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## LA 1

**LAY/CLERGY EQUALIZATION TABLE**  
**2013 EQUALIZATION OF LAY AND CLERGY MEMBERSHIP**

DISTRICT	CLERGY	LAY	RULE IIIA(1)	TOTAL RULE IIIA(1)	LAY EQUAL FACTOR
EAST	85	69	4	73	12
METRO	292	127	24	151	141
NORTH CENTRAL	185	117	9	126	59
NORTHWEST	82	64	6	70	12
TOTALS	644	377	43	420	224

## STANDING RULE IIIA(1)

	EA	ME	NC	NW	TOTAL
Conference Lay Leader			1	1	2
Core Leadership Team	1	1		1	3
UMM President		1			1
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		15		1	16
Agency Chairs		3	4		7
TOTALS	4	24	9	6	43

	Membership 2012	% of Total	To Be Elected
East	11,952	8%	18
Metro	63,229	43%	96
North Central	58,550	39%	87
Northwest	15,061	10%	23
TOTALS	148,792	100%	224

## LA 2

### RESOLUTION TO BE SUBMITTED TO THE 2013 MEETING OF THE NORTH TEXAS ANNUAL CONFERENCE BY THE 2012 DELEGATION TO GENERAL AND JURISDICTIONAL CONFERENCES

Resolved, the North Texas Annual Conference elects its delegates to the 2016 General and Jurisdictional Conferences at the 2014 meeting of the North Texas Annual Conference, as permitted in the *2012 Book of Discipline*, ¶502.3.

Be it further resolved that the Council on Finance and Administration shall provide within the 2014 conference budget adequate funds to conduct the elections as in previous years.

Rationale: The traditional timing of the election of delegates is during the meeting of the Annual Conference preceding the meeting of the General Conference. The 2012 General Conference gave Annual Conferences the option of holding elections one year earlier—for the 2016 General Conference during the 2014 meetings of the Annual Conferences. The number of delegates to be elected from each Annual Conference will be released to the Bishop and Secretary of each Annual Conference by the Secretary of the General Conference on Dec. 1, 2013.

Under the traditional timing, the delegation is elected at the start of June, and the deadline for submitting resolutions to the General Conference is in August. The earlier election of the delegation provides greater opportunities for considering petitions to be submitted by the delegation, communicating with delegations and leaders from other annual conferences, and studying relevant materials. The delegation would be able to act as an appropriate clearing house for such petitions which individual members, churches, or groups in the North Texas Annual Conference might wish to submit under the support of the North Texas Delegation.

Greater time would be provided for collaborating with other Annual Conferences in our Jurisdiction on legislative matters. Delegations would have a greater opportunity to work across Conference lines in order to develop and work together on important pieces of legislation. This would allow the petitions to have even greater support when they reach General Conference, providing the opportunity for conferences in the South Central Jurisdiction to come together and present a united front on important matters.

In sum, moving the time of the elections 12-months earlier permits more time allotted to preparation of possible petitions, cross-conference collaboration, and overall preparation time, including training in the parliamentary procedures used at General Conference. It also allows more time for the laity and clergy on the delegation to come to know each other and learn how to work together as a cohesive team.

## LA 3

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

**FROM:** Standing Rules Committee

**BACKGROUND:** In accordance with the Judicial Council Decision 1225 dated October 27, 2012, the following two committees are being reinstated and defined by name,

function, connection and membership. Since the inception of the Strategic Plan in 2010, the Center for Leadership Development assumed the responsibilities for the work of these two named committees. The Judicial Council ruled that the committees must be maintained, clearly identified and defined and the connectional relationships must be clear and obvious. Nomination and election of the members of the boards and committees of the operation agencies must be completed. Therefore, we submit the following.

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

**LEGISLATION:** As it pertains to Standing Rule 1.B.1.b.

**b. Center for Leadership Development**

The Center for Leadership Development will address the priority of developing young, diverse, lay and clergy principled Christian leaders. It will encourage faith development and discipleship and provide a system that creates, empowers and supports a culture of principled Christian leaders.

It will include the Board of Ordained Ministry (BOM) which is required by *BOD* ¶635.1, the Committee on Administrative Review which is required by *BOD* ¶636 and other BOM Sub-Committees as determined by BOM. It will include the Board of Laity (¶631.1), the Committee on Lay Servant Ministries (¶631.6), the United Methodist Women which is required by *BOD* ¶647, and the United Methodist Men which is required by *BOD* ¶648. It will also include the Conference Council on Youth Ministries (CCYM) (¶649.1).

The Center for Leadership Development will also provide for the functions and maintain the connectional relationships required by ¶625.1 (Commission on Equitable Compensation), ¶630 (Board of Discipleship), ¶650 (Council on Young Adult Ministry), and ¶634.1 (Board of Higher Education and Campus Ministry).

**It will also provide for the functions and maintain the connectional relationships required by *BOD* ¶643 (Committee on Religion and Race) and ¶644 (Committee on the Status and Role of Women).**

**i. Committee on Religion and Race**

**The NTC Committee on Religion and Race (*BOD* ¶643) shall be constituted and function in accordance with the *Book of Discipline* to provide for the functions of this ministry and maintain the connectional relationship between the General Commission on Religion and Race and the conference, district, and local church by empowering the Church to pursue racial equity and cultural competency thus building more vital and vibrant UM congregations.**

**The NTC Committee on Religion and Race shall be composed of eight members elected by the annual conference (with attention to inclusion of clergywomen, youth, young adults, older adults, persons from churches with small memberships, people with disabilities. This membership should reflect the widest sense of racial, ethnic, tribal, and cultural diversity). The elected members shall serve for one or two quadrenniums. The elected members shall be divided into two classes (four persons for a 4-year term; four persons for an 8-year term) in order to provide for the rotation of participation while maintaining board continuity. Work and funding of the NTC Committee on Religion and Race shall be coordinated through the Center for Leadership Development.**

The NTC Committee on Religion and Race shall adhere to the guiding purpose, mission, direction and responsibilities outlined in the BOD ¶643, focusing on major priorities of issues related to promoting equity in the systems, policies and processes of the institution; and equipping the church's leaders and ministries to demonstrate inter-cultural competency so that, a) local churches will be relevant in changing communities and diverse cultures, b) annual conference clergy and laity, Cabinet, Board of Ordained Ministry and Board of Laity, and staff parish committees will create systems that promote inclusiveness and are equitable for all, and c) developing culturally competent leaders and ministries to serve the community and world (BOD ¶643). The committee members will determine the frequency of their meetings as well as the location and duration.

ii. Committee on the Status and Role of Women

The NTC Committee on the Status and Role of Women (BOD ¶644) shall be constituted and function in accordance with the *Book of Discipline* to provide for the functions of this ministry and maintain the connectional relationship between the General Commission on the Status and Role of Women and the conference, district, and local church to ensure gender bias and discrimination against women is challenged, confronted and justice prevails for female clergy and laity serving in the local church, community and world.

The NTC COSROW Committee shall be composed of eight members elected by the annual conference (with attention to inclusion of clergywomen, youth, young adults, older adults, persons from churches with small memberships, people with disabilities, and racial and ethnic persons, BOD ¶610.5) and, by virtue of their offices, the person or persons(s) serving as member(s) of the General Commission on the Status and Role of Women from the annual conference shall be a member of the conference COSROW, as well as a member named by the conference United Methodist Women (BOD ¶644.2 and 710.6). The chairperson of the commission shall be a woman. The elected members shall serve for one or two quadrenniums. The elected members shall be divided into two classes (four persons for a 4-year term; four persons for an 8-year term) in order to provide for the rotation of participation while maintaining board continuity. Work and funding of the Board shall be coordinated through the Center for Leadership Development.

The NTC COSROW shall adhere to the guiding purpose, mission, direction and responsibilities outlined in the BOD ¶2101-2103. The NTC COSROW will focus on major priorities of issues related to women (BOD ¶644), a) to gather, interpret and transmit information on the status and role of all women at the conference, district and local church level, b) work in tandem with the UMW to champion full inclusion of women in decision-making structures, c) develop processes to inform and sensitize leadership within the conference at all levels on issues that affect women, d) to review sexual harassment policies and procedures, by working in consultation with the NTC CART Crisis Team(s) and enlisting the support of the bishop, cabinet and conference staff in policies, plans and practices related to those priorities, e) remain a feedback loop with GCOSROW on progress and effectiveness of efforts at the local level, and f) participate in connectional programs, plans and resources from the GCOSROW as needed. The committee members will determine the frequency of their meetings as well as the location and duration.

## LA 4

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

**FROM:** Standing Rules Committee

**BACKGROUND:** In recognition of the changes in health care insurance in general due to the Affordable Care Act and specifically upcoming changes in access to group plans as offered by the General Board of Pension and Health Benefits, this legislation is being offered to provide greater flexibility in securing the best life, hospital, accident and disability insurance coverage possible. The Conference Board of Pension and Health Benefits remains committed to providing access and funding for this insurance for our active and retired participants. Therefore, we submit the following.

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

**LEGISLATION:** As it pertains to Standing Rule 1.B.6.a.

The Board of Pension and Health Benefits shall be constituted and function in accordance with the *Book of Discipline*. It will provide for and contribute to the support, relief, assistance and pensioning of clergy and their families, other church workers and lay employees, except as otherwise provided by the General Board of Pension and Health Benefits. It will also provide to all clergy who qualify and other persons who qualify **access to** the best life, hospital, accident, and disability insurance coverage possible ~~as a group~~ with the funds available for that purpose. The Board of Pension and Health Benefits shall discuss and take action as it deems appropriate regarding proposals under its jurisdiction.

## LA 5

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

**FROM:** Standing Rules Committee

**BACKGROUND:** A Proposed Amendment to the Standing Rules was passed in 2009 establishing July 1 as the effective date of Annual Conference moves. The legislation as presented in 2009 also set the related moving dates and expected dates of service in a given church in the attached related actions and relevant citations to that legislation. This legislation incorporates the guidance into the Standing Rules to create a quick reference for pastors and churches as they prepare for a change in pastoral appointment.

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

**LEGISLATION:** As it pertains to Standing Rule II.A.11

11. The effective date for Annual Conference moves and clergy retirements is July 1. Thus when a pastoral change comes at Annual Conference, the salary of the previous appointment shall be paid through June 30, and the salary in the new appointment shall begin July 1. **The official moving day for Annual Conference moves is the Thursday after the last Sunday in**

**June. The first Sunday at the new appointment for Annual Conference moves is the first Sunday in July.**

## LA 6

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

**FROM:** Standing Rules Committee

**BACKGROUND:** The proposed change in wording is intended to clarify the expectation that utilities for a parsonage, whether owned by the church or provided through the housing allowance, are separate from the housing allowance but are a part of the base compensation package as noted in the Equitable Compensation legislation A.1.b. Therefore, we submit the following.

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

**LEGISLATION:** As it pertains to Standing Rule II.E.2.Housing Allowances 2.

2. A utility allowance shall be paid **separately from** ~~in addition to~~ the housing allowance. **Utilities are considered part of the minimum equitable compensation package.**

## LA 7

### EQUITABLE COMPENSATION ANNUAL DETERMINATION

**FROM:** Center for Leadership Development (CLD)

**BACKGROUND:** Historically, the North Texas Conference embraces the primary purpose that Equitable Compensation Pastors Funds be allocated to assist local churches in moving from part-time pastoral positions to full-time pastoral positions. These funds are meant to be transitional funds and not 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 transitional setting congregation 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 missional setting congregation 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 \$60,000 for 2014.

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

1. Equitable Compensation for Conference Members be set at \$44,770 for the minimum equitable compensation. This compensation includes:
  - a. base salary,
  - b. utilities, which shall be provided with payments made by the local church or reimbursed when paid by the pastor.
  - c. vouchered travel reimbursement, which shall be reimbursed at the IRS rate with appropriate records and documentation provided to the church,
  - d. dependent premium payments made by the local church,
  - e. dependent premium supplemental payments paid by the conference at the discretion of the District Superintendent,
  - f. and other conference subsidies received, but excluding any reimbursement for Annual Conference expenses or grants to assist with the expenses to attend expected spiritual formation or continuing education events for all of the clergy members of the conference (e.g., the Clergy Retreat)) for conference members in full connection, associate members and provisional members of the North Texas Conference serving full time for 2014.

For the seventh 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 2014 is an increase of 1.21% from \$44,235 in 2013.

2. Adjustments for years of service:

Years of Service	Equitable Compensation Amounts
0–5	\$44,770
6	44,870
7	44,970
8	45,070
9	45,170
10	45,270

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	\$39,534
Six years or more	\$39,634
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)

\*\**(2008 Book of Discipline, Paragraphs 331.14, 625.4)*

B. The following policies are proposed to the North Texas Annual Conference for the distribution of equitable compensation assistance in 2014:

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.

\*(Judicial Council decision #807)

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 AND ACTION PLAN**

In the North Texas Conference Minimum Equitable Compensation Salary increases have been indexed annually with the % increase given to all 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%. Given that pension and health insurance premiums continue to rise annually as a cost to the congregations there is a present need to study, examine and bring a recommendation to align mission, money and a sustainable plan for Equitable Compensation. A task force, led by the Center for Leadership Development shall be convened to bring a comprehensive plan to the 2014 Session of the North Texas Conference for legislative action.

## LA 8

### 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 2014 by each active, retired, or disabled Clergyperson who is or was a member of the Conference or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

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

NOTE: The rental/housing allowance that may be excluded from a 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 9

### PRE-1982 SERVICE YEAR RATE FOR 2014

**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. In 1999 the North Texas Conference adopted 1% of the Conference Average Compensation (CAC) as its policy for setting the annual pre-1982 service year rate. 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 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. Although we are no longer required by *Discipline* to tie the Past Service Rate to the CAC and we are required to provide the full funding of any planned increase by the close of the year preceding the increase, the North Texas Conference Board of Pension and Health Benefits is recommending we continue to set the Pre-1982 Service Year Rate at 1% of the CAC. For 2014 the CAC is \$74,267. Thus, the Conference Board of Pension and Health Benefits recommends that 1% of that or \$743 be the past service rate for 2014.

**LEGISLATION:** That the pre-1982 Service Year Rate for 2014 be established at \$743 for approved service of clergy members in full connection, probationary members, associate members and local pastors of the conference.

## LA 10

### 2014 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 2014 apportionment budget request reflects the plans included in previous legislation regarding Clergy Retirement Security Plan (CRSP) funding, Pre-1982 Service Year Rate for 2014 and the 2014 Pre-82 Pension Liability and Retiree Medical Liability Funding Plans as well as the proposed legislation for Retiree Medical Insurance, and the inclusion of Less Than Full Time Clergy in CRSP. The notes following each section of the apportionment offer further explanation.

As planned, \$29,829 from reserves was spent for pensions and \$66,419 from reserves was spent for board expenses and health insurance subsidies in 2012. For 2013, it is budgeted that approximately \$30,000 from reserves will be spent for apportioned pension supplements and \$70,000 from reserves will be spent for apportioned health insurance subsidies.

At the beginning of 2013, approximately \$1.56 million remained in health insurance reserves. It is anticipated that the balance of the health insurance reserves will be about \$1.49 million at the end of 2013. 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) so as to be able to preserve the options of the conference health insurance program. As planned, the subsidies for health insurance will be apportioned again beginning in 2014.

#### LEGISLATION:

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
<b>Pensions</b>					
Past Service Funding	642,000	626,781	624,000	0	
CPP	0	0	0	628,000	
CRSP Supplement	0	29,829	0	25,000	
Board Expenses	12,000	9,379	13,100	11,500	
Sub-Total	654,000	665,989	637,100	664,500	4.30%

- (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. Therefore we are being assessed \$356,254 for 2014 for the past liability. In addition, General Conference 2012 passed legislation requiring all increases in Past Service Rates must be funded at the beginning of the year the increase is slated to take effect. The Board of Pension and Health Benefits is recommending we continue the same rate of increase as in the past, which is tied to the increase in the Conference Average Compensation. This results in an increase of approximately 1.5% for our retirees. The funding required for this increase is \$290,983. The funding for this liability for this year will come from the Deposit account at the General Board. Going forward, funding for the remaining Pre-82 Liability will have to be considered in response to updated actuarial data and market performance. At this time, assuming no further market downturns, we believe the remaining liability can be funded without additional apportionments by using the designated Retiree Medical Account, as this account is designed to cover both Retiree Medical and Pre-82 liabilities.
- (2) The CRSP Supplement provides supplements for churches under the Denominational Average Compensation and 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, and \$29,829 in 2012. The anticipated expense for 2013 is approximately \$30,000. 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.

- (3) The Sub-Total is an increase of \$27,400 or approximately 4.3% from the 2013 amount budgeted of \$637,100, due to apportioned funding of the CRSP supplement.

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
<b>Health Insurance</b>					
Health Ins Subsidy–Disability (1)	0	36,260	0	38,000	
Insurance-Life/ADD Premium (2)	0	28,825	0	30,000	
Board Expenses	0	1,334	0	1,850	
<b>Retiree Health Insurance</b>					
Current Year Benefits (3)	517,800	500,600	517,800	415,000	
Past Service Funding (4)	784,000	765,845	784,000	784,000	
Ret. Med. For New Entrants (5)	213,000	208,039	213,000	213,000	
Sub-Total (6)	1,514,800	1,540,903	1,514,800	1,481,850	-2.2%
Total for BOPHB (7)	2,168,800	2,206,892	2,151,900	2,146,350	-0.3%

(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.

(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 anticipated cost in 2013 is approximately \$517,800. Beginning in 2014, the transition to Extend Health will lower the overall costs for both the retiree and the conference. This request also includes \$15,000 to be allocated to the cost of the actuarial services required for audit and compliance.

(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. With the move to Extend Health, it is anticipated the liability could be fully funded by 2021 if not sooner.

(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.

(6) The Sub-Total is a decrease of \$32,950 or 2.2% from 2012.

(7) The TOTAL is a decrease of \$5,500 or 0.3%.

## LA 11

### CRSP PARTICIPATION FOR LESS THAN FULL TIME CLERGY

**FROM:** Board of Pension and Health Benefits

**BACKGROUND:** By approval of Petition 20432 at the 2012 General Conference, the Clergy Retirement Security Program (CRSP) was changed to require that full-time clergy continue to be eligible to earn benefits; for those clergy serving less than full-time, each annual conference may also elect to cover clergy who are appointed three-quarters time or half-time. Clergy who are appointed one-quarter time will no longer be eligible to earn CRSP benefits. As in the past, all appointed clergy are eligible to participate in UMPIP.

**LEGISLATION:** That the North Texas Annual Conference continue to offer eligibility to earn CRSP benefits to all clergy members in full connection, probationary members, associate members and local pastors of the conference serving in one-half and three-quarter time appointments. Clergy serving in full-time appointments must participate in CRSP. All clergy members serving in half-time and three-quarter time appointments may opt out of CRSP through a waiver. All clergy, including those serving in one-quarter time appointments, are eligible to participate in UMPIP.

## LA 12

### 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 2012. Even with all the financial challenges we have faced as a nation and in our annual conference and congregations, the churches of the North Texas Conference had a total 2012 payout of 96.8%, compared to 95.8% for 2011. We are very aware that several pastors and churches truly went the extra mile to make it happen. Congratulations and thank you for your dedication and commitment!

We celebrate that 268 out of 295 churches with apportionments paid 100%, and 53 churches made Second Mile contributions to help others. Both of these statistics are increases over last year. Your faithfulness in your stewardship as well as your generosity in helping one another in meeting this financial obligation is a powerful testimony. We especially recognize the NORTHWEST District for achieving 100% payment for the 21st year in a row as well as the EAST District for their 100% payout for the 18th year in a row! These pastors, lay leaders and District Superintendents Marvin Guier and Joan LaBarr are to be commended!

The total paid for apportionments was \$11,536,576 and the total paid for all benevolent causes was \$12,286,843.

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 2012 FINANCIAL OVERVIEW**

1. The 2012 apportionment payout was 96.8%.
2. As planned, we spent down an additional \$347,333 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 and the \$491,344 in 2011. The target goal of the health insurance reserves is between \$1,000,000 and \$1,500,000. As of the end of 2012, we still had \$1,558,416 in our health insurance reserve account. We plan to spend an additional \$100,000 for Pension and Health Insurance supplements in 2013.
3. The total unrestricted and undesignated cash held by the conference treasurer at the end of 2012 was \$586,854. At the January 11, 2013 closeout day, the treasury received an additional \$1,966,011 in 2012 apportionments. The conference treasury held \$6,684,449 in designated reserves at the Texas Methodist Foundation, and an additional \$19,316,692 in deposits at the General Board of Pension and Health Benefits, designated for the outstanding liabilities of \$9,780,695 for the remaining Pre-82 liability and \$28,562,691 in Post Retiree Medical liability. These remaining retiree liabilities total \$19,026,694 ( $28,562,691 + 9,780,695 - 19,316,692$ ) which must be funded by 2021.
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. Although we have approximately \$19.3 million held in trust for this liability, the actuarially determined liability for this benefit is \$28.6 million. Please see the Retiree Medical Liability report contained with the Board



of Pension and Health Benefits report for more information on our plans to fund this in its entirety by 2021.

5. Detailed 2012 financial reports may be found in the Agency Reports section XIII of this Journal.

### **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, 2012, we have entered into a new two year electrical aggregate contract for a negotiated rate of 5.55 cents per KWH for the churches that opted to participate. This contract has been extended for another 18 months beginning January 1, 2014 at a rate of 5.41 cents per KWH for the participating churches.

#### **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 past 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 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.

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 legislative items.)

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. Their report is included in the Conference Board of Pension and Health Benefits report found on page 314.

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.”

The amount of change called for in accordance with the policy for 2014 is a 1.21% increase, which brings the salary to \$109,530. Parsonages or a Housing Allowance are provided by the districts. Utilities, travel and expenses are reimbursed by voucher.

**RECOMMENDATIONS FOR LEGISLATIVE ACTION**

**I. AUDITOR FOR THE CONFERENCE TREASURY**

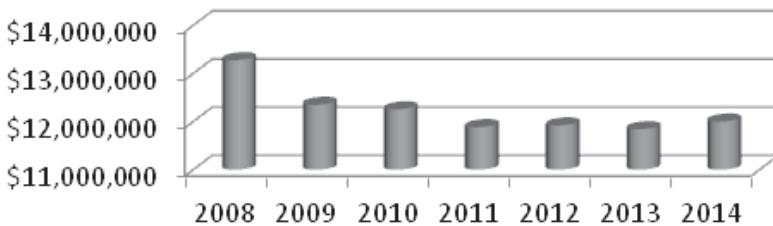
The Council recommends Ratliff Associates as the auditing firm for the Conference Treasury for the 2013 audit.

**II. 2014 APPORTIONMENT BUDGET RECOMMENDATION**

BACKGROUND:

Since 2009, CFA has worked diligently to reduce the total apportionment budget, accomplishing a total reduction of 9.7% over the last six 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%. For 2014, CFA is recommending a 1.7% increase in apportionments to a total of \$12,040,366. The overall reduction in apportionment dollars over the last six years translates to an additional \$1.3 million per year in ministry dollars available for the work of our local churches.

**Apportionment Budget**



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 Missional Outreach is submitting a slightly reduced budget, the Centers for Leadership Development and Connectional Resources are requesting modest increases, 2% and .7% respectively to cover general operating costs. The largest increase in the Annual Conference budget is located in the Center for New Church starts. CFA is recommending a total 15.4% increase in recognition of the need to fund new places for new people. This increase only permits the addition of 1.5 churches in 2014. Without this funding, we will not be able to begin any new churches in 2014.

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 19, 2013.

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 1.21% increase. Other staff salaries are calculated with an aggregate increase of 2.0% plus a benefits cost increase of 3.5%.

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. We have budgeted an additional \$285,800 to be spent in 2013. As of the beginning of 2013, we still had \$1,558,416 remaining in the health insurance reserve fund. We believe we will have reached our targeted goal of \$1 to \$1.5 million in health insurance reserves by the end of 2013. Therefore for 2014, we have included the supplemental insurance subsidies in the apportionment budget. 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.

The following other non-apportioned income related to the apportioned items is also anticipated: \$50,500 from another conference to partially fund the Justice For Our Neighbors attorney position, \$13,000 from youth events to fund CCYM staff, \$50,000 from health insurance premiums for staff, \$10,000 from GCFA for the Episcopal Residence, \$1,500 from booths at the Ministry Mart for Annual Conference, and \$3,000 for printed copies of the Journal. Additional other non-apportioned but related income may be received during the year.

### 2014 Apportionment Budget Recommendation

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
<b>GENERAL CONFERENCE (1)</b>					
World Service Fund	1,821,700	1,714,516	1,801,746	1,767,764	
Ministerial Education Fund	604,406	589,509	618,568	606,900	
Black College Fund	241,070	235,385	246,729	242,076	
Africa University Fund	53,953	52,755	55,214	54,172	
Episcopal Fund	554,897	539,217	522,126	516,183	
General Administration Fund	208,057	199,414	217,413	213,335	
Interdenominational Coop. Fund	47,842	45,598	48,353	47,441	
<b>TOTAL</b>	<b>3,531,925</b>	<b>3,376,394</b>	<b>3,510,149</b>	<b>3,447,871</b>	<b>-1.8%</b>

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
<b>JURISDICTIONAL CONFERENCE (2)</b>					
Lydia Patterson Institute	65,268	64,476	73,244	73,244	
Mt. Sequoyah Assembly	14,877	14,194	17,515	17,515	
Jurisdiction Administration Fund	31,018	29,743	34,304	34,304	
SMU Campus Ministry (3)	8,160	7,865	9,023	6,767	
<b>TOTAL</b>	<b>119,323</b>	<b>116,278</b>	<b>134,086</b>	<b>131,830</b>	<b>-1.7%</b>

**ANNUAL CONFERENCE****CENTER FOR LEADERSHIP DEVELOPMENT****Board of Ministry (Professional Ministries)**

General	12,500	9,216	10,250	24,220
Recruitment	5,000	0	0	5,000
Residency	800	0	800	1,000
Clergy Fruitfulness	5,000	2,159	6,450	5,000
Prep & Qual.	12,250	12,599	18,000	18,000
Chaplains, Counseling, Exit	1,200	0	1,200	0
Sub-Total	36,750	23,974	36,700	53,220

**Board of Laity**

Board Expenses	5,000	4,782	7,691	4,327
Lay Servant Ministries	2,500	3,203	2,500	4,364
Sub-Total	7,500	7,985	10,191	8,691

**Faith Development**

Children	5,000	5,172	8,000	8,000
Youth	42,000	32,606	40,150	45,800
Young Adults				2,700
Campus Ministries	455,000	412,764	457,859	460,243
Faith Development Resources	0	0	1,000	0
MinistrySafe System				5,000
Bridgeport Summer Camp Prog	116,500	116,500	118,500	125,050
Prothro SEEK Camp Program	20,000	24,882	20,000	20,000
Sub-Total	638,500	591,924	645,509	666,793

Texas Methodist Colleges	100,000	95,912	100,000	100,000
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Mentoring & Coaching Program	25,000	25,086	20,000	20,000
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Living, Leading & Developing Fruitfulness			12,800	15,000
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	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
Conflict Management (CART) Team	10,000	8,762	15,000	15,000	
Equitable Compensation					
Salary Supplements	65,000	101,661	65,000	60,000	
Missional Grants	25,000	0	25,000	25,000	
Sub-Total	90,000	101,661	90,000	85,000	
Intentional Interim Pastors Prog	22,000	22,342	40,000	35,000	
Assessment and Exit Program	10,000	5,900	5,000	5,000	
COSROW				5,000	
Race and Religion				5,000	
Emerging Ministries	10,000	18,272	10,000	5,000	
Center Admin. Expenses	10,000	19,120	13,500	15,000	
Staff (6)	359,450	324,431	340,000	340,000	
<b>TOTAL</b>	1,319,200	1,245,369	1,338,700	1,373,704	2.6%

#### CENTER FOR NEW CHURCH DEV. & CONG. TRANSFORMATION

New Church Development					
Training	51,000	13,095	51,000	51,000	
Coaches/Consultants	31,000	12,295	31,000	31,000	
Demographics	6,500	8,200	8,500	8,500	
New Church Starts	1,108,944	937,465	931,852	860,810	
Less: Budgeted Reserve Spending (5)	(705,037)	(449,053)	(578,694)	(395,590)	
Sub-Total	492,407	522,002	443,658	555,720	
Congregational Transformation	68,000	65,251	68,000	80,000	
Center Admin. Expenses	10,000	11,776	12,900	10,000	
Staff (6)	266,693	256,515	312,542	320,356	
<b>TOTAL</b>	837,100	855,543	837,100	966,076	15.4%

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
<b>CENTER FOR MISSIONAL OUTREACH</b>					
Advisory Team					
Administration	0	12,694	0	7,000	
Team Expenses	5,000	2,109	1,000	500	
Education/Leadership Dev.	6,500	40	4,000	1,000	
Website/Publicity	4,500	4,795	8,000	7,000	
Events	3,000	2,279	7,000	2,500	
Em. Initiatives: Poverty & Global Health	32,000	23,100	30,000	20,000	
Sub-Total	51,000	45,017	50,000	38,000	
Christianity Unity & Interreligious Concerns					
Team Expenses	1,000	41	1,000	500	
Education/Leadership Dev.	2,500	445	2,000	500	
Emerging Initiatives	5,000	0	7,500	5,000	
Sub-Total	8,500	486	10,500	6,000	
Church and Society					
Team Expenses	1,000	23	1,000	500	
Education/Leadership Dev.	2,500	130	2,000	3,000	
Emerging Initiatives	4,000	1,953	7,500	6,500	
Sub-Total	7,500	2,106	10,500	10,000	
Ethnic Local Church Concerns					
Team Expenses	1,000	0	1,000	500	
Education/Leadership Dev.	2,500	1,875	2,000	2,000	
Emerging Initiatives	2,500	1,593	7,500	2,000	
Ethnic Local Church Initiatives	75,000	74,979	50,000	50,000	
Hispanic Ministry Initiatives	100,000	97,600	90,000	100,000	
Sub-Total	181,000	176,047	150,500	154,500	
Global Ministries					
Team Expenses	1,000	645	1,000	500	
Education/Leadership Dev.	2,500	3,683	2,000	3,000	
Emerging Initiatives	44,000	21,000	7,500	7,500	
Global Health		64	5,000	0	
Global Partnership	20,000	10,157	20,000	0	
Disaster Response/VIM	32,450	13,986	4,000	6,000	
Immigration Legal Services (JFON)	37,300	37,300	38,000	40,000	
Missionary Recruitment & Itineration	500	413	2,000	500	

	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
Sub-Total	137,750	87,248	79,500	57,500	
Staff (6)	315,289	301,174	321,595	346,792	
<b>TOTAL</b>	<b>701,039</b>	<b>612,078</b>	<b>622,595</b>	<b>612,792</b>	<b>-1.6%</b>

### CENTER FOR CONNECTIONAL RESOURCES

Conference Administration					
Adm. Office incl. IT	100,000	169,117	134,300	149,515	
Adm. Agencies incl. D&O Ins.	48,500	42,842	40,500	42,500	
Annual Conference Session	75,000	55,273	76,900	79,770	
Balloting Expenses	0	0	0	30,000	
Ministry Center Operations	147,500	112,792	144,750	141,000	
Ministry Center Debt Service	260,000	230,845	260,000	260,000	
Sub-Total	631,000	610,869	656,450	702,785	
Board of Pension & Health Benefits					
Pensions					
Past Service Funding	642,000	626,781	624,000	0	
CPP	0	0		628,000	
CRSP Supplement	0	29,829	0	25,000	
Board Expenses	12,000	9,379	13,100	11,500	
Sub-Total	654,000	665,989	637,100	664,500	
Health Insurance					
Health Insurance Subsidy— Medical Leave	0	36,260	0	38,000	
Insurance—Life/ADD Premium	0	28,825	0	30,000	
Board Expenses	0	1,334	0	1,850	
Retiree Health Insurance					
Current Year Benefits	517,800	500,600	517,800	415,000	
Past Service Funding	784,000	765,845	784,000	784,000	
Ret. Med. For New Entrants	213,000	208,039	213,000	213,000	
Sub-Total	1,514,800	1,540,903	1,514,800	1,481,850	
Sub-Total for BOPHB	2,168,800	2,206,892	2,151,900	2,146,350	
Moving Fund	117,000	112,217	117,000	117,000	
Camp & Retreat Center Operations					



	2012 Budget	2012 Actual Expenses	2013 Budget	2014 Request	% Change
Bridgeport Camp	90,000	90,000	90,000	100,000	
Prothro Center	100,000	95,910	100,000	100,000	
Sub-Total	190,000	185,910	190,000	200,000	
Staff (6)	587,444	568,702	587,444	590,832	
<b>TOTAL</b>	3,694,244	3,684,590	3,702,794	3,756,967	1.5%
<b>EPISCOPAL AREA</b>					
Area Office	65,650	62,726	65,650	69,472	
Episcopal Residence	32,000	58,405	32,000	32,000	
Communications	247,900	242,393	210,150	224,850	
Communications Staff (6)	216,730	189,285	202,296	200,690	
<b>TOTAL</b>	562,280	552,809	510,096	527,012	3.3%
<b>DISTRICT SUPERINTENDENTS</b>					
Base Salaries (4)	425,020	423,320	432,884	438,120	
Pensions	42,756	40,083	44,167	35,608	
Travel/Expenses	60,000	58,815	60,000	60,000	
Emergency Fund	10,000	0	10,000	10,000	
<b>TOTAL</b>	537,776	522,218	547,051	543,728	-0.6%
<b>TOTAL ANNUAL CONFERENCE</b>	7,651,639	7,472,607	7,558,336	7,780,279	2.9%
<b>TOTAL WITHOUT DIST ADMIN FUNDS</b>	11,302,887	10,965,279	11,202,571	11,359,980	1.4%
<b>DISTRICT ADMINISTRATION FUNDS (7)</b>					
Metro District	154,850	144,363	165,881	165,859	
North Central District	154,429	181,612	164,660	177,800	
East District	157,166	136,738	159,016	165,846	
Northwest	149,837	114,248	149,837	149,837	
<b>TOTAL DIST ADMIN FUNDS</b>	616,282	576,961	639,394	659,342	3.1%
<b>GRAND TOTAL</b>	11,919,169	11,542,240	11,841,965	12,019,322	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 1.21%.
5. As of December 31, 2012, the Center for New Church Starts held total reserves, including jump start monies, of \$939,580.
6. The staff budget requests include an aggregate increase of 2% plus a benefits cost increase of 3.5%.
7. 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 2012 church membership of the Annual Conference (less discontinued churches and fellowships = 148,293) into the 2012 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 53, 54, 56–58, and 60–62 of the 2012 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 = \$81,941,988). 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 13

### MERGER OF ROSALIE UMC WITH BOGATA UMC

**FROM:** North Texas Conference Board of Trustees

**BACKGROUND:** Because only a small number of members remain at the Rosalie UMC, they agreed that they cannot continue to operate as a separate church. Members of both churches conclude that now is the time to merge into one congregation. The membership of the Rosalie congregation has merged with the Bogata congregation.

**LEGISLATION:** The North Texas Conference Board of Trustees recommends the merger of these two congregations. The Conference Trustees, the Rosalie congregation and the Bogata congregation have agreed to the merger. The congregations and the East District Superintendent agree to file a quit claim deed to the Rosalie Fire Department/Rosalie Community Center Organization.

## LA 14

### MERGER OF DUNDEE UMC WITH HOLLIDAY UMC

**FROM:** North Texas Conference Board of Trustees

**BACKGROUND:** Because only a small number of members remain at the Dundee church, they recognize they cannot continue to operate as a separate church. Members of both churches conclude that now is the time to merge into one congregation. The Holliday location will be the home of the merged congregation.

**LEGISLATION:** The North Texas Conference Board of Trustees recommends the merger of these two congregations. The Conference Trustees recommends that the merged church sell the Dundee property and incorporate the proceeds of the sale with their funds and property.

## LA 15

### RATIONALE FOR PROPOSED CONSTITUTIONAL AMENDMENTS

The United Methodist Church  
Voted General Conference April-May 2012

- I. (¶ 6) The proposed amendment acknowledges God's action in conferring the gift of the Church by including praying for unity among the tasks of the Church.
- II. (¶ 14) The proposed amendment would allow the General Conference to meet at other times during the calendar year on dates better suited for younger delegates and those with parenting responsibilities.
- III. (¶ 32) The proposed amendment removes the connotation that leadership training is only about preaching in order to develop skills and enhance the spiritual gifts of the laity.

- IV. (§ 40) The proposed amendment gives the power of boundary decisions to jurisdictional and central conferences, bodies that include lay persons.

**2012 GENERAL CONFERENCE**  
The United Methodist Church  
**Proposed Constitutional Amendment—I**

On April 30, 2012, at a session of the General Conference of The United Methodist Church held in Tampa, Florida, the following Constitutional Amendment was adopted by a recorded vote of 865 Yes, 50 No (Calendar Item 211, *DCA* p. 2340). It is now presented to the Annual Conferences for vote.

In the 2008 *Book of Discipline*, Division One, § 6, *Article VI*, (2012 *Book of Discipline*, Division One, § 6, *Article VI*) amend by addition as follows:

After “it will” add “pray.”

If voted and so declared by the Council of Bishops, § 6 (§ 6) would read:

Ecumenical Relations—As part of the church universal, The United Methodist Church believes that the Lord of the church is calling Christians everywhere to strive toward unity; and therefore it will pray, seek, and work for unity at all levels of church life: through world relationships with other Methodist churches and united churches related to The Methodist Church or The Evangelical United Brethren Church, through councils of churches, and through plans of union and covenantal relationships with churches of Methodist or other denominational traditions.

AND

**Proposed Constitutional Amendment — II**

On May 1, 2012, at a session of the General Conference of The United Methodist Church held in Tampa, Florida, the following Constitutional Amendment was adopted by a recorded vote of 731 Yes, 181 No (Calendar Item 205, *DCA* p. 2430). It is now presented to the Annual Conferences for vote.

In the 2008 *Book of Discipline*, Division Two, Section II, § 14, *Article II*, (2012 *Book of Discipline*, Division Two, Section II, § 14, *Article II*) amend by deletion and addition as follows:

After “shall meet” delete “in the month of April or May” and after “duly authorized committees.” add a new sentence, “The change in the preceding sentence shall become effective at the close of General Conference in 2016.”

If voted and so declared by the Council of Bishops, § 14 (§ 14) would read:

The General Conference shall meet once in four years at such time and in such place as shall be determined by the General Conference or by its duly authorized committees. The change in the preceding sentence shall become effective at the close of General Conference in 2016.

A special session of the General Conference, possessing the authority and exercising all the powers of the General Conference, may be called by the Council of Bishops, or in such other manner as the General Conference may from time to time prescribe, to meet at such time and in such place as may be stated in the call. Such special session of the General Conference shall be composed of the delegates to the preceding General Conference or their lawful successors, except that when a particular annual conference or missionary conference shall prefer to have a new election it may do so. The purpose of such special session shall be stated in the call, and only

such business shall be transacted as is in harmony with the purpose stated in such call unless the General Conference by a two-thirds vote shall determine that other business may be transacted.

AND

**Proposed Constitutional Amendment — III**

On May 3, 2012, at a session of the General Conference of The United Methodist Church held in Tampa, Florida, the following Constitutional Amendment was adopted by a recorded vote of 618 Yes, 306 No (Calendar Item 54, *DCA* pp. 2672-73). It is now presented to the Annual Conferences for vote.

In the 2008 *Book of Discipline*, Division Two, Section VI, ¶ 32, *Article I*, (2012 *Book of Discipline*, Division Two, Section VI, ¶ 32, *Article I*) amend by deletion and addition as follows:

After “director of Lay” delete “Speaking” and add “Servant”.

If voted and so declared by the Council of Bishops, ¶ 32 (¶ 32) would read:

The annual conference shall be composed of clergy and lay members. The clergy membership shall consist of deacons and elders in full connection, provisional members, associate members, and local pastors under appointment. The lay membership shall consist of professing lay members elected by each charge, the diaconal ministers, the active deaconesses, and home missionaries under episcopal appointment within the bounds of the annual conference, the conference president of United Methodist Women, the conference president of United Methodist Men, the conference lay leader, district lay leaders, the conference director of Lay Servant Ministries, conference secretary of Global Ministries (if lay), the president or equivalent officer of the conference young adult organization, the president of the conference youth organization, the chair of the annual conference college student organization, and one young person between the ages of twelve (12) and seventeen (17) and one young person between the ages of eighteen (18) and thirty (30) from each district to be selected in such a manner as may be determined by the annual conference. In the annual conferences of the central conferences, the four-year participation and the two-year membership requirements may be waived by the annual conference for young persons under thirty (30) years of age. Such persons must be professing members of The United Methodist Church and active participants at the time of election. Each charge served by more than one clergy shall be entitled to as many lay members as there are clergy members. The lay members shall have been for the two years next preceding their election members of The United Methodist Church and shall have been active participants in The United Methodist Church for at least four years next preceding their election.

If the lay membership should number less than the clergy members of the annual conference, the annual conference shall, by its own formula, provide for the election of additional lay members to equalize lay and clergy membership of the annual conference.

AND

**Proposed Constitutional Amendment — IV**

On May 1, 2012, at a session of the General Conference of The United Methodist Church held in Tampa, Florida, the following Constitutional Amendment was adopted by a recorded vote of 848 Yes, 57 No (Calendar Item 207, *DCA* p. 2431). It is now presented to the Annual Conferences for vote.

In the 2008 *Book of Discipline*, Division Two, Section VII, ¶ 40, *Article I*, (2012 *Book of Discipline*, Division Two, Section VII, ¶ 40, *Article I*) amend by deletion and addition, as follows:

Delete the first two words, “Changes in” and following “episcopal areas” delete “may be effected” and add “shall be determined” and after “and the central conferences” add “The authority of jurisdictional and central conferences provided herein is not circumscribed or limited by the authority provided to the College of Bishops to arrange a plan of episcopal supervision.”

If voted and so declared by the Council of Bishops, ¶ 40 (¶ 40) would read:

The number, names, and boundaries of the annual conferences and episcopal areas shall be determined by the jurisdictional conferences in the United States of America and by the central conferences outside the United States of America according to the provisions under the respective powers and pursuant to the respective structures of the jurisdictional and the central conferences. The authority of jurisdictional and central conferences provided herein is not circumscribed or limited by the authority provided to the College of Bishops to arrange a plan of episcopal supervision.

## LA 16

### CLOSING OF PRINCETON UMC—NORTH CENTRAL DISTRICT

**FROM:** North Texas Conference Board of Trustees

**BACKGROUND:** Because only a small number of members remain at the Princeton UMC, they agreed that they cannot continue. Members of the church concluded that now is the time to close the church with the designation that the property be used for a new church start in Princeton

**LEGISLATION:** The North Texas Conference Board of Trustees recommends that the property be sold and the proceeds from the sale be designated for a new church start in Princeton, TX. Property includes the assets of the church along with the church site and the parsonage.

## LA 17

### CLOSING OF HAIL UMC—WINDOM CHARGE-EAST DISTRICT

**FROM:** North Texas Conference Board of Trustees

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

**LEGISLATION:** The North Texas Conference Board of Trustees recommends that the property be sold and the proceeds from the sale be pledged to new church start in the East District or within the conference.