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LA 1**LAY/CLERGY EQUALIZATION TABLE
2014 EQUALIZATION OF LAY AND CLERGY MEMBERSHIP**

DISTRICT	CLERGY	LAY	RULE IIIA(1)	TOTAL RULE IIIA(1)	LAY EQUAL FACTOR
EAST	88	68	4	72	16
METRO	289	129	22	151	138
NORTH CENTRAL	192	118	10	128	64
NORTHWEST	81	65	6	71	10
TOTALS	650	380	42	422	228

STANDING RULE IIIA(1)

	EA	ME	NC	NW	TOTAL
Conference Lay Leader			1	1	2
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		14		1	15
Agency Chairs		2	4		6
TOTALS	4	22	10	6	42

	Membership 2013	% of Total	To Be Elected
East	11,389	8%	18
Metro	61,012	42%	96
North Central	58,257	40%	91
Northwest	14,829	10%	23
TOTALS	145,487	100%	228

LA 2

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 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, District Superintendent, and Center Directors 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 Equitable Compensation support and administrative expenses be apportioned at \$85,000 for 2015.

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

1. Equitable Compensation for Conference Members be set at \$45,258 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 health premium payments made by the local church,
 - e. dependent health 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 2015.

For the eighth year the same formula is being applied per the 2006 Annual Conference adopted rate at the recommendation of CF&A for changes to the District Superintendent level compensation. The percent change to the travel & utilities amount is included in the total. The amount of change for 2015 is an increase of 1.09% from \$44,770 in 2014.

2. Adjustments for years of service:

Years of Service	Equitable Compensation Amounts
0–5	\$45,258
6	45,358
7	45,458
8	45,558
9	45,658
10	45,758

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	\$39,965
Six years or more	\$40,065
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)
**(2012 *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 2015:

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 to 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.

SUMMARY

In the North Texas Conference, Minimum Equitable Compensation Salary increases have been indexed annually with the % increase given to all full time pastors under appointment. For example, if the salary compensation rose 1.50 % in a given year then the request to increase the Minimum Equitable Compensation rose 1.50%. At this time it is the recommendation of the CLD to maintain the minimum EC calculation as it exists, providing parity with pastoral compensation increases in the broader conference.

LA 3

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 the General Board of Pension and Health Benefits (“GBOPHB”), during the year 2015 by each active, retired, or disabled Clergy person 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 Clergy person; 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 the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergy person rendered to this Conference or that an active, a retired, or a disabled Clergy person 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 Clergy person 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 Clergy person’s pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person’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 Clergy person’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 Clergy person 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 4

PRE-1982 SERVICE YEAR RATE FOR 2015

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.7 of the 2012 *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 2015 be increased by 1.5%, in accordance with the COLA rate as published by the Social Security Administration in October of 2013, and established at \$754 for approved service of clergy members in full connection, probationary members, associate members and local pastors of the conference.

LA 5

2015 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 proposed 2015 apportionment budget request reflects the plans included in previous legislation setting the Pre-1982 Service Year Rate for 2015. The notes following each section of the apportionment offer further explanation.

As planned, \$33,226.27 from reserves was spent for pensions and \$102,317.86 from reserves was spent for health insurance and life insurance subsidies in 2013. We began budgeting for all but the Health Insurance Supplement expenses in 2014. We will continue to use the reserves to cover the Health Insurance Supplement expenses in 2015 as well.

At the beginning of 2014, approximately \$1.45 million remained in health insurance reserves. It is anticipated that the balance of the health insurance reserves will be about \$1.5 million at the end of 2015. The target for this fund has been between \$1–\$1.5 million (approximately \$1 million was the ending balance from the conference self-funded health insurance program upon entering the denominational program Health Flex in 1995) in order to preserve the options of the conference health insurance program, particularly in response to the Affordable Care Act. The Board of Pension and Health Benefits is aware of some tax advantaged vehicles for health insurance that will become available beginning in 2016, and will continue to monitor the developments to take advantage of the most cost effective strategy for our participants going forward.

LEGISLATION:

	2013 Budget	2013 Actual	2014 Budget	2015 Budget	% Change
Pensions:					
Computer Software Support	\$1,200.00	\$0.00	\$0.00	\$0.00	
CPP (1)	\$0.00	\$0.00	\$628,000.00	\$628,000.00	
CRSP Supplement (2)	\$0.00	\$33,226.27	\$25,000.00	\$28,000.00	
Dues	\$100.00	\$125.00	\$100.00	\$150.00	
Insurance-Property and Liability	\$1,000.00	\$0.00	\$0.00	\$0.00	
Insurance-Workers Compensation	\$1,100.00	\$849.19	\$1,200.00	\$1,100.00	
Past Service Funding (1)	\$624,000.00	\$610,253.41	\$0.00	\$280,000.00	
Postage	\$1,300.00	\$1,078.82	\$1,200.00	\$1,200.00	
Printing	\$1,000.00	\$119.79	\$500.00	\$500.00	
Retiree Expenses	\$6,400.00	\$6,064.84	\$7,200.00	\$7,200.00	
Staff Expenses	\$500.00	\$0.00	\$400.00	\$400.00	
Supplies	\$50.00	\$183.00	\$0.00	\$200.00	
Telephone	\$50.00	\$0.00	\$0.00	\$0.00	

Travel-Board	\$0.00	\$0.00	\$500.00	\$500.00	
Travel-Staff	\$400.00	\$417.80	\$400.00	\$500.00	
SUB-TOTAL (3)	\$637,100.00	\$652,318.12	\$664,500.00	\$947,750.00	42.6%

- (1) In 2009, GBOPHB notified us we would need to begin funding this past liability due to the decline of the stock market in the fall of 2008. We believed we were fully funded in 2008. To offset the increase in minimum contributions for this liability caused by the 2008 market decline, GBOPHB granted a three-year “CPP Holiday” which we took in 2011–2013. The amount which would have been budgeted in those years for CPP was allocated to fund the additional minimum contribution required for the unfunded liability. While the market has made substantial gains, it has not fully recovered. However, due to a change in the Retiree Medical plan along with favorable market conditions, there is enough money in the combined reserve fund to fully fund the past service liability for both Retiree Medical and the Pre-82 Past Service Funding liability. The Board of Pension and Health Benefits voted to pay the past service liability for the Pre-82 Past Service Funding liability in the spring of 2014. Although the Pre-82 Past Service Funding liability is now fully funded, General Conference 2012 passed legislation requiring all increases in Past Service Rates be funded at the beginning of the year the increase is slated to take effect for conferences that are underfunded. We will continue to apportion this amount for the foreseeable future to maintain the funds needed to meet this obligation. As noted in earlier legislation, the Board of Pension and Health Benefits is recommending we establish the COLA rate as published by the Social Security Administration as the standard for the annual increase for the Past Service Rate. This results in an increase of approximately 1.5% for our retirees receiving Pre-82 Pensions for 2015. The funding required for this increase is \$280,637. The funding for this liability for this year will be apportioned.
- (2) The CRSP Supplement provides supplements for churches under the Denominational Average Compensation, covers pastors on medical leave and provides a small amount for uncollectable premiums. Nothing was budgeted for this in 2010, 2011, 2012 or 2013 due to a large beginning balance to spend down. The expenditure in 2009 was \$39,392, \$43,575 in 2010, \$36,344.78 in 2011, \$29,829 in 2012, and \$33,226.27 for 2013. The anticipated expense for 2014 is approximately \$28,000. The change in the CRSP program that was approved at General Conference 2012 goes into effect for 2014, resulting in a lower projected expense for 2014 and 2015, therefore the amount allocated for this is set at a lower rate than previous expenditures.
- (3) The Sub-Total is an increase of \$283,250 or approximately 42.6% from the 2014 amount budgeted of \$664,500, due to apportioned funding of the increase in the Pre-82 Past Service Rate.

	2013 Budget	2013 Actual	2014 Budget	2015 Budget	% Change
Health Insurance:					
Actuarial Services Retiree Medical	\$0.00	\$7,943.00	\$15,000.00	\$15,000.00	
Insurance-Medical Leave (1)	\$0.00	\$41,965.00	\$38,000.00	\$45,000.00	
Insurance-Life/Add Premium (2)	\$0.00	\$28,712.86	\$30,000.00	\$32,000.00	
Insurance-Retiree Current Year (3)	\$517,800.00	\$582,616.40	\$400,000.00	\$400,000.00	

Insurance-Retiree Past Service Funding (4)	\$784,000.00	\$753,944.58	\$784,000.00	\$0.00	
Insurance-Retiree Med For New Entrants(5)	\$213,000.00	\$204,834.43	\$213,000.00	\$330,000.00	
Health Insurance Supplement	\$0.00	\$31,640.00	\$0.00	\$0.00	
Postage	\$0.00	\$1,385.20	\$1,000.00	\$1,400.00	
Printing	\$0.00	\$733.35	\$300.00	\$800.00	
Supplies	\$0.00	\$220.90	\$550.00	\$500.00	
SUB-TOTAL (6)	\$1,514,800.00	\$1,653,995.72	\$1,481,850.00	\$824,700.00	-44.3%
TOTAL (7)	\$2,151,900.00	\$2,306,313.84	\$2,146,350.00	\$1,772,450.00	-17.4%

(1) The conference currently covers the health insurance premiums of those on disability. This premium was not budgeted for apportionments for the last three years as part of a plan to spend down health insurance reserves for 2011–2013. As planned, this item is once again added back to the apportionments beginning in 2014 and 2015.

(2) The premium for additional term life insurance for clergy and lay in Health Flex was paid from reserves for the past three years. Beginning in 2014, this premium will be included in apportionments once again as we have spent down the health insurance reserves funds as anticipated.

(3) The transition to Extend Health, now known as One Exchange, will lower the overall costs for the retiree by half, and the conference by about \$200,000.

(4) The Retiree Medical Liability funding plan updated by the 2008 Annual Conference session shifted the Past Service Funding apportionment at this level from Pre-82 Pensions to the Retiree Medical Liability beginning in 2009 and continuing until that liability is fully funded. The Retiree Medical Liability funding plan was updated again in 2012 under the leadership of Jerry Pinkerton. This team submitted a request to the BOPHB that the apportionment level remain the same until this outstanding liability is funded. As of the end of 2013, this liability is now fully funded.

(5) The Retiree Medical Liability funding plan updated by the 2008 Annual Conference session calls for this item to be frozen at \$213,000 until the Pre-82 Pension Plan and the Retiree Medical Liability are fully funded and the Past Service Funding apportionment is eliminated. A review of the 2013 actuarial report indicates this amount should be reset at \$330,000 effective for 2014 and years following. The Board of Pension and Health Benefits will conduct an in-depth study of this funding plan in the coming year.

(6) The Sub-Total is a decrease of \$657,150 or 44.3% from 2014.

(7) The TOTAL is a decrease of \$373,900 or 17.4%.

LA 6

FINANCE AND ADMINISTRATION

FROM: Council on Finance and Administration

INTRODUCTION

The North Texas Conference is to be congratulated on another excellent payout on apportionments in 2013. Even with the cancellations of worship services at many churches due to icy weather in December, the churches of the North Texas Conference rallied to finish strong with a total 2013 payout of 95.2%. Several church leaders contacted their District Superintendents to find out how they could help others reach the goal of a 100% payout this year through second mile giving. It is truly a blessing to serve in partnership with so many generous congregations as we all seek to honor God with our prayers, presence, gifts, service, and witness.

We celebrate that 266 out of 295 churches with apportionments paid 100%. We once again recognize the NORTHWEST District for achieving 100% payment for the 22nd year in a row as well as the EAST District for their 100% payout for the 19th year in a row! These pastors, lay leaders and District Superintendents Marvin Guier and Vic Casad are to be commended!

The total paid for apportionments was \$11,275,560 and the total paid for all benevolent causes was \$12,141,917.

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 will 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 2012 *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 2013 FINANCIAL OVERVIEW

1. The 2013 apportionment payout was 95.2%.
2. As planned, we spent down an additional \$135,544.13 in 2013 of reserves to reduce apportionments and direct bill benefits premiums to the churches. This is in addition to the \$413,584 of planned spending of reserves in 2010, \$491,344 in 2011, and \$347,333 in 2012. The target goal of the health insurance reserves is between \$1,000,000 and \$1,500,000. As of the end of 2013, we still had \$1,451,981.74 in our health insurance reserve account. We plan to spend an additional \$32,000 for Pension and Health Insurance supplements in 2014.
3. The total unrestricted cash held by the conference treasurer at the end of 2013 was \$330,847.13. In addition, \$4,828,822 in 2013 apportionments was received by the January 13, 2014 closeout day. The conference treasury held \$7,162,891 in designated reserves at the Texas Methodist Foundation, and an additional \$22,754,062 in deposits at the General Board of Pension and Health Benefits, designated for the outstanding liabilities of \$7,396,729 for the remaining Pre-82 liability and \$10,103,622 in Post Retiree Medical liability. As of the end of 2013, we now hold the reserves to fully fund our Past Service liabilities.
4. The conference transitioned from a modified cash basis accounting method to Generally Accepted Accounting Principles (GAAP) reporting effective January 1, 2012. The most significant presentation effected with this change is the inclusion of the Retiree Medical Liability funding on the financial statements. There is a significant change in the actuarial valuation on the Retiree Medical Liability funding due to two factors: 1) the change to OneExchange reduced the overall liability by \$13,039,602, and 2) favorable market trends reduced this liability by an additional \$5,419,467. The market trends are based on industry standards set by Citigroup for actuarial computations. The total liability can change significantly from year to year.
5. Detailed 2013 financial reports may be found in the Agency Reports of this workbook.

FURTHER INFORMATION

A. Fidelity Bond for Local Churches

Beginning in 2007, with the establishment of our Conference-Wide Property & Liability Insurance Program through PACT, a \$100,000 Employee Dishonesty (Crime) Bond was established to cover those persons authorized to handle funds in every church in the Annual Conference. Effective April 1, 2012, we placed our insurance coverage with McQueary, Henry, Bowles, and Troy. We continue to provide the \$100,000 Employee Dishonesty (Crime) Bond in our current insurance program.

B. Electric Aggregation Program

Electric utilities in the state of Texas were deregulated effective January 1, 2002. Deregulation offered the opportunity for the churches of the North Texas Conference to join together to purchase electricity. With the encouragement of CF&A, a group of large churches in the conference initiated an effort to secure a group contract for the purchase of electricity. All of the churches of the conference have been invited to participate in this effort. The program is now in its fifth aggregate contract and continues to be beneficial to the approximately 106 participating churches with the

benefits of achieving scale, the ability to anticipate costs in budgeting, and protection against the volatility of natural gas prices and future cost increases.

An additional feature of the present contract is the inclusion of 10% renewable or “green” energy for every church, which was secured at no additional cost to the group contract. Churches may choose to increase the percentage of renewable energy for an additional cost. As reported in a December 22, 2007 feature article in the *Dallas Morning News*: “In an apparently unprecedented move for a large religious group, United Methodist churches of North Texas have joined forces to buy ‘green’ electricity generated by windmills in the western part of the state.” Staff writer Sam Hodges went on to say, “Environmentalists say they’re unaware of another conference, diocese, synod or any other body of churches that has used its economic clout to spur nonpolluting electricity production.” This is a significant step as we try to live out our concern for the environment.

Effective January 1, 2013, we have entered into a new two year electrical aggregate contract for a negotiated rate of .054 per kWh through July 2015, followed by an additional 48 months at .0509 per kWh.

C. Conference-Wide Property & Liability Insurance Program

In response to requests for help from several local churches and after a great deal of study and discussion over many years, the 2006 Annual Conference session voted to establish a conference-wide property and liability insurance program through the group captive established by GCFA known as UM PACT. State regulations governing group captives required each annual conference to provide a capital contribution to the captive.

In April of 2011, GCFA created United Methodist Insurance (UMI) as a single parent captive with the intent of providing greater insurance coverage opportunities and savings. By the end of the second quarter of 2012, UMI assumed all of the assets and liabilities of the UM PACT program and retain its risks and coverage. Although the North Texas Conference is no longer participating in the UMI program, we do continue to have an asset of approximately \$200,000 held with UMI from our capital contribution. We expect this contribution to eventually be returned to our conference.

In 2011, the unusually high loss experience over the preceding five years led to a premium increase of 23% over the previous year along with an increase in deductibles from a flat \$1,000 across the board to a wind and hail damage deductible of 2% per building with a cap of \$50,000 per building per occurrence on our October 1, 2011 insurance renewal with UMI. Under the direction of the Bishop, the Core Leadership Team, and the Council on Finance and Administration (CFA), an Insurance Advisory Team (IAT) was created to negotiate this program on behalf of the churches of the North Texas Conference. The IAT was a six member task force composed of experienced property and liability insurance professionals who were not current broker/agents, directors, or otherwise beneficiaries of any sort of insurance carrier so that they might act on behalf of the churches of the North Texas Conference without any conflict of interest. Over the course of the next several months, the IAT entered into negotiations with UMI over our existing insurance programs. In addition, they secured the services of a local commercial broker, MHBT, in order to obtain a competitive bid on our lines of coverage.

In 2011, the IAT presented to CFA their recommendation that we move all lines of property and liability insurance coverage to MHBT. CFA voted unanimously to accept the recommendation of the IAT and to ask that this short term task force be an ongoing committee tasked with the work of review and continued negotiation of our insurance needs, reporting directly to CFA.

Fortunately for our churches, the Property and Liability insurance was moved to a new carrier on April 1, 2012. On April 3, 2012 the Dallas area experienced the eighth most expensive storm in the last forty years of Texas weather history. And on June 16th, the Dallas area was again hit with what proved to be the fifth most expensive insurance loss for Texas. Both of these storms ranked above the Bastrop Wildfires in terms of total losses for the insurance industry. Had we remained under our previous carriers, our churches would have experienced deductibles of approximately \$1,405,611 on the hail claims alone based on the 2% of building value deductible. Instead, our churches paid a total of \$74,260 in 2012 deductibles on these same losses under our new insurance policy. We are facing a very hard market for property insurance lines due to the recent storms, particularly in Dallas and Wichita Counties. The Insurance Advisory Committee is working very hard to provide our churches with coverage that protects their ministry dollars.

Our loss experience in 2013 improved significantly, resulting in a smaller than expected increase in premiums for the 2014-2015 year. Although we have already experienced significant storms in 2014 and related hail losses, we hope the restructuring of the insurance program that allows the conference to cover more of the first dollar losses will allow us to see lower trends in property insurance in the coming years.

Because of continuing concern over the vulnerability of our churches in today's litigious society and realizing that all of the other churches are at risk when some are without adequate coverage or limits, the Council is convinced that a mandatory conference wide program is the best way to protect all North Texas Conference churches in case of property losses or issues leading to liability claims. The Council desires to do everything possible to keep our churches out of harm's way and to enhance our protection of ministry and mission.

D. Pre-1982 Pension Liability

The *2012 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 Report items for the presentation of our Comprehensive Funding Plan as it was approved by the both the Conference and General Boards of Pension and Health Benefits.)

E. 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. See the Board of Pension and Health Benefits report and legislation for more information.

F. 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 or about 90% of the declension of salary packages of full-time elders. The Council on Finance and Administration reviewed the policy and the declension status 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 2014 is a 1.09% increase, which brings the salary to \$110,724. Parsonages or a Housing Allowance are provided by the districts. Utilities are reimbursed by voucher. Travel and other business expenses are reimbursed through an Accountable Reimbursement plan.

RECOMMENDATIONS FOR LEGISLATIVE ACTION

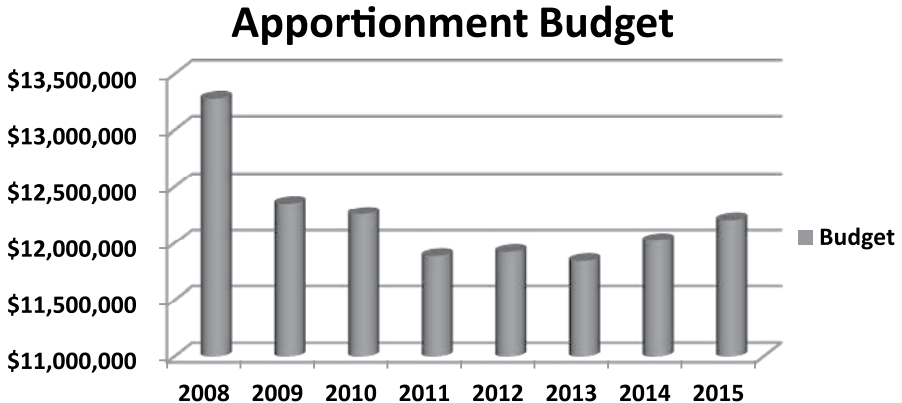
I. AUDITOR FOR THE CONFERENCE TREASURY

The Council recommends Ratliff Associates as the auditing firm for the Conference Treasury for the 2014 audit.

II. 2014 APPORTIONMENT BUDGET RECOMMENDATION

BACKGROUND:

Since 2009, CFA has worked diligently to reduce the total apportionment budget, accomplishing a net reduction of 8.1% over the last seven years. We had decreases each year, with an essentially “flat” increase in apportionments of 0.3% for 2012 and a slight decrease in 2013 of 0.6% and an increase of 1.5% for 2014. For 2015, CFA is recommending another 1.5% increase in apportionments to a total of \$12,199,544. The overall reduction in apportionment dollars over the last six years translates to an additional \$1.07 million per year in ministry dollars available for the work of our local churches.



Aside from General Conference and Jurisdictional Conference apportionments, the Episcopal Area fund and the District Superintendents Fund, the 2014 recommended apportionment budget is built around the four centers: (1) the Center for Leadership Development, (2) the Center for New Church Development and Congregational Transformation, (3) the Center for Missional Outreach, and (4) the Center for Connectional Resources. While the Center for Connectional Resources is submitting a reduced budget, the Centers for New Church Starts, Leadership Development, and Missional Outreach are requesting increases for a net percentage increase of 1.5% for the total budget.

The Center for Connectional Resources is pleased to announce a reduction in its request of \$326,109, for an 8.7% decrease from the previous year. This reduction is a result of the full funding

of the Pre-82 liability as well as the Retiree Medical past service liabilities. We achieved full funding of these ahead of schedule due to strong market trends as well as a change in the Retiree Medical program. A steep market decline, like the one we experienced in 2008 could result in a return of apportionment dollars designated for this, of course, but at this time, the Conference Board of Pension and Health Benefits is recommending a reduction in these apportionments to the local church.

The Center for New Church Starts is requesting a 26.5% increase for a total dollar amount of \$256,022. The Jump Start monies provided by the Annual Conference will be depleted fully by the end of 2014. The cash remaining in the Center's operating reserves provide a small buffer for the 2015 budget, but in order to continue to start new churches and expand the work of the Healthy Church Initiative to assist existing congregations in revitalization work, the remaining funds needed are being shifted to the apportionment budget.

The 9.5% increase in the request from the Center for Leadership Development results in a dollar total increase of \$130,295. The increases requested are primarily a result of the initiatives proposed for Clergy Effectiveness and Advancing Women's Leadership. The details of these initiatives can be found in the 2014 NTC Agency Reports section of this Journal. In addition, the Center for Leadership Development has launched a new Wesley Foundation at the University of Texas at Dallas. Information about this ministry can be found in the Center for Leadership Developments Campus Ministry report.

The Center for Missional Outreach is requesting an additional \$63,089 in funding for the administrative support of the Zip Code connection. This translates to a 10.3% increase over the previous year's budget.

The District Administration Fund budgets come from the District Conferences. Although they are included in the total apportionment budget recommendation, they are not considered by CF&A. At the time of the printing of this budget, these line items had not yet been approved. They are subject to change in accordance with the decisions of the District Conferences held May 18, 2014.

The staff budgets are aligned with their respective centers and in the case of Communications with the Episcopal Area. According to NTC Standing Rule II.A.10, the District Superintendent level salaries are calculated with a 1.09% increase. Other staff salaries are an increase of 2.5%.

We began spending down the health insurance reserves three years ago to ease a one year sizable increase in health insurance premiums. We budgeted and spent \$491,344 of reserves in 2011 and \$347,333 in 2012 and \$135,544 in 2013. We have budgeted an additional \$32,000 to be spent in 2014 and will continue to tap \$32,000 of reserves in 2015. As of the beginning of 2014, we still had \$1,484,546 remaining in the health insurance reserve fund. The health insurance rates are now being billed at the full rate charged by the General Board of Pension and Health Benefits as the increases in rates were much smaller in the last two years and remained flat for 2015.

The following other non-apportioned income related to the apportioned items is also anticipated: \$50,000 from health insurance premiums for staff, and \$10,000 from GCFA for the Episcopal Residence. Additional other non-apportioned but related income may be received during the year.

2015 Apportionment Budget Recommendation

Description	2013 Budget	2013 Actual	2014 Budget	2015 Budget	% Change
GENERAL CONFERENCE					
World Service Fund	1,801,746.00	1,639,010.13	1,767,764.00	1,772,081.00	
Ministerial Education Fund—Global	463,926.00	432,970.42	455,175.00	456,281.25	
Ministerial Education Fund—NTC	154,642.00	173,508.98	151,725.00	152,093.75	
Black College Fund	246,729.00	232,405.52	242,076.00	242,687.00	
Africa University Fund	55,214.00	53,090.25	54,172.00	54,304.00	
Interdenominational Coop	48,353.00	46,393.79	47,441.00	47,602.00	
General Administration Fund	217,413.00	202,840.61	213,335.00	213,900.00	
Episcopal Fund	522,126.00	503,014.80	516,183.00	531,486.00	
TOTAL	3,510,149.00	3,283,234.50	3,447,871.00	3,470,435.00	0.7%
JURISDICTIONAL CONFERENCE					
Lydia Patterson Institute	73,244.00	67,232.07	73,244.00	73,244.00	
Mt. Sequoyah Assembly	17,515.00	16,840.93	17,515.00	17,515.00	
Jurisdiction Administration Fund	34,304.00	32,985.39	34,304.00	34,304.00	
SMU Campus Ministries	9,023.00	6,767.00	6,767.00	2,282.00	
TOTAL	134,086.00	123,825.39	131,830.00	127,345.00	-3.4%
ANNUAL CONFERENCE					
CENTER FOR NEW CHURCH STARTS					
Administration	12,900.00	12,350.94	10,000.00	15,000.00	
Staff	312,542.00	290,992.85	320,356.00	329,967.00	
Training	51,000.00	10,063.11	51,000.00	51,000.00	
New Church Coaching/Consulting	31,000.00	13,533.62	31,000.00	31,000.00	
Mission Insight	8,500.00	0.00	8,500.00	8,856.00	
Healthy Church Initiative	68,000.00	23,899.65	80,000.00	88,000.00	
New Church Starts	949,838.00	735,076.22	860,810.00	698,275.00	
Release of Reserves	(596,680.00)	(146,522.30)	(395,590.00)	0.00	
TOTAL	837,100.00	939,394.09	966,076.00	1,222,098.00	26.5%
CENTER FOR LEADERSHIP DEVELOPMENT					
Administration	13,979.00	17,653.76	14,450.00	15,000.00	
Staff	339,612.00	333,245.80	342,386.00	366,757.00	
Board of Ministry (Professional Ministries)	36,700.00	34,279.29	43,220.00	41,920.00	
Board of Laity	9,100.00	6,838.75	8,686.00	9,454.43	

Description	2013 Budget	2013 Actual	2014 Budget	2015 Budget	% Change
Faith & Leadership Formation	64,650.00	74,244.99	81,500.00	134,237.00	
Texas Methodist Colleges	100,000.00	95,097.70	100,000.00	100,000.00	
Effective & Fruitful Leaders Program	35,800.00	23,942.60	42,000.00	50,000.00	
Conflict Management	12,500.00	5,698.86	13,635.00	7,300.00	
Campus Ministries	457,859.00	411,180.55	460,277.00	515,281.00	
Equitable Compensation	90,000.00	66,676.91	50,000.00	85,000.00	
Intentional Interim Pastors	40,000.00	44,341.57	35,000.00	45,000.00	
Transitional Care for Clergy	5,000.00	0.00	40,000.00	100,500.00	
Emerging Leadership Programs	10,000.00	3,652.11	7,500.00	8,500.00	
Leadership Dev Standing Committee	5,000.00	1,231.07	10,000.00	10,000.00	
Bridgeport Camp Program	118,500.00	118,500.00	125,050.00	125,050.00	
Release of Reserves				(110,000.00)	
TOTAL	1,338,700.00	1,236,583.96	1,373,704.00	1,503,999.43	9.5%

CENTER FOR MISSIONAL OUTREACH

Advisory Team	50,000.00	47,011.63	38,000.00	110,000.00	
Staff	321,595.00	287,258.18	346,792.00	357,131.00	
Christian Unity & Interreligious Concerns	10,500.00	4,000.00	6,000.00	2,500.00	
Church & Society	10,500.00	8,757.79	10,000.00	8,500.00	
Ethnic Local Church Concerns	150,500.00	140,710.96	154,500.00	142,500.00	
Global Ministries	79,500.00	57,732.37	57,500.00	55,250.00	
TOTAL	622,595.00	545,470.93	612,792.00	675,881.00	10.3%

CENTER FOR CONNECTIONAL RESOURCES

Administration	134,300.00	139,097.04	149,515.00	149,300.00	
Staff	587,444.00	548,925.34	590,832.00	612,838.00	
Administrative Agencies	40,500.00	44,536.78	42,500.00	47,900.00	
Annual Conference	76,900.00	74,807.48	109,770.00	109,770.00	
Ministry Center Operations	144,750.00	129,892.65	141,000.00	151,600.00	
Ministry Center Debt Service	260,000.00	247,520.00	260,000.00	260,000.00	
Board of Pension & Health Benefits	637,100.00	667,139.75	664,500.00	947,750.00	
Health Insurance Subsidies	1,514,800.00	1,653,995.72	1,481,850.00	824,700.00	
Moving Fund	117,000.00	148,618.43	117,000.00	117,000.00	
Camp & Retreat Center Operations	190,000.00	185,240.00	200,000.00	210,000.00	
TOTAL	3,702,794.00	3,839,773.19	3,756,967.00	3,430,858.00	-8.7%

EPISCOPAL OFFICE

Area Office	65,650.00	68,356.71	69,472.00	75,000.00	
Episcopal Residence	32,000.00	31,842.26	32,000.00	32,000.00	
TOTAL	97,650.00	100,198.97	101,472.00	107,000.00	5.4%

Description	2013 Budget	2013 Actual	2014 Budget	2015 Budget	% Change
COMMUNICATIONS					
Administration	210,150.00	215,129.97	224,850.00	224,850.00	
Staff	202,296.00	196,734.07	200,690.00	204,497.00	
TOTAL	412,446.00	411,864.04	425,540.00	429,347.00	0.9%
DISTRICT SUPERINTENDENTS					
Administration	70,000.00	69,611.61	70,000.00	80,000.00	
Staff	477,051.00	473,005.79	473,728.00	481,796.00	
TOTAL	547,051.00	542,617.40	543,728.00	561,796.00	3.3%
DISTRICT ADMINISTRATION FUND					
East District	159,016.00	139,087.51	165,846.00	168,091.00	
Metro District	165,881.00	146,454.60	165,859.00	175,954.00	
North Central District	164,660.00	152,042.77	177,800.00	177,845.00	
Northwest District	149,837.00	117,720.69	149,837.00	149,837.00	
TOTAL	639,394.00	555,305.57	659,342.00	671,727.00	1.9%
GRAND TOTAL	11,841,965.00	11,578,268.04	12,019,322.00	12,200,486.43	1.5%

Notes:

1. These are final numbers for General Conference Apportionments approved by Legislation enacted at the 2012 General Conference.
2. The Jurisdictional apportionments are final numbers approved by the Jurisdictional Conference at the July 2012 meeting.
3. Financial responsibility for the SMU Wesley Foundation will shift to the North Texas Conference over a period of 4 years beginning in 2014. The South Central Jurisdiction budgeted \$85,000 for SMU in previous years. This budget will be absorbed into the Center for Leadership Development budget over the next four years under its Campus Ministries.
4. The amount of change in the DS level salary called for in the Standing Rules is 1.09%.
5. The District Administration Fund budgets come from the District Conference. Although they are included in the total apportionment budget recommendation, they are not considered by CF&A.

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 2013 church membership of the Annual Conference (less discontinued churches and fellowships = 144,860) into the 2013 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 48, 49, 51–53, and 55–57 of the 2013 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 = \$83,985,120). 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 7

CLOSING OF THE WHITE ROCK UMC—EAST DISTRICT

FROM: North Texas Conference Board of Trustees

BACKGROUND: The White Rock UMC (Celeste Charge), Hunt County, closed October 1, 2013. Because there were only a small number of members attending the congregation decided it was time to close.

LEGISLATION: The North Texas Conference Board of Trustees has taken custodial responsibility of the property. The church property is very small and sets adjacent to the White Rock Community Center. The community organization has incorporated as a 501c3, not-for-profit. When the incorporation is final a conveyance of the property will be finalized to the community organization.

LA 8

MERGER OF JOSEPHINE UMC AND COPEVILLE UMC— NORTH CENTRAL DISTRICT

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remain at the Josephine UMC and the Copeville UMC the remaining congregants agreed that their best option is to merge into one congregation.

LEGISLATION: The North Texas Conference Board of Trustees recommends that the Josephine UMC property, located in Josephine, Texas, be sold and the proceeds from the sale be pledged to the new merged congregation now worshipping at the Copeville UMC site.

LA 9

MERGER OF ST. JAMES UMC WITH HAVEN CHAPEL UMC— NORTHWEST DISTRICT

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remain at the St. James UMC, the remaining congregants agreed that they cannot continue to operate as a separate church. Members of the church concluded that now is the time to close the church and merge with the Haven Chapel UMC.

LEGISLATION: The North Texas Conference Board of Trustees recommends that the St. James UMC property, including the parsonage, located in Sherman, Texas, be sold and the proceeds from the sale be pledged to the new merged congregation of Haven Chapel UMC, Denison, Texas.

LA 10

(The following legal representation statements were approved at the 2014 NTC Annual Conference. This is the first step in finalizing the legal representation statements. Following the close of the 2014 Annual Conference, these statements in their current form were presented to the various listed agencies for their review and ratification. Please note that in the coming months, some of these statements may be changed in consultation with our chancellor and the legal representative of each agency. If there are any substantive revisions, the statements will be brought back to the 2015 Annual Conference for final approval.)

RESOLUTION TO PROVIDE LEGAL REPRESENTATION STATEMENTS IN ACCORDANCE WITH BOD ¶2517 AND TO DESIGNATE THE NORTH TEXAS ANNUAL CONFERENCE BOARD OF TRUSTEES AS THE BODY FOR THE OVERSIGHT OF THESE STATEMENTS

FROM: North Texas Annual Conference Board of Trustees

BACKGROUND: The 2012 General Conference voted to add ¶2517 to our *Book of Discipline* (BOD) requiring, among other things, the creation and maintenance of relationship statements with all related health and welfare ministries located within the geographical bounds of the annual conference. The rationale for this legislation dates back to the legacy of the Pacific Homes matter from the early 1980s involving bankrupt retirement homes that generated multiple lawsuits against several United Methodist entities. One lawsuit, against “The United Methodist Church,” sought over \$600 million in damages. The retirement homes (inaccurately) advertised themselves as being an “agency of The United Methodist Church,” leading to attempts to hold Church entities liable for the homes’ failings. An adverse appellate court decision led to the payment of a \$21 million settlement.

LEGISLATION:

- Clarifies the definition of a “related health and welfare organization;”
- Designates the annual conference board of trustees as the body for overseeing relationship statements, unless another entity within the conference has been specified;
- Requires the annual conference chancellor to be involved in the process;

- Ensures the relationship statement include legal language insulating the annual conference from liability, as appropriate;
- Sets a minimum review period of four years;
- Controls the use of the denomination’s name and symbol;
- Permits the annual conference to encourage or require UMC membership and/or accreditation appropriate to faith-based organizations;
- Provides a method for the annual conference to report any unrelated health and welfare organizations; and
- Requires copies of relationship statements to be provided to GCFA.

WHEREAS, the trustees, in consultation with the chancellor, have identified six agencies that lie within the boundaries of the North Texas Conference that fit the definition of a “related health and welfare organization”; and

WHEREAS, the trustees, in consultation with the chancellor, have created legal representation statements for these six agencies in compliance with the legal language established by ¶2517; and

WHEREAS, the six legal representation statements as drafted and approved by the trustees in their entirety are attached to this resolution and incorporated herein as Exhibits A through F:

NOW, THEREFORE, BE IT RESOLVED:

THAT in accordance with ¶2517 of the BOD, the North Texas Annual Conference Board of Trustees be designated as the body responsible for oversight of these relationship statements; and

THAT the attached six legal representation statements (Exhibits A-F) be established as the original statements to be reviewed at a minimum of every four years by the North Texas Conference Board of Trustees; and

THAT the copies of these statements, complete with designated signatures, be printed in the 2014 journal and provided to GCFA.

**EXHIBIT A COVENANT STATEMENT OF RELATIONSHIP BETWEEN
THE NORTH TEXAS ANNUAL CONFERENCE OF THE
UNITED METHODIST CHURCH AND C.C. YOUNG
MEMORIAL HOME**

FROM: North Texas Conference Board of Trustees

Introduction

C.C. Young Memorial Home (hereinafter “C.C. Young”) with its Corporate Headquarters located in Dallas, Texas, and within the boundaries of The North Texas Annual Conference of the United Methodist Church (hereinafter “Annual Conference”) was chartered on March 17, 1922 as a nursing or retirement home to minister to aged women living in poverty. C.C. Young is a faith-based community of care, dedicated to enhancing the quality of life of older persons. C.C. Young now accepts elderly male and female residents and works to intensify and broaden services so that each individual may flourish in body, mind, and spirit.

Purpose of Covenant Statement

The Annual Conference and C.C. Young celebrate a long-standing and valuable relationship. The parties share the Wesleyan values of respect, compassion, diversity, generosity, partnership, and service. The parties view this covenant statement as setting forth elements of an enduring partnership which is important to each. C.C. Young is committed to this covenant in order to enhance the quality of life and holistic growth of older persons, in keeping with our United Methodist tradition. The Annual Conference is committed to the covenant as an opportunity to make a difference in the lives of older adults by bringing to C.C. Young core United Methodist values as set forth in the *Book of Discipline of The United Methodist Church*.

Communication

The primary communication link between the parties will be the Chair of the Board of Directors of C.C. Young and the Bishop of the Annual Conference. C.C. Young will meet with the Annual Conference Board of Trustees on an annual basis to discuss programs and plans. This annual communication meeting may be accomplished by the parties' mutual participation in the Annual Conference meeting which is held in June of each year. Information shall be consistently shared so that both partners remain responsible and committed to each other's interests.

The leadership of C.C. Young, in their capacity as representatives of C. C. Young, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. C.C. Young will maintain active membership in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and C.C. Young are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, C.C. Young has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and C.C. Young are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will make financial contributions to the other, or that they will be responsible for each other's liabilities. However, C.C. Young, on behalf of its ministries to older persons, may request financial support from the Annual Conference as a health and welfare ministry. Furthermore, financial independence does not preclude the partners from working together on projects of mutual interest, nor does it prevent the partners from contributing to the charitable programs of the other. C.C. Young will not pursue a church-by-church financial campaign without written permission from the Council on Finance and Administration of the Annual Conference.

Structural Links

The Annual Conference and C.C. Young are both Texas tax-exempt nonprofit corporations. C.C. Young is governed by its Board of Trustees; its assets and property are held in the name of C.C. Young Memorial Home or in the names of wholly owned subsidiaries of C.C. Young. In the event of dissolution of C.C. Young, all of its property (except that within the boundaries of The North Texas Annual Conference) shall, after making provisions of applicable financial codes, be paid over and transferred to the Annual Conference. In the event that neither the Annual Conference

nor any successor to the Annual Conference is in existence at the time, the Board of Trustees of C.C. Young shall, after making provision for the discharge of all liabilities and obligations, dispose of the assets to organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes in such manner as described in the C.C. Young amended and restated Articles of Incorporation.

Use of United Methodist Insignia

The Center acknowledges that before it can use the official United Methodist insignia or the term “United Methodist” in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to older adults through this relationship with C.C. Young, and C.C. Young affirms its commitment to operate as an extension ministry of The United Methodist Church.

The statement of covenant relationship will be reviewed every quadrennium by C.C. Young with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and C.C. Young. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of C.C. Young through its Board of Trustees. The covenant relationship shall continue until either party, upon a year’s notification, indicates the desire to terminate the relationship.

C.C. YOUNG MEMORIAL HOME
a nonprofit corporation

THE NORTH TEXAS ANNUAL
CONFERENCE OF THE UNITED
METHODIST CHURCH
a nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

EXHIBIT B COVENANT STATEMENT OF RELATIONSHIP BETWEEN THE NORTH TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH AND DALLAS BETHLEHEM CENTER

Introduction

Dallas Bethlehem Center (hereinafter “Center”) located in Dallas, Texas, and within the boundaries of the North Texas Annual Conference of the United Methodist Church, was initially founded on June 16, 1969. The Center ministers to the South Dallas community by providing social services such as the provision of food, job placement, vocational classes, mentoring, child care, and counseling, and life-training and life-sustaining services. The Center is a faith-based community of care, dedicated to enhancing the quality of life and advancement opportunities of those in poverty.

Purpose of Covenant Statement

The North Texas Annual Conference of the United Methodist Church (hereinafter “Annual Conference”) and the Center celebrate a long-standing and valuable relationship. The parties share the Wesleyan values of respect, compassion, diversity, generosity, partnership, and service. The parties view this covenant statement as setting forth elements of an enduring partnership which is important to each. The Center is committed to this covenant in order to enhance the quality of life of those in poverty, in keeping with our United Methodist tradition. The Conference is committed to the covenant as an opportunity to make a difference in the lives of people by bringing to the Center core United Methodist values as set forth in the *Book of Discipline of The United Methodist Church*.

Communication

The primary communication link between the parties will be the Chair of the Board of Directors of the Center and the Bishop of the Annual Conference. The Center will meet with the Annual Conference Board of Trustees on an annual basis to discuss programs and plans. This annual communication meeting may be accomplished by the parties’ mutual participation in the Annual Conference meeting which is held in June of each year. Information shall be consistently shared so that both partners remain responsible and committed to each other’s interests.

The leadership of the Center, in their capacity as leaders of the Center, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. The Center is encouraged to maintain active membership in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and the Center are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, the Center has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and the Center are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will make financial contributions to the other, or that they will be responsible for each other’s liabilities. However, the Center, on behalf of its ministries to its surrounding community, may request financial support from the Annual Conference as a health and welfare ministry. Furthermore, financial independence does not preclude the partners from working together on projects of mutual interest, nor does it prevent the partners from contributing to the charitable programs of the other. The Center will not pursue a church-by-church financial campaign without written permission from the Council on Finance and Administration of the Annual Conference.

Structural Links

The Annual Conference and the Center are both Texas tax-exempt nonprofit corporations. The Center is governed by its Board of Trustees; its assets and property are held in the name of Dallas Bethlehem Center or in the names of wholly owned subsidiaries of the Center. In the event of dissolution of the Center, all of its property (except that within the boundaries of The North Texas Annual Conference) shall, after making provisions of applicable financial codes, be paid over and

transferred to the Annual Conference. In the event that neither the Annual Conference nor any successor to the Annual Conference is in existence at the time, the Board of Trustees of the Center shall, after making provision for the discharge of all liabilities and obligations, dispose of the assets to organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes in such manner as described in the Center amended and restated Articles of Incorporation.

Use of United Methodist Insignia

The Center acknowledges that before it can use the official United Methodist insignia or the term “United Methodist” in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to the South Dallas community through this relationship with the Center, and the Center affirms its commitment to be operated as an extension ministry of The United Methodist Church.

The statement of covenant relationship will be reviewed every quadrennium by the Center with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and the Center. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of the Center through its Board of Trustees. The covenant relationship shall continue until either party, upon a year’s notification, indicates the desire to terminate the relationship.

DALLAS BETHLEHEM CENTER
a nonprofit corporation

THE NORTH TEXAS ANNUAL
CONFERENCE OF THE UNITED
METHODIST CHURCH
a nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

EXHIBIT C COVENANT STATEMENT OF RELATIONSHIP BETWEEN THE NORTH TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH AND GOLDEN CROSS

Introduction

Golden Cross is a faith-based program of Methodist Health System. Golden Cross and The North Texas Conference of the United Methodist Church celebrate a long-standing and valuable relationship. It is a relationship based on the shared values of respect, compassion, diversity, spirituality, generosity, partnership, and service.

The relationship is mutually beneficial, with each organization drawing strength from the other. The presence of the church helps ensure that Golden Cross remains dedicated to the provision of

quality health care for the people of North Texas, regardless of the ability to pay. Golden Cross enables The North Texas Conference to fulfill its mission to the ministry of healing.

As the business of health care becomes ever more competitive, the risk is high that compassion, concern, and generosity will give way to accounting, technology, and selective care delivery. This covenant relationship will not only be impactful in the market place, it will serve as a moral and ethical foundation of the highest standards.

Background

As a division of Methodist Health System, Golden Cross is a unique mission and ministry. It was started in 1921 by a men's Sunday School class at the First United Methodist Church of Dallas, Texas. This group of citizens and community leaders saw the need in Dallas to provide healthcare for those who could not afford it. These men saw the potential for outreach and the growth of their vision if each member of each Methodist congregation would give one dollar per year to Golden Cross.

Purpose of Covenant Statement

The North Texas Annual Conference of the United Methodist Church (hereinafter "Annual Conference") and Golden Cross view this covenant statement as setting forth elements of an enduring, dynamic partnership that is fundamentally important to both. Golden Cross is committed to this covenant in order to remain steadfast in its identity as a program-based ministry that provides healthcare delivery to those who are indigent, uninsured, and underserved. The Annual Conference is committed to this covenant as a critical opportunity to make a difference in health care delivery to those patients served by Golden Cross by bringing to Golden Cross core United Methodist values set forth in *The Book of Discipline of the United Methodist Church* and *The Book of Resolutions*.

Communication

In any relationship, clear and regular communication is essential. The primary communication linkage will be between the Chair of the Board of Directors of the Golden Cross and the Bishop of the Annual Conference. Information shall be constantly shared with each other so that both partners feel responsible and committed to each other's interests. In addition to the ongoing communication as stated above, representatives of the boards of trustees of the two organizations shall meet at least annually to discuss items of concern about the covenant and mission. This annual communication meeting may be accomplished by the parties' mutual participation in the Annual Conference meeting which is held in June of each year.

In cooperation with the Annual Conference office and publications, Golden Cross will communicate with the broad membership of the Annual Conference for purposes of awareness, accountability, marketing, and mission development. The Annual Conference recognizes that by emphasizing this relationship and promoting Golden Cross within the Methodist Health System, the Annual Conference can expect to generate a flow of communications from United Methodists about Golden Cross. The parties view this as important information that will provide insights not otherwise available.

The leadership of Golden Cross, in their capacity as representatives of Golden Cross, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. Golden Cross is encouraged to maintain active membership in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and Golden Cross are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, Golden Cross has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and Golden Cross are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will make financial contributions to the other, or that they will be responsible for each other's liabilities. This financial independence does not preclude the partners from working together on projects of mutual interest.

Structural Links

The Annual Conference and Golden Cross are both Texas tax-exempt nonprofit corporations. Golden Cross is governed by its Board of Directors. It has no assets or property.

Use of United Methodist Insignia

The Center acknowledges that before it can use the official United Methodist insignia or the term "United Methodist" in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to the ministries of Golden Cross, and Golden Cross its commitment to be operated as a ministry of The United Methodist Church in the Methodist Health System.

The statement of covenant relationship will be reviewed at a minimum of every quadrennium by Golden Cross with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and Golden Cross. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of Golden Cross through its Board of Trustees. The covenant relationship shall continue until either party, upon a year's notification, indicates the desire to terminate the relationship.

GOLDEN CROSS
a ministry of Methodist Health System
nonprofit corporation

THE NORTH TEXAS ANNUAL
CONFERENCE OF THE UNITED
METHODIST CHURCH
a nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

EXHIBIT D **COVENANT STATEMENT OF RELATIONSHIP BETWEEN
THE NORTH TEXAS ANNUAL CONFERENCE OF THE
UNITED METHODIST CHURCH AND METHODIST
HOSPITALS OF DALLAS**

Introduction

Methodist Hospitals of Dallas, located in Dallas, Texas, and within the boundaries of the North Texas Annual conference of the United Methodist Church, was initially founded as a non-profit entity on April 18, 1935. The corporation was formed for the benevolent and charitable purpose of building, owning and operating facilities to provide care to the sick and the injured, as well as the education of people who provide this care.

Purpose of Covenant Statement

The North Texas Annual Conference of the United Methodist Church (hereinafter “Annual Conference”) and Methodist Hospitals of Dallas view this covenant statement as setting forth elements of an enduring, dynamic partnership that is fundamentally important to both. Methodist Hospitals of Dallas is committed to this covenant in order to remain steadfast in its mission to provide care to those who are sick or injured, and to render charity services through available avenues such as the Golden Cross Program. The Annual Conference is committed to this covenant to partner with Methodist Hospitals of Dallas through financial and spiritual support for the various Methodist Medical Care facilities throughout the geographical bounds of the North Texas Annual Conference.

Communication

In any relationship, clear and regular communication is essential. The primary communication linkage will be between the Chair of the Board of Directors of the Methodist Hospitals of Dallas and the Bishop of the Annual Conference. Information shall be constantly shared with each other so that both partners feel responsible and committed to teach other’s interests. In addition to the ongoing communication as stated above, representatives of the boards of trustees of the two organizations shall meet at least annually to discuss items of concern about the covenant and mission. This annual communication meeting may be accomplished by the parties’ mutual participation in the Annual Conference meeting which is held in June of each year.

In cooperation with the Annual Conference office and publications, Methodist Hospitals of Dallas will communicate with the broad membership of the Annual Conference for purposes of awareness, accountability, marketing, and mission development. The Annual Conference recognizes that by emphasizing this relationship and promoting the Methodist Hospitals of Dallas, the Annual Conference can expect to generate a flow of communications from United Methodists about the Methodist Hospitals of Dallas. The parties view this as important information that will provide insights not otherwise available.

The leadership of Methodist Hospitals of Dallas, in their capacity as representatives of Methodist Hospitals of Dallas, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. The North Texas Conference encourages Methodist Hospitals of Dallas to be an active member in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and Methodist Hospitals of Dallas are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, Methodist Hospitals of Dallas has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and Methodist Hospitals of Dallas are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will make financial contributions to the other, or that they will be responsible for each other's liabilities. This financial independence does not preclude the partners from working together on projects of mutual interest.

Structural Links

The Annual Conference and Methodist Hospitals of Dallas are both Texas tax-exempt nonprofit corporations. Methodist Hospitals of Dallas is governed by its Board of Directors.

Use of United Methodist Insignia

The Center acknowledges that before it can use the official United Methodist insignia or the term "United Methodist" in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to the health and welfare ministries of the Methodist Hospitals of Dallas, and Methodist Hospitals of Dallas its commitment to be operated as a ministry of The United Methodist Church.

The statement of covenant relationship will be reviewed at a minimum of every four years by Methodist Hospitals of Dallas with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and the Methodist Hospitals of Dallas. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of Methodist Hospitals of Dallas through its Board of Trustees. The covenant relationship shall continue until either party, upon a year's notification, indicates the desire to terminate the relationship.

METHODIST HOSPITALS OF DALLAS
A nonprofit corporation

THE NORTH TEXAS ANNUAL
CONFERENCE OF THE
UNITED METHODIST CHURCH
a nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

EXHIBIT E **COVENANT STATEMENT OF RELATIONSHIP BETWEEN
THE NORTH TEXAS ANNUAL CONFERENCE OF THE
UNITED METHODIST CHURCH AND WESLEY-RANKIN
COMMUNITY CENTER, INC.**

Introduction

Wesley-Rankin Community Center (hereinafter “Wesley-Rankin”) located in Dallas, Texas, and within the boundaries of the North Texas Annual Conference of the United Methodist Church, was initially founded in 1904. The Wesley-Rankin ministers to the West Dallas community by providing social services such as after-school care for children, food, clothes, mentoring, and other like forms of care. Wesley-Rankin is a faith-based community of care, dedicated to enhancing the quality of life and advancement opportunities of those in poverty.

Purpose of Covenant Statement

The North Texas Annual Conference of the United Methodist Church (hereinafter “Annual Conference”) and Wesley-Rankin celebrate a long-standing and valuable relationship. The parties share the Wesleyan values of respect, compassion, diversity, generosity, partnership, and service. The parties view this covenant statement as setting forth elements of an enduring partnership which is important to each. Wesley-Rankin is committed to this covenant in order to enhance the quality of life of those in poverty, in keeping with our United Methodist tradition. The Conference is committed to the covenant as an opportunity to make a difference in the lives of people by bringing to Wesley-Rankin core United Methodist values as set forth in the *Book of Discipline of The United Methodist Church*.

Communication

The primary communication link between the parties will be the Chair of the Board of Directors of Wesley-Rankin and the Bishop of the Annual Conference. Wesley-Rankin will meet with the Annual Conference Board of Trustees on an annual basis to discuss programs and plans. This annual communication meeting may be accomplished by the parties’ mutual participation in the Annual Conference meeting which is held in June of each year. Information shall be consistently shared so that both partners remain responsible and committed to each other’s interests.

The leadership of Wesley-Rankin, in their capacity as leaders of Wesley-Rankin, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. Wesley-Rankin is encouraged to maintain active membership in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and Wesley-Rankin are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, Wesley-Rankin has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and Wesley-Rankin are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will

make financial contributions to the other, or that they will be responsible for each other's liabilities. However, Wesley-Rankin, on behalf of its ministries to its surrounding community, may request financial support from the Annual Conference as a health and welfare ministry. Furthermore, financial independence does not preclude the partners from working together on projects of mutual interest, nor does it prevent the partners from contributing to the charitable programs of the other. Wesley-Rankin will not pursue a church-by-church financial campaign without written permission from the Council on Finance and Administration of the Annual Conference.

Structural Links

The Annual Conference and Wesley-Rankin are both Texas tax-exempt nonprofit corporations. Wesley-Rankin is governed by its Board of Trustees; its assets and property are held in the name of Wesley-Rankin Community Center or in the names of wholly owned subsidiaries of the Center. In the event of dissolution of Wesley-Rankin, all of its property (except that within the boundaries of The North Texas Annual Conference) shall, after making provisions of applicable financial codes, be paid over and transferred to the Annual Conference. In the event that neither the Annual Conference nor any successor to the Annual Conference is in existence at the time, the Board of Trustees of Wesley-Rankin shall, after making provision for the discharge of all liabilities and obligations, dispose of the assets to organizations organized and operating exclusively for charitable, educational, religious, or scientific purposes in such manner as described in the Wesley-Rankin charter as amended and restated Articles of Incorporation.

Use of United Methodist Insignia

Wesley-Rankin acknowledges that before it can use the official United Methodist insignia or the term "United Methodist" in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to the West Dallas community through this relationship with Wesley-Rankin, and Wesley-Rankin affirms its commitment to be operated as an extension ministry of The United Methodist Church.

The statement of covenant relationship will be reviewed every quadrennium by Wesley-Rankin with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and the Center. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of Wesley-Rankin through its Board of Trustees. The covenant relationship shall continue until either party, upon a year's notification, indicates the desire to terminate the relationship.

WESLEY-RANKIN COMMUNITY
CENTER
a nonprofit corporation

THE NORTH TEXAS ANNUAL
CONFERENCE OF THE UNITED
METHODIST CHURCH
a nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

**EXHIBIT F COVENANT STATEMENT OF RELATIONSHIP BETWEEN
THE NORTH TEXAS ANNUAL CONFERENCE OF THE
UNITED METHODIST CHURCH AND WESLEY VILLAGE
RETIREMENT COMMUNITY**

Introduction

Wesley Village Retirement Community has been providing Independent and Assisted Living opportunities for seniors since 1987.

Purpose of Covenant Statement

The North Texas Annual Conference of the United Methodist Church (hereinafter “Annual Conference”) and Wesley Village Retirement Community (hereinafter called “Wesley Village”) view this covenant statement as setting forth elements of an enduring, dynamic partnership that is fundamentally important to both. Wesley Village is committed to this covenant in order to remain steadfast in its mission to provide quality and affordable housing for seniors. The Annual Conference is committed to this covenant to partner with Wesley Village through financial and spiritual support for seniors in need of housing.

Communication

In any relationship, clear and regular communication is essential. The primary communication linkage will be between the Chair of the Board of Directors of the Wesley Village and the Bishop of the Annual Conference. Information shall be constantly shared with each other so that both partners feel responsible and committed to teach other’s interests. In addition to the ongoing communication as stated above, representatives of the boards of trustees of the two organizations shall meet at least annually to discuss items of concern about the covenant and mission. This annual communication meeting may be accomplished by the parties’ mutual participation in the Annual Conference meeting which is held in June of each year.

In cooperation with the Annual Conference office and publications, Wesley Village will communicate with the broad membership of the Annual Conference for purposes of awareness, accountability, marketing, and mission development. The Annual Conference recognizes that by emphasizing this relationship and promoting Wesley Village, the Annual Conference can expect to generate a flow of communications from United Methodists about Wesley Village. The parties view this as important information that will provide insights not otherwise available.

The leadership of Wesley Village, in their capacity as representatives of Wesley Village, will continue to be welcomed as non-voting participants of the Annual Conference or its successor organization. The Annual Conference encourages Wesley Village to be an active member in The United Methodist Association of Health and Welfare Ministries.

Board Representation

The Annual Conference and Wesley Village are independent entities, governed and financed separately and without fiscal or legal responsibility to one another. However, because of the deep connection with The United Methodist Church, Wesley Village has a strong commitment to having a significant number of United Methodist, including North Texas Annual Conference, clergy and lay representation on its Board of Trustees.

Financial Considerations

The Annual Conference and Wesley Village are financially and legally independent organizations, both operating under the laws of the State of Texas. As such, there is no expectation that either will make financial contributions to the other, or that they will be responsible for each other's liabilities. This financial independence does not preclude the partners from working together on projects of mutual interest.

Structural Links

The Annual Conference and Wesley Village are both Texas tax-exempt nonprofit corporations. Wesley Village is governed by its Board of Directors.

Use of United Methodist Insignia

The Center acknowledges that before it can use the official United Methodist insignia or the term "United Methodist" in its name, mission statement, publications, or promotional or marketing material that it must first obtain approval of the General Council of Finance and Administration.

Relationship Review

The Annual Conference affirms its commitment to the ministries of Wesley Village, and Wesley Village its commitment to be operated as a ministry of The United Methodist Church. The statement of covenant relationship will be reviewed at a minimum of every quadrennium by Wesley Village with the Board of Trustees of the North Texas Annual Conference as part of the ongoing communication and cooperation between the Annual Conference and Wesley Village. Any change in this statement requires the approval of the Annual Conference through its Board of Trustees and the approval of Wesley Village through its board of Trustees. The covenant relationship shall continue until either party, upon a year's notification, indicates the desire to terminate the relationship.

WESLEY VILLAGE RETIREMENT
COMMUNITY
A nonprofit corporation

THE NORTH TEXAS ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH
A nonprofit corporation

Chair, Board of Trustees

Chair, Board of Trustees

Date: _____

Date: _____

Approved:

LA 11**ACCOUNTABLE REIMBURSEMENT POLICY****NORTH TEXAS CONFERENCE
OF THE UNITED METHODIST
CHURCH****ACCOUNTABLE REIMBURSEMENT POLICY**

The following resolution is hereby adopted by the Council on Finance and Administration of the North Texas Annual Conference of the United Methodist Church. It will be effective for the calendar year 2015 and all future years unless specifically revoked or superseded.

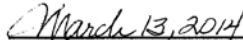
All lay and clergy employees will be reimbursed for ordinary and necessary business expenses incurred in the performance of his or her responsibilities when he/she substantiates the amount, business purpose, date, and place of the expense.

This substantiation must be provided to the conference treasurer within sixty (60) days of incurring the expense. The individual must return to the Conference Office any amounts received in excess of the substantiated expenses within one hundred twenty (120) days of receipt.

The Conference Office will not report any properly substantiated reimbursement payments as income on any Form W-2.



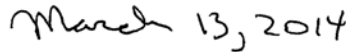
Bishop Michael McKee
Bishop, North Texas Annual
Conference of the United
Methodist Church



Date



Rev. Dr. J. Clayton Oliphint
President, Council on Finance
And Administration



Date



Rev. Jodi Smith
Treasurer, North Texas Annual
Conference of the United
Methodist Church



Date

LA 12

WELCOMING RESOLUTION

WHEREAS, the Rio Grande and Southwest Texas Conferences have formed one new conference—Rio Texas—and churches beyond the borders of the new conference have been given the option of requesting to be a part of the conference in which they are geographically located, and

WHEREAS, the churches of the Rio Grande Conference have served faithfully with the bounds of the North Texas Conference for many years, and

WHEREAS, the professing members of two former Rio Grande Conference congregations have voted to transfer into the North Texas Conference, and

WHEREAS, the South Central Jurisdictional and Charge Conferences have acted to make a transfer between conferences possible,

BE IT THEREFORE RESOLVED that the North Texas Conference, meeting in regularly scheduled session in Richardson, Texas, on June 2, 2014, in accordance with ¶260 of the 2012 United Methodist *Book of Discipline*, declares that Agape Memorial United Methodist Church, Dallas, Texas, and Casa Emanu-El United Methodist Church, Dallas, Texas, are joyfully welcomed into full membership and participation in the life and ministry of the North Texas Conference, effective July 1, 2014.

LA 13

TASK FORCE REGARDING FUNDING FOR NEW CHURCH STARTS, SCHOLARSHIPS FOR CANDIDATES FOR MINISTRY, AND DEBT REDUCTION FOR CANDIDATES FOR MINISTRY

Resolution

The charge of the task force was to prepare a definite plan of action to address the following issues:

- Increased funding for new church starts
- Scholarships for candidates for ministry, and
- Debt reduction for candidates for ordained ministry

The task force shall make a report of findings and proposals for action to the 2014 Annual Conference.

Task force focus

1. Identifying the gap between current financial support levels for candidates for ordained ministry and the support needed to fulfill their call
2. Identifying the gap between current support levels for new church starts and the needs of the Conference for new church development
3. Recommending funding options for the North Texas Conference to fulfill the stated mission of the church in North Texas, paying particular attention to:

- a. The age of current clergy (closest to retirement age in the South Central Jurisdiction; over half of the clergy in the NTC will retire or be eligible for retirement in the next 10 years)
- b. The difference between seminary graduates and clergy candidates “in process”
- c. The special need for mission churches and pastors that reflect the increasing diversity of our region
- d. The growth and expansion of North Texas in general and that effect on the need for new churches in our growing areas.

Analysis

1. A survey of recent graduates who are candidates for ordination (over 60 sent; over 30 replied)
2. Map study of required new church starts, identifying gaps, provided by Rev. Jim Ozier
3. Review of statistics on the remaining time in ministry from North Texas Conference clergy compared to the number of clergy needed in the next 10 years
4. Review of various church plant methods and funding requirements needed to plant the required churches

Survey results—key findings

Age:	Average: 44.6	Age range: 26–67
Years in Seminary:	Average: 4.3	Range: 3.5–7 years
Debt:	Mean: \$25,000	Range: \$0–\$100,000
Gender of those completing survey:	Female: 47%	Male: 53%
Use of debt proceeds:	Educational expenses/living expenses/supplemental expenses	

What we need to do regarding clergy preparedness

- Identify and prepare 100 persons in the next 10 years who have the time to serve a minimum of 20 years in ministry.
- Prepare new clergy with leadership development as much as financial support.
- Following graduation and acceptance into the ordination process, provide \$5,000 per year for five years to forgive debt.

What we need to do regarding new church starts

- Plant 25 new churches in the next 10 years—fully one third of which need to be “mission” plants.
- Set the goal for these new churches at 1,000 average weekly Sunday attendance and seek the locations, the leadership, and the financial support required to realize full engagement of the congregations.
- Invest, as a Conference, \$300,000 to \$350,000 per church start.
- Meet the needs of the increasingly diverse population in the NTC.
- Begin with 1–2 new church starts per year and expand to 3–4 in later years to meet the 10-year plan.

What we need to do to demonstrate stewardship as a Conference in seeking support of our local church congregations

- Better communicate the significant financial support already available to seminary students.

- Assure the Conference that we are funding our need for clergy leadership, not for seminary graduates, per se.
- Utilize the existing Conference capabilities in new church start leadership and congregational engagement so as to avoid creating new positions that deflect from our direct mission.

Task force conclusions and recommendations

1. The North Texas Conference must develop 100 new long-term clergy of the next 10 years to support the needs of existing and future congregations due to the growth of the Conference area and retirement plans of existing clergy.
2. Further, the North Texas Conference must create 25 new church starts over the same period in order to meet the needs of our community for:
 - a. Expanding communities in our growing North Texas region
 - b. Mission churches to support the ethnic diversity of our Conference
 - c. Unserved pockets within our Conference
3. Based on the research of the highly variable student loans existing today and the cost of funding new church starts under proven guidelines, the task force recommends the following funding:
 - a. Clergy—\$5,000 per year for 5 years (\$25,000 total) for each candidate accepted into the ordination process who can contribute to the future leadership requirements of the Conference (total \$2,500,000)
 - b. Church starts—at a cost of \$350,000 each over the next 10 years (total \$8,750,000)
4. The task force believes that funding these commitments through an apportionment increase is NOT feasible at this time due to existing church financial responsibilities.
5. The task force believes that a voluntary capital campaign within the Conference, including opportunities for church as well as individual support, is the most feasible means to fully resource these vital commitments.
6. It is recommended that the structure of this campaign be determined by the Council on Finance and Administration (CF&A) for determination of the final scope and oversight of this campaign.
7. The task force seeks a motion to approve the recommendation of the task force and to authorize the Council on Finance and Administration to approve the final campaign structure and funding strategy.

LA 14

RESOLUTION TO PREVENT THE INSTITUTE ON RELIGION AND DEMOCRACY FROM CONTINUED USE OF CONTACT INFORMATION BELONGING TO LOCAL CHURCHES OF THE NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

FROM: Jack Soper, Don Underwood, Clayton Oliphint, Carol Sparks, Alexandra Smith, Ann Willet, Jan Davis, Julie Macpherson, Jodi Smith, Anna Hosemann-Butler, Mitchell Boone, Edgar Bazan, Carol Montgomery, Becky Walker, Chris Dowd, JD Allen, Kerry Smith, Andy Stoker, Nancy DeStefano, Matt Gaston, Diana Holbert, Mary Beth Hardesty Crouch, Marti Soper, Jim Kirby, Eric Folkerth, Holly Bandel, Jessica Wright, Gretchen Toler Debus, Kay Ash, Keith Head, Todd Harris

BACKGROUND:

WHEREAS, confidential contact information about members of United Methodist Churches is held in trust as protected by local churches or by the North Texas Conference of the United Methodist Church (“NTC”); and

WHEREAS, the responsibility to protect confidential contact information is extended to any organization that is given access to such proprietary contact information by a local church or NTC, and

WHEREAS, the UMR Communications, Inc. (“UMR”) was given contact information about members of local churches and members of the NTC, trusting that such information would never be shared without permission; and

WHEREAS, the contact information provided to the UMR Communications, Inc. was sold by the UMR to the Institute on Religion and Democracy (“IRD”) without the permission of its rightful owners: the local churches and the NTC; and

WHEREAS, the IRD used that information to contact approximately 160,000 members of local churches and those associated with the United Methodist Church to include churches of the NTC and those associated with the NTC for the purpose of promoting their cause, soliciting donations, and for the sale of books; now therefore

BE IT RESOLVED that the North Texas Conference of the United Methodist Church meeting in session on June 2, 2014, demands that the Institute on Religion and Democracy cease and desist use of the contact information about members of local churches and those associated with the North Texas Conference that they purchased from the UMR Communications, Inc.

FURTHER BE IT RESOLVED that the Institute on Religion and Democracy return (to whatever extent possible) all contact information to the rightful owners: local churches of the North Texas Conference, as well as the North Texas Conference, and communicate assurances that they have deleted from their records all contact information purchased from the UMR Communications, Inc.

FURTHER BE IT RESOLVED that the North Texas Conference develop a written confidentiality policy regarding the conference records and refer such matters to the appropriate committee.

FURTHER BE IT RESOLVED that it be determined if any other group or organization has bought the UMR mailing list, and if so, they be subject to the legislation as well as the IRD.

FINALLY BE IT RESOLVED that the Institute on Religion and Democracy disclose every occasion when and to whom they (the IRD) sold lists of contact information initially sold to them by the UMR.

IMPLIMENTATION:

This resolution adopted by the North Texas Conference of the United Methodist Church in session on June 3, 2014 is to be sent to the:

Institute on Religion and Democracy
1023 15th Street NW, suite 601
Washington DC 20005

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RESOLUTION IN OPPOSITION TO THE DEATH PENALTY

FROM: Board of Church and Society

WHEREAS, The United Methodist Church, according to its Social Principles (§164. G.), believes “the death penalty denies the power of Christ to redeem, restore, and transform all human beings,” and “opposes the death penalty and urge(s) its elimination from all criminal codes,”; and

WHEREAS, in the state of Texas:

- over 515 persons have been put to death since the state resumed executions in 1982;
- according to the Texas Department of Criminal Justice, more than 20% of the 275 inmates on Texas’ death row are diagnosed with some type of mental illness; among the persons executed since 1982 at least nine were developmentally disabled;
- among those executed since 1982, thirteen were juveniles when their crimes were committed;
- race appears to play a significant role in application of the death penalty; of states with more than 10 people on death row, Texas (70%) has the largest percentage of minorities on death row; among those executed since 1982, 109 African Americans were put to death for crimes against white victims, and only four white persons have been executed for crimes against African Americans;
- twelve persons sentenced to die have later been proven innocent and removed from death row;
- the cost of an average death penalty case is nearly three times higher than imprisoning someone in maximum security for forty years; and
- the use of the death penalty throughout the state is fraught with inefficiency and inequality,

THEREFORE, BE IT RESOLVED, that the 2014 Annual Conference of the North Texas Conference of The United Methodist Church meeting in Richardson, Texas:

- call upon all clergy members of the Annual Conference to sign the Clergy Sign-On Letter sponsored by the Texas Coalition to Abolish the Death Penalty and Texas Impact;
- call upon all local churches and lay members of the Annual Conference to pressure their local and state representatives to work toward the abolition of the death penalty in Texas;
- call upon the Texas Legislature either to abolish the death penalty completely or to stop executions in the state until such time as all capital cases can be tried in a completely equitable way;
- call upon the Texas Pardon and Parole Board and the governor to commute the sentences of persons currently on death row to life in prison without parole or to life in prison;
- encourage the Bishop of the North Texas Conference to attend the press event on the steps of the Capitol during Faith Leader Lobby Day on the Death Penalty, to be held at the next regular session of the Texas Legislature in 2015; and
- instruct the secretary of the Annual Conference to have copies of this resolution sent immediately to all candidates for, and members of, the Texas Legislature; to each member of the Pardon and Parole Board; to the Governor of Texas; to the Lieutenant Governor of Texas; to all District Attorneys within the confines of the North Texas Conference; to Texas Impact, and to the Texas Coalition to Abolish the Death Penalty.