God Bless you and your family. I am the lay chairperson of the Fulfilling Our Covenant campaign. I became aware of the impact of the unfunded pension liability when the Conference Connectional Ministries Budget was dramatically reduced and resulted in a significant reduction in conference staffing. After 40 years in business, I suspected the budget cuts indicated that something was wrong. However, after personally investigating the records from 1982 to the present, I can confirm that the liability was handled correctly and paid on time. In fact, the contributions have totaled more than $50 million over 30+ years. The General Conference requirement for increases to the Past Service Rate is the reason for the remaining liability. Essentially, every time a cost of living increase was granted to Pre-'82 retirees, the unfunded liability was increased accordingly.

For me, the Fulfilling Our Covenant campaign is about the future of our conference and local churches. We need to meet this obligation to free up our future resources. I equate this opportunity to paying off a mortgage early. In our case, the faster we fund this obligation, the faster our churches can utilize the annual savings to minister locally. In addition, using our hands-on consultants, CCS, each church participating in the campaign will benefit from dovetailing local needs with the campaign and avoid the expense of counsel and pledge fulfillment. I am excited for the opportunity our churches have to raise local funds in partnership with the Fulfilling Our Covenant campaign, the operating funds churches will save by meeting our obligation early, and the men and women we honor with our sacrifice.

Warm Regards,
Kip Craven, Campaign Chairperson

Matthew 17:20 says, "Truly I tell you, if you have faith as small as a mustard seed, you can say to this mountain, 'Move from here to there,' and it will move. Nothing will be impossible for you."

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A Campaign for the Eastern Pennsylvania Conference United Methodist Church

Promises of Our Past Foundation for Our Future
Resolution 2012-21 was passed unanimously at the Adjourned Session of Annual Conference in November 2012 Fall Session. It outlines a Conference-wide agreement to pay down the $12 million unfunded liability through a three-part plan that will fulfill the current need so future funding can be directed toward local and conference wide ministries. The following is a graphic and bulleted demonstration of Resolution 2012-21.

Expense Reductions
• Conference Budget & Connectional Ministries reductions will contribute $3 million.
• The 2012 conference budget produced a surplus of $494,744.
• Projections show that approximately $3 million can be raised during the six-year initiative.

Sale of Property
• Proceeds from the sale of churches outside an urban area as described in ¶2548.7 of the Book of Discipline
• 25% of the proceeds will go to paying the Pre-82 Pension Plan it is fully funded.
• The 25% will then be used for ministry in the area where the church was located at the discretion of the cabinet
• 25% of the proceeds will be directed to New Church development and the Redevelopment of older churches for strengthening our presence in Eastern Pennsylvania Conference
• 50% of the proceeds will go to paying the Pre-82 Pension Plan
• It is forecasted that the 50% allocated to the Pre-82 Pension Plan would equal approximately $6 million over six years.
• During 2012, four sales generated net proceeds of $316,974; 50%, or $183,987, was directed to pre-82 pension; 25%, or $91,994, was directed to New Church development and re-development of older churches, and 25%, or $91,994, was directed to conference trustees reserves.

Fulfilling Our Covenant
Promises of Our Past – Foundation for Our Future
• A conference-wide financial and stewardship campaign
• CCS has been retained to support our clergy and laity during the implementation of our effort.
• The fundraising goal for the Pre-82 Pension Plan will be to raise a minimum of $3 million in gifts and pledges
• A successful $3 million campaign, in tandem with $3 million in budget cuts and $6 million in property sales over the next 3 to 6 years, will substantially reduce both the percentage and amount of the Pre-82 pension obligation paid by congregations between 2014 and 2021.
• The campaign provides options for the local churches to address local needs and the pension liability utilizing fundraising counsel.

A CONNECTIONAL OPPORTUNITY
Fulfilling Our Covenant will promote community and will empower congregants to more actively embrace financial stewardship. Every United Methodist church in Eastern Pennsylvania would benefit from new funds for facilities, programs, and operations. Fulfilling Our Covenant has worked with clergy and laity to identify different ways in which a congregation can choose to participate. The leadership of each local church will choose a plan that may also include detailing Fulfilling Our Covenant with a local fundraising need. A few examples of local needs that could be addressed in tandem with Fulfilling Our Covenant are: a repaved parking lot; handicap accessibility; carpet; pews; efficient windows or funds directed toward ministries.

"I am deeply grateful to the people of the Eastern PA Conference. I have been blessed to serve churches from small to large, from the city to the country, and as a district superintendent. A continual theme during my 40 years here serving in this conference has been our past pension liability. I am delighted to be a part of this effort to finally fund our pensions in full. Please join with me in fulfilling our covenant."

– H. Joe Tyson, Retired Clergy

"I am so proud to serve the St. Matthew community in Valley Forge for nearly five years. Starting in 2012, our local church funding to the Pre-82 Retired Clergy Pension has increased from a 50% to 75% share. The three-tier strategy of Resolution 2012-21 is necessary. When we are successful in our implementation of Resolution 2012-21, and I am confident we can be successful if we are prayerful in our sacrifice and work together, it will enable our church to redirect tens of thousands of dollars in savings to missional giving during the next eight years."

– Rev. Dawn Taylor Storm, St. Matthew United Methodist Church in Valley Forge