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LA 1

LAY/CLERGY EQUALIZATION TABLE
2018 EQUALIZATION OF LAY AND CLERGY MEMBERSHIP

DISTRICT	CLERGY	LAY	RULE IIIA(1)	TOTAL RULE IIIA(1)	LAY EQUAL FACTOR
EAST	80	65	4	69	11
METRO	297	118	22	140	157
NORTH CENTRAL	198	116	11	127	71
NORTHWEST	89	63	4	67	22
TOTALS	664	362	41	403	261

STANDING RULE IIIA(1)

	EA	ME	NC	NW	TOTAL
Conference Lay Leaders/Assoc. Lay Leaders		2	2		4
Core Leadership Team	1	2	1	1	5
UMM President		0			0
UMW President		1			1
Youth Organization President			1	1	
District Lay Leaders	1	1	1	1	4
Young Adults under 25 yrs	1	1	1	1	4
Council on Youth Ministry	1	1	1	1	4
Diaconal Ministers		12			12
Agency Chairs/GBOGM Secretary			2	4	6
TOTALS	4	22	11	4	41

	Membership 2017	% of Total	To Be Elected
East	9,858	8%	21
Metro	55,233	41%	107
North Central	56,610	42%	110
Northwest	12,496	9%	23
TOTALS	134,197	100%	261

LA 2

**PROPOSED AMENDMENTS TO THE STANDING RULES
OF THE NORTH TEXAS ANNUAL CONFERENCE**

FROM: Standing Rules Committee

BACKGROUND: The proposed name change request from the advisory teams of the Center for New Church Development and Congregational Transformation to Center for Church Development succinctly captures the strategic focus of the work of the center on the development of both new and existing local churches in coordination with the Center for Leadership Development as well as the Center for Missional Outreach and the Center for Connectional Resources.

Recommended Changes: (**Bold**=Addition, ~~Strike through~~ = Deletion)

LEGISLATION: As it pertains to Standing Rule I.B.1.a. Core Leadership Team

a. *Core Leadership Team*

The Core Leadership team will oversee the implementation of the decisions of the Annual Conference, working through four Centers: the Center for Leadership Development, the Center for ~~New Church Development and Congregational Transformation~~ **Church Development**, the Center for Missional Outreach, and the Center for Connectional Resources. The priorities of the Core Leadership Team will be accountability, advocacy, goal-setting, planning, coordination, communications and making decisions between annual conference sessions as permitted by the *Book of Discipline*.

The Core Leadership Team will develop measurable outcomes for being and becoming an anti-racist, multi-cultural church, where racial and cultural differences are viewed and utilized as assets. It will be responsible for integrating anti-racist thinking into our process and structure. The Core Leadership Team will provide for the functions and maintain the connectional relationships required by ¶654 (Commission on Native American Ministries) and ¶646 (Commission on Communications) of the *BOD*.

The Core Leadership Team will consider recommendations from the Directors of the Four Centers for any additional work groups needed to address the priorities of their Centers, requesting that those approved be “populated” initially during the 2010-11 conference year by the new Conference Nominating Committee and thereafter elected by the Annual Conference upon nomination by the Conference Nominating Committee.

The Core Leadership Team will be convened by the Bishop and will include the Conference Lay leader, one lay member elected by each district, three at-large members appointed by the Bishop, one District Superintendent and the four Center Directors.

LEGISLATION: As it pertains to Standing Rule I.B.1.c. Center for New Church Development and Congregational Transformation

c. *Center for ~~New Church Development and Congregational Transformation~~ Church Development*

The Center for ~~New Church Development and Congregational Transformation~~ **Church Development** will address the priority of starting new faith communities and transforming existing congregations.

It will also provide for the functions and maintain the connectional relationships required by BOD ¶645 (Commission on the Small Membership Church).

LEGISLATION: As it pertains to Standing Rule I.d.ii. Committee on Ethnic Local Church Concerns.

ii. *Committee on Ethnic Local Church Concerns*

The Committee on Ethnic Local Church Concerns shall be constituted and function in accordance with the *Book of Discipline*.

The Committee on Ethnic Local Church Concerns shall be composed of eight members elected by the annual conference (clergy, laywomen, and laymen, with the majority of the membership being representative of racial and ethnic people, reflecting the racial and ethnic constituencies and local churches of the annual conference. Care shall be taken, where feasible, to ensure balance of membership with clergy and laity, men and women, youth and young adults (*BOD ¶632.3*). The members shall serve for a quadrennium. Initially, the elected members shall be divided into two classes (four persons for a 2-year term; four persons for a 4-year term) in order to provide for the rotation of participation while maintaining board continuity. Work and funding of the Committee shall be coordinated through the Center for Missional Outreach. Additionally, the Center for Leadership Development and the Center for ~~New Church Development and Congregational Transformation~~ **Church Development** are available to partner with the Committee in the development and implementation of the Committee's goals and priorities.

The Committee on Ethnic Local Church Concerns shall provide for (a) keeping the vision of the ethnic local church concerns before the annual conference; (b) providing guidance and resources to churches in the annual conference as they minister with and to ethnic constituencies; (c) coordinating annual conference strategies related to ethnic local church concerns, including general church emphases and initiatives; (d) providing a forum for dialogue among the ethnic constituencies, as well as with annual conference agencies; (e) providing training for annual conference and congregational leaders; (f) promoting and interpreting ethnic local church concerns to the annual conference; (g) working to identify and nurture leaders, lay and clergy, of ethnic communities (*BOD ¶632.2*); and (h) maintaining primary attention to empowering the local church to implement the missional priorities and focus areas of the North Texas Conference.

LA 3

EQUITABLE COMPENSATION ANNUAL DETERMINATION

FROM: Center for Leadership Development (CLD)

BACKGROUND: The primary purpose of the Equitable Compensation Pastors Funds is to assist local churches in moving from part-time pastoral positions to full-time pastoral positions; these funds are meant to be transitional funds rather than long-term subsidies. Some congregations have the potential to reach a sustained average worship attendance of adults to move from a part-time to a full-time pastoral position with this short-term conference assistance. The time frame and benchmarks for moving from part-time to full-time should be reflected in yearly increases in worship attendance, Sunday School and small group attendance, professions of faith, those enrolled in annual confirmation classes, and annual increases in the number of individuals and families supporting the church's mission and ministry budget (operations) of the church. In essence, growing churches can move from a part-time to full-time pastoral position in three to five years. To continue receiving Equitable Compensation Funds a congregation in such a transitional setting shall pay 100% of the annual apportionments.

The North Texas Conference also has a history of supporting missional settings where full-time pastors have been

appointed to congregations not able to pay a full-time salary. Continued conversations with the pastor, congregation, and the Cabinet of the NTC are essential to ensure these congregations continue to be effective in reaching others, transforming lives, and sharing the gospel of Jesus Christ in word and deed. Annually, congregations in missional settings must also manifest the fruitful increases in worship attendance, small groups, professions of faith, confirmation classes, along with annual stewardship training and education. To continue receiving Equitable Compensation Funds a congregation in a missional setting shall pay 100% of the annual apportionments.

The Center for Leadership Development in consultation with the Bishop and the NTC Cabinet takes into consideration not only the appropriate minimum level compensation for full-time clergy of the conference but also the needs of the churches in determining whether they can afford a full-time pastor or not.

LEGISLATION: The CLD requests that Pastors Subsidies and Equitable Compensation support and administrative expenses be apportioned at \$55,832 for 2019.

A. Guidelines for Conference Members and Full-Time Local Pastors

1. Equitable Compensation for Conference Members be set at \$48,868 for the minimum equitable compensation. This compensation includes:
 - a. base salary,
 - b. utilities, which shall be provided with payments made by the local church or reimbursed when paid by the pastor,
 - c. vouchered travel reimbursement, which shall be reimbursed at the IRS rate with appropriate records and documentation provided to the church,
 - d. dependent premium payments made by the local church,
 - e. dependent premium supplemental payments paid by the conference at the discretion of the District Superintendent,
 - f. and other conference subsidies received, but excluding any reimbursement for Annual Conference expenses or grants to assist with the expenses to attend expected spiritual formation or continuing education events for all of the clergy members of the conference (e.g., the Clergy Retreat) for conference members in full connection, associate members and provisional members of the North Texas Conference serving full time for 2019.

Applying the same formula adopted by the 2006 Annual Conference at the recommendation of CF&A for changes to the District Superintendent level compensation, the change in the Equitable compensation amount for clergy appointed full time is an increase of 1.95% from \$47,934 in 2018 to \$48,868 in 2019. The percent change to the travel & utilities amount is included in the total.

2. Adjustments for years of service:

Years of Service	Equitable Compensation Amounts
0-5	\$48,868
6	48,968
7	49,068
8	49,168
9	49,268
10	49,368

3. Compensation for additional churches on a charge: Each charge with more than one church shall receive \$200 additional for the second church and \$100 each for the third through the fifth additional churches.

4. Housing shall be provided in a church-owned parsonage or provided for with a monthly allowance. It is expected that the minimum housing allowance that will be paid by those churches or charges that do not

provide a parsonage for their pastor will be \$12,000 per year. Requests for equitable compensation salary supplements where housing allowances exceed \$12,000 will not be considered.

5. Local Pastors serving full time:

Five years or less	\$43,152
Six years or more	\$43,252
Expense recommendations same as above.	

6. Deacons serving under salaried appointments in a local church:

- a. Are not eligible to receive Equitable Compensation support from the Annual Conference.
- b. Shall be granted the same minimum salary as an elder in full connection when their primary appointment is within a local church. * **

*(Judicial Council decision #807)

***(2016 Book of Discipline, Paragraphs 331.10b, 625.4)*

B. The following policies are proposed to the North Texas Annual Conference for the distribution of equitable compensation assistance in 2019.

1. A local church exists to serve, not to be served. All churches should be motivated to a larger sense of ministry. Churches whose pastors receive salary subsidy should be open to linkage with other churches in order to utilize efficiently the service of full-time conference members to reduce the need for subsidy.

2. Equitable Compensation levels can best be met when appointments are open to all ministerial members without regard to race or gender. We continue to urge every conference member to make the subject of a fully open Conference and adequately supported ministry at the local church level a matter of daily personal prayer. Only as the love of Christ dwells in us can an Annual Conference be a communion of caring persons.

3. Growth in stewardship should be achieved by all below-minimum remuneration churches. In making application for salary subsidy, District Superintendents are to provide evidence of stewardship education and growth of the church.

4. Tenure payments are designed to honor the years of service of pastors who continue for more than five years in ministry to below minimum compensation charges because of the needs of the Conference. The Bishop and the Cabinet are urged to make every effort to move pastors to above-minimum compensation charges within five years after they begin full-time service.

5. Applications for salary subsidy from Equitable Compensation are to be made by the District Superintendent on the prescribed forms.

6. The Charge Conference of any charge unable to pay the minimum salary set by the Conference shall be informed by the District Superintendent of the guidelines for receiving equitable compensation assistance. The Charge shall be informed of the amount required to bring the compensation level up to the minimum and shall be challenged to move toward the goal of full self-support at the earliest possible time. On the application for salary assistance, the District Superintendent shall certify that the charge has been duly notified. The amount of subsidy granted to a pastor shall be acknowledged annually at the Charge Conference.

7. Equitable Compensation assistance is not available to pastors serving as associate pastors or in staff positions other than pastor-in-charge. In order that such persons receive an equitable wage and to be in compliance with Judicial Council decision #807, however, it is expected that local churches use Conference minimum standards as minimum guidelines for setting associate and staff salaries.

8. Pastors who decline an appointment which would reduce or eliminate compensation support are ineligible for the Equitable Compensation tenure payment given for years of service.
9. Equitable Compensation assistance is not available for a North Texas Conference member appointed to serve in another Annual Conference, nor is it available to members of other Annual Conferences serving under appointment in the North Texas Conference.
10. There shall be no lump sum payments to persons receiving Equitable Compensation assistance unless such sums are too small for monthly payments to be made.
11. It shall be the responsibility of the pastor receiving Equitable Compensation subsidy to inform the District Superintendent of any increase in remuneration or any changes in eligibility which occur after an application for Equitable Compensation has been approved.

EXCEPTIONAL REQUESTS BY THE CABINET:

All requests for exceptional support (assistance requested by the Cabinet in excess of the 25% maximum standard) shall be submitted in writing to the Center Director for Leadership Development and to the Center Director for Connectional Resources. The requests shall include the amount of assistance requested, length of time for assistance and reason(s) for exceptional request.

LA 4

2018 BOPHB APPORTIONMENT BUDGET

FROM: Board of Pension and Health Benefits

BACKGROUND: The two previous apportionments to fund the work of the Board of Pension and Health Benefits (Insurance Subsidies and Board of Pensions) were combined beginning in 2009 to recognize that they are closely related and allow for transferring funds between the two areas as needed. The Board of Pensions was incorporated as a separate entity wholly owned by the Annual Conference in 2016 to provide clarity on the designation of the benefits set aside to fund various long term obligations of the conference for the benefit of its lay and clergy participants.

The proposed 2019 apportionment budget shows a reduction of 1.5% for a total of a \$23,000 reduction. The reduction in the Pension budget is the result of a move from the Hartford Life Insurance program to the program sponsored by Wespath known as UNUM. The conference continues to provide life insurance for its lay employees, but the cost of the life insurance is now reflected in the staff benefits lines of each cost center rather than being centralized within the Board of Pensions budget. Please note that in the realignment of budgetary funds, \$30,000 of the approved funds approved for 2018 that emerged as a result of cancelling the Hartford contract were moved to Communications for 2018 and 2019 to offset the cost of the purchase of the CCLI and OneLicense fees on behalf of our churches.

The Board of Pension and Health Benefits created an Economic Projection Team in 2016 to do an in-depth study of all of the long term funding obligations of the North Texas Annual Conference. The Team consisted of members from the Board of Pension and Health Benefits, the Council on Finance and Administration, and a representative from the Appointive Cabinet. The Team was presented with a compilation of 12 different projections using regression analysis of over 4,000 scenarios for each of the funds, assuming changes in population, age, market returns, and actuarial gains and losses. The team met again in 2017 to review the updated projections. The team determined that we are currently on the right track to remain fully funded for all of our benefit liabilities using conservative

assumptions, and therefore recommends no change to the current benefits funding plan. The Conference Board of Pensions and Health Benefits accepted the report and voted to continue to fund the existing plans at the current rate.

LEGISLATION:

Conference Benefits Proposed Budget for 2019

2016 Actual	Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
010 - Administration						
Operations						
\$25.00	Dues/Service Charges	\$0.00	\$161.53	\$100.00	\$100.00	
\$0.00	Insurance-Workers Compensation	\$300.00	\$511.40	\$600.00	\$600.00	
\$1,766.53	Postage	\$1,900.00	\$1,855.46	\$2,000.00	\$2,000.00	
\$645.63	Printing	\$600.00	\$604.42	\$800.00	\$800.00	
\$2,316.10	Staff Expenses	\$1,000.00	\$955.88	\$1,200.00	\$1,200.00	
\$263.26	Supplies	\$800.00	\$1,071.41	\$1,000.00	\$1,000.00	
\$6,016.39	Travel	\$3,300.00	\$3,682.95	\$3,300.00	\$3,300.00	
\$11,032.91	Total Operating Expenses	\$7,900.00	\$8,843.05	\$9,000.00	\$9,000.00	0.0%
Staff						
\$106,299.66	Salaries	\$105,000.00	\$108,993.59	\$112,000.00	\$116,000.00	
\$106,299.66	Total Salaries	\$105,000.00	\$108,993.59	\$112,000.00	\$116,000.00	
Benefits						
\$7,033.81	FICA, Medicare	\$7,800.00	\$7,626.96	\$8,000.00	\$8,500.00	
\$12,570.00	Health Insurance	\$23,000.00	\$20,712.00	\$22,000.00	\$23,000.00	
\$5,513.56	Lay Pension	\$6,000.00	\$6,539.62	\$6,800.00	\$6,900.00	
\$0.00	Life Insurance	\$0.00	\$1,017.92	\$1,200.00	\$1,200.00	
\$25,117.37	Total Benefits	\$36,800.00	\$35,896.50	\$38,000.00	\$39,600.00	
\$131,417.03	Total Staff	\$141,800.00	\$144,890.09	\$150,000.00	\$155,600.00	3.7%
\$142,449.94	Total Administration Expense	\$149,700.00	\$153,733.14	\$159,000.00	\$164,600.00	3.5%
055 - Board of Pension and Health Benefits						
\$682,336.68	CPP (1,2)	\$680,000.00	\$680,000.00	\$700,000.00	\$700,000.00	

2016 Actual	Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
\$8,651.38	CRSP Supplement	\$21,000.00	\$8,608.96	\$15,000.00	\$15,000.00	
\$6,839.94	Retiree Expenses	\$9,000.00	\$8,189.89	\$10,000.00	\$10,000.00	
\$697,828.00	Total Pension Expenses	\$710,000.00	\$696,798.85	\$725,000.00	\$725,000.00	0.0%
060 - Active Health						
\$40,224.00	Insurance-Medical Leave	\$55,000.00	\$38,720.00	\$53,700.00	\$55,000.00	
\$26,325.47	Insurance-Life/Add Premium (3)	\$30,000.00	\$26,497.77	\$30,000.00	\$0.00	
\$21,376.32	Insurance Supplement	\$30,000.00	\$21,046.66	\$30,000.00	\$30,000.00	
\$87,925.79	Total Health Insurance Exp	\$115,000.00	\$86,264.43	\$113,700.00	\$85,000.00	(25.2%)
065 - Retiree Health						
\$11,000.00	Actuarial Services Retiree Medical	\$14,000.00	\$14,000.00	\$16,000.00	\$16,000.00	
\$276,682.32	Insurance-Retiree Current Year	\$375,000.00	\$283,896.50	\$350,000.00	\$350,000.00	
\$330,000.00	Insurance-Retiree Med for New Entrants	\$215,000.00	\$215,000.00	\$215,000.00	\$215,000.00	
\$362.39	Pcori Expense	\$600.00	\$379.68	\$600.00	\$700.00	
\$618,044.71	Total Retiree Health	\$604,600.00	\$513,276.18	\$581,600.00	\$581,700.00	0.0%
\$1,546,248.44	Total Expenses	\$1,579,300.00	\$1,450,072.60	\$1,579,300.00	\$1,556,300.00	(1.5%)

- (1) The most recent projections for the Comprehensive Protection Plan (CPP) indicate an increase in premiums based on updated actuarial data. The Comprehensive Benefit Funding Plan has been adjusted to meet the actuarial projections.
- (2) Wespath is providing a two year deferral of payments to CPP to allow these funds to be redirected to the shortfall in the pension liabilities as a result of restated mortality tables and poor market performance in 2015. We expect the CPP premium to be reinstated in 2 years in full. We are using the apportioned dollars for CPP to underwrite the shortfall on the Pre-82 liability that came about as a result of the poor market performance in 2015. The 2017 market performance should offset the shortfall on the next actuarial report. The CPP apportionments are being deposited into the fund held at Wespath to provide funding for the Retiree Medical Liability as well as the pension funds. Although the funds inside the plan show a shortfall for meeting these liabilities, the funds held outside the plan but within the Board of Pensions are available to meet the shortfall.
- (3) Beginning in 2018, the life insurance and long term disability insurance will be provided through UM Life Options. These options will be direct billed per employee. This updated program allows participants to purchase additional life and disability insurance beyond the basic level. When the budget was first set in 2017, the inclusion of this benefit was built into the budget. The cost has now been redirected to each of the budget center staff lines to reflect the true cost of these benefits per center.
- (4) The TOTAL apportioned is a 1.5% decrease from the approved budget from the prior year, due to the change in the life insurance program.

LA 5**RESOLUTION TO DESIGNATE RENTAL HOUSING ALLOWANCES FOR RETIRED OR DISABLED CLERGYPERSONS OF THE NORTH TEXAS CONFERENCE**

FROM: Board of Pension and Health Benefits

BACKGROUND: To be in compliance with Internal Revenue Service Revenue Ruling 75-22, 1975-1,49, as it relates to clergy housing, the North Texas Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for active, retired, or disabled clergypersons of the Conference:

LEGISLATION: WHEREAS, the religious denomination known as The United Methodist Church (the “Church”), of which the North Texas Conference is a part, has in the past functioned and continues to function through Ministers of the Gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned or licensed ministers of the Church (“Clergypersons”); and

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation; and

WHEREAS, pensions or other amounts paid to active, retired and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation:

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to 100% of the pension or disability payments received from plans authorized under *The Book of Discipline of The United Methodist Church* (the “*Discipline*”), which includes all such payments from Wespeth during the year 2019 by each active, retired, or disabled Clergyperson who is or was a member of the Conference or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

THAT the pension or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from Wespeth and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespeth plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, or a disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such active, retired or disabled Clergyperson’s pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107 (2) and regulations there under to the least of: (1) the amount of the rental/housing allowance designated by the Clergyperson's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergyperson to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

LA 6

PRE-1982 SERVICE YEAR RATE FOR 2019

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.7 of the *2016 Discipline* states that the responsibility for past service annuity rate for ministerial service rendered before 1982 be determined by each annual conference. Legislation passed at the 2012 General Conference removed the wording from Paragraph 1506.7 requiring the Past Service Rate increases be a minimum of .8% based on the Conference Average Compensation (CAC). Furthermore, General Conference 2012 passed legislation requiring full funding of any Past Service Rate increases by December 31 of the year preceding the proposed increase. In order to provide an increase in retirement benefits that keeps pace with inflation, the North Texas Conference Board of Pension and Health Benefits is recommending the adoption of the percentage increase known as the "Cost-of-Living Adjustment" (COLA) as published by the Social Security Administration as the established rate for the annual increase in the Past Service Rate with a cap of 4%. The cap can be increased on recommendation of the Board of Pension and Health Benefits and approval by the Annual Conference.

LEGISLATION: That the pre-1982 Service Year Rate for 2019 be increased by 2%, in accordance with the COLA rate as published by the Social Security Administration in October of 2017, and established at \$780 for approved service of clergy members in full connection, probationary members, associate members and local pastors of the conference.

LA 7

NORTH TEXAS CONFERENCE 2019 COMPREHENSIVE BENEFIT FUNDING PLAN SUMMARY

INTRODUCTION

The 2016 *Book of Discipline* ¶ 1506.6 requires that each annual conference develop, adopt and implement a formal comprehensive funding plan for funding all of its benefit obligations. The funding plan shall be submitted annually to Wespath Benefits and Investments (Wespath) for review and be approved annually by the annual conference, following the receipt and inclusion of a favorable written opinion from Wespath. This document is only a summary of the information contained in the actual signed funding plan and does not contain all the information required for a comprehensive view of the conference's benefit obligations. You may request the full contents of the 2019 comprehensive benefit funding plan from your conference benefit office.

CLERGY RETIREMENT SECURITY PROGRAM (CRSP)**Defined Benefit (DB) and Defined Contribution (DC)****Program overview:**

The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The program is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007, which had previously replaced the Pre82 Plan for service rendered prior to January 1, 1982.

CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to The United Methodist Church, and a defined contribution (DC) plan, which provides a retirement account balance established and funded by the annual conferences.

Current funding plan information:

The Clergy Retirement Security Program (CRSP DB) annuities total liability as of January 1, 2017, is \$1,588,243,217, while total plan assets are \$1,700,835,563, resulting in a current plan funded ratio of 107%. The North Texas Conference portion of the liability is 1.4310% and the 2019 contribution is \$1,589,638. The conference anticipates that the amount will be funded by direct billing. Additionally, General Conference 2012 approved a change to CRSP that provides each annual conference the discretion to determine whether to cover threequarter and/or halftime clergy. The North Texas Conference has elected to cover clergy serving 50%+ under CRSP effective January 1, 2019.

Effective January 1, 2014, the CRSP DC plan was reduced from a 3% to a 2% of plan compensation nonmatching contribution. Clergy can earn up to an additional 1% CRSP DC contribution by contributing at least 1% of their plan compensation to UMPIP; therefore, if a participant contributes at least 1% of plan compensation to UMPIP, the individual will receive a contribution of 3% to CRSP DC. The 2019 CRSP DC contribution is anticipated to be \$727,570 and will be funded by direct billing.

MINISTERIAL PENSION PLAN (MPP)**Plan overview:**

Supplement Three to the Clergy Retirement Security Program (CRSP), also known as the Ministerial Pension Plan (MPP), provides clergy with a pension benefit for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. MPP requires that exactly 65% of the account balance must be annuitized when the funds are to be distributed. The remainder may be rolled over to UMPIP, another qualified plan or an IRA, or it may be paid in a lump sum.

Current funding plan information:

The Ministerial Pension Plan (MPP) annuities' total liability as of January 1, 2017 is \$3,532,916,942, while total plan assets are \$3,701,460,997, resulting in a current plan funded ratio of 105%. The required

contribution for 2019 is \$0. The North Texas Conference's percentage of the total liability is 0.9956%. Future MPP annuitants have a total account balance of \$3,689,292,322 and the North Texas Conference's portion of that balance is \$52,979,721 or 1.44% of the total.

PRE82 PLAN

Plan overview:

Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre82 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre82 Plan was replaced by MPP effective January 1, 1982. If a clergyperson retires within the Conference (and does not terminate), the minimum benefit payable is based on two factors:

- 1) Years of service with pension credit approved by each conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and *The Book of Discipline*.
- 2) The conference pension rate (past service rate) the dollar amount chosen by the conference as the amount payable for each approved year of service with pension credit (may change from year to year).

The number of years of service with pension credit is multiplied by the pension rate, and the product is the minimum annual benefit payable to those clergy eligible for Pre82 Plan benefits. In certain situations, the benefit received from the Pre82 plan may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre82 Plan. At the time that a participant retires, the DBSM account is converted to a life based benefit and, at that point, the clergy's benefit is the greater of the PSR or DBSM benefit. If the conference increases the PSR, the clergy's benefit is recalculated; but the DBSM based benefit does not change.

Current funding plan information:

The 2019 PSR recommended to the North Texas Conference will be \$780, representing a 2% increase from the 2018 rate. The conference expects future annual increases to be approximately 2.50%.

The contingent annuitant percentage is recommended to remain at the 70% level.

The rationale for these changes is the conference BOPHB set the PSR increase to align with the COLA rate published each October. The COLA rate published in October of 2017 was 2.0%, so the request is for a valuation based on a PSR of \$780.

ACTIVE HEALTH BENEFIT PROGRAM

Program Overview:

The North Texas Conference offers the following active health benefit to its active eligible participants: Self Funded HealthFlex.

Current funding plan information:

The total cost of the program for 2019 is anticipated to be \$6,578,213 and will be funded by Direct Billing. It is anticipated that increases for future years will average 4.50%.

Additional Plan Sponsor Funded Coverage

The North Texas Conference has elected to provide health benefits coverage to the following groups during periods where without plan sponsor funded premiums the participants would not be provided coverage or benefits (all figures as of 12/31/2017):

1. Clergy or lay on disability (Including pending disability): 3 participants at an estimated cost of \$62,784.

The projected annual cost as of 12/31/2019 for additional plan sponsor funded coverage is \$34,281.

POST RETIREMENT MEDICAL BENEFIT PROGRAM (PRM)**Program Overview:**

The North Texas Conference currently offers Via Benefits for Post Retirement Medical coverage.

Current funding plan information:

The plan sponsor's intention for 2019 is to retain current plan benefit. PRM benefits provided are as follows: The current maximum annual stipend awarded to each participant with 25 or more years of service is \$1,300. In addition, the participant's spouse at the date of retirement is also eligible for up to the maximum amount of subsidy. The stipend is available for those with a minimum of 5 years of service, on a prorated basis as printed in the Annual Conference journal.

Based on the most recent PRM valuation dated 12/31/2017, the following is the funded position of the PRM benefits:

1. Expected PostRetirement Obligation (EPBO) net plan sponsor cost	\$15,800,903
2. Accumulated PostRetirement Obligation (APBO) net plan sponsor cost	\$11,799,794
3. Assets (inplan and outside) designated for PRM	\$15,000,000
4. Service cost (SC) net plan sponsor cost	\$335,565
5. Unfunded APBO, [3. 2.]	\$3,200,206
6. Number of annual payments	20
7. Portion of unfunded APBO, [5. / 6.]	\$0
8. Ongoing funding contribution, [4. + 7.]	\$335,565

Future increases/decreases to the assets or APBO will be funded over the duration of the program as calculated in the PRM valuation report, or five years if not available.

These values are based on a 3.50% longterm discount rate, a 0.00% longterm expected rate of return on assets, and a valuation year medical trend (inflation rate) of 6.25% with an ultimate medical trend (inflation rate) of 5.00%, beginning in 2023.

In addition to the PRM funding contribution listed above, the projected annual plan benefit cost for 2019 (subsidies, HRAs, claims or premiums) is \$337,452.

COMPREHENSIVE PROTECTION PLAN (CPP)

Plan Overview:

The Comprehensive Protection Plan (CPP) provides death, longterm disability and other welfare benefits for eligible clergy of The United Methodist Church and their families. It is an Internal Revenue Code 414(e) “church plan” funded by plan sponsor insurance premiums. Generally, clergy are eligible to participate in CPP if they satisfy the eligibility requirements, including fulltime appointment with plan compensation of at least 25% of the Denominational Average Compensation (DAC). Plan sponsors may elect to cover participants with three quarter time appointments and/or to continue to cover clergy who, due to certain leaves or appointments, are not otherwise eligible to continue coverage.

The CPP adoption agreement executed by the North Texas Conference contains its elections to cover or not to cover categories mentioned above.

Current funding plan information:

For 2019, the North Texas Conference has an expected required contribution to the Comprehensive Protection Plan of \$680,000, which is anticipated to be funded by apportionments. The anticipated average increase in future years is expected to be 2.50% per year due to: CPP premium collections for allocation to underfunded liabilities as needed.

UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP) FOR LAY AND CLERGY

Plan Overview:

The United Methodist Personal Investment Plan (UMPIP) is an Internal Revenue Code section 403(b) defined contribution retirement savings plan for clergy and lay employees of The United Methodist Church and affiliated organizations. Participants may make before tax, Roth and/or after tax contributions through payroll deductions. Participant contributions, various optional plan sponsor contributions and investment earnings comprise the individual’s retirement account balance.

Current funding plan information:

Conference office lay employees working an average of 32 (thirty-two) hours per week or more are eligible after 0 (zero) months for a plan sponsor funded pension contribution of 6% of salary. Lay employees are encouraged to make contributions toward their retirement through payroll deductions to the UMPIP. The conference’s estimated contribution for 2019 is \$78,810 and will be funded via apportionments.

The North Texas Conference, as of January 1, 2019 is planning on sponsoring the UMPIP for clergy serving fulltime and are eligible for a pension contribution of 1% of salary. The conference’s estimated contribution for 2019 is \$235,600 and will be funded via direct billing.

OTHER DEFINED BENEFIT (DB) OBLIGATIONS**Plan Overview:**

The North Texas currently offers the following DB benefit: Perkins Grants for Need per Endowment. The estimated contribution for 2019 is \$80,000 with the funding sources to be average three year rolling income in the Perkins Trust. The anticipated average increase in future years is expected to be 0.00% per year due to the terms of the Endowment. The liability associated with this benefit is estimated to be \$80,000 based on a discount rate of 5.00 %.

CONCLUSION

The 2019 Comprehensive Benefit Funding Plan and this summary document incorporates, to the best of our understanding, the North Texas's obligations and funding requirements of the benefits provided to the clergy and laity of the North Texas Conference.

LA 8**FINANCE AND ADMINISTRATION**

FROM: Council on Finance and Administration

INTRODUCTION

The North Texas Conference had an excellent payout of 96.9% of our total apportionments for 2017.

We celebrate that 254 out of 292 churches with apportionments paid 100%. We once again recognize the NORTHWEST District for achieving 100% payment for the 26th year in a row! These pastors, lay leaders and District Superintendent Marvin Guier are to be commended!

The total paid for apportionments was \$12,061,622 and the total paid for all benevolent causes beyond the apportionment was an additional \$922,155.

While the Council recommends that local churches strive to designate at least 25% of their total annual budgets for causes beyond their churches, it is expected that apportionments be given first claim by churches in their beyond-the-local church payments, with advance specials and other benevolences viewed as second-mile giving.

The Council continues to expect 100% payout of our apportionments and urges every church to take seriously the recommended ten-month payment plan in which 10% of the annual apportionment amount is remitted monthly. Without doubt, making monthly payments beginning in January or February is an important step in paying apportionments in full.

Paragraph 622 of the 2016 *Discipline* states that the Board of Pension and Health Benefits apportionment, the Episcopal Fund, the District Superintendents Fund, and Equitable Compensation are apportioned funds which are to be paid on the same schedule as the pastor's salary is paid. The Cabinet joins the Council in urging each church to adhere to this mandate monthly.

All churches are also encouraged to make contributions to their District Second Mile Fund. This is an important way to assist districts and the conference as a whole to achieve 100% payment of our total apportionments.

The Council and the Conference Treasurer continue to update reports in order to provide the information conference leaders and members expect in a more open and transparent way. The Council takes seriously its fiduciary responsibility and is working with conference leaders to ensure faithful and effective stewardship of conference funds.

END-OF-YEAR 2017 FINANCIAL OVERVIEW

1. The 2017 apportionment payout was 96.9%.
2. The total unrestricted and board designated cash held by the conference treasurer at the end of 2017 was \$7,001,868. The conference treasury held \$668,513 of unrestricted reserves in the operating account and \$6,333,355 in reserves at the Texas Methodist Foundation. In addition, \$837,937 is held at Wespath for the Metro District parsonage, and an additional \$31,704,233 in deposits at Wespath for the Board of Pensions and Health Benefits. The deposits at Wespath in the Board of Pensions accounts are designated for pensions, the retiree medical liabilities and the Perkins Endowment. As of the end of 2017, we now hold the reserves to fully fund our Past Service liabilities on a funding basis.
3. The 2017 financial reports may be found in the Conference Reports of this workbook.

FURTHER INFORMATION

A. Pre-1982 Pension Liability

The *2016 Discipline* requires the submission of an annual comprehensive funding plan for all of our benefit liabilities including our pre-1982 pension liability. (See Board of Pension and Health Benefits Conference legislative items for the presentation of our Comprehensive Funding Plan as it was approved by both the Conference Board of Pension and Health Benefits and Wespath.)

B. Retiree Medical Liability

A plan to address the conference's Retiree Medical Liability was adopted by the 2002 Annual Conference session and updated by the 2006 and 2008 Annual Conference sessions. A study group, under the leadership of Jerry Pinkerton, revisited our progress towards funding this liability in the fall of 2012. The Conference moved to OneExchange in 2013 as our connector to Retiree Supplemental Insurance coverage, resulting in a significant decrease in costs to both the retiree and the conference. In 2018, OneExchange changed its name to Via Benefits in an effort to avoid confusion with the Affordable Health Care Exchange name. (See the Board of Pension and Health Benefits report and legislation for more information.)

In 2015, an Economic Projection team was formed to re-evaluate our current funding of all liabilities, including the Retiree Medical Liability. The team recommended a reduction of \$115,000 in apportionments as the extensive study showed we would remain fully funded even if the market performed at 25% of assumed rates. This team met again in the summer of 2016 as well as the summer of 2017 to monitor the funding of all of our liabilities and their impact on our apportionments. The team did not recommend any changes in the apportionment for 2019.

C. Salary, Benefits and Expenses for District Superintendents

As stated in the conference's Standing Rules, "the salary of a district superintendent shall be adjusted annually by the average percentage change in the base compensation of all full-time pastors appointed to serve local churches or appointments for which the conference is responsible." This policy was started in 2008, and called for a periodic review to confirm the increases maintain a salary level that falls at about 90% of the declension of salary packages of full-time elders. The Council on Finance and Administration reviewed the policy in the spring of 2014 and determined that the current formula is maintaining the status set by the Annual Conference in 2008.

Therefore, the amount of change called for in accordance with the policy for 2019 is a 1.95% increase, which brings the base salary to \$119,557. Parsonages or a Housing Allowance are provided by the districts. Travel and other business expenses are reimbursed through an Accountable Reimbursement plan.

RECOMMENDATIONS FOR LEGISLATIVE ACTION

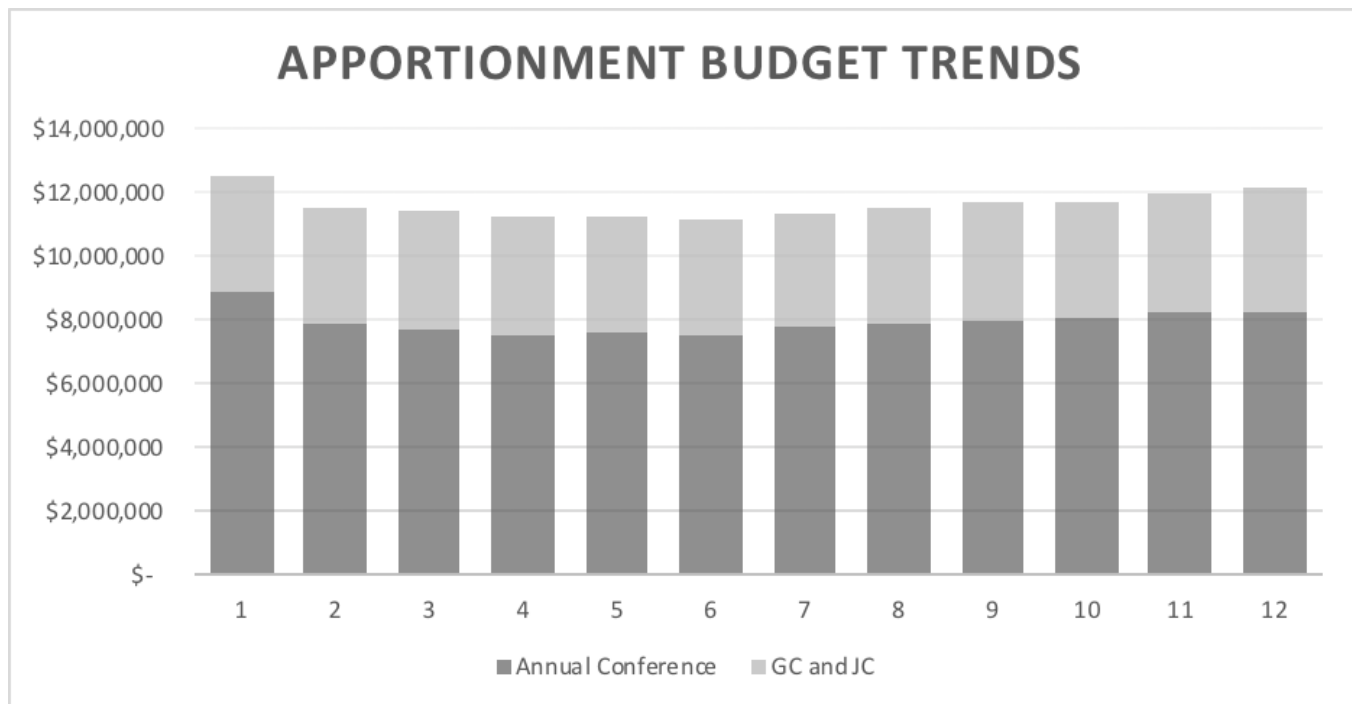
I. AUDITOR FOR THE CONFERENCE TREASURY

The Council recommends Ratliff Associates as the auditing firm for the Conference Treasury for the 2018 audit.

II. 2019 APPORTIONMENT BUDGET RECOMMENDATION

BACKGROUND:

CFA continues to work to hold the Annual Conference budget recommendation as flat as possible. The recommended increase for the total budget for 2019 is .83% with the Annual Conference total increasing by .31%. The General and Jurisdictional Conference apportionments are set by each of those conferences held every four years. For 2019, the increase in those two budget items reflects a 1.95% increase. The total budget in actual dollars remains lower than the amount apportioned in 2008.



The Annual Conference budget includes the Episcopal Area fund, the Communications Office, the District Superintendents Fund, and the four centers: (1) the Center for Leadership Development, (2) the Center for Church Development, (3) the Center for Missional Outreach, and (4) the Center for Connectional Resources.

The Center for Church Development (CCD) is implementing changes in the approach to new church starts to focus on providing matching grants to new churches. This method builds a foundational understanding of stewardship in the core DNA of the new churches and the leadership style of the new church start pastors. The focus on the vitalization work of existing local churches will include this focus on stewardship and other best practices as CCD collaborates with the Center for Leadership Development.

The .12% decrease in the request from the Center for Leadership Development results in a total dollar decrease of \$2,200 overall along with a plan that no longer draws down reserves as promised. The center has changed the funding mechanism of the Wesley Foundations located on the various campuses in ways that are designed to build stewardship of their resources and development of their boards. The youth, children, camping, coaching, and leadership development efforts are bearing fruit in numerous exciting ways as evidenced in the Center's report.

The Center for Missional Outreach (CMO) has reduced its funding request by .14%. The Center has left a vacancy on its staff in place for about six months. The vacancy was created when former associate director Rev. Marji Hill accepted a position in another conference. During this time the CMO reassessed the strategies and funding of this position, culminating in the hiring of Jurrita Williams as the new Associate Director. Ms. Williams will provide ongoing expertise to the local church in missional outreach. Finally, the CMO continues to facilitate a connection between the local churches in the North Texas Conference and the Zip Code Connection in new and exciting ways.

The Center for Connectional Resources is requesting a net \$3,700 increase for a .12% overall increase. The Center is working to provide administrative staffing for the other centers in the building to facilitate our work together. In addition, the needs for Cyber Security have increased, requiring additional funding in the Ministry Center Operations line.

The Communications office is requesting a 2.88% increase for a total of \$14,558. This increase is due primarily to the decision to cover both CCLI and One License for our local churches through a group contract. The group contract enables our local congregations, camps, Wesley Foundations and the Annual Conference to save about 25% of the cost of these licenses over the amount that would be billed to individual churches and related entities. The cost for CCLI was carried in the Center for Connectional Resources in prior years, but that funding has now been moved to the Communications office. In addition, the Communications office is adding a line item to cover the cost of a videographer for events like our Annual Conference to relieve the pressure on the staff at our host churches of this responsibility. The increase to the salary budget has been offset by a decrease to the administrative budget as the Center has moved from an outsourced website provider to an in-house webmaster. This move has also facilitated a decrease in the budgets of the four centers.

The staff budgets are aligned with their respective centers. According to NTC Standing Rule II.A.10, the District Superintendent base salaries are calculated with a 1.95% increase. Other staff raises averaged 2% including benefits.

The District Administration Fund budgets come from the District Conferences and are set at the District Conferences which are slated for May 20, 2018. They are not included in the total apportionment budget recommendation as they are not considered by CF&A. These apportionment items are billed to the churches within each district.

2019 Apportionment Budget Recommendation

Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
GENERAL CONFERENCE APPORTIONMENTS (1)					
World Service Fund	\$1,845,215.00	\$1,769,327.00	\$1,900,998.00	\$1,939,218.00	
MEF - Global	\$467,421.00	\$448,197.00	\$481,553.00	\$491,233.00	
MEF - North Texas Conference	\$155,807.00	\$149,399.00	\$160,517.00	\$163,745.00	
Black College Fund	\$248,600.00	\$238,376.00	\$256,115.00	\$261,265.00	

Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
Africa University Fund	\$55,636.00	\$55,636.00	\$57,318.00	\$58,470.00	
Interdenominational Cooperation Fund	\$48,741.00	\$46,736.00	\$50,214.00	\$51,224.00	
General Administration Fund	\$219,104.00	\$210,093.00	\$225,728.00	\$230,266.00	
Episcopal Fund	\$546,443.00	\$546,443.00	\$562,963.00	\$574,282.00	
Total Expenses	\$3,586,967.00	\$3,464,207.00	\$3,695,406.00	\$3,769,703.00	2.01%
JURISDICTIONAL CONFERENCE (2)					
Lydia Patterson Institute	\$72,897.00	\$69,898.97	\$72,897.00	\$72,897.00	
Mt. Sequoyah	\$0.00	\$0.00	\$0.00	\$0.00	
Jurisdictional Administration Fund	\$44,918.00	\$43,070.66	\$44,918.00	\$44,918.00	
SMU Campus Ministries	\$0.00	\$0.00	\$0.00	\$0.00	
Sub-Total	\$117,815.00	\$112,969.63	\$117,815.00	\$117,815.00	0.00%
TOTAL GENERAL AND JURISDICTIONAL					
	\$3,704,782.00	\$3,577,176.63	\$3,813,221.00	\$3,887,518.00	1.95%
CENTER FOR CHURCH DEVELOPMENT					
Administration	\$15,000.00	\$17,229.00	\$15,000.00	\$15,000.00	
Staff	\$391,000.00	\$323,567.00	\$486,532.00	\$487,187.00	
Training	\$51,000.00	\$31,934.00	\$51,000.00	\$20,000.00	
Mission Insight	\$8,856.00	\$8,856.00	\$8,856.00	\$9,000.00	
Healthy Church Initiative	\$147,850.00	\$91,770.00	\$147,350.00	\$57,850.00	
Future at the Crossroads	\$30,000.00	\$0.00	\$30,000.00	\$20,000.00	
New Church Coaching/ Consulting	\$31,000.00	\$4,011.00	\$31,000.00	\$43,000.00	
Planter Assessment and Prep	\$0.00	\$0.00	\$0.00	\$119,000.00	
New Church Starts	\$648,782.00	\$621,328.00	\$621,256.00	\$620,000.00	
TOTAL	\$1,323,488.00	\$1,098,695.00	\$1,390,994.00	\$1,391,037.00	0.00%
CENTER FOR LEADERSHIP DEVELOPMENT					
Administration	\$24,900.00	\$27,187.00	\$24,900.00	\$27,350.00	
Staff	\$536,362.00	\$499,550.00	\$520,614.00	\$532,935.00	
Board of Ministry (Professional Ministries)	\$48,470.00	\$43,636.00	\$58,470.00	\$58,470.00	
Board of Laity	\$7,500.00	\$5,600.00	\$7,500.00	\$7,500.00	
Faith & Leadership Formation	\$41,500.00	\$29,060.00	\$41,500.00	\$41,500.00	
Texas Methodist Colleges	\$55,000.00	\$52,986.00	\$55,000.00	\$0.00	

Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
Effective & Fruitful Leaders Program	\$25,826.00	\$12,893.00	\$16,500.00	\$26,500.00	
Conflict Management	\$15,500.00	\$5,658.00	\$15,500.00	\$13,000.00	
Campus Ministries	\$537,777.00	\$499,284.00	\$537,316.00	\$537,777.00	
Equitable Compensation	\$54,764.00	\$53,420.00	\$54,764.00	\$55,832.00	
Intentional Interim Pastors	\$45,000.00	\$14,096.00	\$45,000.00	\$45,000.00	
Transitional Care for Clergy	\$95,000.00	\$31,000.00	\$70,000.00	\$70,000.00	
Emerging Leadership Programs	\$40,000.00	\$15,713.00	\$30,000.00	\$35,000.00	
Leadership Dev Standing Committee	\$3,000.00	(\$3,643.00)	\$3,000.00	\$3,000.00	
Coaching Initiative	\$0.00	\$11,261.00	\$10,000.00	\$15,000.00	
Camping Ministries	\$382,550.00	\$357,131.00	\$397,550.00	\$396,550.00	
Less Release of Reserves	(\$59,501.00)	(\$49,500.00)	(\$20,000.00)	\$0.00	
TOTAL	\$1,853,648.00	\$1,605,332.00	\$1,867,614.00	\$1,865,414.00	-0.12%
CENTER FOR MISSIONAL OUTREACH					
Staff	\$284,129.00	\$282,582.00	\$350,978.00	\$310,172.00	
Zip Code Connection	\$222,000.00	\$222,000.00	\$230,000.00	\$230,000.00	
Advisory Team	\$20,000.00	\$21,691.00	\$18,700.00	\$60,700.00	
Christian Unity & Interreligious Concerns	\$1,500.00	\$3,150.00	\$1,500.00	\$1,500.00	
Church & Society	\$4,500.00	\$3,459.00	\$4,500.00	\$4,500.00	
Ethnic Local Church Concerns	\$120,600.00	\$80,150.00	\$119,750.00	\$118,500.00	
Global Ministries	\$50,500.00	\$46,793.00	\$50,500.00	\$49,500.00	
TOTAL	\$703,229.00	\$659,825.00	\$775,928.00	\$774,872.00	-0.14%
CENTER FOR CONNECTIONAL RESOURCES					
Administration	\$170,500.00	\$141,615.00	\$164,000.00	\$168,200.00	
Staff	\$588,100.00	\$479,445.00	\$556,800.00	\$571,800.00	
Administrative Agencies	\$82,000.00	\$40,302.00	\$42,100.00	\$42,800.00	
Annual Conference	\$105,000.00	\$79,397.00	\$100,000.00	\$100,000.00	
Ministry Center Operations	\$157,800.00	\$182,755.00	\$167,100.00	\$173,900.00	
Ministry Center Debt Service	\$260,000.00	\$249,600.00	\$260,000.00	\$260,000.00	
Board of Pension & Health Benefits	\$1,579,300.00	\$1,450,073.00	\$1,579,300.00	\$1,556,300.00	
Moving Fund	\$112,000.00	\$60,018.00	\$112,000.00	\$112,000.00	
TOTAL	\$3,054,700.00	\$2,683,205.00	\$2,981,300.00	\$2,985,000.00	0.12%

Description	2017 Budget	2017 Actual	2018 Budget	2019 Budget	% Change
EPISCOPAL OFFICE					
Area Office	\$75,000.00	\$58,070.00	\$75,000.00	\$75,000.00	
Episcopal Residence	\$32,000.00	\$30,683.95	\$32,000.00	\$32,000.00	
TOTAL	\$107,000.00	\$88,753.95	\$107,000.00	\$107,000.00	0.00%
COMMUNICATIONS					
Administration	\$224,850.00	\$157,526.00	\$285,943.00	\$218,330.00	
Staff	\$205,613.00	\$190,034.00	\$219,520.00	\$301,691.00	
TOTAL	\$430,463.00	\$347,560.00	\$505,463.00	\$520,021.00	2.88%
DISTRICT SUPERINTENDENTS (3)					
Administration	\$84,000.00	\$66,117.00	\$84,000.00	\$84,000.00	
Staff	\$500,795.00	\$503,094.00	\$510,008.00	\$520,392.00	
TOTAL	\$584,795.00	\$569,211.00	\$594,008.00	\$604,392.00	1.75%
ANNUAL CONFERENCE TOTAL	\$8,057,323.00	\$7,052,581.95	\$8,222,307.00	\$8,247,736.00	0.31%
TOTAL BUDGETED					
APPORTIONED EXPENSES	\$11,762,105.00	\$10,629,758.58	\$12,035,528.00	\$12,135,254.00	0.83%

Notes:

1. The General Conference apportionments are allocated to the annual conferences based on the expenditures of the annual conference, and adjusted for an income factor related to geographical area. The total increase in General Conference Apportionments is \$74,297 for a 2.01% increase.
2. The Jurisdictional apportionments are expected to remain the same for each of the four years of this quadrenium.
3. The amount of change in the DS level salary called for in the Standing Rules is 1.95%.

GUIDELINES FOR APPORTIONMENTS FOR LOCAL CHURCHES

A. Formula for Two-Part Decimal:
1/3 membership and 2/3 finance

B. Procedure for Computation of Decimal for Each Church:

The membership part is computed by dividing the total 2017 church membership of the Annual Conference (less discontinued churches and fellowships = 134,197) into the 2017 membership of each church. This becomes the church's membership decimal.

The finance part is computed by adding the amounts of the operating expenses reported paid by each church in columns 41a, 41b, 41c, and 43 - 47 of the 2017 Statistician's Report. (No funds reported in other statistical columns are included in this computation.) This total is then divided by the Conference total of these same columns (less discontinued churches and fellowships = \$91,374,412). This becomes the local church's finance decimal.

The finance decimal is doubled. The membership decimal is added to the doubled finance decimal. This total is divided by three to become the apportionment decimal.

- C. Procedure for Computation of Apportionments for Each Church:
The apportionment decimal for each church is multiplied by the Conference total of each apportionment to determine the amount that each church is asked to pay toward the apportionment.
- D. Margin for Correction:
To assure that 100% of the amount of each apportionment will be distributed to the churches, no more than one quarter of one percent may be added to each apportionment when needed.

LA 9

DESIGNATION OF UMC OWNED PROPERTY AS CULTURAL, HISTORICAL, OR ARCHITECTURAL LANDMARK

FROM: North Texas Conference Board of Trustees in consultation with the
Conference Commission on Archives and History

BACKGROUND: Paragraph 2512.7 of *The 2016 Book of Discipline of The United Methodist Church* directs that “the board [of trustees of the annual conference], after consultation with the conference commission on archives and history, shall develop a policy for an annual conference response, on behalf of any local church, church-related agency, or district or annual conference board of trustees located within the bounds of the annual conference, to any governmental effort to designate a property held in trust for the benefit of The United Methodist Church (§2501) by any such board of trustees as a cultural, historical, or architectural landmark.”

WHEREAS, the Methodist movement and the United Methodist Church is integral to the history of both the United States of America and the state of Texas.

WHEREAS, the ministry of the local church is dynamic and the church must consider its future as well as honoring its past.

WHEREAS, the physical appearance of the local church is a part of its witness.

WHEREAS, there are multiple types of historic landmarks that are issued by governmental agencies that may apply to church properties in the North Texas Conference. Some place restrictions on the modification of the physical structure.

WHEREAS, some governmental designations of church-owned real property as a cultural, historical, or architectural landmark severely infringes upon and restricts the rights of the church as a property owner and as a religious institution.

WHEREAS, some governmental designations of church-owned real property often require extensive and expensive applications and hearings which can limit the ability of the local church to alter the exterior facade of a building without governmental permission and oversight, even when the exterior is structurally unsound.

WHEREAS, in exchange for some limitations on the use and development of historically designated property, governmental bodies typically will compensate the property owner by allowing federal and state income tax credits against actual expenditures made for future rehabilitation work done to the property. Such income tax credits are not usable by the church due to its status as a faith based section 501(c)(3) organization. However, these income tax credits may be valuable to potential buyers of this historically designated property.

WHEREAS, there are some types of historic landmarks like the Texas Historical Commission’s Subject Marker, the National Register of Historical Sites and the United Methodist Historic Site designation which do not impose such restrictions on the ability of the local church,

WHEREAS, there may be instances when allowing such a land-marking to take place is in the best interests of both the public and the church.

NOW, THEREFORE, BE IT RESOLVED THAT the following processes are established as the policy of the North Texas Annual Conference regarding the seeking and approval for the historic designation of church property

1. Any Church Board of Trustees which voluntarily wishes to pursue the designation of an historical marker for its location shall research the United Methodist Historic Site designation procedures, requirements, and benefits first before pursuing governmental historical designations that may unnecessarily restrict the ability of the local church to carry out its primary mission of making disciples of Jesus Christ in the world.
2. Any Church Board of Trustees which has determined the United Methodist Historic Site designation is not sufficient for their church building and therefore voluntarily determine to pursue governmental historical designations.
 - a. Comply with the provisions of ¶s 2515, 2539, 2540, 2541, and/or 2543 (as appropriate) of *The 2016 Book of Discipline of the United Methodist Church*, just as if such land-marking were a sale of the property as it commits the annual conference to cooperate with a governmental body in the maintenance, restoration, repair, or sale of the building.
 - b. Obtain the consent of the bishop and a majority vote of the district superintendents, approving such a voluntary land-marking of church-owned property.
3. In the event the local church fails to comply with the steps laid out in Sections 1 and 2 of this resolution, on behalf of the North Texas Annual Conference, the Annual Conference Board of Trustees, as the designated successor in interest to church-owned property held in trust for the United Methodist Church under ¶2549.3 of *The 2016 Book of Discipline of the United Methodist Church*, and as the designated agency “to intervene and take all necessary legal steps to safeguard and protect the interests and rights of the annual conference anywhere and in all matters relating to property and rights to property” of any of its agencies, organizations, or local churches under 2512.4, is directed to intervene, at the request of the superintendent of the district in which the affected property is located, to oppose any governmental effort to involuntarily designate any such property as a cultural, historical, or architectural landmark. This intervention may include engaging what legal or professional counsel is needed. Such intervention may include opposing such land-marking designation in any or all state or federal courts, if necessary and appropriate. The Annual Conference Board of Trustees may, at its discretion, undertake such intervention by financial assistance to the affected board of trustees.

LA 10

CLOSING OF MISSION UMC – NORTHWEST DISTRICT

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remain at the Mission UMC, (Gainesville, Texas) they agreed that they cannot continue. Members of the church concluded that now is the time to close the church.

LEGISLATION: The North Texas Conference Board of Trustees recommends that the property be conveyed to First UMC Gainesville for the purposes of expanding their ministry and mission to the area.

LA 11**CLOSING OF PLEASANT GROVE UMC –NORTH CENTRAL DISTRICT**

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remain at the Pleasant Grove UMC, they agreed that they cannot continue. Members of the church concluded that now is the time to close the church.

LEGISLATION: The North Texas Conference Board of Trustees recommends that the property be sold to the adjacent Cemetery Organization for their monthly meetings and continuing ministry to the community.

LA 12

**2016 GENERAL CONFERENCE
The United Methodist Church
Corrected Ballot**

Proposed Constitutional Amendment – I

On May 16, 2016, at a session of the General Conference of The United Methodist Church held in Portland, Oregon, the following Constitutional Amendment was adopted by a recorded vote of 746 Yes, 56 No (Calendar Item 121, DCA p. 2106). The text of this amendment as distributed to the annual conferences in 2016 was found to be in error. The corrected text is now presented to the annual conferences for vote.

In the 2012 *Book of Discipline*, Division One, add a new paragraph between current ¶¶ 5 and 6:

As the Holy Scripture reveals, both men and women are made in the image of God and, therefore, men and women are of equal value in the eyes of God. The United Methodist Church acknowledges the long history of discrimination against women and girls. The United Methodist Church shall confront and seek to eliminate discrimination against women and girls, whether in organizations or in individuals, in every facet of its life and in society at large. The United Methodist Church shall work collaboratively with others to address concerns that threaten women's and girls' equality and well-being.

If voted and so declared by the Council of Bishops, this would become the new ¶6, and the current ¶¶ 6-61 would be renumbered as ¶¶ 7-62.

**Rationale for Proposed Constitutional Amendment I
The United Methodist Church
Voted General Conference May 2016**

- I. (New ¶ 6) The Constitution contains a paragraph on racial justice but not one on gender justice. The language of this petition is parallel to the language of Article 5 on racial justice already in our Constitution. It is an affirmation that, as part of our core foundational beliefs, this church will forever stand against any actions, organizations or individuals that discriminate or dehumanize women and girls anywhere on this planet.

APPENDIX: TABLED RESOLUTIONS

LA 13

“In Our Churches” Resolution

WHEREAS, Paragraph 341.6 of the 2016 Book of Discipline provides that ceremonies that celebrate homosexual unions shall not be conducted “in our churches;” and

WHEREAS, the word “in” in the phrase “in our churches” can be understood to mean within the walls, or interior, of the church building; and

WHEREAS, the limitation of “in our churches” to the interior of a church building may be inconsistent with the intention of Paragraph 341.6 but its application outside the walls of a church building or to buildings that are not associated with a local church such as a camp or university campus is not clear; and

WHEREAS, there is a need for pastors and laity to have guidance as to whether ceremonies that celebrate homosexual unions may be held outside the walls of a church building; and

WHEREAS, the Judicial Council of The United Methodist Church has not interpreted the phrase “in our churches,” leaving pastors and laity of the North Texas Annual Conference in jeopardy if they allow someone other than a United Methodist pastor to conduct such a ceremony on church property that is not within the interior of a local church building;

BE IT RESOLVED that the North Texas Annual Conference interprets and construes “in our churches” to mean within the walls, or interior, of local churches; and

BE IT FURTHER RESOLVED that pastors and laity of the North Texas Annual Conference abiding by this resolution shall not be in disobedience to the order and discipline of the United Methodist Church.

Resolution submitted jointly by Todd Harris and Rachel Baughman

LA 14

“Uniting Methodist” Resolution

Whereas, the Council of Bishops of the United Methodist Church has called a special General Conference for February 23-26, 2019 to deal with issues concerning human sexuality; and

Whereas, the Council of Bishops has formed the Commission on a Way Forward to assist the Council in discerning a way forward that will maintain unity of the United Methodist Church; and

Whereas, holiness, in the Wesleyan tradition, is faith working through love, and at its core, holiness is the love of God and neighbor, and having the mind of Christ; and

Whereas, the United Methodist Church is the embodiment of God’s love and holiness as it participates in the transformation of the world; and

Whereas, John Wesley said: “To separate ourselves from a body of living Christian, with whom we were before united, is a grievous breach of the law of love. It is the nature of love to unite us together; and the greater the love, the stricter the union. And while this continues in its strength, nothing can divide those whom love has united. It is

only when our love grows cold, that we can think of separating from our brethren.” (Sermon 75 – “On Schism”); and

Whereas, staying united is the embodiment of God’s love; and

Whereas, the United Methodist Church strives to demonstrate the grace to remain united in ministry while acknowledging our differences;

Now, Therefore Be It Resolved, the North Texas Annual Conference urges the General Conference to affirm unity in our diversity, challenge in love all that divides, and offer to all people God’s saving grace through Jesus Christ that transforms the world; and

Be It Further Resolved, the North Texas Conference urges the General Conference to include all people in full fellowship in all ways in the United Methodist Church; and

Be It Further Resolved, the North Texas Annual Conference urges the General Conference to resist schism and express openness to diverse perspectives in matters of sexual identity and practice.

Rev. Rachel Baughman, Oak Lawn United Methodist Church

LA 15

Resolution for “Healing of the United Methodist Church”

Whereas, the United Methodist Church is in desperate need of healing from the deep divisions that exist around our Christian response on homosexual practice; and

Whereas, we believe that the recommended “One Church Model” (as currently presented) will inflict deeper pain and chaos on the United Methodist Church, as every annual conference and local church determines what they will and will not support; and

Whereas, the likely conflict and disruptive protests around these decisions at annual conference and within our local churches will be destructive to the missional DNA of the United Methodist Church; and

Whereas, the complex appointive process in the United Methodist Church does not need the additional chaos of matching clergy and churches/mission fields based upon their particular understandings of homosexual practice; and

Whereas, clergy and lay members appreciate the work of the Commission on a Way Forward and the Council of Bishops, but do not want to cause further harm within our annual conferences and local churches;

Therefore, be it resolved, that the North Texas Annual Conference of the United Methodist Church opposes the “One Church Model,” due to the inevitable chaos and irreparable harm that this model will inflict, and

Be it further resolved, that the North Texas Annual Conference requests that the delegates of the 2019 Called General Conference defeat the “One Church Model” legislation and vote for a way that will bring healing to the United Methodist Church, allowing us to move forward with faith as we strive “...to make disciples of Jesus Christ for the transformation of the world.”

Respectfully submitted by:

Reverend Doug Miller, Reverend Fred Durham, and Reverend Mike Walker

