

1 **RESOLUTION 2016 - 05 (Adjourned Session)**
2 **Resolution Concerning a Comprehensive Funding Plan**
3 **for Benefit Obligations**
4 **Presented by Board of Pension and Health Benefits**
5

6 **WHEREAS**, Paragraph 1506.8 of the 2012 *Book of*
7 *Discipline* requires that each Annual Conference shall
8 develop, adopt and implement a formal funding plan for
9 funding all of its benefit obligations;

10
11 **WHEREAS**, Paragraph 1506.8 of the 2012 *Book of*
12 *Discipline* further states that the funding plan shall:

- 13 1. Address the funding for liabilities;
- 14 2. Be approved annually by the Annual Conference,
15 following receipt and inclusion of a favorable opinion
16 from the General Board of Pension and Health
17 Benefits; and
- 18 3. Meet the minimum standards established by the
19 General Board of Pension and Health Benefits for all
20 benefit liabilities;

21
22 **WHEREAS**, The General Board of Pension and Health
23 Benefits has developed a spreadsheet template with which
24 all Annual Conferences are to develop and submit their
25 funding plans in a uniform format;

26
27 **WHEREAS**, The Eastern Pennsylvania Annual Conference
28 staff and the Conference Board of Pension and Health
29 Benefits have developed the Comprehensive Funding Plan
30 for 2017, a summary of which is attached as Exhibit A (the
31 detailed plan is available on the conference website and is

32 included in the Conference Board of Pension and Health
33 Benefits annual report);

34

35 **WHEREAS**, Exhibit A has been submitted to the General
36 Board of Pension and Health Benefits for review and a
37 favorable opinion has been issued; a copy of which is
38 included as Exhibit B;

39

40 **THEREFORE BE IT RESOLVED**, that the Eastern
41 Pennsylvania Conference adopt Exhibit A as its
42 Comprehensive Funding Plan for 2017.

43

44 **Person responsible for presenting resolution:** Barry
45 Rose

46

47 **Eastern Pennsylvania Annual Conference**
48 **2017 Comprehensive Benefit Funding Plan Summary**

49

50 **INTRODUCTION**

51 The 2012 *Book of Discipline* ¶ 1506.6 requires that each
52 annual conference develops, adopt and implement a
53 formal comprehensive funding plan for funding all of its
54 benefit obligations. The funding plan shall be submitted
55 annually to Wespath Benefits and Investments (Wespath)
56 for review and be approved annually by the annual
57 conference, following the receipt and inclusion of a
58 favorable written opinion from Wespath. This document is
59 only a summary of the information contained in the actual
60 signed funding plan and does not contain all the
61 information required for a comprehensive view of the
62 conference's benefit obligations. You may request the full

63 contents of the 2017 comprehensive benefit funding plan
64 from your conference benefit office.

65

66 **CLERGY RETIREMENT SECURITY PROGRAM (CRSP)**
67 **Defined Benefit (DB) and Defined Contribution (DC)**

68

69 **Program overview:**

70 The Clergy Retirement Security Program (CRSP) is an
71 Internal Revenue Code section 403(b) retirement program
72 providing lifetime income and account flexibility designed
73 for those who serve as clergy of The United Methodist
74 Church. The program is designed to provide participants
75 with one portion of their overall retirement benefits. CRSP
76 replaced the Ministerial Pension Plan (MPP) effective
77 January 1, 2007, which had previously replaced the Pre-
78 82 Plan for service rendered before January 1, 1982.

79 CRSP consists of both a defined benefit (DB) plan, which
80 provides a monthly benefit at retirement based on years of
81 credited service to The United Methodist Church and a
82 defined contribution (DC) plan, which provides a
83 retirement account balance established and funded by the
84 annual conferences.

85

86 **Current funding plan information:**

87 The Clergy Retirement Security Program (CRSP-DB)
88 annuities' total liability as of January 1, 2015 is \$1.271
89 billion, while total plan assets are \$1.407 billion, resulting
90 in a current plan funded ratio of 111%. The Eastern
91 Pennsylvania Conference portion of the liability is
92 1.6014% with a 2017 contribution of \$1,530,733. The
93 conference anticipates that the amount will be funded by

94 Direct Billing - representing year over year in how
95 contributions are to be funded. Additionally, General
96 Conference 2012 approved a change to CRSP that
97 provides each annual conference the discretion to
98 determine whether to cover three-quarter and half-time
99 clergy. The Eastern Pennsylvania Conference has elected
100 to cover clergy serving 50%+ under CRSP effective
101 January 1, 2017.

102
103 Effective January 1, 2014, the CRSP-DC plan was
104 reduced from a 3% to a 2% of plan compensation non-
105 matching contribution. Clergy have the opportunity to earn
106 up to an additional 1% CRSP-DC contribution by
107 contributing at least 1% of their plan compensation to
108 UMPIP; therefore, if a participant contributes at least 1%
109 of plan compensation to UMPIP, the individual will receive
110 a contribution of 3%, which is unchanged from 2013. The
111 2017 CRSP-DC contribution is anticipated to be \$370,000
112 and will be funded by this will be billed to local churches –
113 representing year over year in how contributions are to be
114 funded.

115

116 **MINISTERIAL PENSION PLAN (MPP)**

117

118 **Plan overview:**

119 Supplement Three to the Clergy Retirement Security
120 Program (CRSP), also known as the Ministerial Pension
121 Plan (MPP), provides clergy with a pension benefit for
122 their years of ministry with The United Methodist Church
123 from 1982 through 2006. MPP is an Internal Revenue
124 Code section 403(b) retirement plan. Effective January 1,

125 2014, exactly 65% of the account balance must be
126 annuitized when the funds are to be distributed. The
127 remainder may be rolled over to UMPIP, into an IRA or
128 another qualified plan, or it may be paid out as a lump
129 sum.

130

131 **Current funding plan information:**

132 The Ministerial Pension Plan (MPP) annuities' total liability
133 as of January 1, 2015, is \$3.122 billion, while total plan
134 assets are \$3.509 billion, resulting in a current plan funded
135 ratio of 112% and no required contribution for 2017. The
136 Eastern Pennsylvania Conference's portion of the total
137 liability is 1.6606%. Future MPP annuitants have a total
138 account balance of \$4.145 billion, and the Eastern
139 Pennsylvania Conference's portion of that balance is
140 \$69,391,467 or 1.67% of the total.

141

142 **PRE-1982 PLAN**

143

144 **Plan overview:**

145 Supplement One to the Clergy Retirement Security
146 Program (CRSP), also known as the Pre-1982 Plan,
147 provides clergy with a pension benefit for their years of
148 ministry with The United Methodist Church before 1982.
149 The Pre-1982 Plan was replaced by MPP effective
150 January 1, 1982. If a clergy person retires within the
151 Conference (and does not terminate), the minimum benefit
152 payable is based on two factors: 1) years of service with
153 pension credit and 2) the Conference pension rate. Years
154 of service with pension credit are approved by each
155 Conference on the recommendation of the Conference

156 Board of Pensions (CBOP) in accordance with plan
157 provisions and the *Book of Discipline*. The pension rate
158 also called the Past Service Rate (PSR), is the dollar
159 amount chosen by the Conference as the amount payable
160 for each approved year of service with pension credit. The
161 pension rate may change from year to year. The number
162 of years of service with pension credit is multiplied by the
163 pension rate, and the product is the minimum annual
164 benefit payable to those clergy eligible for Pre-1982 Plan
165 benefits. In certain situations, the benefit received from
166 the Pre-1982 plan may vary based on the applicability of
167 what is referred to as Defined Benefit Service Money
168 (DBSM), which is the defined contribution feature of the
169 Pre-1982 Plan. At the time that a participant retires, the
170 DBSM account is converted to a life-based benefit and, at
171 that point, the clergy's benefit is the greater of the PSR or
172 DBSM benefit. If the conference increases the PSR, the
173 clergy's benefit is recalculated; but the DBSM based
174 benefit does not change.

175

176 **Current funding plan information:**

177 The 2017 PSR recommended to the Eastern Pennsylvania
178 Conference will be \$502.00, representing a 0% increase
179 from the 2016 rate. The conference expects future
180 increases to be approximately 0%, which is based on the
181 following rationale: The conference is investigating the use
182 of a grant system rather than increasing the PSR.

183 The contingent annuitant percentage is recommended to
184 remain at the 70% level.

185 Based on the final actuarial valuations from Wespath as of
186 January 1, 2015 for 2017, the portion of the Pre-1982

187 liability and assets attributable to the Eastern
188 Pennsylvania Conference and its related funded status are
189 as follows:

Funding Plan Liability	\$(24,936,228)
Assets, including In- Plan and Outside	<u>24,403,900</u>
Funded Status	\$(532,328)
Funded Ratio	97.87%

190 **ACTIVE HEALTH BENEFIT PROGRAM**

191 **Program Overview:**

192 The Eastern Pennsylvania Conference offers the following
193 active health benefit to its eligible active participants:
194 Insured.

195
196 **Current funding plan information:**

197 The total cost of the program for 2017 is anticipated to be
198 \$4,376,032 and will be funded by Composite rate billed to
199 local churches. It is anticipated that increases for future
200 years will average 5.0% based on the following rationale:
201 We changed the process for the collection of premiums in
202 2016. The local church now pays a lesser composite rate,
203 and the participant pays the remainder due for coverage.

204 • ***Additional Conference Sponsored Coverage***

205 The Eastern Pennsylvania Conference has elected to
206 provide health benefits coverage to the following
207 groups during periods where without conference
208 funded premiums the participants would not be
209 provided coverage or benefits (all figures as of
210 12/31/2015):

Category	Number of Participants	Estimated Cost
1. Clergy and/or lay participants on disability	9	\$281,880
2. Surviving spouses and children of deceased clergy and lay participants	2	\$13,409
3. Clergy in the Voluntary Transition Program	1	\$6,498

211 The total estimated cost of conference sponsored
212 coverage as of 12/31/2015 is \$301,787.

213

214 **POST-RETIREMENT MEDICAL BENEFIT PROGRAM**
215 **(PRM)**

216 **Program Overview:**

217 The Eastern Pennsylvania Conference post-retirement
218 medical program currently offers a Stipend.

219

220 **Current funding plan information:**

221 The conference's expectation for 2017 is to offer the
222 following benefits: Retiree health is outsourced and a
223 stipend, based on retirement date and years of service
224 has been put in place as of 1/1/15.

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The funding obligation for 2017 is anticipated to be \$891,651 with the following funding sources: Account assets and new incoming askings. On a longer term basis, the conference intends to ensure funding by a combination of apportioned, pre-funded and clergy contribution.

Based on the most recent PRM valuation dated 12/31/2015, the following is the funded position of the post-retirement medical benefits:

1. Expected Post Retirement Obligation (EPBO) or net conference cost	Not available
2. Accumulated Post Retirement Obligation (APBO) or net conference cost	\$13,014,983
3. Assets designated for PRM	\$994,028
4. Service Cost (SC) or net conference cost	\$18,933

As a preview of the 2018 CBFP requirement, a new PRM Funding Contribution requirement will be mandatory for conferences requesting a full favorable CBFP opinion. This year the calculation for informational purposes only is as follows:

5. Funded Status [3. – 2.]	\$(12,020,955)
6. Number of Annual Payments	20
7. Portion of Funded Status Payable [5. / 6., but zero if 5. is positive]	\$601,048

8. PRM Funding Contribution, \$619,981
Informational purposes only [4. +
7.]

240 These values are based on a 4.0% long-term discount rate
241 and a 0% long-term expected rate of return on assets.

242

243 **COMPREHENSIVE PROTECTION PLAN (CPP)**

244

245 **Plan Overview:**

246 The Comprehensive Protection Plan (CPP) provides
247 death, long-term disability and other welfare benefits for
248 eligible clergy of The United Methodist Church and their
249 families. It is an Internal Revenue Code 414(e) "church
250 plan" funded by plan sponsor insurance premiums.

251 Generally, clergy are eligible to participate in CPP if the
252 conference or salary-paying unit sponsors the plan, and
253 they can satisfy the eligibility requirements which include
254 full-time appointment with plan compensation equal to or
255 greater than 60% of the Denominational Average
256 Compensation (DAC) or the Conference Average
257 Compensation (CAC), whichever is less.

258

259 **Current funding plan information:**

260 For 2017, the Eastern Pennsylvania Conference has an
261 expected required contribution to the Comprehensive
262 Protection Plan of \$500,000, which is anticipated to be
263 funded by Apportionments. The anticipated average
264 increase in future years is expected to be 0% per year as
265 a result of a trend down in FTE appointments.

266

267 **UNITED METHODIST PERSONAL INVESTMENT PLAN**
268 **(UMPIP) FOR LAY AND CLERGY**

269
270 **Plan Overview:**

271 The United Methodist Personal Investment Plan (UMPIP)
272 is an Internal Revenue Code section 403(b) defined
273 contribution retirement savings plan for clergy and lay
274 employees of The United Methodist Church and affiliated
275 organizations. Participants may make before-tax, Roth,
276 and after-tax contributions through payroll deductions.
277 Participant contributions, various optional plan sponsor
278 contributions and investment earnings comprise the
279 individual's retirement account balance.

280
281 **Current funding plan information:**

282 Conference office lay employees working an average of
283 21 hours per week or more are eligible for a plan sponsor
284 funded pension contribution of 11% of salary matching the
285 participant contribution of 3%. Lay employees are
286 encouraged to make contributions toward their retirement
287 through payroll deductions to the UMPIP. The estimated
288 contribution for the Eastern Pennsylvania Conference is
289 anticipated to be \$181,600 and will be funded via
290 apportionments to local churches.

291
292 **OTHER CONFERENCE BENEFIT OBLIGATIONS:**
293 **DEFINED CONTRIBUTION (DC) TYPE**

294
295 **Plan Overview:** The Eastern Pennsylvania Conference
296 currently offers the following DC benefit(s): Basic Life
297 \$10,000. The funding obligation for 2017 is anticipated to

298 be \$14,676 with the funding sources to be paid through
299 apportionment to local churches. The anticipated average
300 increase in future years is expected to be 0% per year due
301 to the closure of our account with The Standard and move
302 of our book of business to Hartford with a huge decrease
303 in premium.

304

305 **CONCLUSION**

306 The 2017 Comprehensive Benefit Funding Plan and the
307 above Summary document incorporates, to the best of our
308 understanding, the Eastern Pennsylvania Conference's
309 obligations and funding requirements of the benefits
310 provided to the clergy and laity of the Eastern
311 Pennsylvania Conference.

Eastern Pennsylvania Annual Conference

This funding plan incorporates, to the best of our understanding, the conference's obligations and funding of the benefits provided to clergy and laity, as noted below.

It is understood by the signees that defined benefit plan liabilities (Pre-82, MPP and CRSP-DB) continue until the last benefit is paid to participants and their surviving spouses irrespective of the funding level of the plan. That is, even if the assets in the plan are larger than the liabilities in the plan, the conference still has a liability (obligation) and potential future contribution due to the plan.

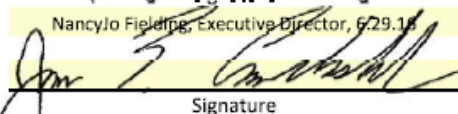
<input checked="" type="checkbox"/>	CRSP DB and DC
<input checked="" type="checkbox"/>	MPP
<input checked="" type="checkbox"/>	Pre-1982
<input checked="" type="checkbox"/>	PRM
<input checked="" type="checkbox"/>	Active Health
<input checked="" type="checkbox"/>	CPP
<input type="checkbox"/>	UMPIP Clergy
<input checked="" type="checkbox"/>	UMPIP Lay

<input checked="" type="checkbox"/>	OTHER DC: Basic Life \$10,
<input type="checkbox"/>	Other DC Obligation - B
<input type="checkbox"/>	Other DC Obligation - C
<input type="checkbox"/>	Other DC Obligation - D
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<input type="checkbox"/>	Other DB Obligation - A
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<input type="checkbox"/>	Other DB Obligation - C
<input type="checkbox"/>	Other DB Obligation - D
<input type="checkbox"/>	Other DB Obligation - E


Signature


Nancy Jo Fielding, Executive Director, 6.29.16


Signature

James Cruickshank, Treasurer, 6.29.16


Signature

Barry Rose, President EPABOPHB, 6.29.16


Signature

Kip Craven, Chair EPA CFA, 6.29.16

Signatures are required from the Conference Benefit Officer (or equivalent), Conference Board of Pension Chair and Conference Treasurer. Signatures are recommended from Council on Finance and Administration Chair and/or other conference leaders as deemed appropriate.



Opinion on Eastern Pennsylvania 2017 Comprehensive Benefit Funding Plan

This Funding Plan meets the standards for a Pre-82 funding plan as established by Wespath, and the requirements for a favorable opinion of a Funding Plan.

Note: The statement above and any written opinion provided by Wespath do not imply any representation as to the ability or probability of the applicable Conference to fulfill the obligations included in the Funding Plan.

Wespath Benefits and Investments

Wespath Benefits and Investments

Glenview, Illinois
August 19, 2016

1 **RESOLUTION #2016 - 22 (Adjourned Session)**
2 **RESOLUTION TO 2016 ANNUAL CONFERENCE**
3 **SESSION**

4 **Resolution Relating to the Redistricting of the Eastern**
5 **Pennsylvania Annual Conference**
6 **Presented by the Cabinet**

7
8 **WHEREAS**, the Eastern PA Cabinet and Bishop Johnson
9 have prayerfully considered the current demographic and
10 financial condition of the annual conference, have solicited
11 and received feedback from numerous annual conference
12 agencies, boards, committees and organizations, and held
13 six district town halls (April 4 - SE, April 5 - Central, April 19
14 - East, April 25 - Southwest and April 27 - Northeast) and
15 had further discussion at the June session of Annual
16 Conference and recommend a district reduction from six to
17 four;

18
19 **WHEREAS**, on September 1, 2016, the Conference
20 Council of Finance and Administration (CCFA) reviewed the
21 financial implications of having six versus four districts for
22 the annual conference and the billing implications for local
23 churches and unanimously voted to support the Resolution
24 and plan of the Conference to Re-District from 6 districts to
25 4 districts;

26
27 **WHEREAS**, the Board of Trustees reviewed the financial
28 implications of having six versus four districts for the annual
29 conference and the billing implications for local churches
30 and approved the Resolution and plan of the Conference to
31 Re-District from 6 districts to 4 districts;

32

33 **THEREFORE BE IT RESOLVED**, that the Eastern PA
34 Annual Conference be redistricted from 6 districts to 4
35 districts effective July 1, 2017.

36

37 **Persons responsible for presenting the resolution:** Dr.
38 Anita Powell, Dean of the Cabinet; Ms. Irene Dickinson,
39 Chairperson of CCFA, Mr. Bill Thresher; Chairperson of
40 Board of Trustees.

1 **2017 Connectional Ministries Budget -**
2 **Recommendations**

3
4 **4 Districts**

- 5
6 1. That the 2017 Connectional Ministries (CMF) Budget
7 for the Eastern Pennsylvania Conference be set and
8 adopted as follows: Church Giving to CMF is set at
9 \$3,200,000; total expenses for CMF are \$3,107,996.
10 That the budget excess of \$92,004 will be directed to
11 meet the financial obligations of the Conference,
12 including the Pre-82 Pension Liability according to
13 Resolution 2012-21.
14 2. The GCFA 2017 budget for World Service is set at
15 \$1,215,025; the GCFA 2017 budget request for
16 General Church is set at \$1,146,967.
17 3. Treasurers of local churches be encouraged to
18 submit their Apportionments and Billed Funds to the
19 Conference on a monthly basis and that, guided by
20 the Spirit, our churches will strive to pay 2017
21 Apportionments and Billed Funds in full.
22 4. That automobile travel expense for official
23 conference business for staff personnel shall be set
24 at the approved IRS rate, by the Council on Finance
25 and Administration in concurrence with the
26 Commission on Equitable Compensation. That all
27 clergy and lay volunteer members of Conference
28 boards and agencies be reimbursed, if requested, at
29 the rate of 14 cents per mile for travel to meetings.
30 5. That the Treasurer/Executive Director of
31 Administrative Ministries close the books for 2016 on

32 January 15, 2017, and observe that date as the last
33 date on which he will receive final remittances for the
34 year ending December 31, 2016.

35 6. That any agency of the Conference which
36 determines to use its funds to employ a person either
37 part-time or full-time for whom there would be an
38 expectation of employment in a subsequent
39 Conference year, be in consultation with the
40 Conference Council on Finance and Administration
41 six months prior to making any employment
42 commitments. Be it further resolved that the same
43 process be followed when any part-time position is
44 upgraded to a more extensive position.

45 7. That the Conference Council on Finance and
46 Administration continue to review, revise, and
47 formulate policies, specific directives and
48 recommendations concerning the overall financial
49 structure, bookkeeping procedures and auditing
50 requirements of all groups receiving funds from the
51 Eastern Pennsylvania Conference.

52 8. That, in the case of an oversight of any essential
53 item, the Council on Finance and Administration shall
54 be authorized to make such adjustments as are
55 necessary to the Annual Conference budget.

56 9. Reference 2012 *Book of Discipline*, ¶613.8. "That
57 CCFA be authorized to create a process for transfer
58 of funds within the budget."

59 10. That the Council on Finance and Administration be
60 granted permission to borrow up to 10% of the
61 apportionment budget in the event that funds do not
62 meet budgeted amounts, or are not sufficient to cover

63 the seasonal shortfall, or as necessary to support
64 Conference agencies where there are strong legal
65 and financial ties. (See 2012 *Book of Discipline*, ¶
66 613.10)

67 11. That the Council on Finance and Administration
68 “receive, consider, report, and make
69 recommendations to the Annual Conference
70 regarding the following, prior to final decision by the
71 Annual Conference: (a) any proposal to raise capital
72 funds for any purpose; (b) funding considerations
73 related to any proposal which comes from the
74 conference; (c) any requests to conduct a special
75 conference-wide financial appeal, whether by special
76 collections, campaigns or otherwise, in the local
77 churches of the conference.” (See 2012 *Book of*
78 *Discipline*, ¶ 613.2) That no Annual Conference
79 agency or interest shall make a conference-wide
80 appeal to the local churches for funds without the
81 approval of the Annual Conference upon
82 recommendation of the Council on Finance and
83 Administration except in case of an extreme
84 emergency when such approval may be given by a
85 two-thirds vote of the district superintendents and of
86 the council acting jointly. (See 2012 *Book of*
87 *Discipline*, ¶ 614.5)

88 12. That all “apportionment and billed funds” are
89 “temporarily restricted funds” to be used only for the
90 specific purposes designated.

1 **2017 Connectional Ministries Budget -**
2 **Recommendations**

3
4 **6 Districts**

- 5
6 1. That the 2017 Connectional Ministries (CMF) Budget
7 for the Eastern Pennsylvania Conference be set and
8 adopted as follows: Church Giving to CMF is set at
9 \$3,200,000; total expenses for CMF are \$3,249,181.
10 That the budget deficit of \$49,181 will be funded from
11 Conference reserves.
- 12 2. The GCFA 2016 budget for World Service is set at
13 \$1,215,025; the GCFA 2016 budget request for
14 General Church is set at \$1,146,967.
- 15 3. Treasurers of local churches be encouraged to
16 submit their Apportionments and Billed Funds to the
17 Conference on a monthly basis and that, guided by
18 the Spirit, our churches will strive to pay 2017
19 Apportionments and Billed Funds in full.
- 20 4. That automobile travel expense for official
21 conference business for staff personnel shall be set
22 at the approved IRS rate, by the Council on Finance
23 and Administration in concurrence with the
24 Commission on Equitable Compensation. That all
25 clergy and lay volunteer members of Conference
26 boards and agencies be reimbursed, if requested, at
27 the rate of 14 cents per mile for travel to meetings.
- 28 5. That the Treasurer/Executive Director of
29 Administrative Ministries close the books for 2016 on
30 January 15, 2017, and observe that date as the last
31 date on which he will receive final remittances for the

32 year ending December 31, 2016.

33 6. That any agency of the Conference which
34 determines to use its funds to employ a person either
35 part-time or full-time for whom there would be an
36 expectation of employment in a subsequent
37 Conference year, be in consultation with the
38 Conference Council on Finance and Administration
39 six months prior to making any employment
40 commitments. Be it further resolved that the same
41 process be followed when any part-time position is
42 upgraded to a more extensive position.

43 7. That the Conference Council on Finance and
44 Administration continue to review, revise, and
45 formulate policies, specific directives and
46 recommendations concerning the overall financial
47 structure, bookkeeping procedures and auditing
48 requirements of all groups receiving funds from the
49 Eastern Pennsylvania Conference.

50 8. That, in the case of an oversight of any essential
51 item, the Council on Finance and Administration shall
52 be authorized to make such adjustments as are
53 necessary to the Annual Conference budget.

54 9. Reference 2012 *Book of Discipline*, ¶613.8. "That
55 CCFA be authorized to create a process for transfer
56 of funds within the budget."

57 10. That the Council on Finance and Administration be
58 granted permission to borrow up to 10% of the
59 apportionment budget in the event that funds do not
60 meet budgeted amounts, or are not sufficient to cover
61 the seasonal shortfall, or as necessary to support
62 Conference agencies where there are strong legal

63 and financial ties. (See 2012 *Book of Discipline*, ¶
64 613.10)

65 11. That the Council on Finance and Administration
66 “receive, consider, report, and make
67 recommendations to the Annual Conference
68 regarding the following, prior to final decision by the
69 Annual Conference: (a) any proposal to raise capital
70 funds for any purpose; (b) funding considerations
71 related to any proposal which comes from the
72 conference; (c) any requests to conduct a special
73 conference-wide financial appeal, whether by special
74 collections, campaigns or otherwise, in the local
75 churches of the conference.” (See 2012 *Book of*
76 *Discipline*, ¶ 613.2) That no Annual Conference
77 agency or interest shall make a conference-wide
78 appeal to the local churches for funds without the
79 approval of the Annual Conference upon
80 recommendation of the Council on Finance and
81 Administration except in case of an extreme
82 emergency when such approval may be given by a
83 two-thirds vote of the district superintendents and of
84 the council acting jointly. (See 2012 *Book of*
85 *Discipline*, ¶ 614.5)

86 12. That all “apportionment and billed funds” are
87 “temporarily restricted funds” to be used only for the
88 specific purposes designated.

1 **RESOLUTION # 2016- 09 (Revised for Adjourned**
2 **Session)**

3 **RESOLUTION TO 2016 ANNUAL CONFERENCE**
4 **SESSION**

5 **Resolution Relating to Safe Sanctuaries Policy**
6 **Presented by the Safe Sanctuaries Committee**

7
8 **WHEREAS**, it is the responsibility of the annual
9 conference and every local church to take steps to protect
10 the well-being of children, youth, and personnel who work
11 with them in the ministries of the church, as well as to
12 comply with all laws of the Commonwealth of
13 Pennsylvania; and

14
15 **WHEREAS**, previous conference safe sanctuaries policies
16 have quoted extensively from the Pennsylvania Child
17 Protective Services Law; and

18
19 **WHEREAS**, the Commonwealth of Pennsylvania
20 periodically revises its child protective services law; and

21
22 **WHEREAS**, this proposed new policy removes quotations
23 from sections of the law and instead requires that
24 churches comply with law as it is force at any given time:

25
26 **THEREFORE BE IT RESOLVED**, that the Eastern
27 Pennsylvania Annual Conference adopt the following as
28 its Safe Sanctuaries: Reducing the Risk of Abuse in the
29 Church Policy, which replaces all previous policies.

31 **Person Responsible for Presenting Resolution: Rev.**
32 **James H. Wilkin**

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SAFE SANCTUARIES
Reducing the Risk of Abuse in the Church Policy
June 2016

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PREAMBLE

God has called us to make our ministries safe, protecting our children from abuse and exploitation. God has also called us to create communities of faith where children can be safe and grow strong.

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Jesus taught “Whoever welcomes one such child in my name welcomes me,” (Mark 9:37 NRSV) and “If any of you put a stumbling block before one of these little ones...it would be better for you if a great millstone were fastened around your neck and you were drowned in the depth of the sea” (Matthew 18:6 NRSV)

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The Social Principles of The United Methodist Church state “...children must be protected from economic, physical, and sexual exploitation and abuse.” (Par. 162(D) *2012 Book of Discipline*)

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At each child’s baptism, we affirm our responsibility to their safety by our congregational response, pledging:

59

60

61

“With God’s help, we will so order our lives after the example of Christ that this child, surrounded by steadfast love, may be established in the faith, and

62 confirmed and strengthened in the way that leads to
63 life eternal.” (The Book of Worship, Baptismal
64 Covenant, Congregational Pledge II)

65
66 Building on these foundations, we recognize that our faith
67 calls us to offer hospitality and protection to all children, as
68 well as those who are committed to ministering to them as
69 volunteers and employees. Every 15 seconds, a child is
70 abused or neglected. Often, abuse occurs in places
71 where children feel safe – homes, schools, camps, and
72 even churches. In over three quarters of reported cases,
73 the victim was related to or acquainted with the abuser. In
74 light of this, the Eastern Pennsylvania Conference of The
75 United Methodist Church has seen fit to establish this
76 policy that can help to 1) prevent such abuse from
77 happening in our churches; 2) make our churches places
78 where children can feel safer in disclosing abuse; and 3)
79 protect the volunteers and employees that minister to our
80 children.

81
82 It is the policy of the Eastern Pennsylvania Conference
83 that every church in the conference adopt a Safe
84 Sanctuaries policy that conforms to the standards set forth
85 in this conference policy. It is the policy of the Eastern
86 Pennsylvania Conference that all conference and district
87 ministries with children comply with the standards set forth
88 in this policy.

89
90 Notwithstanding anything contained in this policy, it is the
91 responsibility of every church in the conference to ensure
92 that it is in compliance with all aspects of the Pennsylvania

93 Child Protective Services Law (63 PA. C.S.A. 6301). In the
94 event that the law conflicts with this policy, the law shall
95 control.

96

97 **SCREENING AND SELECTION OF STAFF AND**
98 **VOLUNTEERS:**

99

100 **Screening Standards:**

101 All applicants for employment and/or volunteer service in
102 which that applicant shall have contact with children in a
103 manner which, under Pennsylvania law currently in force
104 and as enacted and amended in the future from time to
105 time, requires the person to obtain background clearances
106 shall complete the following prior to start of service:

107

108 1) Written Application –a written application that shall
109 include at least the following information:

110

a. Name

111

b. Address

112

c. Phone Number

113

d. Work/Volunteer History

114

e. Experience and skills related to the position

115

f. Two (2) personal, non-related references.

116

2) Background Checks –

117

a. All background checks required by the laws of
118 the Commonwealth of Pennsylvania currently
119 in force and as enacted and amended from
120 time to time.

121

b. In addition to the above clearances, all
122 employees and volunteers of the EPA

122

123

conference camps shall obtain all clearances

124 required for accreditation by the American
125 Camp Association.

126 c. In addition to the above clearances, all
127 employees and volunteers of the preschool
128 centers operated by an EPA church shall
129 obtain all clearances required for their
130 certificate of compliance by the Department of
131 Education.

132 3) Acceptance of Notice Requirement – complete the
133 acceptance of notice requirement acknowledgment
134 that they have been informed of and will comply
135 with Pennsylvania law that requires them to inform
136 the church in writing of any arrest, conviction or
137 child abuse report that would prohibit them from
138 working with children.

139 4) References – at least two references from persons
140 not related to the applicant shall be obtained and
141 contacted for all new applicants for employment or
142 volunteer service.

143 5) Relationship with Church – All prospective
144 volunteer workers with children shall have an active
145 relationship with the local church for at least six
146 months before being allowed to be in a supervisory
147 role in activities for children.

148 6) Records – All written records shall be confidential
149 and shall be kept in a secure location with access
150 restricted on a need to know basis. All files shall be
151 maintained for three (3) years after service ends.

152
153 **TRAINING:**

154 All persons who have direct contact with children shall
155 participate in training as required under the laws of the
156 Commonwealth of Pennsylvania currently in force and as
157 enacted and amended in the future from time to time.

158

159 **SUPERVISION:**

160 Supervision procedures are designed to reduce the
161 possibility of abuse or exploitation of children, and to
162 protect staff persons and volunteers from unfounded
163 accusations.

164

165 **Supervision Standards:**

166 Programs and ministries in the church that are licensed or
167 accredited by a licensing or accreditation body, or that
168 have formally adopted supervision procedures, and
169 receive pre-approval from the conference Board of
170 Trustees shall follow their established requirements for the
171 supervision children.

172

173 EPA conference camps shall follow the supervision
174 standards required for accreditation by the American
175 Camp Association.

176

177 All other programs and ministries of the church shall use
178 the following standards for the supervision of children.

179

- 180 1) The two adult rule – Regardless of the size group,
181 there will always be at least two adults present.
182 This may include the presence of an adult ‘roamer’
183 who moves in and out of rooms/ministry activities.

- 184 2) No child will be left unsupervised while participating
185 in a ministry activity/event.
- 186 3) All ministry activities should occur in open view.
187 Each room or space where ministry
188 activities/events occur must be open to public view.
189 For example: enclosed spaces such as classrooms
190 shall have a viewing window, a glass panel in the
191 door, a ½ door configuration or an open door.
- 192 4) No person shall supervise an age group unless
193 he/she is at least 18 years of age or older and is at
194 least 5 years older than the children being
195 supervised.
- 196 5) Ministry events involving transportation shall require
197 a written consent form signed by the parent or
198 guardian of the child.

199
200 **REPORTING:**

201 Reporting of any allegation of child abuse shall be done in
202 accordance with the laws of the Commonwealth of
203 Pennsylvania currently in force and as enacted and
204 amended in the future from time to time.

205
206 It is essential that all employees and volunteers who have
207 contact with children in a manner which, under
208 Pennsylvania law currently in force and as enacted and
209 amended in the future define them as a mandated reporter
210 have a legal responsibility under the law to make a report
211 directly to public child welfare officials any time they have
212 reasonable cause to suspect abuse has occurred. Failure
213 to comply with this requirement can lead to civil and/or
214 criminal penalties for the employee or volunteer.

215
216 The District Superintendent shall be notified if the alleged
217 perpetrator is a staff person or volunteer of the church.

218
219 In the event that a member of the clergy becomes aware
220 of suspected child abuse as a result of confidential
221 communication which is protected under 42 PA C.S. 5943
222 (relating to confidential communications to clergymen), the
223 conference legal counsel should immediately be
224 consulted.

225
226 **PASTORAL RESPONSES FOR REPORTS OF**
227 **ALLEGATIONS OF ABUSE:**

228 Any allegation of abuse requires a process to address
229 responding to the victim, the alleged perpetrator, and the
230 press. The response must be quick, compassionate and
231 unified. All allegations will be taken seriously.

232
233 Pastoral response is NOT an investigation of the alleged
234 abuse. The investigation is the responsibility of public
235 officials (child welfare and/or law enforcement). In all
236 cases of reported abuse, there shall be cooperation with
237 all official investigating agencies.

238
239 **Response to victims of abuse:**

240 In the instance of any allegation of abuse, there shall be a
241 reaching out to the victim and the victim's family. Pastoral
242 resources shall be extended, and the conference I-Care
243 Team can be contacted to assist in providing this service.
244 The care and safety of the victim shall be considered the

245 first priority. Response to the victim and the victim's family
246 shall be done in a positive and supportive manner.

247

248 The parents of the victim shall be notified and steps shall
249 be taken to address the safety and well being of the child
250 until the parent(s) arrive. **NOTE:** If one or both of the
251 parents is the alleged abuser, the direction of the child
252 welfare authorities shall be followed concerning
253 notification of others.

254

255 **Response to all alleged perpetrators of abuse:**

256 In the instance of an allegations of abuse there shall be a
257 reaching out to the alleged perpetrator and the
258 perpetrator's family. Pastoral resources shall be extended
259 and the conference I-Care Team can be contacted to
260 assist in providing this service. Response to the alleged
261 perpetrator and the perpetrator's family shall be done in a
262 supportive way.

263

264 The alleged perpetrator shall immediately, yet with dignity
265 and respect for their sacred worth, be removed from
266 further involvement with children and advised that there
267 has been an allegation of abuse. Details of the allegations
268 of the abuse shall not be discussed with the alleged
269 perpetrator at the time of removal. In any removal of a
270 staff member or volunteer from any activity/ministry, care
271 shall be taken to handle the removal in a discreet manner.

272

273 When it has been alleged that a member of the church
274 staff or a volunteer, has committed an act of abuse, the
275 staff member or volunteer shall be required to refrain from

276 all ministry activities/events with children until the incident
277 has been fully resolved by the appropriate state authorities
278 and/or in accordance with the Book of Discipline.

279 At that time, a meeting shall be held with the employee or
280 volunteer to discuss the incident(s) that led to the report
281 being made. Even if the public agency determines the
282 report to be unfounded, the church has the right to prohibit
283 the volunteer or employee from resuming working in
284 ministries with children based on the facts and
285 circumstances available at that time.

286

287 **Response to the Media:**

288 In consultation with the presiding bishop, the District
289 Superintendent, the Conference Director of
290 Communications and pastor shall decide on a single
291 spokesperson for contact with the public/media. All media
292 requests for statements shall be directed to that
293 spokesperson.

294

295 **Compliance:** Compliance with this policy shall be a matter
296 of record at each annual Charge Conference.

1 **RESOLUTION # 2016 -10 (Revised for Adjourned**
2 **Session)**

3 **RESOLUTION TO 2016 ANNUAL CONFERENCE**
4 **SESSION**

5 **Resolution Relating to Computer Network and Internet**
6 **Access Policy**

7 **Presented by the Communications Ministry Team and**
8 **the Safe Sanctuaries Committee**

9
10 **WHEREAS**, computers, computer networks and other
11 electronic devices provide employees and church
12 members access to the vast information resources of the
13 Internet with the intention of increasing productivity and
14 enhancing church-related communication; and

15
16 **WHEREAS**, there is also justifiable concern that they can
17 be misused, potentially violating laws, ordinances or other
18 church policies, garnering negative publicity for the church
19 and potentially exposing it to significant legal liabilities:

20
21 **THEREFORE BE IT RESOLVED**, that all local churches
22 in the Eastern Pennsylvania Annual Conference require all
23 users of church computer equipment and networks to
24 comply with and sign the following policy.

25
26 **Persons Responsible for Presenting Resolution:** Rev.
27 John Bletsch and Rev. James H. Wilkin

28
29 **COMPUTER NETWORK AND INTERNET ACCESS**
30 **POLICY**

31

32 The Internet is a worldwide network of computers that
33 contains millions of pages of information. Users are
34 cautioned that many of these pages include offensive,
35 sexually explicit and inappropriate material. In general, it is
36 difficult to avoid at least some contact with this material
37 while using the Internet. Even innocuous search requests
38 may lead to sites with highly offensive content.
39 Additionally, having an e-mail address on the Internet may
40 lead to receipt of unsolicited e-mail containing offensive
41 content. Users accessing the Internet do so at their own
42 risk, and the local United Methodist Church of the Eastern
43 Pennsylvania Conference (the Church) is not responsible
44 for material viewed or downloaded by users from the
45 Internet. To minimize these risks, your use of the Internet
46 at the Church is governed by the following policy:

47

48 **PERMITTED USE OF INTERNET AND CHURCH** 49 **COMPUTER NETWORK**

50

51 The computer network is the property of the Church and
52 should primarily be used for legitimate business and
53 ministry purposes. The Church will decide what are
54 legitimate business and ministry purposes. Users are
55 provided access to the computer network to assist them in
56 the performance of their jobs or for participation in their
57 ministries. If Users access the Internet for personal
58 reasons such use should be governed by the restrictions
59 detailed below. All Users have a responsibility to use the
60 Church's computer resources and the Internet in a
61 professional, lawful and ethical manner. Abuse of the
62 computer network or the Internet may result in disciplinary

63 action, including possible employment termination, and
64 civil and/or criminal liability.

65 **COMPUTER NETWORK USE LIMITATIONS**

66

67 **Prohibited uses**

68 The Church's computer network may not be used to
69 disseminate, view or store pornographic text or images, or
70 any other unauthorized materials. Employees may not use
71 the Church's Internet connection in excess for the
72 purposes of gaming or entertainment if it impacts their
73 ability to carry out their assigned duties or impacts another
74 employee or ministry functions. Additionally, you may not
75 use the computer network to display, store or send (by e-
76 mail or any other form of electronic communication such
77 as bulletin boards, chat rooms, Usenet groups, etc.)
78 material that is fraudulent, harassing, embarrassing,
79 sexually explicit, profane, obscene, intimidating,
80 defamatory or otherwise inappropriate or unlawful.
81 Furthermore, anyone receiving such materials should
82 notify their supervisor immediately.

83

84 **Illegal copying**

85 Users may not illegally copy material protected under
86 copyright law or make that material available to others for
87 copying. Users are responsible for complying with
88 copyright law and applicable licenses that may apply to
89 software, files, graphics, documents, messages and other
90 material you wish to download or copy. Users may not
91 agree to a license or download any material for which a
92 registration fee is charged without first obtaining the
93 express written permission of the Church.

94

95 **Communication of confidential and/or personal**
96 **member information**

97 Unless expressly authorized to do so, Users are prohibited
98 from sending, transmitting or otherwise distributing
99 confidential and/or personal member information, data or
100 other confidential information belonging to the Church.
101 Unauthorized dissemination of such material may result in
102 severe disciplinary action as well as substantial civil and
103 criminal penalties under state and federal laws.

104

105 **DUTY NOT TO WASTE COMPUTER RESOURCES**

106

107 **Accessing the Internet**

108 To ensure security and avoid the spread of viruses, Users
109 accessing the Internet through a computer attached to the
110 Church's network must do so through an Internet firewall
111 or other security device. Bypassing the Church's computer
112 network security by accessing the Internet directly by
113 modem or other means is strictly prohibited unless the
114 computer you are using is not connected to the Church's
115 network.

116

117 **System Passwords**

118 Unless expressly authorized to do so, users are prohibited
119 from sharing or distributing passwords to the church's
120 network, computers or internet accounts.

121

122 **Frivolous use**

123 Computer resources are not unlimited. Network bandwidth
124 and storage capacity have finite limits, and all Users

125 connected to the network have a responsibility to conserve
126 these resources. As such, Users must not deliberately
127 perform acts that waste computer resources or unfairly
128 monopolize resources to the exclusion of others. These
129 acts include, but are not limited to, any of the following
130 examples when done in excess or inappropriately: sending
131 unauthorized mass mailings or chain letters, spending
132 excessive amounts of time on the Internet, playing games,
133 engaging in online chat groups, uploading or downloading
134 large files, accessing unauthorized streaming audio and/or
135 video files or otherwise creating unnecessary loads on
136 network traffic.

137

138 **Virus detection**

139 Files obtained from sources outside the Church, including
140 disks brought from home; files downloaded from the
141 Internet, newsgroups, bulletin boards or other online
142 services; files attached to e-mail; and files provided by
143 other users or vendors may contain dangerous computer
144 viruses which may damage the Church's computer
145 network. Users should never download files from the
146 Internet, accept e-mail attachments from outsiders or use
147 disks from non-Church sources without first scanning the
148 material with Church-approved virus checking software. If
149 you suspect that a virus has been introduced into the
150 Church's network, notify the Church immediately.

151

152 **NO EXPECTATION OF PRIVACY**

153

154 Users are given computers and Internet access to assist
155 them in the performance of their jobs. Users should have

156 no expectation of privacy in anything they create, store,
157 send or receive using the Church's computer equipment.
158 The computer network is the property of the Church and
159 may be used only for Church purposes. Provisions shall
160 be made to protect confidential communications between
161 the pastor and members and constituents.

162

163 **Waiver of privacy rights**

164 Users expressly waive any right of privacy in anything the
165 User creates stores, sends or receives using the Church's
166 computer equipment or Internet access. The User
167 consents to allow any authorized Church personnel
168 access to and review of all materials created, stored, sent
169 or received by the User through any Church network or
170 Church Internet connection.

171

172 **Monitoring of computer and Internet usage**

173 The Church has the right to monitor and log any and all
174 aspects of its computer system including, but not limited
175 to, monitoring Internet sites visited by Users, monitoring
176 chat and newsgroups, and monitoring file downloads and
177 all communications sent and received by Users.

178

179 **Blocking sites with inappropriate content**

180 The Church has the right to utilize software that makes it
181 possible to identify and block access to Internet sites
182 containing sexually explicit or other material deemed
183 inappropriate in the workplace.

184

185 **Acknowledgement of understanding**

186 I have read and agree to comply with the terms of this
187 policy governing the use of the Church's computer
188 network. I understand that violation of this policy may
189 result in disciplinary action, including possible termination
190 and civil and criminal penalties.

191

192 _____

193 _____

194 Local United Methodist Church

195

196 _____

197 _____

198 Signature

Date

199

200 _____

201 Printed name

1 **RESOLUTION # 2016 - 20 (Adjourned Session)**
2 **RESOLUTION TO 2016 ANNUAL CONFERENCE**
3 **SESSION**

4 **Resolution Establishing an Ad-Hoc Study Committee to**
5 **Evaluate Alternative Fair Voting Methods for Electing**
6 **Members to Committees and Delegations**
7 **Presented by Arch Street United Methodist Church**

8
9 **WHEREAS**, The Constitution of The United Methodist
10 Church calls for a “fair and open process” to elect members
11 to serve on annual conference boards and commissions
12 and for electing delegates to general conference (§ 13.
13 Article 1.2) but does not specify the method of election; and
14

15 **WHEREAS**, many elections at the annual conference level
16 require numerous rounds of voting when nominees for an
17 office or seat do not receive enough votes required to fill the
18 seat – especially when electing general conference
19 delegates – limiting the time available for the Body to
20 discern important matters of faith and practice; and
21

22 **WHEREAS**, ranked choice voting ensures all participants
23 have equal voice in electing one or more members to serve
24 the Church by giving voting members the ability to rank
25 candidates in order of preference; and
26

27 **WHEREAS**, ranked choice voting (also known as
28 “preferential voting”) is the recommended voting method for
29 Robert’s Rules of Order, and Robert’s Rules concludes that
30 "It makes possible a more representative result than under
31 a rule that a plurality shall elect." (Robert's Rules of Order

32 Newly Revised In Chapter XIII §45. 11th edition, 2011, p.
33 425-28); and

34

35 **WHEREAS**, ranked choice voting has been used since the
36 late 1800s and votes can be counted by hand or using
37 modern voting technology; and

38

39 **WHEREAS**, ranked choice voting is a process of ranking
40 nominees in order of preference (first choice, second
41 choice, third choice, and so on). All first choices are
42 counted, and nominees with the fewest votes are
43 eliminated. If a voter member's first choice is eliminated,
44 their vote instantly goes to their next choice. Receiving a
45 majority of votes elects nominees for a single position and
46 nominees for multiple positions (like a conference board or
47 delegation) are elected based on a determined threshold in
48 proportion to the number of votes as determined by the
49 Droop quota. (See "Droop Quota"
50 https://en.wikipedia.org/wiki/Droop_quota); and

51

52 **WHEREAS**, ranked ballots have been used for elections by
53 organizations and in communities across the United States
54 and around the world (including Portland, Maine,
55 Minneapolis, Minnesota, the Australian House of
56 Representatives, and the Republic of Ireland to elect its
57 president) to ensure fair results that are representative of
58 the voting body; (See "Where Ranked Choice Voting Is
59 Used"
60 [http://www.fairvote.org/reforms/instant-runoff-](http://www.fairvote.org/reforms/instant-runoff-voting/where-rcv-is-used-)
61 [voting/where-rcv-is-used-](http://www.fairvote.org/reforms/instant-runoff-voting/where-rcv-is-used-));

62

63 **THEREFORE BE IT RESOLVED**, the Eastern
64 Pennsylvania Annual Conference shall establish an ad-hoc
65 committee that includes the input of the Bishop, Conference
66 Secretary, and Election Judge along with conference
67 members knowledgeable about different voting methods to
68 study the use of ranked choice voting or other alternative
69 voting methods for electing nominees when there are more
70 than two nominees for a conference board position or when
71 electing a delegation.

72

73 **Person Responsible for Presenting the Resolution:**

74 Michelle C. Whittaker