

## Campaign Mission Statement

# and Prayer

### MISSION

We understand our mission is calling people to new life in Jesus Christ. The **Fulfilling Our Covenant** campaign will honor the ministry of those who have gone before us and release future ministries from the burden of past financial promises.

### PRAYER

Eternal God,  
You have called us into an everlasting Covenant with you. Thank you for the way you have provided for and stood by us throughout our lives. You taught us to trust you with our lives and our belongings. You have challenged us to care for others, and set a few of us apart for full-time service to you. You promised that if we had faith like a mustard seed, we would see miraculous things happen!

Fill us with a new vision and hope that through the Fulfilling Our Covenant campaign, we will be faithful to our promises, others will have a secure future, and most of all Your children will be served. We pray in Jesus name.

Amen



## Eastern Pennsylvania Conference The United Methodist Church

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# Fulfilling our Covenant

Promises of Our Past



Foundation for Our Future

## A Campaign for the Eastern Pennsylvania Conference United Methodist Church

## Letters of

# Invitation

My blessings to you and may the Lord bless you today and every day. I write to you today to discuss a matter of importance to the Eastern Pennsylvania Conference; Resolution 2012-21 and the **Fulfilling Our Covenant** campaign. As you will read in this document, Resolution 2012-21 is a \$12 million plan to meet our 40 year pension liability to our Pre-'82 clergy and their surviving spouses. We are "**Fulfilling Our Covenant**" to a previous generation who served our congregations with faith, integrity, and love.



The first two facets of Resolution 2012-21 are conference budget reductions and the proceeds from the sale of property. Over a several years, these two facets of the resolution will contribute \$9 million to the Pre-'82 Pension. The third component of the resolution is a capital campaign to invite conference membership to consider individual support. As is indicated in the campaign name, gifts to the campaign will impact our conference and local churches in two ways. We will be "**Fulfilling Our Covenant**" and "**Promises of Our Past**" by funding the pension of our retired clergy and their spouses, and we will be building a "**Foundation for Our Future**" by helping to reduce the annual financial impact of sharing the costs of the pension liability for our local churches. Our commitments will ensure that local churches will pay less toward the Pre-'82 Pension liability over the next 3, 6 and 8 years, and the savings can then be used to minister to the needs of our 451 congregations.

It has been nearly forty years since our conference has attempted to invite every family to respond to a conference-wide financial campaign. I am filled with excitement for the possibilities of **Fulfilling Our Covenant** and our future together as a conference. I'm reminded of a passage from Matthew.

Through the **Fulfilling Our Covenant** campaign, we honor our clergy and their spouses through our shared sacrifice. We will emerge from the campaign stronger, reinvigorated, and inspired to do God's work. I am filled with joy and happiness at the opportunity God has granted us to support our clergy, our ministry to others and the needs of our local churches at this time. I pray that you will join with me to make this effort a success. Please pray for me and know that you are always in my prayers.

Grace and Peace,  
Peggy Johnson, *Bishop*



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 learning how to implement a stewardship campaign. Depending on which participation option a church chooses, our congregations can dovetail 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*

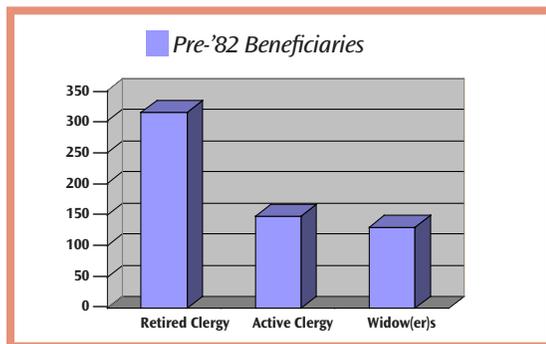
*Matthew 17:20* says: He replied, "Truly I tell you, if you have faith as small as a mustard seed, you can say to this mountain, 'Move from here to there,' and it will move. Nothing will be impossible for you."

# Resolution 2012-21

## CLERGY RETIREMENT THE PRE-82 PENSION LIABILITY

For more than 30 years, the Eastern Pennsylvania Conference has been making payments on the Pre-82 unfunded liability in accordance with an amortization schedule created by the General Board of Pension and Health Benefits that will fully fund the Pre-82 pension in 2021. The general Board makes Actuarial calculations each year to determine the amount of the payment required. In the past few years those annual payments have ranged between \$1.5 and \$2.2 million. The Conference Board of Pension and Health Benefits have been paying one-half of the amount from its own assets. Unfortunately, these assets have now been depleted to the point that it can no longer continue payments at this level, and instead must be used to meet other responsibilities including Necessitous Grants, assisting with Incapacity Leave and administering the pension and health plans of the conference.

The pension supports all clergy with credited service in the Eastern Pennsylvania Conference prior to 1982. It supports their remaining life and the life of their spouse. There are currently 147 active clergy who have credited service prior to 1982, 314 retired clergy, and 130 widow (ers) receiving a Pre-'82 Pension. In fact, our oldest living clergy member is Reverend Samuel H. Stoner, who turned 100 years old last July. His most recent appointment was Manheim: Salem from 1962 to 1978.



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.

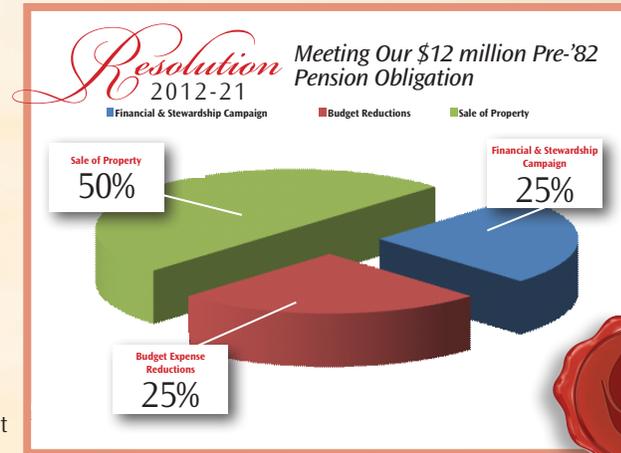
### Sale of Property

- 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 replenish the Conference Board of Trustees Reserve Balance until such time 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 \$367,974: 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.



*"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

## 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 dovetailing **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.

*Fulfilling our  
Covenant*



*"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