



Sunday, August 28, 2022
Church Wide Informational Meeting

TIMELINE

By **October 1, 2022**- Initial meeting between the local church and the conference discernment team must take place. This will be followed by a second discernment meeting approximately 8 weeks later.

By **DECEMBER 1, 2022**- The DS must receive a letter from the local church requesting disaffiliation under paragraph 2553.

By **DECEMBER 1, 2022**- The DS must receive a letter from the pastor indicating his or her intentions.

By **DECEMBER 31, 2022**- The DS must receive a letter from the local church requesting a church conference for the purpose of disaffiliation.

By **MARCH 1, 2023**- The church conference must meet and approve the disaffiliation resolution. A 66% majority will be needed to approve the resolution.

By **APRIL 1, 2023**- The local church, board of trustees, and assistant to the bishop prepare a legislative item for Annual Conference action.

By **JUNE 6, 2023**- The annual conference votes on the disaffiliation resolution.

By **DECEMBER 31, 2023**- All terms of the disaffiliation agreement must be met by the local church.

CONFERENCE REQUIRED

Initial Discernment Meeting- Members of the NTC discernment team will meet with the congregation to listen to their concerns, questions and to share about the identity and the “value” of the North Texas Conference. The NTC discernment team wants to ensure that the local church body is informed about the disaffiliation proposal and to get a “feel” of the congregation's sentiment regarding disaffiliation.

Period of Discernment- To avoid “rash” decisions or to ensure fully informed decisions are made, there will be a 2-month period of discernment before moving forward with the 2nd discernment meeting. This will be a period of prayer and reflection about your feelings regarding the proposal to disaffiliate.

2nd Discernment Meeting- This follow up meeting will be held for church members only after the discernment period is complete. The NTC Discernment Team will answer and refine any further questions as needed. A “straw” vote will be taken whether to proceed with the disaffiliation process. This will be a closed ballot voting and is intended to see if the church is prepared to go forward with the called Church Conference where the final binding vote will occur.

EVENTS AND TIMELINE OF THE DIVISION OF THE UNITED METHODIST CHURCH

DEFINITIONS:

UNITED METHODIST CHURCH - The denomination which was a result of the merger of the Evangelical United Brethren and the Methodist Church in 1968.

GENERAL CONFERENCE – The policy making meeting of elected delegates of the worldwide United Methodist Church which is held every 4 years.

ANNUAL CONFERENCE – The meeting of local church districts which is held every year. FUMC, Mabank is a member of the East District of the North Texas Conference of the United Methodist Church. Celene Terry is our elected representative to Annual Conference.

BOOK OF DISCIPLINE – Constitutes the law and doctrine of the United Methodist Church and has been published every 4 years following the meeting of the General Conference.

My report is to provide information regarding the events and timeline that have occurred to help explain the changes that have happened in the United Methodist Church. The major issues have revolved around the debate over human sexuality, the definition of marriage, and the ordination of clergy. The issue of human sexuality has been debated since 1972. At the 1972 General Conference of the United Methodist Church, it was voted to reaffirm the language contained in the Book of Discipline – the traditional doctrine concerning human sexuality.

The definition of marriage was confirmed as the union between a man and a woman, and it was reaffirmed that clergy would not be ordained if they professed an active gay lifestyle.

This issue has been revisited and debated at every General Conference since 1972. With this issue continuing to cause division within the denomination, the Council of Bishops (with the approval of the 2016 General Conference) formed a special commission that would attempt to come to a consensus regarding the language explaining the doctrine of the United Methodist Church regarding human sexuality.

This Special commission – called the **COMMISSION ON A WAY FORWARD** – was to meet and explore options that would hopefully strengthen church unity and then make a report to a specially convened General Conference in 2019. This specially called General Conference was to meet and discuss this one issue – the UMC’s stance on human sexuality.

At the February 2019 Special General Conference, 3 plans were presented with only 2 receiving consideration:

ONE CHURCH PLAN – presented as a plan that would allow individual churches and Annual Conferences to determine their own view of human sexuality and would allow the changing of the Book of Discipline to conform with their stated beliefs.

TRADITIONAL PLAN – presented as a plan that would confirm that the language regarding human sexuality, marriage and clergy ordination as was presently written in the Book of Discipline would remain unchanged. The 2019 Special General Conference voted to accept the Traditional Plan.

PARAGRAPH 2553

Subsequently, the 2019 Special General Conference added Paragraph 2553 to the Book of Discipline.

Paragraph 2553 addressed “disaffiliation of local churches over issues of human sexuality. It outlined guidelines and a timeline for local churches to disaffiliate from the United Methodist Church “because of current deep conflict around the issue of human sexuality” Paragraph 2553 time limit – “the choice by a local church to disaffiliate with the United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be completed prior to December 31, 2023.

The provisions of paragraph 2553 expire on December 31, 2023 and shall not be used after that date”

THE PROTOCOL FOR RECONCILIATION & GRACE THROUGH SEPARATION

With the debate and division not being settled, in late 2019 a diverse group of bishops, church leaders – representing progressives, centrists, and traditionalists – met along with a mediator to develop a proposal for an amicable separation of the denomination.

This proposal was called the “Protocol for Reconciliation and Grace Through Separation”
This proposal was finished and announced in January 2020. The Protocol was to be presented to the 2020 General Conference for approval.

Because of the Covid pandemic, the 2020 General Conference was delayed and set to occur in September 2022. In February 2022 the Commission on General Conference delayed the September 2022 Conference – postponing it until 2024.

Recently, some UMC leaders have withdrawn their support of the Protocol and approval has been placed in doubt.

With this last delay, the Traditionalist arm of the UMC launched the Global Methodist Church on May 1, 2022. This new Wesleyan based church would allow churches who wanted to disaffiliate from the UMC an option to stay within the Wesleyan Tradition and not be lost to Methodism altogether.

Stay or *Nay* UMC

Consequences for Mabank UMC

Plans for the future of the UMC

The following were the three main options presented by the commission ***On the Way Forward*** for discussion at the Special General Conference of 2019.

The Traditional Plan

This plan abides by and follows the current Book of Discipline and polity of The United Methodist Church would remain the same as what it was adopted in 1968.

The 2019 Special General Conference voted to stay with this Traditional Plan.

The One Church Plan

The One Church Plan would allow the changes to the current rules and doctrinal beliefs with the Book of Discipline to be dependent on the desire of each individual church. Some of the examples of such rules and doctrinal beliefs are human sexuality, the definition of marriage, and the ordination of gay clergy.

The Connectional Conference Plan

This plan was addressed at the Special General Conference of 2019. The Connectional Plan would have grouped into three ideological groups: Traditional, Progressive/Centrists, and Unity. It was not moved upon.

Option #1

Disaffiliation

- Choose to Disaffiliate from UMC
- Financial obligations to UMC and North Texas Conference per 2553. Richard Jackson will address this in his presentation.
- A letter delivered to the District Superintendent relaying the vote of the church to disaffiliate stating human sexuality as a reason by December 1, 2022.

Option #1

Disaffiliation

Continued

- The North Texas Conference may choose to disagree with the disaffiliation if a church decides to leave. The North Texas Conference will have the ultimate decision to approve the disaffiliation of any church in the conference.
- Apportionments: The local church shall pay apportionments through the year 2023 in which the effective date of disaffiliation is set, as well as an additional 12 months of apportionments based on the decimal for the year in which the date of disaffiliation occurs.

Option #1

Disaffiliation

Continued

- Per 2553 financial obligation will allow a church to leave with its property under the laws of The State of Texas.

Option #2

No Disaffiliation

- If the vote reflects the wishes of the local church to remain in the North Texas Conference, then it will be business as usual.
- Letter to the District Superintendent will be delivered relaying the vote of the church.

Option #2

No Disaffiliation

- If the $\frac{2}{3}$ vote is not met, the option to disaffiliate is finished per 2553.
- Any pastoral appointments would be made according to the itinerant process as it is today.

In June 2019 the North Texas Annual Conference disagreed with the Special General Conference and voted “to aspire” to become a one church conference.

Our matter of business, and our only matter of business at this time, is to vote to stay UMC or disaffiliate with UMC in 2023. The decision with whom we would affiliate is not an issue to be decided upon at this time.

Financial Assumptions

This report is to provide an educated estimate for the cost of this church to disaffiliate from the North Texas Conference of the United Methodist Church.

This is only an estimate but represents the Conference's best understanding of the current factors involved and reflects the Conference's commitment to operate in good faith in exploring disaffiliation.

Local churches that wish to separate from The United Methodist Church are required by

The Book of Discipline to make certain payments as part of the separation process.

One such payment is related to a local church's pro rata share of an annual conference's aggregate unfunded pension liability, along with apportionments, insurance, retirement etc.

These amounts are put together and managed by Wespath.

(Wespath provides retirement plans, investment solutions and health benefit plans rooted in the principles of the United Methodist Church.)

With the help of an independent, third-party consultant, Wespath recently completed a review of the liability premium used by commercial annuity providers in pension liability transfer scenarios.

When calculating an annual conference's unfunded pension liability in the context of a local church separation, Wespath is required by Paragraph 1504.23 of The Book of Discipline to use "market factors similar to a commercial annuity provider." In this calculation, Wespath uses the market interest rate from the FTSE (Financial Times Stock Exchange) Pension Discount Curve, which is an interest rate published monthly by FTSE Russell specifically for the valuation of pension liabilities.

In light of this information, the Conference has recalculated the estimated cost for churches to disaffiliate from the North Texas Conference.

In July, Wespath announced that it was reducing the liability premium component of how it calculates allocated unfunding and effective as of July 1, 2022, Wespath has updated the liability premium it uses by reducing it from 10% to 5%.

Allocated unfunding letters with “as of” dates on or after July 1, 2022, will reflect the new liability premium of 5%. All else being equal, this will reduce an annual conference’s unfunded pension liability amount.

For this estimate today, a liability premium of 5% has been applied to the last 12 months of reports.

Regarding reserves, the limited Conference funds held in reserve are spoken for, and therefore, it would be inappropriate and unwise to apply any of these reserves to the unfunded pension liability.

The NTC Board of Trustees, Board of Pension and Health Benefits, and the Council on Finance and Administration continue to evaluate how best to calculate the liability of disaffiliation, so it is fair to the local churches, the Conference, and the clergy who count on their pension to remain solvent.

As new updates become available, they will be provided to churches that are still in the discernment process.

This represents an ESTIMATE of the cost for FUMC Mabank to disaffiliate from the Conference. **Again, this is only an estimate.**

It is for discernment purposes only and does not represent an agreed upon figure that will be guaranteed at the time of disaffiliation.

And finally, should it be decided to disaffiliate, the amounts owed to the North Texas Conference would include two years of apportionments, our portion of the unfunded pension liability and property insurance and would allow the local church to leave the Conference with all properties and buildings.

NTC Calculation for Church Disaffiliation ESTIMATE

The following represents an ESTIMATE of the cost for the named church to disaffiliate from the conference.

This is only an estimate. The notes below are very important to this report.

Please make sure to review each section.

Name of Church: MABANK
District: East
Date prepared: 7/31/2022
Date estimate expires: 9/30/2022

Apportionments:			
	2023 Annual Assessment	\$	48,753
	2024 Annual Assessment	\$	48,753
	Balance	\$	<u>97,505</u>
2023 apportionment amounts have not been calculated. The current number represents the 2022 apportionment assessed to your church. The rate for 2024 will be the same as 2023.			

Health Insurance & Pension:			
	Monthly Health Insurance & Pension		Current
	Long term pension liability	\$	87,745
	Paid YTD	\$	-
	Balance	\$	<u>87,745</u>
The ESTIMATE of the pension liability is only good until the expiration date listed above. This date is provided by the actuaries when the report is issued to the NTC by Wespath.			

Property Insurance:			
	01/01/2022 Beginning Balance	\$	(68)
	2022 Total	\$	31,659
	2023 Estimated Total	\$	31,659
	Paid YTD	\$	(31,025)
	Balance	\$	<u>32,225</u>
All past due property insurance is due in full at the time of disaffiliation. The amount for 2023 is estimated to be the same as 2022 for illustration purposes only. New rates will be issued in Dec.			

Additional amounts due to NTC:			
	Legal Fees	\$	-
	Grants	\$	-
	Other Fees	\$	-
	Balance	\$	<u>-</u>

Total Estimate Due to NTC \$ 217,475

This estimate is for discernment purposes only and does not represent an agreed upon figure that will be guaranteed at the time of disaffiliation.

If Not UMC, Then What?

Broad Range of Alternatives

Other Denominations

Baptist, Lutheran, Episcopal, Presbyterian,

Independent

Other Wesleyan

Global Methodist Church, Wesleyan Methodist, Free Methodist, Southern Methodist,.....

Will seek responses from the church congregation

Comparison of Governance Documents



The Book of Discipline of the United Methodist Church 2016

Errata (December 9, 2019)

Addendum (action of 2019 General Conference)

- Includes new paragraphs 1504.29 and 2553 concerning disaffiliation

umofficialresources.com



The Transitional Book of Doctrines and Discipline of The Global Methodist Church and Judicial Practice and Procedure Rules of the Global Methodist Church
globalmethodist.org

Per guidance from member of GMC Transitional Leadership Council also referenced **Wesleyan Covenant Association Book of Doctrines and Discipline (Version 1.1)** and proposed **Catechism for the Global Methodist Church**
wesleyancovenant.org

effective until the time specified by the convening General Conference (planned for 2024)

Comparison of Governance Documents

Common Doctrinal Heritage



Ecumenical Creeds – The Apostle’s Creed, the Nicene Creed, and the Definition of Chalcedon

The Articles of Religion of the Methodist Church and The Confession of Faith of the Evangelical United Brethren Church

John Wesley’s **The Nature, Design, and General Rules of Our United Societies** and **The Explanatory Notes on the New Testament** and **The Standard Sermons of John Wesley**

Scripture – primary authority

Wesleyan Way of Salvation – prevenient grace, justifying grace, sanctifying grace

Comparison of Governance Documents

Common Church Precepts



Mission of the Church – make disciples of Jesus Christ

Inclusiveness means openness, acceptance, and support that enables all persons to participate

Membership – all people who have been baptized and all who have professed their faith

Marriage and Human Sexuality – sexual relations are affirmed only within covenant of monogamous marriage between one man and one woman

Abortion – only in tragic conflict of life with life

Comparison of Governance Documents

Doctrinal/Church Distinctions



More developed and comprehensive set of governing documents, e.g., Social Principles section clarifies position of UMC on 63 social issues whereas GMC Social Witness section address only 14 social issues

Always involve tradition, experience, and reason as we attempt to grasp the meaning of scripture



Proposed Catechism – 77 questions and responses

Gender defined by a person's immutable biological traits identified by or before birth

Convincing grace and glorifying grace

Congregational Fidelity – process for involuntary disaffiliation of a local church for teaching doctrines or engaging in practices contrary to GMC BDD

Comparison of Governance Documents

Common Points of Administration



Similar structures of church/charge conferences, annual/regional conferences and general conference

Ministry

- **Certified lay ministers, ordained deacons, elders, district superintendent and bishops**
- **Practicing homosexuals are not to be certified**
- **Committed to open itinerancy**
- **Local pastor appointed by bishop after consultation with clergy & pastor-parish relations committee**

Administrative process for clergy & bishops – for incompetence, ineffectiveness, or unwillingness to perform clergy/episcopal duties

Judicial process – for chargeable offenses

Comparison of Governance Documents

Administrative Distinctions



Apportionments, currently 8%, set by formula by annual & general conferences

All properties of UM local churches are held in trust

Guaranteed appointment for ordained elders – with provisions for administrative location

Lifetime appointment for bishops (in U.S.)



Apportionments to be established by Transitional Leadership Council until first convening general conference

No trust clause for property held by local churches

Neither elders nor deacons shall have the right to a guaranteed appointment – inactive status

Bishops' appointment "not a lifelong office"



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