

Methodist Connexional Property Committee

D8-10 and Two Supplementary Reports
Conference 2013

Earthquake Prone Buildings

It's all about safety

- ▶ IEP reports Invercargill to Huntly have shown between 50–60% of Church buildings are earthquake prone – below 34% new building standard (NBS)
 - North of Huntly reports being tendered but likely to be a similar results
 - IEP an initial evaluation tool with a conservative bias
 - Most buildings built before 1974 when seismic engineering standards introduced are likely to be below 34%

What do the ratings mean?

Building Grade	Percentage of New Building Strength (%NBS)	Approx Risk Relative to a New Building	Risk Description
A+>10	>100	>1	Low Risk
A	80 to 100	1 to 2 Times	Low Risk
B	68 to 79	2 to 5 Times	Low or Medium Risk
C	34 to 67	5 to 10 Times	Medium Risk
D	20 to 33	10 to 25 Times	High Risk
E	<20	More than 25 Times	Very High Risk

What do the ratings mean? cont

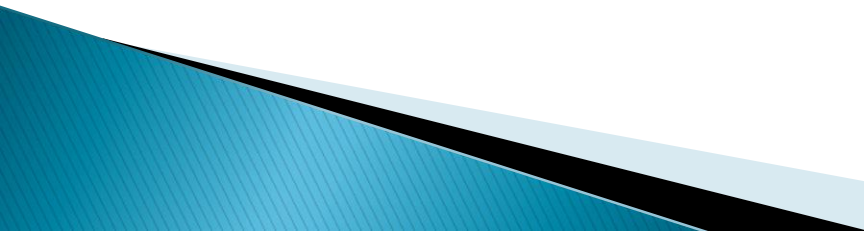
“The probability of the earthquake strength of an earthquake prone building being exceeded in 50 years is around 70%”

NZ Society of Earthquake Engineering


“Buildings below 67% NBS can be expected to have significant damage during the design [strength] earthquake and it would not be expected that the building would remain in a useable condition following the design event. It should be noted that it is not considered a question of if an earthquake will hit, but more a question of when.”

Chester Consultants, Auckland

Government Policy

- ▶ Up to five years to determine NBS rating
 - ▶ Up to 15 years to strengthen to 34% NBS or more
 - ▶ Greater time allowance for listed historic buildings
 - ▶ Possible exemption for small, infrequently used rural churches (not defined so far)
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Church Policy

- ▶ All IEPs within next six months
 - ▶ Buildings considered to impose a significant risk to safety closed pending strengthening
 - ▶ Other sub 34% buildings to have detailed engineering reports to enable costings of 34% and 67% NBS strengthening options
 - ▶ Current strengthening to 67% NBS
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Use of buildings known to be Earthquake Prone (Supplementary Report)

Owners/managers are required to:

- ▶ ensure buildings are safe to occupy
- ▶ note that the statutory period to meet code requirements having not expired is not necessarily a defence if the buildings fail causing injury, damage or death
- ▶ inform users, where owners/managers know or on reasonable grounds should know that a building is earthquake prone
- ▶ once detailed investigations done, ensure all buildings have an NBS “rating” sign at entrances

Church Trusts

D10 - D11

Model Deed Trusts

- ▶ Fewer than a dozen remain
- ▶ Request to have all transferred by 31 October 2014 (Suggested decision 4)

Church Trusts (cont)

Registered Trusts

- ▶ The need for each proposed trust to be reviewed
 - Importance of keeping parishes as the central administration unit
- ▶ Trusts must be subject to Church Law and Regulations to ensure
 - Final authority lies with Conference
 - Insurance covers are for Church controlled groups
 - Trusts not subject to Conference decisions are not covered

Church Trusts (cont)

Suggested Decision 5

General Secretary to give approval to any new trust which is, or purports to be, part of the Methodist Church of New Zealand Te Hahi Weteriana o Aotearoa.

General Secretary to consider:

- ▶ Purpose of and need for the trust
- ▶ Alternative structures
- ▶ Wording of proposed trust deed

MMA and Synod views and recommendations may be sought. If trust formed without approval, cannot use MCNZ GST or charitable registrations and not protected by insurance provisions.

Insurance

D11 – D13 and Supplementary

Joint placement through AllChurches Risk Management with Anglican, Baptist, ACTS, Elim and Lutheran Churches. Discussions with Catholic Diocese to develop areas of common interest.

Need for natural calamity cover reinforced by the recent “Seddon Earthquakes”

Full replacement cover the default position. Indemnity or Functional replacement cover available with Synod agreement – “average” applies

Insurance (cont)

Functional Replacement Cover

- ▶ Insuring a defined alternative structure of lesser value than existing building
 - ▶ Must be sufficiently defined to be valued
 - ▶ “Average” applies if FRC is below 70% of replacement value of current building
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