

1 **Resolution #2020- 01**

2 **Relating to the Discontinuance of Church of the Open Door**

3 **Submitted by the South District of the Eastern Pennsylvania Annual Conference**

4
5 **WHEREAS**, United Methodist Church of the Open Door, located in Kennett Township,
6 was founded in 2001, chartered in 2008, and has a faithful history of ministering with the
7 community in Kennett Square and beyond; and

8
9 **WHEREAS**, the church conference of United Methodist Church of the Open Door, voted
10 on November 23, 2019 to discontinue the church; and

11
12 **WHEREAS**, the District Superintendent has recommended the discontinuance of United
13 Methodist Church of the Open Door and transfer of membership to West Grove UMC &
14 West Chester UMC; and

15
16 **WHEREAS**, the consent to discontinue has been granted by the presiding Bishop; the
17 district superintendents, and the South District Board of Church Location and Building;
18 and all proper Disciplinary requirements have been complied with; and

19
20 **THEREFORE BE IT RESOLVED**, that United Methodist Church of the Open Door be
21 discontinued effective June 30, 2020.

22
23 **BE IT FURTHER RESOLVED** that historical records be forwarded to the archives of the
24 St. George's United Methodist Church in Philadelphia, PA.

1 **Resolution #2020- 02**

2 **Relating to the Discontinuance of Avondale UMC**

3 **Submitted by the South District of the Eastern Pennsylvania Annual Conference**

4
5 **WHEREAS**, Avondale United Methodist Church, located in Chester County, was
6 founded in October, 1868 and has a long and proud history of ministering to the
7 community in Avondale, PA.

8
9 **WHEREAS**, the church conference of Avondale United Methodist Church, voted on
10 June 10, 2020 to discontinue the church; and

11
12 **WHEREAS**, the District Superintendent has recommended the discontinuance of
13 Avondale United Methodist Church and transfer of membership to West Grove United
14 Methodist Church.

15
16 **WHEREAS**, the consent to discontinue has been granted by the presiding Bishop; the
17 district superintendents, and the South District Board of Church Location and Building;
18 and all proper Disciplinary requirements have been complied with; and

19
20 **WHEREAS**, Avondale UMC requests the Conference Board of Trustees to allocate up
21 to ½ of the proceeds to Gretna Glen Camp and Retreat Ministries and up to ½ of the
22 proceeds of the sale to church development and new church start/new ministries under
23 the direction of the Eastern PA Cabinet and the Office of Congregational Development;

24
25 **WHEREAS**, the consent to discontinue has been granted by the presiding Bishop; the
26 district superintendents, and the district Board of Church Location and Building; and all
27 proper Disciplinary requirements have been complied with.

28
29 **THEREFORE, BE IT RESOLVED**, that Avondale United Methodist Church be
30 discontinued effective July 31, 2020.

31
32 **BE IT FURTHER RESOLVED**, that the Trustees of the Eastern PA Conference
33 distribute the assets and other remaining assets held by Avondale United Methodist
34 Church, following the above recommendations, as they deem appropriate.

35
36 **BE IT FURTHER RESOLVED** that historical records be forwarded to the archives of the
37 St. George's United Methodist Church in Philadelphia, PA.

1 **Resolution #2020- 03**

2 **Relating to the Discontinuance of Gradyville UMC**

3 **Submitted by the South District of the Eastern Pennsylvania Annual Conference**

4
5 **WHEREAS**, Gradyville United Methodist Church, located in Delaware County, was
6 founded in 1859 and has a long and proud history of ministering to the community; and

7
8 **WHEREAS**, the church conference of Gradyville United Methodist Church, voted on
9 June 11, 2020 to discontinue the church; and

10
11 **WHEREAS**, the District Superintendent has recommended the discontinuance of
12 Gradyville United Methodist Church and transfer of membership to Lima United
13 Methodist Church.

14
15 **WHEREAS**, the consent to discontinue has been granted by the presiding Bishop; the
16 district superintendents, and the South District Board of Church Location and Building;
17 and all proper Disciplinary requirements have been complied with; and

18
19 **WHEREAS**, the Eastern PA Cabinet and the District Board of Church and Location
20 recommend the building and remaining furniture be given to El Buen Samaritano United
21 Methodist Church.

22
23 **WHEREAS**, the consent to discontinue has been granted by the presiding Bishop; the
24 district superintendents, and the district Board of Church Location and Building; and all
25 proper Disciplinary requirements have been complied with.

26
27 **THEREFORE BE IT RESOLVED**, that the Gradyville United Methodist Church be
28 discontinued effective June 30, 2020.

29
30 **BE IT FURTHER RESOLVED**, that the Trustees of the Eastern PA Conference
31 distribute the assets and other remaining assets held by Gradyville United Methodist
32 Church, following the above recommendations, as they deem appropriate.

33
34 **BE IT FURTHER RESOLVED** that historical records be forwarded to the archives of the
35 St. George's United Methodist Church in Philadelphia, PA.

1 **Resolution #2020 – 05**

2 **Relating to the Disaffiliation Request of Grandview United Methodist Church**
3 **Submitted by the EPA Board of Trustees**

4
5 **WHEREAS**, the 2019 Special General Conference added ¶ 2553 to the *Book of Discipline*
6 *of The United Methodist Church* (the “*Discipline*”), which established a process for local
7 churches to disaffiliate from the United Methodist Church “for reasons of conscience
8 regarding a change in the requirements and provisions of the *Discipline* related to the
9 practice of homosexuality or the ordination or marriage of self-avowed practicing
10 homosexuals.”

11
12 **AND WHEREAS**, a two-thirds majority of a properly advertised church conference of
13 Grandview United Methodist Church has voted to disaffiliate from the denomination in
14 accordance with ¶ 2553.1-3 of the *Discipline*;

15
16 **AND WHEREAS**, in accordance with ¶ 2553.4 of the *Discipline*, the Board of Trustees,
17 in consultation with the cabinet, the conference treasurer, the conference benefits officer,
18 the director of connectional ministries, and the conference chancellor, has established
19 the terms and conditions of disaffiliation and memorialized same in a Disaffiliation
20 Agreement, which is attached as Exhibit 1 hereto;

21
22 **AND WHEREAS**, Judicial Council Decision No. 1379 requires that any disaffiliation
23 agreement be ratified by a simple majority of the members of the annual conference
24 present and voting;

25
26 **THEREFORE BE IT RESOLVED**, that the Eastern Pennsylvania Conference of The
27 United Methodist Church hereby ratifies the Disaffiliation Agreement at Exhibit 1;

28
29 **AND BE IT FURTHER RESOLVED**, the Conference Board of Trustees, Cabinet, and
30 Conference Chancellor are hereby authorized and directed to take any and all action each
31 deems necessary to implement the Disaffiliation Agreement at Exhibit 1.

32
33 Person Responsible for Presenting the Resolution: Bill Thresher, President, EPA
34 Conference Board of Trustees.

EXHIBIT 1: DISAFFILIATION AGREEMENT

Grandview United Methodist Church

and

*The Eastern Pennsylvania Conference of
The United Methodist Church*

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this _____ day of _____, 20____, by and between **Grandview United Methodist Church** (the “Local Church”) and **The Eastern Pennsylvania Conference of the United Methodist Church** (the “Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference’s interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
 - a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church have voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church has provided documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation has been certified by an authorized officer of Local Church and is included as Exhibit “A” to this Disaffiliation Agreement.
 - b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).
 - c. *Continuing Validity of ¶ 2553 of the Discipline*. This Disaffiliation Agreement is conditioned on the validity of ¶ 2553 of the *Discipline* as of the Date of Disaffiliation.

Should either (1) the Annual Conference fail to ratify this Disaffiliation Agreement as provided in 1.b above or (2) ¶ 2553 is invalidated by the Judicial Council or repealed by General Conference action prior to the Date of Disaffiliation, this Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church’s disaffiliation from The United Methodist Church will be effective on March 31, 2021.

4. Local Church’s Obligations. Local Church shall, by no later than the Disaffiliation Date, do the following:

- a. *Payments to the Annual Conference*. Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:
 - i. Local Church shall have the right to retain its real and personal, tangible and intangible property, subject to the following terms. Any costs relating to Local Church’s retention of its property shall be borne by Local Church.
 - ii. Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference.¹

¹ Currently, Local Church is 100% paid up in apportionments for last 12 months; however, under ¶ 2553.4(b) of the *Discipline*, the payment of unpaid apportionments is calculated based on 12 months immediately prior to the Disaffiliation Date.

- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling 78,820 USD.²
- iv. An amount equal to Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider.³
- v. An amount equal to the Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded future retiree healthcare liability.⁴
- vi. Ministry and Missional Transition Support:
 - A. In order to honor its covenant with its appointed and assigned clergy to provide employment through the appointment year, Local Church shall provide a Ministry Transition Support Payment in the amount of 67,234⁵ USD which sum represents estimated employment costs and moving expenses from the Disaffiliation Date through June 30, 2021.
 - B. A Missional Transition Support Payment in the amount of 17,081 USD. Such payment shall be utilized exclusively for new church starts and other missional needs within the West District of the Annual Conference and shall be allocated at the discretion of the Bishop's Cabinet.
- vii. Any unforgiven historical balances owed to the Conference as of the Disaffiliation Date.
- b. *Other Payments.* Prior to the Disaffiliation Date, Local Church shall:
 - i. Repay any loans from the Conference Loan Fund or any other Annual Conference affiliated agency.
 - ii. Repay any grant funds received from any Annual Conference affiliated organization in the 12 months immediately prior to the Disaffiliation Date.
 - iii. Pay Historic St. George's the amount currently required to be paid out of the proceeds

² This is an estimate if disaffiliation had occurred at the end of 2019; this sum will be calculated based on apportionments as of the disaffiliation date and will be updated thirty days prior to the date of disaffiliation pursuant to section 4.c, below.

³ This amount is currently 415,332.50 USD; however, this figure will be updated thirty days prior to the Disaffiliation Date based on the most recent actuarial calculations prepared by Willis Towers Watson.

⁴ This amount is currently 84,064.54 USD; however, this figure will be updated thirty days prior to the Disaffiliation Date based on the most recent actuarial calculations performed by the Annual Conference's service providers.

⁵ This amount is calculated based on all appointed clergy remaining ordained clergy of the United Methodist Church with membership in the Annual Conference. In the event that one or more clergy surrenders their credentials and leaves the denomination to continue to serve at Local Church, this amount shall be reduced by the estimated costs and expenses attributable to that person, as calculated by the Annual Conference.

of the sale of the property of a closing local church (currently 5,000 USD).

- c. *Accounting for Payments.* Thirty days prior to the Date of Disaffiliation, Annual Conference shall provide Local Church with an accounting of all amounts due under sections 4.a and 4.b above.
- d. *Payments prior to Date of Disaffiliation.* Any payments made by Local Church prior to the Date of Disaffiliation shall be held in an escrow account by the Annual Conference until the Date of Disaffiliation. If at any time prior to the Date of Disaffiliation this Disaffiliation Agreement becomes “null and void” (pursuant to section 1, above, section 10, below, or for any other reason), Annual Conference shall return all funds received from Local Church contained in the escrow account. This section shall not apply to apportionments paid pursuant to 4.a.ii or payments pursuant to 4.b above.
- e. *Intellectual Property.* As of the Disaffiliation Date, Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference. This shall include the removal of all signage containing the such intellectual property.
- f. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination’s group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.
- g. *Pennsylvania Sales Tax Exemption.* As of the Disaffiliation Date, Local Church shall cease to use Annual Conference’s Pennsylvania sales tax exemption. Local Church shall also ensure that any affiliates of Local Church which have been utilizing Annual Conference’s Pennsylvania sales tax exemption shall cease to use same.
- h. *Right of First Refusal.* Local Church shall execute a Right of First Refusal in favor of the Annual Conference. Such document shall provide that for a period beginning on the Disaffiliation Date and ending with the 15th year following the Disaffiliation Date, the Annual Conference shall have a Right of First Refusal, which shall permit the Annual Conference to purchase any real property listed in Exhibit B, which is offered for sale by Local Church, at the same price and under the same terms as offered by a bona fide purchaser. This Right First Refusal shall be prepared by counsel for the Local Church, subject to the review of the Annual Conference Chancellor, and shall be recorded at Local Church’s cost.
- i. *Documents.* Local Church shall turn over to Historic St. George’s for archiving the documents listed below. All documents shall be originals, if originals exist; Local Church may retain copies of any such documents, which shall be produced at Local Church’s cost.
 - i. Baptismal records;
 - ii. Membership Rolls up to Disaffiliation Date;
 - iii. Marriage Records;

- iv. Architectural Drawings, Blueprints, and Maps (Local Church may retain the originals and provide copies to the Annual Conference); and
- v. All entity documents (Charter, Articles of Incorporation, Bylaws, etc.).

5. Organizational Transition. Local Church shall take all steps necessary to modify its current organizing documents, including Amending its Articles of Incorporation, as needed to effectuate its disaffiliation from The United Methodist Church, to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this section 5.

6. Property. On the Disaffiliation Date and subject to section 4.h above, Local Church will have full ownership of the property and assets listed in "Exhibit B." The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church. Upon the Conference's satisfaction that Local Church has made all payments pursuant to section 4.a and 4.b., above and provided those documents in section 4.i, above, Annual Conference shall execute a quitclaim deed in favor of local church releasing all interest in Local Church's real property (with the exception of those interests established in section 4.h above).

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other.

8. Mutual Indemnification. Each party (as "Indemnifying Party") shall indemnify and defend the other party and its managers, officers, directors, employees, agents, affiliates and successors (collectively, "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees, that are incurred by the Indemnified Party and/or awarded against Indemnified Party in a final non-appealable judgment, administrative proceeding, or any alternative dispute resolution (collectively, "Losses"), arising out of any third-party claim alleging:

- a. Material breach or non-fulfillment of any representation, warranty, or covenant of this Agreement;
- b. Any negligent or more culpable act or omission of Indemnifying Party or its personnel (including any reckless or willful misconduct) in connection with the performance of its obligation under this Agreement;

- c. Any bodily injury, death of any person, or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of Indemnifying Party or its Personnel (including any reckless or willful misconduct);
- d. Any failure by indemnifying party to comply with any applicable federal, state, or local laws, regulations or codes in the performance of its obligations under this Agreement.

Notwithstanding anything to the contrary in this Agreement, Indemnifying Party is not obligated to indemnify or defend Indemnified Party against any claim (whether direct or indirect) if such claim or corresponding Losses arise out of or result from Indemnified Party's negligence or more culpable act or omission (including recklessness or willful misconduct) or bad faith failure to comply with any of its material obligations set forth in this agreement.

Payments by Indemnifying Party in respect of any Losses are limited to the amount of any liability or damage that remains after deducting any insurance proceeds and any indemnity, contribution, or other similar payment actually received by Indemnified Party in respect of any such indemnity claim, less any related costs and expenses including the aggregate cost of pursuing any related insurance claims and any related increases in insurance premiums or other charge-backs. Indemnified party shall use reasonable efforts to seek to recover any insurance proceeds in connection with making a claim under this section. Promptly after the realization of an insurance proceeds, indemnity, contribution, or other similar payment, Indemnified Party shall reimburse Indemnifying Party for such reduction in Losses for which Indemnified Party was paid before the realization of reduction of such Losses.

9. Right to Seek Contribution for Claims against Annual Conference. If (a) the Annual Conference becomes subject to liability for a claim based on actions or inactions of the Annual Conference, its managers, officers, directors, employees, agents, and/or affiliates or the actions or inactions of any local church that is a member of Annual Conference, its managers, officers, directors, employees, agents, and/or its affiliates and (b) as a consequence of such liability, passes a resolution, which requires the remaining churches in the Annual Conference increase their remittances to the Annual Conference, then Local Church shall contribute 0.91% of the aggregate annual funding obligation of all local churches combined. This section shall only apply to liability based on actions or inactions which occurred prior to the Disaffiliation Date.

10. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein - except for those that are meant to survive the Disaffiliation (sections, 7, 8, and 9) - by the Disaffiliation Date, this Disaffiliation Agreement shall be null and void.

11. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

12. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

13. Recording. This document shall not be recorded with the applicable Recorder of Deeds and, until the Annual Conference signs the quitclaim deed or other release for personal property specified in section 6, above, this document shall not be utilized as proof that Local Churches real or personal property has been released from the trust clause.

14. Governing Law. This Agreement and all related documents including all exhibits attached

hereto, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the Commonwealth of Pennsylvania.

15. Arbitration. Any dispute, controversy, or claim arising out of, relating to or in connection with this contract, including the breach, termination, or validity thereof, shall be resolved by final and binding arbitration. The arbitrator shall have the sole power to rule on any challenge to its own jurisdiction and all issues regarding arbitrability shall be decided solely by the arbitrator. The place of arbitration shall be Valley Forge, Pennsylvania, or such other location convenient to the arbitrator and agreed to by the parties. The arbitration procedure shall be as follows:

- a. The party seeking arbitration shall commence the arbitration by delivering a notice of arbitration to the respondent party setting out the nature of the claim(s) and the relief requested. Within sixty days of the receipt of the notice of arbitration, the respondent shall deliver to the claimant its answer and any counterclaim(s) setting out the nature of such counterclaim(s) and the relief requested.
- b. Counsel for the Local Church and the Annual Conference Chancellor shall select a mutually agreeable arbitrator. If an agreement to select an arbitrator cannot be reached, Counsel for the Local Church and the Annual Conference Chancellor shall each appoint an arbitrator. Those arbitrators so appointed shall, within thirty days, appoint a third arbitrator. These three arbitrators shall then hear all claims and counterclaims raised as a tribunal. The third arbitrator, who was appointed by the other two arbitrators, shall serve as chair of the tribunal.
- c. The arbitrator/tribunal shall decide the procedures to be followed in the arbitration after consultation with the parties.
- d. The tribunal shall have the power to grant any provisional or final remedy or relief that it deems appropriate, including conservatory measures.
- e. The parties expressly waive and forego any right to punitive, exemplary, or similar damages unless any applicable law(s) requires that compensatory damages be increased in a specific manner.
- f. The parties further agree that judgment may be entered upon the award by any court having jurisdiction.
- g. Local Church shall be responsible for any and all fees, costs, expenses, or similar items charged by the arbitrator(s) or incurred as part of the arbitration (e.g. facility costs, stenographer, etc.).

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their proper and duly authorized officers to execute and deliver this Agreement as of the day and year first written above.

**THE EASTERN PENNSYLVANIA
CONFERENCE OF THE UNITED
METHODIST CHURCH**

Date: _____

By: _____
William J. Thresher
President, Board of Trustees

**GRANDVIEW UNITED METHODIST
CHURCH**

Date: _____

By: _____
Rev. Andrea Brown
Lead Pastor

Date: _____

By: _____
Kevin McCandless
Chair, Board of Trustees

Exhibit A: Letter from Officer of Congregation Certifying Results of Church Vote

GRANDVIEW

Bishop Peggy Johnson and Conference Trustees
Eastern Pennsylvania Conference of the UMC
P.O. Box 820
Valley Forge, PA 19482-0820

July 8, 2020

Dear Bishop Johnson and Conference Trustees,

As per Counsel Matthew Morley's request dated February 10, 2020 and as an authorized officer of Grandview United Methodist Church, the information outlined below certifies the disaffiliation vote taken on Monday, February 10, 2020.

1. The disaffiliation vote was taken on Monday, February 10, 2020 during a Church Conference which started at 7pm and ended soon after 8pm.
2. Church Members were notified of the time and date of the disaffiliation vote in the following manner:
 - a. Pastoral letter
 - b. *Messenger* for January and February, 2020, which was emailed to all those on the church's mailing list. Hard copies are mailed to those who request them. Copies are available in the public gathering space of the church.
 - c. Through a series of small group/congregational meetings with the pastoral staff and Church Council representatives. Meetings lasted between and 1 and 2 hours and were held on the following dates and were attended by almost 150 parishioners, with a combination of members and those who regularly attend but are not members.
 - i. January 9, 2020 at 7pm
 - ii. Sunday, January 12 at 9:30am
 - iii. Sunday, January 12 at 10:30am
 - iv. Sunday, January 19 at 9:30am
 - v. Sunday, January 19 at 10:30am
 - vi. Monday, January 27 at noon
 - vii. Tuesday, January 28 at 7pm
 - viii. Monday, February 3 at 7pm
 - d. Church announcements during the three weekly Sunday services during the months of January and early February.
3. The exact question presented to the church conference was written and distributed at the Church Conference along with the Order of Worship for the evening.

4. 181 Church Members were present for the vote.
5. Church Membership is included in Grandview's on-line database.
 - a. Grandview's staff member responsible for Technology created the membership report from the database and converted it into an Excel spreadsheet.
 - b. The Membership list was given by the Technology staff to the Associate Pastor for Care and Connection.
 - c. The Associate Pastor assigned numbers to each member on the list.
 - d. The Associate Pastor made three copies of the Membership List and distributed it to the individuals responsible for verifying each member upon their arrival to the Church Conference.
 - e. Verifiers asked each individual person for their name and marked the Membership List with a check or X and also highlighted the member's name.
 - f. Each Verifier wrote the member number from the Membership List on the ballot and handed the ballot to the member, along with the Order of Worship and a copy of the Resolution.
 - g. The paper ballot provided the following options for voting:
 - i. Yes, I agree with the resolution
 - ii. No, I disagree with the resolution
 - h. Co-Lay Leaders Dan and Tracy Massey read the Statement of the Question (see Church Conference Order of Worship for placement in the Service.) This occurred after Remarks by District Superintendent Bumkoo Chung and a time for question and answers.
 1. Members voted by paper ballots provided.
 - J. Ballots were collected by placing them in baskets passed by ushers.
 - k. The baskets were immediately taken to the Church Library where counting commenced.
 1. See Church Conference Minutes for names of Counters.
 - m. Paper ballots were tallied onto master tally sheets one at a time and verified by two people. This process took 26 minutes. Tallies were double checked.
 - n. The total number of hand counted paper ballots matched the number of ballots distributed to members prior to the start of the Church Conference. This was verified by Associate Pastor and Ruth Daugherty, who supervised the counting process.
6. Voting totals: 181 ballots were received
 - a. Yes: 174
 - b. No: 5
 - c. Abstentions: 2
7. Church Conference meeting minutes, attached

Respectfully Submitted,



Rev. Andrea Brown
Lead Pastor

Exhibit B: Asset List

	Bank and Investment Accounts			
	Description	Account Number	Value	Valuation Date
1	BB&T Checking Account	1390000737719	\$ 151,291.76	12/31/2019
2	BB&T Business Investor's Deposit Account	1390009342881	\$ 75,378.81	12/31/2019
3	UM Foundation	60-F510-12-1	\$ 232,248.74	12/31/2019
4	Soliman Bond		\$ 20,000.00	12/31/2019
		Real Property		
	Description	Address	Tax Number	Value
5	Church, Rectory & Vacant Lot	888 Pleasure Road & 1111 McGrann Blvd, Lancaster, PA	390-13563-0-0000; & 390-2598-0-0000	\$ 1,375,000.00
	Personal Property/ Vehicles			
	Description			
6	All contents of Church and Rectory			
		Other		
	Description		Value	Valuation Date
7	EPA - Memorial Garden Investments		\$ 16,670.25	12/31/2019
8	EPA - Ralph Kraft Loan		\$ 3,986.13	12/31/2019

1 **RESOLUTION #2020 – 06**

2 **Proposed Resolution for Board of Benefits Name Change Presented by Coleen**
3 **Painter, President Board of Pension and Health Benefits**
4

5 **WHEREAS**, the benefit plans administered by the Eastern Pennsylvania Conference
6 Board of Pension and Health Benefits are not limited to “pensions” and “health benefits”;
7 and
8

9 **WHEREAS**, the members of such Board desire to modify the name of the corporation to
10 reflect the diversity of benefit plans administered by the Board; and
11

12 **WHEREAS**, 15 Pa.C.S.A § 5911(a)(1) and 15 Pa C.S.A 5914(a) provide that a nonprofit
13 corporation may change its name by amending its articles of incorporation and that such
14 amendment be adopted by the affirmative vote of a majority of the members of the
15 corporation present and entitled to vote;
16

17 **THEREFORE BE IT RESOLVED** that the Articles of Incorporation of the Eastern
18 Pennsylvania Conference Board of Pension and Health Benefits be amended to change
19 the corporation’s name to “The Eastern PA Board of Benefits,” and
20

21 **BE IT FURTHER RESOLVED** that the Conference chancellor and the directors of the
22 corporation take all necessary action to accomplish this amendment, including filing the
23 Articles of Amendment with the Pennsylvania Department of State, which shall be
24 effective upon filing.

1 **RESOLUTION #2020 – 07**

2 **Pertaining to the Adoption Agreement to the Clergy Retirement Security Program**
3 **(CRSP) for the Year 2021**

4 **Presented by Coleen Painter, President Board of Pension and Health Benefits**

5
6 **BE IT RESOLVED**, that the Adoption Agreement for the Clergy Retirement Security
7 Program shall be applicable to the Eastern Pennsylvania Annual Conference and, unless
8 another date is specified below, shall be effective as of January 1, 2021. The Clergy
9 Retirement Security Program shall be the base retirement plan for the clergy persons
10 under Episcopal appointment including deacons and members of other denominations
11 serving at the conference, church, charge, conference responsible unit, conference
12 controlled entity including clergy on medical leave receiving Comprehensive Protection
13 Plan (CPP) disability benefits of the Eastern Pennsylvania Annual Conference in
14 accordance to the plan adoption agreement beginning on January 1, 2021. Clergy
15 persons on medical leave and not receiving Comprehensive Protection Plan (CPP)
16 disability benefits are not eligible to participate in CRSP.

17
18 **FURTHER BE IT RESOLVED**, that on January 1, 2021 the ministerial pension rate for
19 past service prior to January 1, 1982 shall be set at \$502.00 and the personal contributor's
20 annuity derived from pre-1982 contributions shall apply toward the payment of the
21 participants formula benefit;

22
23 **AND FURTHER BE IT RESOLVED**, that the surviving spouse benefit shall be 70% of the
24 participant's formula benefit;

25
26 **AND FURTHER BE IT RESOLVED**, that the Board of Pension and Health Benefits is
27 authorized to make annual deposits at the end of each calendar year as required by the
28 General Board of Pension and Health Benefits for the purpose of funding for past service
29 prior to January 1, 1982.

1 **RESOLUTION #2020 – 08**

2 **Relating to Rental/Housing Allowances for Retired or Disabled Clergypersons**
3 **Presented by Coleen Painter, President Board of Pension and Health Benefits**
4

5 **WHEREAS**, the religious denomination known as The United Methodist Church (the
6 “Church”), of which this Conference is part, has in the past functioned and continues to
7 function through ministers of the gospel (within the meaning of Internal Revenue Code
8 section 107) who were or are duly ordained, commissioned, or licensed ministers of the
9 Church (“Clergypersons”);

10
11 **WHEREAS**, the practice the Church and of this Conference was and is to provide active
12 Clergypersons with a parsonage or a rental/housing allowance as part of their gross
13 compensation;

14
15 **WHEREAS**, pensions or other amounts paid to retired and disabled Clergypersons are
16 considered to be deferred compensation and are paid to retired and disabled
17 Clergypersons in consideration of previous active service;

18
19 **WHEREAS**, the Internal Revenue Service has recognized the Conference (or its
20 predecessors) as the appropriate organization to designate a rental/housing allowance
21 for retired and disabled Clergypersons who are or were members of this Conference.
22

23 **THEREFORE BE IT RESOLVED**, that an amount equal to 100% of the pension or
24 disability payments received from plans authorized under The Book of Discipline of The
25 United Methodist Church (“the *Discipline*”), which includes all such payments from
26 Wespath during the year 2021 by each retired or disabled Clergyperson who is or was a
27 member of the Conference, or its predecessors, be and hereby is designed as a
28 rental/housing allowance for each such Clergyperson; and
29

30 **BE IT FURTHER RESOLVED**, that the pension and disability payments to which this
31 rental/housing allowance applies will be any pension or disability payments from plans,
32 annuities, or funds authorized under the *Discipline*, including such payments from
33 Wespath and from a commercial annuity company that provides an annuity arising from
34 benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*,
35 that result from any service a Clergyperson rendered to this Conference or that a retired
36 or disabled Clergyperson of this Conference rendered to any local church, annual
37 conference of the Church, general agency of the Church, other institution of the Church,
38 former denomination that is now a part of the Church, or any other employer that
39 employed the Clergyperson to perform services related to the ministry of the Church, or
40 its predecessors, and that elected to make contributions to, or accrue a benefit under,
41 such a plan, annuity, or fund for such retired or disabled Clergyperson’s pension or
42 disability as part of his or her gross compensation.
43

44 **NOTE:** The rental/housing allowance that may be excluded from a Clergyperson’s gross
45 income in any year for federal income tax purposes is limited under Internal Revenue
46 Code section 107(2) and regulations there under to the least of: (1) the amount of the

47 rental/housing allowance designated by the Clergy person's employer or other appropriate
48 body of the Church (such as this Conference in the foregoing resolutions) for such year;
49 (2) the amount actually expended by the Clergy person to rent or provide a home in such
50 year; or (3) the fair rental value of the home, including furnishings and appurtenances
51 (such as a garage), plus the cost of utilities in such year.

1 **Resolution #2020 - 09**
2 **Relating to the Sale of Up To 50+/- Acres at Camp Innabah**
3 **Submitted by the EPA Board of Camping and Retreat Ministries**
4

5 **WHEREAS**, Eastern PA Conference Camp and Retreat Ministry has faced difficulty due
6 to the current pandemic, and summer camp needing to be cancelled for summer 2020;
7

8 **AND WHEREAS**, these pandemic related difficulties have led to serious financial
9 deficits at our three residential camping facilities;
10

11 **AND WHEREAS**, several Conference agencies including the Conference Council on
12 Finance and Conference Board of Trustees have already provided the support funding
13 they can;
14

15 **AND WHEREAS**, even after this support, the generosity of several significant donors,
16 severe expense reductions, and a great effort on the part of our Camps to provide
17 creative programming through the pandemic, the Camping Board anticipates a deficit of
18 approximately \$40,000 in 2020, added to a previous (accumulated) payroll debt at
19 Camp Innabah of \$395,000 which could not be reduced in 2020, and an anticipated
20 significant deficit for the first six months of 2021;
21

22 **AND WHEREAS**, prior study has been completed on the potential sale of approximately
23 50 acres of Camp Innabah that will not significantly affect day-to-day operations;
24

25 **AND WHEREAS**, the sale of this acreage is expected to bring net proceeds of
26 approximately \$750,000,
27

28 **AND WHEREAS**, a taskforce made up of members of Conference Trustees, Camping
29 Board, Conference Council on Finance, Conference Committee on Personnel, and
30 other Conference leaders including the presiding Bishop have recommended moving
31 forward with this sale;
32

33 **THEREFORE BE IT RESOLVED**, that the Eastern PA Annual Conference authorize the
34 Board of Camping and Retreat Ministries in conjunction with the Conference Board of
35 Trustees to move forward with the sale of up to 50 +/- acres at Camp Innabah.
36

37 **BE IT FURTHER RESOLVED**, proceeds from the sale of this property be used to fund
38 1. the current Camping and Retreat operating deficit for 2020,
39 2. Camp Innabah's previous payroll liability, and
40 3. the anticipated pandemic related financial deficit for Eastern PA Camping
41 Ministries for 2021.
42

43 Person Responsible for Presenting the Resolution: Rev. Don Keller, chair, EPA Board
44 of Camping and Retreat Ministries

1 **RESOLUTION #2020 - 10**

2 RESOLUTION TO 2020 ANNUAL CONFERENCE SESSION

3 **Resolution Regarding Equitable Compensation Recommendation for 2021**

4 **Presented by Commission on Equitable Compensation**

5
6 **WHEREAS**, it is a mandate of the Commission on Equitable Compensation to support
7 clergy serving as pastors in the charges of the Annual Conference by recommending
8 conference standards for pastoral support (§625.2(a), 2016 *Discipline*), and
9

10 **WHEREAS**, the Commission is charged with annually recommending to the Annual
11 Conference a schedule of minimum base compensation for all full-time pastors or those
12 clergy members of the annual conference appointed less than full-time to a local church,
13 subject to such rules and regulations as the conference may adopt (§625.3, 2016
14 *Discipline*), and
15

16 **WHEREAS**, the Commission seeks to address the concerns of clergy compensation
17 and recognize the economic difficulties encountered by churches,
18

19 **WHEREAS**, the Commission seeks also to address the financial needs of clergy, we
20 evaluate the realities of the current financial environment, including the COLA (Cost of
21 living adjustment) established by the Social Security Administration,
22

23 **THEREFORE, BE IT RESOLVED** that the Annual Conference establish the minimum
24 starting salaries reflecting no increase for 2021. The schedule for persons under
25 appointment in the local church for 2021 shall remain as follows:
26

27 **THEREFORE, BE IT RESOLVED**, that the Eastern Pennsylvania Annual Conference of
28 the United Methodist Church establishes the minimum base salary for persons under
29 appointment in the local church for the year 2021 as follows:

30 a) Elders and Deacons in Full Connection	\$43,967
31 b) Commissioned toward Deacons and Elders under full-time post-seminary	
32 appointments.....	\$41,673
33 c) Associate Members.....	\$40,799
34 d) Full-Time Local Pastors	\$38,619

35

36 **BE IT FURTHER RESOLVED**, that to arrive at the minimum cash salary for each
37 pastor, the required service year increments will be added to the appropriate base listed
38 above in the amount of 1% of the pastor's base salary for each year of service under
39 appointment, whether part time or full time, for a maximum of 20 years; and
40

41 **BE IT FURTHER RESOLVED**, that each church or charge, in recommending increases,
42 consider increases above the minimum cash salary, and that Pastor/Staff-Parish
43 Relations Committees particularly take note of such areas as education, experience,
44 skills, commitment, amount paid by clergy to Social Security as self-employed persons,
45 family needs, and payment of health insurance; and
46

BE IT FURTHER RESOLVED, that any amount provided as a housing allowance is not to be considered part of the minimum cash salary as set forth in this resolution (§252.4(e), 2016 *Discipline*); and

BE IT FURTHER RESOLVED, that if a church or charge cannot meet the standard of support for a full-time pastor, the Cabinet will be notified as soon as possible and appropriate action taken by the Cabinet (§624.1, 2016 *Discipline*).

Person Responsible for Presenting Resolution: Lou Hornberger