

1022-20 West Ohio Annual Conference

REQUEST FOR A RULING OF LAW

June 4, 2022

Bishop Palmer, I rise to respectfully request a decision of law:

The 2022 Session of the West Ohio Annual Conference heard the report of the Conference Trustees relating to their intended application of Paragraph 2553 as the avenue for disaffiliating congregations. Paragraph 2553.4 has been construed as expanding the Conference Trustees' authority to include the disaffiliation of local churches, and specifically to set "the terms and conditions for that disaffiliation." (JCD 1420) Further, Recommendation 8: A Path for West Ohio Congregations Separating Under Paragraph 2548.2 was printed in the 2022 Book of Reports and forwarded to the annual conference as a regular item of business. Recommendation 8 encouraged the Conference Trustees to consider the use of Paragraph 2548.2 as an alternative avenue for disaffiliating or separation congregations. Consideration of the Recommendation was permitted to come before the annual conference only because it was deemed "aspirational," and not directing or binding on the Trustees. This action was taken based on JCD 1420 and the prevailing understanding of it. Therefore, I pose the following questions of law:

1. Does the annual conference have authority to direct the Conference Trustees?
2. Is Paragraph 2553.4, which "expands" the authority of the Conference Trustees (JCD 1420) to set the terms and conditions of disaffiliation, in conflict with Paragraph 2512.2 which states in part, that the Board of Trustees "... shall be amenable to the annual conference?" Does such an expansion of authority violate the principle of legality, result in an unconstitutional delegation of the authority of the annual conference, and violate the powers reserved to the annual conference under paragraph 33 of the Constitution? What is the meaning of "amenable" in paragraph 2512.2? Does Paragraph 2512.2 specify any exceptions to the amenability of the Trustees to the annual conference?
3. When setting a general policy for the disaffiliation/separation of congregations must the Trustees seek and receive the approval of the annual conference for said policy?
4. Paragraph 2553.4 makes no specific reference to an expansion of the authority of the Trustees, or an exception to the amenability of the Trustees to the annual conference. Does the general principle of amenability in Paragraph 2512.2 govern the applicability of the authority described in Paragraph 2553.4?
5. The Book of Discipline of the United Methodist Church states the Trustees of a local church "shall always be subject to the direction of the charge conference (Paragraph 1529)." It also states District Trustees are subject to the district or annual conference (Paragraph 2518.1, 2). Is the authority extended by Paragraph 2553.4 to the Conference Trustees contrary to the general structure and consistency of United Methodist polity in The Book of Discipline of the United Methodist Church?

Bishop's Decision of Law

Jeff Greenway Request

Bishop's Decision of Law

Syllabus

1. Paragraphs 2553.4 and 2512.2 of the *Discipline* are not in conflict. (JCD 1371, 1420.)
2. Paragraph 2553 of the *Discipline* is constitutional. (JCD 1379.)

Request for Decision of Law

On Saturday, June 4, 2022, at the West Ohio Annual Conference's Annual Conference, Reverend Jeff Greenway submitted the following written request for a decision of law:

Bishop Palmer, I rise to respectfully request a decision of law:

The 2022 Session of the West Ohio Annual Conference heard the report of the Conference Trustees relating to their intended application of Paragraph 2553 as the avenue for disaffiliating congregations. Paragraph 2553.4 has been construed as expanding the Conference Trustees' authority to include the disaffiliation of local churches, and specifically to set "the terms and conditions for that disaffiliation." (JCD 1420) Further, Recommendation 8: A Path for West Ohio Congregations Separating Under Paragraph 2548.2 was printed in the 2022 Book of Reports and forwarded to the annual conference as a regular item of business. Recommendation 8 encouraged the Conference Trustees to consider the use of Paragraph 2548.2 as an alternative avenue for disaffiliating or separation congregations. Consideration of the Recommendation was permitted to come before the annual conference only because it was deemed "aspirational," and not directing or binding on the Trustees. This action was taken based on JCD 1420 and the prevailing understanding of it. Therefore, I pose the following questions of law:

1. Does the annual conference have authority to direct the Conference Trustees?
2. Is Paragraph 2553.4, which "expands" the authority of the Conference Trustees (JCD 1420) to set the terms and conditions of disaffiliation, in conflict with Paragraph 2512.2 which states in part, that the Board of Trustees "... shall be amenable to the annual conference?" Does such an expansion of authority violate the principle of legality, result in an unconstitutional delegation of the authority of the annual conference, and violate the powers reserved to the annual conference under paragraph 33 of the Constitution? What is the meaning of "amenable" in paragraph 2512.2? Does Paragraph 2512.2 specify any exceptions to the amenability of the Trustees to the annual conference?

3. When setting a general policy for the disaffiliation/separation of congregations must the Trustees seek and receive the approval of the annual conference for said policy?
4. Paragraph 2553.4 makes no specific reference to an expansion of the authority of the Trustees, or an exception to the amenability of the Trustees to the annual conference. Does the general principle of amenability in Paragraph 2512.2 govern the applicability of the authority described in Paragraph 2553.4?
5. The Book of Discipline of the United Methodist Church states the Trustees of a local church “shall always be subject to the direction of the charge conference (Paragraph 1529).” It also states District Trustees are subject to the district or annual conference (Paragraph 2518.1, 2). Is the authority extended by Paragraph 2553.4 to the Conference Trustees contrary to the general structure and consistency of United Methodist polity in The Book of Discipline of the United Methodist Church?

Decision of Law

For the purposes of this Decision of Law, I will presume that the above-questions relate to the terms and conditions of the disaffiliation under paragraph 2553 of the *Discipline* set forth in the report of the conference board of trustees on pages 35-41 of the Book of Reports.¹ I will also extract the questions from the narrative that surrounds them.²

Question 1:

Does the annual conference have authority to direct the Conference Trustees?

Paragraph 2512.2 as interpreted by JCD 1371 provides that the conference board of trustees “acts at the direction of the annual conference and not as an initiator of action, except as The Discipline stipulates.”

Question 2:

Is Paragraph 2553.4, which “expands” the authority of the Conference Trustees (JCD 1420) to set the terms and conditions of

¹ The pagination in the Book of Reports stops at page 34 to include the conference’s disaffiliation agreement template, which bears its own pagination, and then resumes on page 42.

² The request for a decision of law erroneously suggests that Recommendation 8, concerning separation under paragraph 2548.2 of the Discipline, was permitted to be included in the conference’s Book of Reports because it was “aspirational” in nature. I respectfully disagree. All proposed recommendations that are timely submitted the legislative committee and meeting the formal requirements for legislation are permitted to be printed in the Book of Reports. Recommendation 8 was ultimately ruled out of order as premature and is the subject of a separate Decision of Law.

disaffiliation, in conflict with Paragraph 2512.2 which states in part, that the Board of Trustees “... shall be amenable to the annual conference?” Does such an expansion of authority violate the principle of legality, result in an unconstitutional delegation of the authority of the annual conference, and violate the powers reserved to the annual conference under paragraph 33 of the Constitution? What is the meaning of “amenable” in paragraph 2512.2? Does Paragraph 2512.2 specify any exceptions to the amenability of the Trustees to the annual conference?

Taking these questions in the order in which they are presented, I first note that paragraphs 2553.4 and 2512.2 of the *Discipline* do not conflict. Paragraph 2512.2, as interpreted by JCD 1371 provides that the conference board of trustees “acts at the direction of the annual conference and not as an initiator of action, except as The Discipline stipulates.” Paragraph 2553.4 provides, and JCD 1420 has affirmed, that one exception to paragraph 2512.2 stipulated by the *Discipline* is that the conference board of trustees has exclusive authority in establishing the terms and conditions of a local church’s departure from The United Methodist Church under paragraph 2553 of the *Discipline*.

Next, I note that paragraph 2553 of the *Discipline* has been ruled constitutional. (JCD 1379.) Therefore, I do not find an unconstitutional abrogation of powers reserved to the annual conference under paragraph 33 of the *Discipline*.

Finally, the principle of amenability in connection with paragraph 2512.2 of the *Discipline* has been addressed above.

Question 3:

When setting a general policy for the disaffiliation/separation of congregations must the Trustees seek and receive the approval of the annual conference for said policy?

The conference board of trustees has exclusive authority in establishing the terms and conditions of a local church’s departure from The United Methodist Church under paragraph 2553 of the *Discipline*. (*Discipline*, paragraph 2553.4; JCD 1420.) To the extent Question 3 seeks to address a different scenario, I would decline to issue decision of law on such matters as they would be hypothetical, speculative or advisory in nature. JCD 33, 131, 396, 651, 746, 762, 799.

Question 4:

Does the general principle of amenability in Paragraph 2512.2 govern the applicability of the authority described in Paragraph 2553.4?

As noted above, the principle of amenability in paragraph 2512.2 of the *Discipline* is subject to exceptions stipulated by other provisions of the *Discipline*. (*Discipline*, paragraph 2553.4; JCD 1371, 1379, 1420.) Paragraph 2553.4 of the *Discipline* is one such exception.

Question 5:

Is the authority extended by Paragraph 2553.4 to the Conference Trustees contrary to the general structure and consistency of United Methodist polity in The Book of Discipline of the United Methodist Church?

This request does not relate to a specific action taken at the West Ohio Annual Conference. (JCD 799.) Paragraph 2553 of the *Discipline* was ruled constitutional in JCD 1379 and I am bound thereby.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Gregory V. Palmer".

**Gregory Vaughn Palmer, Bishop
The West Ohio Annual Conference
of the United Methodist Church**

**Text of the Written Request
For Decision**

REQUEST FOR A RULING OF LAW

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**Excerpt from Secretarial Notes
Of
Daily Proceedings
Saturday, June 4, 2022

West Ohio Annual Conference**



32 Wesley Boulevard
Worthington, Ohio 43085
phone 614.844.6200
free 800.437.0028
fax 614.781.2625

www.westohioumc.org
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twitter.com/westohioumc
youtube.com/westohioumc

Annual Conference 2022
Daily Proceedings – Saturday June 4, 2022

Excerpt from Secretarial Notes
Recommendation 8

A Path for West Ohio Congregations Separating Under Paragraph 2548.2

10:41 Motion #13— Reverends Greg Stover and Jeff Greenway

Greg Stover-Clergy, Shawnee Valley introduced recommendation #8 found on pages 106-108 of the Book of Reports.

John Edgar-Clergy, Capital Area South brought a point of order for a question of law asking that the bishop rule whether sections of this legislation violate The Book of Discipline at paragraphs 2548.2 or 2553. Bishop Palmer requested several minutes to review and reminded us that all of his rulings are automatically reviewed by the Judicial Council. A recess of about 10 minutes was taken for the Bishop to confer with colleagues.

After calling us back into session, Bishop Palmer ruled that portions of Recommendation 8 lean greatly toward being out of alignment with The Book of Discipline. The Council of Bishops has already asked the Judicial Council for rulings on paragraph 2548.2 pertaining to about six to eight points and rulings are expected in the future. Recommendation 8 does not present harm, but he would like to review the request more fully. He also remarked that there are places where issues should be decided by Annual Conference or General Conference. Bishop Palmer indicated that he is likely to take the full 30 days to write his decision. Bishop Palmer ruled the recommendation out of order at this time. He will submit a public report on or around July 4.

11:41 Decisions of Law

Jeff Greenway-Clergy, Capital Area South requested a decision of law for a number of questions. The questions were enumerated in detail in a document submitted to the Bishop and the Conference Secretary at 10:50 p.m., Friday, June 3, 2022.

Bishop Palmer thanked Rev. Greenway for bringing the additional questions to the Annual Conference and indicated that he would respond within 30 days of the adjournment of the Annual Conference session.

Districts

Capitol Area North

Capitol Area South

Foothills

Miami Valley

Maumee Watershed

Northwest Plains

Ohio River Valley

Shawnee Valley



West Ohio Conference
The United Methodist Church

NOTE: at about 9:45 a.m. on June 4, 2022, Rev. Greenway submitted a slight correction to the text of his question for a decision of law to the Bishop and Conference Secretary:

There will be one change—first paragraph line 8 will be changed from “separate” to “separating.”

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Christine Clough".

Ms. Christine Clough
Conference Secretary

West Ohio Conference of The United Methodist Church

**Names and Addresses
Of
Interested Parties**

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Interested Parties**

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Rev. Dr. Jeff Greenway
Reynoldsburg United Methodist Church
1636 Graham Road
Reynoldsburg, Ohio 43068-2633

Email: jgreenway@rumc.org
Phone: 614-778-8578

Bishop Gregory V. Palmer
West Ohio Conference of The United Methodist Church
32 Wesley Blvd.
Worthington, Ohio 43085

Email: wocbishop@wocumc.org
Phone: 380-223-9182

Ms. Christine Clough
Annual Conference Secretary
32 Wesley Boulevard, Worthington 43082
cclough@wocumc.org

Board of Trustees Report

West Ohio Conference

BOARD OF

Trustees

REPORT

Presented by: Julie Hurtig

The conference trustees have had a busy and substantive year, ably attended to by a gifted board of trustees and conference staff that support us. We addressed matters of law, property and disaffiliation while appreciating the work of our affiliated organizations during the second year of a global pandemic.

Boy Scouts of America:

The widely reported Boy Scouts of America bankruptcy case is a significant matter for The United Methodist Church. Thousands of local churches across the country and hundreds in Ohio charter scouting troops, some of which span generations. BSA entered bankruptcy proceedings to attend to over 80,000 allegations of abuse spanning 60 years. The UMC assembled a legal team to represent its interests and those of claimants.

The trial was concluded in April and the judge's ruling is pending at the time of this writing. It is expected that The United Methodist Church would contribute \$30 million toward a survivors' settlement trust. West Ohio has committed nearly \$1.1 million to the trust and to engage in healing actions that include listening to and learning from survivor experiences, sharing articles, and reviewing and updating Safe Sanctuary policies. An ad hoc committee of conference trustees, members of the Council of Finance and Administration, and others will review and recommend how West Ohio should fulfill its financial commitment. The BSA reorganization mediated plan would result in full liability releases in favor of United Methodist Chartering Organizations for abuse claims through Feb. 18, 2020, the date of bankruptcy.

Thankfully, we have no other material legal matters to report.

Affiliated Organizations:

The Board of Trustees is the conference body that officially relates to our affiliated organizations. They include OhioHealth, Charitable Pharmacy of Central Ohio, UMCH Family Services, Otterbein Senior Life, Life Enriching Communities and The Wesley Communities. Each found themselves in the midst of a persistent pandemic: hospitals, congregate living systems, delivered rather than picked-up prescriptions, and so on. Their work in this time surely is God's work, and we are grateful to be in ministry with them. During the first half of 2022, The Wesley Communities will officially become part of the Life Enriching Communities, covering the central and southwestern Ohio markets.

Property Matters:

Administering conference and district property, including closed churches, is now centrally coordinated. As of Dec. 31, 2021, the conference and districts own and manage 29 properties, including three parsonages, the Conference Center, three district-owned offices, three camps and retreat centers, five closed churches now used for missional purposes, and 12 closed churches pending sale.

The administration of closed churches has given rise to the Closed Church Fund. That fund had a Dec. 31, 2021 value of \$6 million, of which \$1.2 million was held in cash, and the balance represented the estimated value of closed church properties. In 2021, the fund incurred \$1.1 million of expenses, of which 75% were grants, with the balance covering property-management expenses. Working with the extended cabinet, the trustees have created an endowment that will be funded annually with 25% of closed-church proceeds. The initial contribution to the endowment is \$500,000, and income from the endowment will support new worshipping communities for years into the future.

Disaffiliation:

The trustees have been monitoring and working on how best to help churches disaffiliate from the denomination under *Book of Discipline* provisions. Along with many others, the Board anticipated a General Conference would provide guidance on disaffiliating and the corresponding role of conference trustees. Now that the 2020 General Conference is officially postponed until 2024, many have been looking at how to use the existing *Book of Discipline* paragraphs to implement disaffiliations prior to 2024. The trustees have focused their efforts on ¶12553, which was passed at the 2019 Special General Conference and is now fully vetted by the Judicial Council. Our comprehensive approach and plan for disaffiliations under ¶12553 is fully and transparently shared following this summary report, along with several related questions and answers.

Indeed, the work of conference trustees has been substantial this past year, and all indications are it will continue to undertake important matters of governance and oversight for the West Ohio Conference.

While I'm appreciative of all conference trustees and conference staff who support our work, I'm particularly grateful for Marlen Yost. Marlen served on the board since 2016, and ably and conscientiously led the board as chair from 2020 until stepping down in February 2022.

I look forward to annual conference, where I will provide a report on these and other matters. In the meantime, please contact me with questions at juliehurtig@gmail.com

¶ 2553 of the 2016 *Book of Discipline*

NEW ¶ 2553, page 776.

[This new paragraph became effective at the close of the 2019 General Conference.]

Section VIII. Disaffiliation of Local Churches Over Issues Related to Human Sexuality

¶ 2553. *Disaffiliation of a Local Church Over Issues Related to Human Sexuality*—

1. **Basis**—Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination 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.
2. **Time Limits**—The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of ¶ 2553 expire on December 31, 2023 and shall not be used after that date.
3. **Decision Making Process**—The church conference shall be conducted in accordance with ¶ 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of ¶ 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference.
4. **Process Following Decision to Disaffiliate from The United Methodist Church**—If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. That agreement must be consistent with the following provisions:
 - a. **Standard Terms of the Disaffiliation Agreement.** The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in ¶ 807.9. The agreement shall include a recognition of the validity and applicability of ¶ 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph.

- b. Apportionments. The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments.
- c. Property. A disaffiliating local church shall have the right to retain its real and personal, tangible and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church.
- d. Pension Liabilities. The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share.
- e. Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation.
- f. Payment Terms. Payment shall occur prior to the effective date of departure.
- g. Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans. The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans.
- h. Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of *The Book of Discipline* of The United Methodist Church commonly referred to as the trust clause, or under the agreement.

Steps of Disaffiliation Process Under Paragraph 2553

A. Request for church conference and call by district superintendent.

The church conference shall be conducted in accordance with Paragraph 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. When the request is made, the pastor of the church is to provide to the district superintendent a listing of all professing members of the congregation and agrees to report any changes to that listing ten (10) days before the church conference.

B. Approval of the disaffiliation resolution by a two-thirds majority of the professing members of the local church present and voting at the church conference.

At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote 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.”

C. Establishment of the terms and conditions, including effective date, of the disaffiliation agreement between the annual conference and the exiting local church by the conference board of trustees.

If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the annual conference. The Board of Trustees of the West Ohio Annual Conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor have determined the unfunded pension liability shall be allocated on the basis of the church's share of total apportionments.

TEMPLATE

Disaffiliation Agreement Pursuant ¶2553

This Disaffiliation Agreement (“Agreement”) made effective as set forth below by and between the West Ohio Conference of The United Methodist Church (the “Annual Conference”) and _____ (“Local Church”).

Preliminary Statements

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 ¶2501.

Whereas, pursuant to ¶2553.4 and Judicial Council Decision (JCD) 1420, the Annual Conference Board of Trustees is vested with the exclusive authority to establish the terms and conditions of a local church’s departure from The United Methodist Church.

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, any disaffiliation by a local church from The United Methodist Church must be ratified by a simple majority of the members present and voting at a duly called session of Annual Conference, as required by JCD 1379.

Whereas, Local Church and Annual Conference wish to resolve all matters between them and to disaffiliate in compliance with the requirements of ¶2553 and Judicial Council Decision 1379.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein, 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 that the following are conditions precedent to effective disaffiliation:
 - 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 must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as an exhibit to this Disaffiliation Agreement. (Exhibit A.)
 - b. **Annual Conference Approval.** The disaffiliation memorialized by this Agreement has been ratified by a simple majority of the members present and voting at a duly called session of Annual Conference.
 - c. **Payment.** Payment as set forth in Section 4 below has been received by the Annual Conference.

Should any of the above fail to occur, this Disaffiliation Agreement shall immediately become null and void and Local Church’s disaffiliation shall be ineffective.

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 _____, 20__ (“Disaffiliation Date”).¹
4. **Consideration:** in consideration of the Annual Conference’s obligations under this Agreement, Local Church agrees to pay to the Annual Conference, in a manner specified by the Annual Conference, the sum of \$_____. Payment shall be made seven (7) calendar days prior the Disaffiliation Date. This sum represents:
 - a. The required apportionment payment (Paragraph 2553.4b) shall be for the twelve (12) months immediately preceding the Disaffiliation Date, plus twelve (12) times the most recent monthly apportionment amount prior to the Disaffiliation Date;
 - b. \$_____, which reflects the amount of any directly billed outstanding invoices owed to the Conference for current Clergy benefit obligations;²

¹ Under ¶2553.2, the Disaffiliation Date cannot be later than December 31, 2023.

² Enter “0” if the Local Church is current.

- c. An amount equal to Local Church's share, as determined by the Conference using 202_ numbers, of the Conference's unfunded pension obligations, totaling _____³; and
 - d. An amount equal to any Conference or District grant in excess of \$20,000.00, other than a grant for equitable compensation, received by Local Church on or after March 1, 2019.
5. **Release of Trust Interest:** Within seven (7) calendar days of its receipt of the payment in paragraph 4 above, and assuming all other conditions precedent have been satisfied, the Conference shall provide the Local Church the release of trust interest attached hereto as Exhibit B. The Annual Conference shall also provide reasonable cooperation to the Local Church to the extent additional documentation is needed, such as assisting with an affidavit of title, if necessary.
 6. **Other Liabilities:** Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference.
 7. **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.
 8. **Records:** Local Church shall turn over to the Annual Conference all archives, membership rolls, and historical documents, including documents related to funerals, baptisms, and weddings, and all trustee, committee, and council meeting minutes. Local Church may retain copies of documents of legal or operational significance and shall have a right to access archived records for business and legal purposes.
 9. **Cemeteries and Columbaria.** If Local Church has a cemetery, memorial garden, mausoleum, columbarium, or other place for the disposition of human remains, Local Church shall continue to maintain it in compliance with all applicable laws and provide access to it after the Disaffiliation Date for families and loved ones of United Methodists buried there on the same terms and conditions as the members of Local Church.
 10. **Organizational Transition.** Prior to the Disaffiliation Date, Local Church shall make reasonable efforts to remove all United Methodist branding and refrain from holding itself out as a United Methodist Church. Further, Local Church shall be prepared to do one of the following by the Disaffiliation Date: (a) satisfy all of its debts, loans, and liabilities and continue in existence with amended governing documents; or (b) transfer all its property, debts, loans, liabilities and obligations to a new legal entity. If Local Church transfers all its property and obligations to another church or a new legal entity to operate as a church with its property after the Disaffiliation Date, Local Church promptly shall take all steps necessary to dissolve as a corporation in accordance with Ohio law, effective as of the

³ The Annual Conference calculates a local church's share of the Conference's unfunded pension obligation by multiplying the church's share of total Annual Conference, General Church and District apportionments by the total unfunded pension obligation.

Disaffiliation Date. If Local Church merges into another church corporation, Local Church shall assure that the articles of incorporation, bylaws, and other corporate governance documents of the surviving corporation do not contain the letters “UMC” or the words “United Methodist” or otherwise indicate any affiliation or connectional relationship with The United Methodist Church. Local Church shall indemnify, defend, and hold harmless Annual Conference and its districts, agents, officers, directors, 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.

11. **Return of UMC Branding/Materials:** Local Church shall cease all use of “United Methodist,” the Cross and Flame insignia, and any other intellectual property of the Conference and The United Methodist Church, including the removal of all signage containing the same, as soon as possible but no later than three (3) months following the Disaffiliation Date. Signage or insignia that is an integral part of a church building (e.g., when the insignia is part of a stained-glass window, mosaic, or etched into the stone, brick, or woodwork of a building) shall be exempt from removal. Local Church may continue to use *The United Methodist Hymnal*, *Book of Worship*, and any other United Methodist worship or study materials it has purchased consistent with the copyright obligations stated in such hymnals, books and materials.
12. **Mutual Release of Liability:** Each party, on behalf of themselves, their trustees, employees, members, successors and assigns, releases and holds harmless the other from all claims and liability arising out of their denominational affiliation and disaffiliation, except for any breach of this agreement, including the indemnification obligations set forth in paragraphs 10 and 13 hereof.
13. **BSA Chartered Organization Warranty:** Local Church warrants that it is unaware of any claims or demands against it in connection with any scouting activities chartered or hosted by the Local Church. **[Or if applicable:** Local Church is aware of a claim or demand arising out of its chartering a scout troop or hosting scouting activities. Local Church agrees that to the extent possible it will work with its insurer to extend all available coverage to the Annual Conference and relevant District in connection with such claim or demand and enter into an indemnification agreement with the Annual Conference and District.]⁴
14. **Implementation Expenses:** Each party will bear their own costs and fees. However, Local Church will assume all costs and fees associated with any title work needed to implement this Agreement.

[Remainder of Page Intentionally Left Blank]

⁴ Select one.

**West Ohio Annual Conference of
The United Methodist Church,
Inc.**

By: _____ Date _____
Its: Bishop

_____ **District**

By: Rev. _____ Date _____
Its: District Superintendent

Local Church

By: _____ Date _____
Its: Chair, Board of Trustees

Exhibit A

(Documentation certified by an authorized officer of Local Church evidencing the result of the disaffiliation vote taken at Local Church's church conference)

Exhibit B
RELEASE OF TRUST CLAUSE INTEREST

We, as the Bishop of The West Ohio Annual Conference of The United Methodist Church, Inc. ("Annual Conference"), the Chair of the Annual Conference Board of Trustees, and the presiding District Superintendent of the _____ District of the Annual Conference, hereby affirm that _____ United Methodist Church ("Local Church") has disaffiliated from The United Methodist Church in compliance with the Book of Discipline of The United Methodist Church (the "Discipline") and the decisions of the Judicial Council of The United Methodist Church. Therefore, we release and disclaim all interests of the Annual Conference, for itself and on behalf of The United Methodist Church, in the real and personal property of the Local Church and expressly release the trust interest imposed on the same by Paragraph 2501 of the Discipline.

Date: _____

West Ohio Annual Conference of The United Methodist Church, Inc.

By: _____
Gregory V. Palmer, Bishop

_____ **District of the West Ohio Annual Conference**

By: _____
_____, District Superintendent
_____, District of The West Ohio
Annual Conference of The United
United Methodist Church, Inc.

**Board of Trustees, West Ohio Annual Conference
of The United Methodist Church, Inc.**

By: _____
_____, Chair

ACKNOWLEDGEMENT

The foregoing Release of Trust was acknowledged before me on _____, 20__, by _____, as Bishop of The West Ohio Conference of The United Methodist Church, Inc.; _____, District Superintendent of the _____ District of The West Ohio Conference of The United Methodist Church, Inc.; and _____, Chair of the Board of Trustees of the West Ohio Annual Conference of The United Methodist Church, Inc., each of whom produced a driver's license as identification.

Name: _____
Notary Public, County of _____; State of _____

Paragraph 2553 FAQs

1. What is the Trust Clause and why does it matter?

From United Methodism's earliest days, it has been the practice, understanding and rule that local United Methodist Church property is held in trust for the denomination. As long as the congregation remains part of and advances the interest of The United Methodist Church, the congregation tends to the property needs. When that ceases to be the case, the property transfers to the Conference Trustees for management and disposition.

2. What is Paragraph 2553, from where did it come, and why is it the basis of the Trustee Report?

During the 2019 Special General Conference, petition 90059 was moved as a substitute for the One Church Plan. The petition was brought by Keith Boyette, who was the leader of the Wesleyan Covenant Association. The maker of the motion represented that the terms of petition 90059 provided for a Gracious Exit. During the debate, the proponent stated the following: "We do not want to force any church to leave the denomination. This does not force anyone to do so. What it does, it says that any church that discerns that because of today's votes, they cannot faithfully live out the gospel, would have an opportunity to have a fair process to leave. The intended process is literally how I would want to be treated if I were the one hurting because of that" (from the daily proceedings as recorded in the 2019 Daily Christian Advocate). The petition passed 420-390 with traditionalists making up a significant majority of the 420 votes in favor and centrists and progressives making up a significant majority of the 390 votes against. The content of the petition gave rise to ¶2553, which the Conference Trustees are using as guidance for churches wishing to disaffiliate.

The Conference Trustees appreciate that The Council of Bishops recently affirmed by an overwhelming majority that ¶2553 in *The Book of Discipline* would be the primary paragraph used for disaffiliation and separation. It is understood that different contexts may require utilization of additional paragraphs in the current *Book of Discipline*, namely paragraphs 2548.2 and 2549: and that, if so, they would employ the values and principles as outlined in paragraph 2553.

3. If a local church leaves (i.e., changes its connectional relationship with) The United Methodist Church by affiliating with another denomination under Discipline ¶2548, instead of disaffiliating pursuant to ¶2553 of The Discipline, will such church be exempt from the "pension withdrawal liability payment" requirement, under which it must pay its share of unfunded pension obligations to its annual conference?

No. Affiliating with another denomination under ¶2548.2 will not bypass the pension withdrawal liability payment requirement. Although such church would not be disaffiliating pursuant to ¶2553, which contains a withdrawal liability payment requirement, the church would remain subject to ¶1504.23 of The Discipline. Paragraph 1504.23, approved by the 2019 General Conference, imposes the pension withdrawal payment requirement when a local church or charge "changes its relationship to The United Methodist Church through closure, abandonment, or release from the trust clause pursuant to ¶2548, ¶2549, or otherwise" Thus, the pension withdrawal liability payment requirement applies, regardless of the nature in which — or The Discipline paragraph under which — a church or charge disaffiliates from The United Methodist Church. This payment is designed to account for the pension-related investment, longevity and other risks that the exiting local church would be leaving to its annual conference upon disaffiliation.

4. Why is there a tight timeline? Why does it need to be done by Dec. 31, 2023?

Paragraph 2553 states that for this process to be used, it must be completed by December 31, 2023. It was anticipated that there would be a General Conference in 2020, and then 2021, and then 2022, with perhaps additional legislation and gracious exit procedures. Due to COVID-19, that did not occur, and so the 2019 legislation that expires on December 31, 2023, is what is available now.

5. What about paragraph 2548? Can we use it instead?

Paragraph 2548, and specifically 2548.2, addresses congregations who wish to disaffiliate with The United Methodist Church and instead affiliate with other denominations. Unlike paragraph 2553, which is recent and the context well understood, 2548 was added to *The Book of Discipline* in 1948, shortly after the reunification of the North and South Methodist Churches. At the time of this writing, many are assessing how 2548.2 might be applied to our current situation. While its origins are 70 years in our past, paragraph 1504.23, which deals with pension liabilities, is explicitly applied to 2548.2 for churches joining other denominations. As of March 2022 (when this is being written), it is not clear how annual conferences would use 2548.2 to affect disaffiliations.

6. Why are the Trustees not using their latitude to add more things to the requirements?

While the Judicial Council has affirmed that Conference Trustees may request additional items in addition to what 2553 indicates is a minimum, West Ohio's Trustees have not opted to do so. The desire is to be grace-filled in allowing congregations to disaffiliate, if that is their choice. The requirements are minimal and related to providing sustainability for pension and benefit obligations for those who have and do serve the church, and to continue the strong operation of the annual conference. The Conference Board of Trustees is responsible for maintaining the sustainability of these specific matters.

7. Why are the Trustees even the ones involved in this? Who gave the Trustees the authority to do this?

Paragraph 2553 gives the Board of Trustees of the Annual Conference the authority to set the terms of the disaffiliation. This authority was supported by the Judicial Council in February 2022 in Judicial Ruling 1420. According to The Discipline and the Judicial Council, the Conference Board of Trustees set the terms and the Annual Conference approves the disaffiliation at the end of the process.

8. Explain the money a church needs to pay.

Payments to the Conference are generally of two types. The first is apportionments, which is widely understood. Disaffiliating churches shall pay the conference the amount apportioned them for the 12 months prior to disaffiliation (if they have not already done so and are otherwise current) and 12 times the apportionment owed for the month they disaffiliate (for example, 12 times the July 2023 apportionment amount).

The second payment is toward its share of the conference's unfunded pension liability on a market basis as determined by Wespath. Conference Trustees have determined that the unfunded liability will be allocated in the same way apportionments are allocated. Apportionments are based two-thirds (2/3) on operating expenses as reported in the annual statistical tables and one-third (1/3) on reported membership. While there are other approaches, this one was selected because it's a proven way to allocate support among the local churches and is more easily understood than other approaches.

Pension liabilities are calculated on two bases. One is on a funded basis, which assumes a pension plan will continue and that assets backing the liability are invested in the market (fixed income and equities) over the long term and earn market returns. Liabilities calculated on a market basis use more conservative assumptions. It assumes returns associated with low-risk bonds that will produce enough income to pay retirees. A plan needs more assets when it's invested in low-risk bonds than when in a portfolio of stocks and bonds. Valuations under both methods are standard and accepted in actuarial reports for post-retirement benefits.

For churches that have received grants above \$20,000 (excluding Equitable Compensation grants) from the West Ohio Conference/District since March 1, 2019, and choose to disaffiliate, repayment of the grant will be part of its disaffiliation process. Arrearages on directly billed pension and health benefits will also be due.

9. Will each disaffiliation church be treated the same?

Each church will follow the same process and use the same agreement that is provided in the accompanying Trustee Report to Annual Conference. The trustees are committed to being consistent and transparent.

10. Why two years of apportionments? Why only two years? Why not all the past years owed?

Paragraph 2553 stipulates the minimum that a disaffiliating church must pay, which is two years of apportionments and its share of the unfunded pension liability. While the Judicial Council affirmed that Annual Conferences can require additional items for disaffiliation, West Ohio's trustees determined that it would keep it basic and simple. In other annual conferences, a portion of the property value is also required, for example. Between apportionments and the share of unfunded liabilities, the cost of disaffiliating is significant.

11. What is a professing member?

The professing membership of a local United Methodist church shall include all baptized people who have come into membership by profession of faith through appropriate services of the baptismal covenant in the ritual or by transfer from other churches.

12. Do you mean two-thirds of your members need to be present or two-thirds of your members who are present? What is a quorum? What does it mean to be present?

Quorum in The UMC is defined as the members present and voting at any duly announced meeting. In this case, members are professing members. In order for a disaffiliating action to be carried forward, a positive vote of two-thirds of the professing members present at the time of the meeting of a duly called Church Conference is needed. The Judicial Council has affirmed that two-thirds is needed in Judicial Ruling 1379. A simple majority of votes often brings more conflict; a decision as significant as disaffiliation needs to be decisive. Voting will be with those who are physically present or on Zoom so they can participate in the conversation that occurs before the vote.

13. Who can vote? Can you vote absentee? Can I send my vote with someone else?

Professing members of the local church who are physically present or on Zoom so they can participate in the conversation that occurs will be those who vote. You cannot send your vote with someone else or vote absentee.

14. Why two-thirds? What about a simple majority?

Paragraph 2553 requires two-thirds approval for the disaffiliation to move forward. This is a very significant decision that a congregation faces, and the direction needs to be by a clear strong majority. Judicial Council Ruling 1379 affirms this percentage for all gracious exiting legislation.

15. When do we have to vote?

Congregations will vote once their pastor contacts the district superintendent and asks for a church conference to be set. It will be held within 120 days of the request. Announcement will be made in multiple ways and at least two ways 10 days prior to the meeting. At this meeting, professing members of the church can vote. Your district superintendent or someone s/he designates will conduct the meeting.

16. What will the voting process be?

Pastors will give to their district superintendent the list of professing members in their local church when requesting a church conference for the purpose of testing disaffiliation. A church conference will be held within 120 days of gaining permission. Broad announcement of the church conference will be made. The rule of announcing two different ways at least 10 days in advance should be expanded so that all professing members are aware of the meeting. Voting will take place by ballot for those in person and by chat for those who are on Zoom. The votes will be counted while persons are gathered and reported to the body at the end of the counting.

17. What is the mechanism for initiating a church conference and who can initiate it? What if our pastor does not want to initiate it? Can someone else do so?

Typically, a pastor of the church will request the District Superintendent set a church conference. If your pastor does not want to initiate it, then the Church Council or 10% of the professing membership can request the District Superintendent set a church conference. In any case, a copy of the written request is to be given to the pastor. If you have difficulty getting it initiated, speak with your District Superintendent.

18. Why do we need to wait for Annual Conference to approve it?

The legislation of Paragraph 2553 calls for the final approval to be with the Annual Conference, and the Judicial Council has affirmed that provision in ruling 1420.

19. Can we have a special called Annual Conference for this purpose?

The decision to have a special Annual Conference lies with the Resident Bishop, Bishop Palmer, per Discipline paragraph 369.6. As we move through this period of time, Bishop Palmer will be sensitive to the possible needs to have a special Annual Conference for this purpose, but reserves the right to make that decision at a future time.

20. If my church decides to leave, do I have to leave? If my church decides to leave, does my pastor have to leave?

No; if your church decides to leave, you do not have to leave the denomination but will be encouraged to find another local church in the area. If your church decides to leave, your pastor will not have to leave but will be present in the appointment pool going forward.

21. What happens to the pastor if they want to stay and the church goes?

If this happens, your pastor will be in the appointment pool and be appointed to another church, and your church will go through the disaffiliation process.

22. What happens if after the church votes to leave, the church begins the process and then decides they don't want to go?

In order to have the disaffiliation take place, all steps must be completed. If any steps are left undone or not approved by the congregation, the church will still be in the West Ohio Conference.

23. How does a church that joins the Global Methodist Church (GMC) come back?

The congregation wanting to come back would write to Bishop Palmer, and he would ask his development staff to work with the congregation in preparation to become United Methodist.

24. How does a pastor who joins the GMC come back?

A pastor wishing to come back after leaving, would contact the Bishop and the Board of Ministry and work through the process for pastors wanting to transfer in from another denomination.

25. What about hymnals? If we leave, can we keep the U.M. hymnal?

Yes; U.M. hymnals and other worship and educational materials can be kept by the leaving church. These are available to congregations and individuals of all denominations and faiths.

26. If the cross and flame is etched into the stone of our building, do we have to remove it?

No, unless that removal would be relatively easy to do; then you might want to do so. Common sense needs to be invoked in this area of built-in branding. If it is difficult to remove, one needs to decide not to do decorating or art designs that promote it.

27. What happens to my pension if I am a pastor?

For pastors maintaining their membership in the UMC, there are no impacts on your pension plan. For pastors who surrender their UMC credentials, they will benefit from their accumulated and accrued benefits to the date of surrender. They will cease accruing benefits under the UMC plan after the surrender date. For pastors who join another denomination, there may be ways to participate in that denomination's pension and benefit plans. Specifically, Wespeth has made provisions for transferring benefits and liabilities to new plans for denominations that are in the Wesleyan tradition. For clergy so affiliated, that may be an option in the future. Please reference Wespeth's disaffiliation resources on their website at wespeth.org.