



JUDICIAL COUNCIL OF THE UNITED METHODIST CHURCH  
 CONSEIL JUDICIAIRE DE L'ÉGLISE METHODISTE UNIE  
 RECHTSHOF DER EVANGELISCH-METHODISTISCHEN KIRCHE  
 CONSELHO JUDICIAL DA IGREJA METODISTA UNIDA  
 CONSEJO DE LA JUDICATURA DE LA IGLESIA METODISTA UNIDA



### Report by Bishop on Decision of Law

This form is to be used for (please check one):

- Reporting of decisions of law made by bishops in response to questions of law submitted to them in writing during the regular business of a conference session (§ 56.3 Const. and ¶ 2609.6 *The Book of Discipline 2016*).
- Reporting of episcopal decisions on questions of law when such decisions are appealed by one-fifth of the members of the conference (§ 56.2 Const. and ¶ 2609.7 *The Book of Discipline 2016*).

Name of Bishop: Bishop Cynthia Moore-Koikoi

Address: PO Box 5002 City: Cranberry Township

State/Province: PA ZIP/Postal Code 16066-0002 Country: USA

Phone: 724-776-1499 Fax: 724-776-1355 E-mail: bishop@wpaumc.org

Annual Conference: Western Pennsylvania Date of session: 06/04/2022 (month/day/year)

Question(s) of Law: See Attached Decision of Law

Authorities Cited (indicate paragraph or decision number where applicable):

Constitution: \_\_\_\_\_ Book of Discipline: ¶2512.4, ¶2553.4 including a, b, d, and f.

Judicial Council Decision(s): JCD 823, JCD 826, JCD 1105, JCD 1420 and JCD 1421

Signature: \_\_\_\_\_ Date: 6/30/2022

**Bishop of The United Methodist Church** (month/day/year)

**The following must be attached:**

- Decision of Law, including facts, rationale and ruling
  - Text of the written request for decision
  - Minutes of annual conference proceedings
  - List of names and addresses of interested parties
  - Other relevant materials (e.g. conference rules, resolutions, policies, reports)
- Thirteen (13) hard copies must be submitted via USPS or other delivery service to:  
**UMC Judicial Council, c/o LaNella Smith, Assistant to the J.C. Secretary,  
 1215 Shady Lane, Durham, NC 27712**
- Electronic copies in both Word and PDF (with security features disabled) must be submitted to: [secretary@umcjudicialcouncil.org](mailto:secretary@umcjudicialcouncil.org).

Decision of Law  
June 30, 2022  
Bishop Cynthia Moore-Koikoi  
Petition 73 For Disaffiliation Agreement Pursuant to ¶2553

**Statement of Facts**

Prior to the 2022 session of the Western Pennsylvania Annual Conference, Bishop Cynthia Moore-Koikoi met with writers of Petition 73 and each of the pieces of legislation that were submitted for consideration by the annual conference for which there were conflicts with church law and/or annual conference rules. Bishop Cynthia Moore-Koikoi shared with each of the writers the specific conflicts with church law and/or conference rules. Bishop Cynthia Moore-Koikoi encouraged each writer to work in legislative sections of annual conference to amend the legislation so that it would not be in conflict with church law and/or annual conference rule.

On the afternoon of June 2, 2022, as part of her instructions for legislation sections which Bishop Cynthia Moore-Koikoi shared with the annual conference the conflicts to church law and conference rules with Petition 73 and all other legislation for which there were conflicts.

Petition 73 passed in legislative section as amended by a vote of 93-9-3 which was sufficient for it to be placed on the consent calendar. However, per annual conference rules, it was lifted from the consent calendar. On the morning of June 5, 2022 the leader of Legislative Section 7 moved the adoption of Petition 73 as amended. At that time in a Decision of Law, Bishop Cynthia Moore-Koikoi ruled that Petition 73 as amended was in violation of church law.

As part of the ruling Bishop Moore-Koikoi announced that she would be referring her ruling to the Judicial Council. This was done in accordance with ¶2609.6.

Following her ruling, which included her announcement that she would be referring her ruling to Judicial Council, Rev. Nathanael Fugate, one of the writers of the petition, rose and asked for a point of “Parliamentary Inquiry” in order to “appeal to the body” the ruling of the chair. Bishop Cynthia Moore-Koikoi shared that this was not a parliamentary ruling, it would not be appropriate to appeal to the body. Further, she stated that church law takes precedence over parliamentary procedure. Therefore, it would be referred to the Judicial Council.

Although the veracity of the information provided in the “Whereas” statements in Petition 73 was the basis for some of the conflict with annual conference law, it was not part of this ruling and it was not shared in the Decision of Law on the morning of June 5, 2022. An analysis of the veracity of the information provided in the “Whereas” statements in Petition 73 is included as Appendix A for informational purposes only.

**Rationale**

Digest: “In exercising its rights, an Annual Conference cannot take an action which negates General Conference legislation,” JCD 823. Annual conferences may not legally negate, ignore, or violate provisions of the *Discipline* with which they disagree, even when the disagreements are based upon conscientious objections to those provisions,” JCD 886. “No Annual Conference may adopt any rule or policy that is in conflict with the *Discipline*.” JCD 1105. Petition 73 negates General Conference legislation, negates provisions of the *Discipline*, and is in conflict with the *Discipline*, therefore it cannot be enacted by the Annual Conference.

While ¶ 2553.4(a) gives authority to annual conferences to develop additional standard terms, those standard terms must be in addition to, rather than a substitute for the process or terms outlined in ¶2553. Further, the additions must be consistent with ¶2553 and all other Church law. Finally, ¶2553 does not give authority to the annual conference to modify the process following a local church decision to disaffiliate from The United Methodist Church. Petition 73 seeks to substitute some of the standard terms and conditions provided for in ¶2553 and modify the process for developing the standard terms and conditions delineated in ¶2553.

Specifically, “Therefore be it resolved (A)” in Petition 73 prescribes that the date of disaffiliation “shall be set for December 30, 2023.” Paragraph 2553 prescribes that the effective date of disaffiliation is one of the terms and conditions of the Disaffiliation Agreement which “shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor.”

Conclusion: The annual conference does not have the authority to negate the authority given to the Conference Board of Trustees in ¶2553. Further, the Conference Board of Trustees, not the annual conference, is given the authority to determine if the conditions of the Disaffiliation Agreement have been met, thus satisfying and effecting the agreement.

“Therefore be it resolved (E)” of Petition 73 as amended prescribes a substitute method for determining the pension withdrawal liability for a local church wishing to disaffiliate by stating “ The local church shall contribute \$1 as the withdrawal liability... or the local church shall pay as the withdrawal liability... using the same method and manner that the annual conference calculated the withdrawal liability for the pro rate share of any aggregate unfunded pension obligations under ¶1504.23, ¶2548 and ¶2549 between February 2019 and June 1, 2022 whichever is greater.” Providing even a potential option for a local church pension withdrawal liability of \$1 is inconsistent with ¶2553.4.d. In ¶2553 the General Conference made it clear that it intended for The General Board of Pension and Health Benefits to determine the aggregate obligations of the annual conference using market factors. Only considering the aggregate unfunded pension liability for the time period of February 2019 to June 1, 2022 would not take into account “market factors” at the time of disaffiliation. The annual conference unfunded pension obligation is, in fact, updated quarterly by The General Board of Pension and Health Benefits.

Conclusion: Petition 73 prevents the Board of Trustees from utilizing the aggregate unfunded pension obligation of the local church at the time of its decision to disaffiliate. The annual conference does not have the authority to substitute or add terms and conditions of disaffiliation that are inconsistent with the standard terms of ¶2553.

“Therefore be it resolved (J)” of Petition 73 as amended prescribes a conditional substitute for one of the items identified as a minimum term and condition in ¶2553. Petition 73 prescribes that if the annual conference does not publish on its website “The amount for apportionment payment responsibilities for each local church and ... the withdrawal liability for each local church... by August 15, 2022 or the amount for the local church shall be \$1.” Paragraph 2553.4.b and d prescribe the method by which these amounts are to be determined. Paragraph 2553 does not provide a method or condition for an annual conference to add a conditional substitution or conditional alteration of the minimal terms and condition of the Disaffiliation Agreement. In addition, resolution (J) would prevent the Board of Trustees from ensuring on behalf of The General Council on Finance and Administration that ¶807.9 has been upheld as prescribed in ¶2553.4.a. It is clear from the actions of The General Conference that one of the purposes of ¶2553 is in the words of ¶807.9 “to take all necessary legal steps to safeguard and protect the interests and rights of the denomination.” This obligation is specifically given to the Conference Board of Trustees in ¶2512.4.

Conclusion: The annual conference does not have the power to negate the authority given to the Conference Board of Trustees by the *Book of Discipline*. The annual conference does not have the authority to, even conditionally, develop standard terms that are inconsistent with the standard form of ¶2553.

“Therefore be it resolved (L)” of Petition 73 as amended negates the authority given to the board of trustees by the General Conference in ¶2553. The petition states, “The conference trustees may not add any further terms or conditions except as required by state law and church law.” The Judicial Council in Rulings 1420 and 1421 concluded that when read together ¶2512.4 and ¶2553.4 “express the intent of General Conference to delegate to the Conference Board of Trustees the exclusive authority to establish terms and conditions of a local church’s departure from The United Methodist Church. The Judicial Council concluded that the Conference Board of Trustees, therefore, do have the right to add terms and conditions to the Disaffiliation Agreement provided those terms and conditions comply with state and local laws.

Conclusion: The annual conference does not have the power to negate authority that has been given to the Conference Board of Trustees in ¶2553 as interpreted by the Judicial Council. If the annual conference disagrees with the terms and conditions of the Disaffiliation Agreement its remedy would be not to affirm the Disaffiliation Agreement.

**Summary:** Petition 73 violates ¶2512.4, ¶2553.4, including a, b, d, and f, and Judicial Council Rulings 1420 and 1421 as it negates the power and authority given to the Conference Board of Trustees by the *Book of Discipline* and General Conference in 2019; prescribes terms and conditions that are inconsistent with the minimal terms and conditions mandated by ¶2553; and it negates the Conference Board of Trustees ability to fulfill its ¶2512.4 obligation.

## Appendix

According to Roberts Rules Section 16 and 17 provide that the chair may rule a motion out of order if it is not clear. Bishop Cynthia Moore-Koikoi has consistently ruled that inaccurate information renders a motion unclear. While this information was originally presented to the makers of the motion in great detail and in summary to the Annual Conference, it was not used in the consequential Decision of Law. The following are the inaccurate/incomplete “Whereas” statements contained in Petition 73:

Page 443, line 32: The funding status referred to in this line is based on actuarial valuations. ¶2553 requires market valuations which is a more conservative valuation. Using this more conservative methodology, required in ¶2553, the Western Pennsylvania Annual Conference is actually underfunded in its pension obligations.

Page 443, lines 33-42: The information in this lines is incomplete as they refer to the actuarial valuations which are required to be reported to the Annual Conference each year. These figures, however, are different than the market valuations that are required to be used in ¶2553.

Page 443, lines 43-45: This information is incomplete. The principle of the Benefits Reserve Fund has not been used. The income from this fund has been used to subsidize the cost of health care and benefits for Conference Staff. The net effect of this action is that the cost to the local church (i.e. their annual conference apportionment) is reduced.

Page 444, lines 1-4: The information in these lines is incomplete. The 2021 Pensions Report comments on our our ability to meet current year funding requirements on an actuarial basis. It does not comment on our ability to meet future requirements on an actuarial basis.

Page 444, lines 5-10: The information in these lines is incorrect. The funds referred to in these lines are not from the Benefits Reserve Fund. They are from undesignated funds that are under the discretion of the Conference Board of Pensions.

Page 444, lines 11-12: This information in these lines is incorrect. Proceeds from the sale of closed and abandoned churches are handled in accordance to *The Book of Discipline*. They have not been used to subsidize Conference Staff.

Page 444, lines 13-14: see note for Page 443, line 32.

Page 444, lines 15-17: This information in incomplete. The Conference Board of Trustees has not published a process because they have not added any additional terms or conditions other than those outlined in ¶2553. Paragraph 2553 is the process.

In addition, to the above, “Therefore be it resolved” statements b,c,f,g,h, and i are simply a recounting of ¶2553. Annual Conference rule 2.3.8.3 states “No proposed resolution or petition which seeks, in substance, conference approval of any provision of *The Book of Discipline* or *The Book of Resolutions*, shall be considered or acted upon by any legislative section, nor by the conference. The Conference Sessions Team may determine whether a proposed resolution or petition violates this rule and if it does so, such determination shall be noted in the first Daily Journal, published for a conference session, or such may be raised by any members on a point of order. Any appeal from a determination shall be made without debate by the President.”

## 1 P 73 FOR DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

2 (Section 7 Recommendation 6/2/2022)

3 WHEREAS Scripture says, “Do not repay anyone evil for evil. Be careful to do what is  
4 right in the eyes of everyone. If it is possible, as far as it depends on you, live at peace with  
5 everyone” (*Romans* 12:17).6 WHEREAS the 2019 General Conference created ¶2553 regarding disaffiliation of local  
7 churches over issues related to human sexuality which states:

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

9 ¶2553. Disaffiliation of a Local Church Over Issues Related to Human Sexuality—1.

10 Basis—Because of the current deep conflict within The United Methodist Church around  
11 issues of human sexuality, a local church shall have a limited right, under the provisions of  
12 this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a  
13 change in the requirements and provisions of *The Book of Discipline* related to the practice  
14 of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as  
15 resolved and adopted by the 2019 General Conference, or the actions or inactions of its  
16 annual conference related to these issues which follow.17 2. Time Limits—The choice by a local church to disaffiliate with The United Methodist  
18 Church under this paragraph shall be made in sufficient time for the process for exiting the  
19 denomination to be complete prior to December 31, 2023. The provisions of ¶2553 expire  
20 on December 31, 2023 and shall not be used after that date.21 3. Decision Making Process—The church conference shall be conducted in accordance  
22 with ¶248 and shall be held within one hundred twenty (120) days after the district  
23 superintendent calls for the church conference. In addition to the provisions of ¶246.8,  
24 special attention shall be made to give broad notice to the full professing membership of  
25 the local church regarding the time and place of a church conference called for this purpose  
26 and to use all means necessary, including electronic communication where possible, to  
27 communicate. The decision to disaffiliate from The United Methodist Church must be  
28 approved by a two-thirds (2/3) majority vote of the professing members of the local church  
29 present at the church conference,30 4. Process Following Decision to Disaffiliate from The United Methodist Church—If the  
31 church conference votes to disaffiliate from The United Methodist Church, the terms and  
32 conditions for that disaffiliation shall be established by the board of trustees of the  
33 applicable annual conference, with the advice of the cabinet, the annual conference  
34 treasurer, the annual conference benefits officer, the director of connectional ministries,  
35 and the annual conference chancellor. The terms and conditions, including the effective  
36 date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between  
37 the annual conference and the trustees of the local church, acting on behalf of the members.  
38 That agreement must be consistent with the following provisions:39 a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and  
40 Administration shall develop a standard form for Disaffiliation Agreements under this  
41 paragraph to protect The United Methodist Church as set forth in ¶807.9. The agreement  
42 shall include a recognition of the validity and applicability of ¶2501, notwithstanding the  
43 release of property therefrom. Annual conferences may develop additional standard terms  
44 that are not inconsistent with the standard form of this paragraph.45 b) Apportionments. The local church shall pay any unpaid apportionments for the 12  
46 months prior to disaffiliation, as well as an additional 12 months of apportionments.

- 1 c) Property. A disaffiliating local church shall have the right to retain its real and personal,  
 2 tangible and intangible property. All transfers of property shall be made prior to  
 3 disaffiliation. All costs for transfer of title or other legal work shall be borne by the  
 4 disaffiliating local church,
- 5 d) Pension Liabilities. The local church shall contribute withdrawal liability in an amount  
 6 equal to its pro rata share of any aggregate unfunded pension obligations to the annual  
 7 conference. The General Board of Pension and Health Benefits shall determine the  
 8 aggregate funding obligations of the annual conference using market factors similar to a  
 9 commercial annuity provider, from which the annual conference will determine the local  
 10 church's share,
- 11 e) Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or  
 12 assign and transfer them to its new entity, prior to disaffiliation,
- 13 f) Payment Terms. Payment shall occur prior to the effective date of departure,
- 14 g) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension  
 15 and Health Benefits Plans. The United Methodist Church believes that a local church  
 16 disaffiliating under ¶2553 shall continue to share common religious bonds and convictions  
 17 with The United Methodist Church based on shared Wesleyan theology and tradition and  
 18 Methodist roots, unless the local church expressly resolves to the contrary. As such, a local  
 19 church disaffiliating under ¶2553 shall continue to be eligible to sponsor voluntary  
 20 employee benefit plans through the General Board of Pension and Health Benefits under  
 21 ¶1504.2, subject to the applicable terms and conditions of the plans,
- 22 h) Once the disaffiliating local church has reimbursed the applicable annual conference for  
 23 all funds due under the agreement, and provided that there are no other outstanding  
 24 liabilities or claims against The United Methodist Church as a result of the disaffiliation,  
 25 in consideration of the provisions of this paragraph, the applicable annual conference shall  
 26 release any claims that it may have under ¶2501 and other paragraphs of *The Book of*  
 27 *Discipline of The United Methodist Church* commonly referred to as the trust clause, or  
 28 under the agreement.”
- 29 WHEREAS the 2019 General Conference laid out minimum terms of disaffiliation which  
 30 include contributing “withdrawal liability in an amount equal to its pro rata share of any  
 31 aggregate *unfunded* pension obligations to the annual conference” (*emphasis added*),  
 32 WHEREAS Western PA Conference is overfunded in its pension obligations,  
 33 WHEREAS the Western PA Conference 2022 Comprehensive Benefit Funding Plan  
 34 Summary states, the Ministerial Pension Plan (MPP) annuities total liability as of January  
 35 1, 2020, is \$3.721 billion, while total plan assets are \$4.147 billion resulting in a current  
 36 plan funded ratio of 111% and no required contribution for 2022 (p. 424 of the 2021  
 37 *Journal*),  
 38 WHEREAS the Western PA Conference 2022 Comprehensive Benefit Funding Plan  
 39 Summary states, regarding the Clergy Retirement Security Program Defined Benefit  
 40 (CRSP-DB) “the 2022 contribution is \$1,951,668 [...] the 2022 CRSP-DB contribution  
 41 will be made from reserves. The Conference has adequate reserves to make this  
 42 contribution” (p. 423 of the 2021 *Journal*),  
 43 WHEREAS because the CRSP-DB and MPP are overfunded, the Conference Board of  
 44 Pensions has used reserved funds from the Benefit Reserve Fund (BRF) to subsidize benefit  
 45 costs for Conference staff and fund administrative costs (p. 223 of the 2021 *Journal*).

1 WHEREAS the 2021 Pensions Report states, “Our financial position heading into 2021  
2 remains strong, and adequate reserves are in place to support the liabilities of our various  
3 pension plans (Pre-82, CRSP-DB, and MPP), as well as our post-retirement medical  
4 obligation and active healthcare plan.” (p. 223 of the 2021 *Journal*),  
5 WHEREAS the 2020 Audit Report confirms that these funds are “utilized to subsidize the  
6 benefits related costs for Conference staff and thus allowing for a reduction in the amount  
7 of the Connectional Budget that is apportioned to local churches...the combined balances  
8 of the Wespath BRF and the Conference BRF at the Foundation was \$56,780,854 and  
9 \$50,175,029 as of December 31, 2020 and 2019, respectively, which are included in  
10 investments” (p. 27 of the Independent Auditor’s Report).  
11 WHEREAS the monies obtained from sale of closed churches has been used to subsidize  
12 the cost of conference staff instead of being put into the reserve funds,  
13 WHEREAS it is clear from the reports, audits, and actions of the Conference Board of  
14 Pensions that all of our pension obligations are overfunded,  
15 WHEREAS as of March 28th, 2022 the Conference Board of Trustees has not published a  
16 process to guide a local church and annual conference following decision to disaffiliate  
17 from The United Methodist Church according to ¶2553,  
18 WHEREAS the Conference Board of Trustees is amenable to the Annual Conference (2016  
19 *Discipline* ¶2512.2)  
20 WHEREAS, ¶1504.23 states, “If a local church or charge in the United States changes its  
21 relationship to the United Methodist Church through closure, abandonment, or release from  
22 the trust clause pursuant to ¶2548, ¶2549, or otherwise, notwithstanding whether property  
23 with title held by the local church is subject to the trust (under term of ¶2501), the local  
24 church shall contribute a withdrawal liability in an amount equal to its pro rata share of any  
25 aggregate unfunded pension obligations to the annual conference. The General Board of  
26 Pension and Health Benefits shall determine the aggregate funding obligations of the  
27 annual conference using market factors similar to a commercial annuity provider, from  
28 which the annual conference will determine the local church’s share. Nothing in the  
29 foregoing prevents an annual conference from collecting other obligations from a church  
30 or charge.”  
31 ~~THEREFORE BE IT RESLOVED, that the disaffiliation agreement that Annual~~  
32 ~~Conference will enter into with the local board of trustees acting on the behalf of the~~  
33 ~~members who have voted to disaffiliate in accordance with ¶2553 shall be as follows: That~~  
34 the annual conference adopts these additional standard terms (¶2553.4 a) for any binding  
35 disaffiliation agreement memorialized under the provisions of ¶2553.4. The annual  
36 conference trustees shall use these additional standard terms in creating the specific binding  
37 disaffiliation agreements between the annual conference and the local church trustees  
38 acting on behalf of the members in accordance with ¶2553.4 The additional standard terms  
39 shall be as follows:  
40 a) The effective date of disaffiliation for any church disaffiliating under ¶2553 shall be set  
41 for December 30th, 2023,  
42 b) The Annual Conference and the local church recognize the validity and applicability of  
43 ¶2501, notwithstanding the release of property therefrom,  
44 c) The local church shall pay any unpaid apportionments for the 12 months prior to  
45 disaffiliation which are the 2023 apportionments, as well as an additional 12 months of  
46 apportionments which shall be same as the 2023 apportionments,

- 1 d) A disaffiliating local church shall have the right to retain its real and personal, tangible  
 2 and intangible property. All transfers of property shall be made prior to disaffiliation. All  
 3 costs for transfer of title or other legal work shall be borne by the disaffiliating local church,  
 4 E) The local church shall contribute \$1 as the withdrawal liability for its pro rata share of  
 5 any aggregate unfunded pension obligations to the Annual Conference ~~for pension~~  
 6 ~~obligations~~ (¶1504.23) or the local church shall pay as the withdrawal liability for its pro  
 7 rata share of any aggregate unfunded pension obligations under ¶1504.23 using the same  
 8 method and manner that the annual conference calculated the withdrawal liability for the  
 9 pro rata share of any aggregate unfunded pension obligations under ¶1504.23, ¶2548, and  
 10 ¶2549 between February 2019 and June 1st 2022, whichever is greater. The monies  
 11 received as withdrawal liability for any pro rata share of any aggregate unfunded pension  
 12 obligations under ¶1504.23, ¶2548, ¶2549, and ¶2553 shall be put into the Benefit Reserve  
 13 Account. The Benefit Reserve Account as well as the Benefits Fund and Reserve Account  
 14 and their income shall be applied to any unfunded pension obligation their income shall be  
 15 applied to any unfunded pension obligation under ¶1504.23 and restricted for use in  
 16 covering the aggregate unfunded pension obligations of the annual conference under  
 17 ¶1504.23 until those obligations are met.
- 18 f) The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer  
 19 them to its new entity, prior to disaffiliation,
- 20 g) Payment shall occur prior to the effective date of departure,
- 21 h) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension  
 22 and Health Benefits Plans. The United Methodist Church believes that a local church  
 23 disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions  
 24 with The United Methodist Church based on shared Wesleyan theology and tradition and  
 25 Methodist roots, unless the local church expressly resolves to the contrary. As such, a local  
 26 church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary  
 27 employee benefit plans through the General Board of Pension and Health Benefits under  
 28 ¶1504.2, subject to the applicable terms and conditions of the plans,
- 29 i) Once the disaffiliating local church has reimbursed the applicable annual conference for  
 30 all funds due under the agreement, and provided that there are no other outstanding  
 31 liabilities or claims against The United Methodist Church as a result of the disaffiliation,  
 32 in consideration of the provisions of this paragraph, the applicable annual conference shall  
 33 release any claims that it may have under ¶2501 and other paragraphs of the *Discipline*  
 34 commonly referred to as the trust clause, or under the agreement,
- 35 J) The amount for apportionment payment responsibilities for each local church under c)  
 36 and the withdrawal liability for each local church for its pro rata share of any unfunded  
 37 pension obligations under ¶1504.23 under e) shall be sent to the local church via mail and  
 38 posted clearly on the conference website by August 15<sup>th</sup>, 2022 or the amount for the local  
 39 churches shall be \$1.
- 40 K) The conference trustees shall make the specific and individual disaffiliation agreements  
 41 on behalf of the annual conference and the trustees acting on behalf of the local church and  
 42 shall present those agreements for vote at the 2023 annual conference.
- 43 L) The conference trustees may not add any further terms or conditions except as required  
 44 by state law and church law.

45

Nathanael Fugate, Chris Whitehead

**IV. Daily Proceedings**  
**DAILY PROCEEDINGS**  
**“Anchored in Christ”**  
**Erie Bayfront Convention Center, Erie, Pennsylvania**  
**Saturday, June 4, 2022**

**BIBLE STUDY** – During Bible Study, Bishop Moore-Koikoi related the first few chapters of the *Book of Hebrews* to our United Methodist Doctrinal Standards. She discussed both the Articles of Religion of the Methodist Church and the Confession of Faith of the Evangelical United Brethren Church. No changes can be made to our Doctrinal Standards or new standards established that are contrary by anybody or any body of the church. The Bishop showed how the *Book of Hebrews* lays this out by showing who Jesus is, our great High Priest.

**CALL TO ORDER** – Following Bible Study, at 9:00 a.m., Bishop Cynthia Moore-Koikoi called the plenary session to order.

**CONSENT CALENDAR** – After the 10-hour window lapsed, two pieces of legislation were pulled, RS 201 and P 73. RS 201 was adopted Friday and P 73 was scheduled for discussion shortly. Shane Siciliano moved the Consent Calendar for concurrence without RS 201 and P 73 included. The Consent Calendar was ADOPTED.

**LEGISLATION – P 73 – For Disaffiliation Agreement Pursuant to ¶2553** – W. Stephen Morse, on behalf of Section 7, moved concurrence for P 73 (93-9-3, *Daily Journal* page 469). Bishop Cynthia Moore-Koikoi responded that P 73 is not properly before us, giving a Ruling of the Chair on this item as a Decision of Law:

*This petition takes away the authority given to the Board of Trustees under ¶2553 to determine if ¶2553 and conference policies have been complied with before the annual conference votes to approve or deny the request to disaffiliate.*

*Further, this petition takes away the authority of the Board of Trustees, cabinet, annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor given to them by ¶2553. And (it limits their ability to perform) their duty as officers of the denomination to preserve the safeguard and*

*protect the interests and rights of the annual conference; to maintain the resources related to the annual conference's interests and those of The United Methodist Church. (The implication of ¶2553.4a is that the Board of Trustees is acting on behalf of GCFA to ensure that the provisions of ¶807.9 are protected in any Disaffiliation Agreement.)*

*The only right of a local church to disaffiliate is in ¶2553, and this is a limited right. ¶2548.2 does not provide a right to a local congregation to disaffiliate, and the deeding of property pursuant to ¶2548.2 relates only to property and not to the disaffiliation or separation of the church itself. In addition, ¶2548.2 does not address any issues of pension liability, (therefore it's inclusion in this petition is inappropriate).*

*This petition negates the authority of the Board of Trustees to add additional standard terms to any agreement. Each of those agreements must be ratified by the annual conference.*

*The designation of "over" and "fully" funded pension is a technical term, not simply a balance sheet total. It is a determination that is made by the Board of Pensions, CFA, and Wespath pursuant to ¶1504.8a and ¶1506.6.*

*This petition violates ¶2553.4a and ¶1504.23 (in allowing for the option of a \$1 pension liability).*

*The petition negates the Board of Pensions ability to carry out ¶2512.4.*

*Further ¶2553 sets the parameters for the effective date of disaffiliation based on the conditions that must be met for disaffiliate as spelled out in ¶2553.*

This Decision of Law will be automatically appealed to the Judicial Council as per ¶2609.6. The Bishop then gave a pastoral response to the Annual Conference reconciling her ruling with the needs of local churches.

**LEGISLATION – P 14 – End Degrading Behavior Against Female Athletes** – Dan Miller, on behalf of Section 1, moved concurrence for P 14 (33-24-0, *Daily Journal* page 472). B.T. Gilligan moved to Table the motion until September 20 at 2:30pm. The motion to Table was not adopted. Katherine Fehl motioned to extend the time to allow for 15 more minutes of discussion. The motion to extend the time was not adopted. Time having

## P 73 FOR DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

## (Section 7)

1  
2  
3 WHEREAS Scripture says, “Do not repay anyone evil for evil. Be careful to do what is  
4 right in the eyes of everyone. If it is possible, as far as it depends on you, live at peace with  
5 everyone” (*Romans* 12:17).

6 WHEREAS the 2019 General Conference created ¶2553 regarding disaffiliation of local  
7 churches over issues related to human sexuality which states:

8 “Section VIII. Disaffiliation of Local Churches Over Issues Related to Human Sexuality  
9 ¶2553. Disaffiliation of a Local Church Over Issues Related to Human Sexuality—1.  
10 Basis—Because of the current deep conflict within The United Methodist Church around  
11 issues of human sexuality, a local church shall have a limited right, under the provisions of  
12 this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a  
13 change in the requirements and provisions of *The Book of Discipline* related to the practice  
14 of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as  
15 resolved and adopted by the 2019 General Conference, or the actions or inactions of its  
16 annual conference related to these issues which follow.

17 2. Time Limits—The choice by a local church to disaffiliate with The United Methodist  
18 Church under this paragraph shall be made in sufficient time for the process for exiting the  
19 denomination to be complete prior to December 31, 2023. The provisions of ¶2553 expire  
20 on December 31, 2023 and shall not be used after that date.

21 3. Decision Making Process—The church conference shall be conducted in accordance  
22 with ¶248 and shall be held within one hundred twenty (120) days after the district  
23 superintendent calls for the church conference. In addition to the provisions of ¶246.8,  
24 special attention shall be made to give broad notice to the full professing membership of  
25 the local church regarding the time and place of a church conference called for this purpose  
26 and to use all means necessary, including electronic communication where possible, to  
27 communicate. The decision to disaffiliate from The United Methodist Church must be  
28 approved by a two-thirds (2/3) majority vote of the professing members of the local church  
29 present at the church conference,

30 4. Process Following Decision to Disaffiliate from The United Methodist Church—If the  
31 church conference votes to disaffiliate from The United Methodist Church, the terms and  
32 conditions for that disaffiliation shall be established by the board of trustees of the  
33 applicable annual conference, with the advice of the cabinet, the annual conference  
34 treasurer, the annual conference benefits officer, the director of connectional ministries,  
35 and the annual conference chancellor. The terms and conditions, including the effective  
36 date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between  
37 the annual conference and the trustees of the local church, acting on behalf of the members.  
38 That agreement must be consistent with the following provisions:

39 a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and  
40 Administration shall develop a standard form for Disaffiliation Agreements under this  
41 paragraph to protect The United Methodist Church as set forth in ¶807.9. The agreement  
42 shall include a recognition of the validity and applicability of ¶2501, notwithstanding the  
43 release of property therefrom. Annual conferences may develop additional standard terms  
44 that are not inconsistent with the standard form of this paragraph.

45 b) Apportionments. The local church shall pay any unpaid apportionments for the 12  
46 months prior to disaffiliation, as well as an additional 12 months of apportionments.

## VII Legislation

- 1 c) Property. A disaffiliating local church shall have the right to retain its real and personal,  
 2 tangible and intangible property. All transfers of property shall be made prior to  
 3 disaffiliation. All costs for transfer of title or other legal work shall be borne by the  
 4 disaffiliating local church,
- 5 d) Pension Liabilities. The local church shall contribute withdrawal liability in an amount  
 6 equal to its pro rata share of any aggregate unfunded pension obligations to the annual  
 7 conference. The General Board of Pension and Health Benefits shall determine the  
 8 aggregate funding obligations of the annual conference using market factors similar to a  
 9 commercial annuity provider, from which the annual conference will determine the local  
 10 church's share,
- 11 e) Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or  
 12 assign and transfer them to its new entity, prior to disaffiliation,
- 13 f) Payment Terms. Payment shall occur prior to the effective date of departure,
- 14 g) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension  
 15 and Health Benefits Plans. The United Methodist Church believes that a local church  
 16 disaffiliating under ¶2553 shall continue to share common religious bonds and convictions  
 17 with The United Methodist Church based on shared Wesleyan theology and tradition and  
 18 Methodist roots, unless the local church expressly resolves to the contrary. As such, a local  
 19 church disaffiliating under ¶2553 shall continue to be eligible to sponsor voluntary  
 20 employee benefit plans through the General Board of Pension and Health Benefits under  
 21 ¶1504.2, subject to the applicable terms and conditions of the plans,
- 22 h) Once the disaffiliating local church has reimbursed the applicable annual conference for  
 23 all funds due under the agreement, and provided that there are no other outstanding  
 24 liabilities or claims against The United Methodist Church as a result of the disaffiliation,  
 25 in consideration of the provisions of this paragraph, the applicable annual conference shall  
 26 release any claims that it may have under ¶2501 and other paragraphs of *The Book of*  
 27 *Discipline of The United Methodist Church* commonly referred to as the trust clause, or  
 28 under the agreement.”
- 29 WHEREAS the 2019 General Conference laid out minimum terms of disaffiliation which  
 30 include contributing “withdrawal liability in an amount equal to its pro rata share of any  
 31 aggregate *unfunded* pension obligations to the annual conference” (*emphasis added*),  
 32 WHEREAS Western PA Conference is overfunded in its pension obligations,  
 33 WHEREAS the Western PA Conference 2022 Comprehensive Benefit Funding Plan  
 34 Summary states, the Ministerial Pension Plan (MPP) annuities total liability as of January  
 35 1, 2020, is \$3.721 billion, while total plan assets are \$4.147 billion resulting in a current  
 36 plan funded ratio of 111% and no required contribution for 2022 (p. 424 of the 2021  
 37 *Journal*),  
 38 WHEREAS the Western PA Conference 2022 Comprehensive Benefit Funding Plan  
 39 Summary states, regarding the Clergy Retirement Security Program Defined Benefit  
 40 (CRSP-DB) “the 2022 contribution is \$1,951,668 [...] the 2022 CRSP-DB contribution  
 41 will be made from reserves. The Conference has adequate reserves to make this  
 42 contribution” (p. 423 of the 2021 *Journal*),  
 43 WHEREAS because the CRSP-DB and MPP are overfunded, the Conference Board of  
 44 Pensions has used reserved funds from the Benefit Reserve Fund (BRF) to subsidize benefit  
 45 costs for Conference staff and fund administrative costs (p. 223 of the 2021 *Journal*).

1 WHEREAS the 2021 Pensions Report states, “Our financial position heading into 2021  
2 remains strong, and adequate reserves are in place to support the liabilities of our various  
3 pension plans (Pre-82, CRSP-DB, and MPP), as well as our post-retirement medical  
4 obligation and active healthcare plan.” (p. 223 of the 2021 *Journal*),  
5 WHEREAS the 2020 Audit Report confirms that these funds are “utilized to subsidize the  
6 benefits related costs for Conference staff and thus allowing for a reduction in the amount  
7 of the Connectional Budget that is apportioned to local churches...the combined balances  
8 of the Wespeth BRF and the Conference BRF at the Foundation was \$56,780,854 and  
9 \$50,175,029 as of December 31, 2020 and 2019, respectively, which are included in  
10 investments” (p. 27 of the Independent Auditor’s Report).  
11 WHEREAS the monies obtained from sale of closed churches has been used to subsidize  
12 the cost of conference staff instead of being put into the reserve funds,  
13 WHEREAS it is clear from the reports, audits, and actions of the Conference Board of  
14 Pensions that all of our pension obligations are overfunded,  
15 WHEREAS as of March 28th, 2022 the Conference Board of Trustees has not published a  
16 process to guide a local church and annual conference following decision to disaffiliate  
17 from The United Methodist Church according to ¶2553,  
18 WHEREAS the Conference Board of Trustees is amenable to the Annual Conference (2016  
19 *Discipline* ¶2512.2)  
20 THEREFORE BE IT RESOLVED that the disaffiliation agreement that the Annual  
21 Conference will enter into with the local church board of trustees acting on behalf of the  
22 members who have voted to disaffiliate in accordance with ¶2553 shall be as follows:  
23 a) The effective date of disaffiliation for any church disaffiliating under ¶2553 shall be set  
24 for December 30th, 2023,  
25 b) The Annual Conference and the local church recognize the validity and applicability of  
26 ¶2501, notwithstanding the release of property therefrom,  
27 c) The local church shall pay any unpaid apportionments for the 12 months prior to  
28 disaffiliation which are the 2023 apportionments, as well as an additional 12 months of  
29 apportionments which shall be same as the 2023 apportionments,  
30 d) A disaffiliating local church shall have the right to retain its real and personal, tangible  
31 and intangible property. All transfers of property shall be made prior to disaffiliation. All  
32 costs for transfer of title or other legal work shall be borne by the disaffiliating local church,  
33 e) The local church shall contribute \$1 to the Annual Conference for pension obligations,  
34 f) The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer  
35 them to its new entity, prior to disaffiliation,  
36 g) Payment shall occur prior to the effective date of departure,  
37 h) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension  
38 and Health Benefits Plans. The United Methodist Church believes that a local church  
39 disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions  
40 with The United Methodist Church based on shared Wesleyan theology and tradition and  
41 Methodist roots, unless the local church expressly resolves to the contrary. As such, a local  
42 church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary  
43 employee benefit plans through the General Board of Pension and Health Benefits under  
44 ¶1504.2, subject to the applicable terms and conditions of the plans,  
45 l) Once the disaffiliating local church has reimbursed the applicable annual conference for  
46 all funds due under the agreement, and provided that there are no other outstanding

1 liabilities or claims against The United Methodist Church as a result of the disaffiliation,  
2 in consideration of the provisions of this paragraph, the applicable annual conference shall  
3 release any claims that it may have under ¶2501 and other paragraphs of the *Discipline*  
4 commonly referred to as the trust clause, or under the agreement,  
5 THEREFORE BE IT FURTHER RESOLVED that should the Board of Trustees of the  
6 Western PA Conference establish other terms and conditions for disaffiliation under ¶2553,  
7 this legislation would replace those terms and conditions by way of substitution. The  
8 elements of this agreement shall not be amended, substituted, added to, or otherwise  
9 changed by any group, agency, board, or individual.

10 Nathanael Fugate, Chris Whitehead

11  
12 RS 204 Jumonville  
13 (Section 2)  
14 Class of 2022  
15 Rev. Raphael Koi Koi  
16 BRUCE THOMAS  
17 BLAIR POMEROY  
18 Submitted by Heather Withrow, President  
19

20 RS 205 Wesley Woods  
21 (Section 2)  
22 Class of 2026  
23 Rev. Samantha Penwell  
24 KRISTINE HENLEY  
25 BILL JACKA  
26 KEN CROSBY  
27 Submitted by Erica Wellner, Chair, Board Development  
28

29 RS 206 Camp Allegheny  
30 (Section 2)  
31 Class of 2026  
32 BETH TRIMBETH  
33 ED WASHINGTON  
34

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**Section 7**

P 72 To Clarify Process for Deeding Church Property to Another Evangelical  
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93 – 12 – 5

Amendments: Motion to refer P72 to the Conference Connectional Leadership Team  
which may choose, at a future time, to refer it to an appropriate Task Team.

P 73 For Disaffiliation Agreement Pursuant To ¶2553 .....442  
93 – 9 – 3

Amendments:

Add line starting after line 19 on page 444

WHEREAS, ¶1504.23 states, “If a local church or charge in the United States changes its relationship to the United Methodist Church through closure, abandonment, or release from the trust clause pursuant to ¶2548, ¶2549, or otherwise, notwithstanding whether property with title held by the local church is subject to the trust (under term of ¶2501), the local church shall contribute a 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. Nothing in the foregoing prevents an annual conference from collecting other obligations from a church or charge.”

Amend starting on line 20 of page 444:

THEREFORE BE IT RESLOVED, ~~that the disaffiliation agreement that Annual Conference will enter into with the local board of trustees acting on the behalf of the members who have voted to disaffiliate in accordance with ¶2553 shall be as follows:~~ That the annual conference adopts these additional standard terms (¶2553.4 a) for any binding disaffiliation agreement memorialized under the provisions of ¶2553.4. The annual conference trustees shall use these additional standard terms in creating the specific binding disaffiliation agreements between the annual conference and the local church trustees acting on behalf of the members in accordance with ¶2553.4 The additional standard terms shall be as follows:

Amend to line 33 on page 444

E) The local church shall contribute \$1 as the withdrawal liability for its pro rata share of any aggregate unfunded pension obligations to the Annual Conference for pension obligations (¶1504.23) or the local church shall pay as the withdrawal liability for its pro rata share of any aggregate unfunded pension obligations under ¶1504.23 using the same method and manner that the annual conference calculated the withdrawal liability for the pro rata share of any aggregate unfunded pension obligations under ¶1504.23, ¶2548, and ¶2549 between February 2019 and June 1st 2022, whichever is greater. The monies received as withdrawal liability for any pro rata share of any aggregate unfunded pension obligations under ¶1504.23, ¶2548, ¶2549, and ¶2553 shall be put into the Benefit Reserve Account. The Benefit Reserve Account as well as the Benefits Fund and Reserve Account and their income shall be applied to any unfunded pension obligation their income shall be applied to any unfunded pension obligation under ¶1504.23 and restricted for use in covering the aggregate unfunded pension obligations of the annual conference under ¶1504.23 until those obligations are met.

Add new line after 4 on page 445:

J) The amount for apportionment payment responsibilities for each local church under c) and the withdrawal liability for each local church for its pro rata share of any unfunded pension obligations under ¶1504.23 under e) shall be sent to the local church via mail and posted clearly on the conference website by August 15<sup>th</sup>, 2022 or the amount for the local churches shall be \$1.

K) The conference trustees shall make the specific and individual disaffiliation agreements on behalf of the annual conference and the trustees acting on behalf of the local church and shall present those agreements for vote at the 2023 annual conference.

L) The conference trustees may not add any further terms or conditions except as required by state law and church law.

Delete lines 5-9 on page 445.

## X Conference Rules

implications of any action shall be reviewed by the Conference Connectional Leadership Team present at conference prior to review by the plenary session; but need not apply to any other Standing Rules on Financial Policy (3.4).

- 2.3.8.2 No reports, resolutions, or petitions submitted can be considered by a section without the presence of the author of the report, resolution, or petition, or an identified spokesperson for the report, resolution, or petition.
- 2.3.8.3 No proposed resolution or petition which seeks, in substance, conference approval of any provision of *The Book of Discipline* or *The Book of Resolutions*, shall be considered or acted upon by any legislative section, nor by the conference. The Conference Sessions Team may determine whether a proposed resolution or petition violates this rule and if it does so, such determination shall be noted in the first Daily Journal, published for a conference session, or such may be raised by any members on a point of order. Any appeal from a determination shall be made without debate by the President.
- 2.3.8.4 All resolutions to modify the present system of apportionments shall include data showing effect on apportionments for all churches, or permit sufficient time for this to be calculated in the conference treasurer's office before presentation to the Annual Conference.
- 2.3.8.5 Conference Sessions Team has the responsibility to review and refuse distribution and/or displays that are inappropriate or contrary to the Social Principles.
- 2.3.9 Courtesies — The Conference Sessions Team shall be responsible for introducing representatives of institutions, colleges, seminaries, foundations and any other outside organization to the plenary session as may be approved by the team in advance. Such persons are not privileged the floor for any comments.

### 2.3.10.1 **Nomination of Laity for General & Jurisdictional Conferences**

All laity who meet the criteria set forth in *The Book of Discipline of The United Methodist Church*, 2016, ¶36, Article V, shall be considered as nominees.

- 2.3.10.1.1 **WRITTEN PARAGRAPHS.** The Conference Secretary shall develop a Personal Data Sheet to request contact information and demographic data which the General Conference asks of all delegates, such as gender, race, birthdate, et cetera. This form will be made available to all nominees no later than November 1<sup>st</sup> of the year prior to the year of election, with the request that it be filled out and returned to the Conference Secretary no later than January 1<sup>st</sup> of the year of election.

In addition to the Personal Data Sheet each nominee shall be encouraged to provide the Conference Secretary with a written statement of not more than 250 words; if it is longer than 250 words, only the first 250 words will be printed. In addition to the nominee's name, this brief statement may include, but is not limited to, the following:

- (1) A personal statement regarding the nominee's qualifications to serve as a delegate to General and/or Jurisdictional Conference including a description of the nominee's service within the United Methodist connection.
- (2) Any other information considered important by the nominee - such as issues the church must address and a clear indication of the nominee's position on each of these issues.

Personal data information shall be assembled with the nominees listed in alphabetical order and a photo of the nominee. This information shall be distributed to all Annual Conference lay members after the nominee approves the completed and edited entry to be published with the *Pre-Conference Booklet*.

This information shall be distributed by the Conference Secretary in a timely manner.

**1022-13 Interested Parties**  
**Western Pennsylvania Annual Conference**  
**Ruling of Law**

**Rev John R Wilson [Conf Secretary]**  
[conference.secretary@wpaumc.org](mailto:conference.secretary@wpaumc.org)

**Nathanael Fugate [Raised Q & Co-Signed Legislation]**  
[nate.fugate77@gmail.com](mailto:nate.fugate77@gmail.com)

**Bishop Cynthia Moore-Koikoi [Presiding Bishop]**  
[bishop@wpaumc.org](mailto:bishop@wpaumc.org)

**Bishop Cynthia Moore-Koikoi [Presiding Bishop]**  
[bishopoffice@wpaumc.org](mailto:bishopoffice@wpaumc.org)