### **2: Reaching Out**

Made up of the former Faith in Action, Communications

#### **3: Faith Formation**

Made up of the former Christian Education. Emphasis on all ages of education; may include the Senior's Ministry.

#### **4: Community Care**

Made up of the former Pastoral Care Team, District Visitors and Membership

#### **5: Resources and Renewal**

Made up of the former Finance, Stewardship and Property

#### **6: Ministry and Personnel**

### *Trustees and UCW*

No change in structure or mandate is proposed for the Board of Trustees or the UCW. As noted earlier, each of these two bodies will have a representative on the Leadership Council.

### *Committees and Teams*

The reorganization of Committees proposed above will result in several Committees with broad mandates. These Committees will be encouraged to strongly consider the merits of adopting the "team" model of organization adopted earlier this year by Faith in Action (FIA, formerly M&S). This model of organization devolves responsibility for action to two or more (in the case of FIA, six) "work teams", each with a specific focus. Each work team includes at least one Committee member, who acts as team leader, but it can freely draw on the talent and time of others who are

not Committee members. Each team pursues its work at a schedule that suits it and the nature of the work; the Committee itself functions primarily to coordinate, facilitate and oversee the work of the teams. By all accounts, this model has been very successful so far in FIA, as it provides a flexible framework for pursuing diverse initiatives and bringing in new individuals.

### **Transition to the New Model**

The changes proposed above are very significant. If they are approved, care must be taken to ensure that the transition takes place in a manner that is inclusive of all those who wish to be active in church governance. Here are a few elements that can facilitate a smooth transition:

1. Several months' time must be allowed between approval by the Official Board of any new governance structure, and the full implementation of that structure. I recommend that, if broad support for the new structure is apparent, that the Official Board aim to approve it in principle no later than June 2017, with the intention of electing the inaugural Leadership Council at the AGM in February 2018.
2. Upon approving a new structure, the Official Board should designate a Transition Team made up of three Wesley-Knox members with extensive leadership experience. The Transition Team's responsibilities should include the following (at a minimum, other responsibilities may become apparent as well):
  - a. Educate those involved in the governance of Wesley-Knox about the new system.
  - b. Lead the development of a Working Constitution that reflects the new governance system. The Working Constitution should be formally approved by the congregation at the following AGM, along with the election of the first group of personnel under the new governance structure. Note that the responsibilities of committees as outlined in the current Constitution will be transferred to the successor committees in the new committee structure.
  - c. Ensure that everyone has a place in the new structure. While the majority of current Council and Official Board members are also active on Committees, and most will retain these roles post-transition, the Transition Team will need to reach out to those OB members who are not active on Committees and other ground-level groups, and identify opportunities for them to be involved if they want to.
  - d. Identify potential initial Leadership Council candidates. This must be done with care, as the initial Leadership Council will play a major role in shaping the success of the new system. In order to facilitate this, the transition Team will serve as the nucleus of the first Nominating Committee under the new system. An additional two Nominating Committee members will be chosen from the floor at the first fall Congregational Meeting, to be held in late October 2017.

- e. Guide and advise others about initial steps in realizing the new structure, including: calling the first Fall Congregational Gathering (late fall 2017), and serving as a resource for Committee-level discussions on the personnel, organizational and mandate implications of Committee restructuring.
3. Nominees for the inaugural Leadership Council will be divided into three groups, with terms of two, three and four years respectively. This will allow for a stable inaugural Council for two years, followed by the staggered election of Council members (three per year) in subsequent years. These rules will only apply for the inaugural members; all subsequent terms of office will proceed as outlined earlier.
4. After the inaugural slate of Leadership Council nominees and the revised Constitution are approved by the congregation, the Official Board and Council will both cease to exist.
5. Current Life Members of the Official Board will become Honorary Members of the Leadership Council. While they will not have voting status, they will be welcomed at meetings of the Leadership Council, and the Council will be encouraged to turn to them for advice and insight as needed.
6. The Official Board will designate a one-year “trial period” for the new governance structure proposed here. After one year, the functioning of the new system will be subject to a detailed evaluation and review, and the Working Constitution will be revised as necessary, and converted into a new official Constitution for Wesley-Knox.

## **TRANSITION TEAM RECOMMENDED AMENDMENTS**

### **Accepted by the Official Board, September 17, 2017**

(1) Removal of the need for Presbytery Representative to be on the Leadership Council

(2) Addition of the Vice-chair position

As the Transition Team, we recommend that the substitution of a Vice-chair position on the Leadership Council for the Presbytery Representative position would better serve the needs of our congregation.

We are recommending this change to the Report for the following reasons:

- There is no requirement in the United Church of Canada's Manual 2016 for the Presbytery Representative to be a member of the congregation's governance body.
- Since we are moving to a smaller governance body, we think we need to have a back-up person to the Leadership Council Chair.
- It spreads the work-load of the important need for contact with the congregation under the new structure.
- Contact with Presbytery would be maintained by this position's responsibility as the liaison with our Presbytery Representative. The Presbytery Representative role will change with any change in the United Church's governance structure.