

FIRST CHURCH Siloam Springs

A United Methodist Congregation

325 E. Twin Springs Street · Siloam Springs, AR 72761 (Office) 479.524.6111 · FirstChurchSiloam.com

Greetings First Church Family,

On June 8, 2022, I shared with you that our Church Council received a petition from a group of concerned church members requesting that the church enter into a formal period of discernment regarding the future affiliation of the local church as it relates to The United Methodist Church. The Church Council voted unanimously to approve this request and our District Superintendent was notified of the desire to enter into a formal period of discernment.

As I shared in that first letter/note no decision has been made to leave The United Methodist Church. The Church Council does not have that authority. That would require the affirmative vote of 2/3 of the professing members in attendance at a called church conference. No church conference has been called as we are in a period of discernment.

This period of discernment will include a series of three listening sessions where participants may learn about the issues that have precipitated this season of discernment, the options the church has as it relates to its future, and through a straw poll during the third listening session professing member in attendance may register their preference regarding the future of this church. Should a majority of the participants in that straw poll choose to continue in the disaffiliation process, a church conference will be scheduled where 2/3 of the professing members in attendance at the church conference must vote to affirm disaffiliation under paragraph 2553 of the Book of Discipline.

The dates of the three listening sessions are as follow:

Listening Session #1—Sunday, June 26, 2022, at 4:30 pm.

Listening Session #2—Sunday, July 24, 2022, at 3:00 pm.

Listening Session #3—Sunday, August 14, 2022, at 11:00 am.

Our District Superintendent Rev. Dr. Blake Bradford will conduct our first listening session on Sunday, June 26th at 4:30 pm and invites you to attend the first listening session as well as the other two. Each session will be unique in content.

As we move forward through this period of discernment, we will keep you updated in a number of ways. Among these is a Church Discernment page on our church website which may be accessed at www.firstchurchsiloam.com. This will be the repository for documents related to the discernment process including this packet of information. I encourage you to read through this packet in advance of our first listening session. This includes a letter from our district superintendent inviting your participation in these listening sessions. A limited number of printed copies of this packet are also available in the church office and will be available at the first listening session. Also, we will continue to keep you updated through our weekly First Happenings e-newsletter (so be sure to check your email) and through Sunday morning announcements.

Finally, let us covenant with Bishop Mueller in his desire to embrace a 'heart of peace' as we go through the discernment process. As a congregation we will pray, listen to God, engage in deep and honest conversation, and discern God's will about our future.

Rev. Clark

First United Methodist Church of Siloam Springs (FUMCSS) Discernment Plan

The Discernment Plan for FUMCSS' period of discernment is as follows:

- 1. On June 8, 2022, information concerning the Church Council's decision to begin the formal period of discernment concerning disaffiliation was communicated via email (MailChimp) to the membership via a Special Pastor's Note along with a copy of the petition. The Special Pastor's Note was also printed and direct mailed along with a copy of the petition to those in the membership who do not use email. The Special Pastor's Note indicated that we would keep the membership of the church apprised of the dates and content of the three listening sessions and other matters related to this period of discernment using these avenues and through our weekly First Happenings e-newsletter (MailChimp). We also communicated that we would create a "Church Discernment" page on our church website www.firstchurchsiloam.com where documents and updates can easily be accessed. On June 13, 2022, the Church Discernment page on the church website was created. Additionally, Sunday morning announcements will be used as detailed below in 3.
- 2. The purpose of the 90-day period of discernment was outlined in the Special Pastor's Note which can also be found on the Church Discernment page of the church website. Additionally, Rev. Clark Atkins made himself available to answer questions related to discernment and the action of the Church Council following morning worship on Sunday, June 12, 2022.
- 3. In the information that was disseminated and in the conversations that are still taking place, it is communicated that the discernment process includes three Listening Sessions. The dates of those listening sessions are as follow:

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Listening Session #1—Sunday, June 26, 2022, at 4:30 pm.
Listening Session #2—Sunday, July 24, 2022, at 3:00 pm.
Listening Session #3—Sunday, August 14, 2022, at 11:00 am.
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All of these sessions will take place in the Fellowship Hall of the church and the dates will be published in a Special Pastor's Note to go out on June 15, 2022, and in each week's First Happenings e-newsletter beginning June 16 through August 11 and in the Sunday announcements the two Sundays prior to each listening session.

4. Included in the Special Pastor's Note dated June 15, 2022, Pastor Clark outlines the dates and the content of the three listening sessions and explains that the third listening session will include a straw poll where a majority of the professing members in attendance must vote to continue into the disaffiliation process which would require a called Church Conference where 2/3 of the professing members in attendance must vote to disaffiliate. Should the straw poll indicate sufficient support for a called Church Conference every professing member will have an opportunity to vote as to whether FUMCSS will remain part of the UMC or elect to disaffiliate.

- 5. A letter from the DS along with a packet of documents to be distributed will be included in both the June 16th and June 23rd First Happenings e-newsletters as well as mailed to those members who do not use email. This packet shall include the meeting agenda, the financial liability calculation, our church's discernment plan, the Disaffiliation FAQ document, and the Major Steps in the Disaffiliation Process. Copies of this packet will be printed and made available in both the church office prior to the first listening session and at the first listening session.
- 6. The second listening session will be held July 24th. This meeting will consist of a person who will speak about why they believe it's important to remain in the UMC. The session will also include an advocate for the Global Methodist Church. Each speaker will have equal time. Embracing the Bishop's call to approach this process with hearts of peace the respective speakers will be asked to speak only for their stated position (i.e., positives for remaining UMC and positives for joining the GMC) and refrain from saying anything disparaging about the other party or position. Additionally, those in attendance will be allowed to submit written questions for each of the speakers which will be read by the pastor and lay leader.
- 7. The third and final listening session will be held August 14th. It will consist of representatives from our own congregation sharing their hopes and dreams for the future of FUMCSS, a summary of the content of the first two listening sessions, and also an opportunity to hear the voices of those that may not have been heard. We will address any final questions for clarity before a straw poll vote is taken. As people come into the third listening session, they will check in and if they are a professing member of FUMCSS, they will be given a straw poll ballot supplied by the Annual Conference. The results will be recorded for the District Superintendent.
- 8. Throughout this period of discernment, we encourage each other to share openly their hopes and concerns and time will be set aside for those to be expressed during these listening sessions
- 9. The recording secretary of the Church Council or designee will record the minutes of all three listening sessions and ensure attendance is recorded.
- 10. The Church Council will meet on August 16, 2022, after all three listening sessions to develop a statement that represents the information and decisions made at these meetings and we'll communicate that statement through the First Happenings e-newsletter, our Church Discernment page of the church website, and via direct mail.

We covenant with Bishop Mueller in his desire to embrace a 'heart of peace' as we go through the discernment process. As a congregation we will pray, listen to God, engage in deep and honest conversation, and discern God's will about our future.

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Rev. Clark Atkins, Senior Pastor John Brown, Lay Leader and Church Council Chair



June 13, 2022

To the Members of Siloam Springs First United Methodist Church:

On June 8, 2022, I received notice from the appropriate leadership body that your church desires to explore the possibility of disaffiliation from The United Methodist Church "for reasons of conscience concerning human sexuality," using the process approved by the 2021 Arkansas Annual Conference and following the stipulations of ¶2553 in *The 2016 Book of Discipline*. I have worked with your church leaders as they have developed a discernment process designed to ensure that your congregation has the information needed to make an informed decision, that there is opportunity for all voices to be heard, that all options available to the congregation are properly presented and that all members understand the details of any agreement that may be made with the Arkansas Conference before any disaffiliation vote is taken.

I am writing to inform you that as part of this discernment process, the first of three listening sessions will be held at 4:30pm on June 26 at First United Methodist, Siloam Springs. Attendance will be taken, and I hope you will make every effort to be present. As your district superintendent, I will be leading this first session. I will strive to make sure you have access to the information you need to properly understand the issues and implications of disaffiliation, and also give you the opportunity to ask questions and raise concerns. To prepare for this first meeting, I encourage you to watch a video from Bishop Mueller that can be found at https://arumc.org/current-landscape/. You can also access other important documents at https://docs.arumc.org/Disaffiliation/.

This is a momentous time in the life of your church and it is important for you to participate fully in this process. After all, it is the professing members of your church who will make the final decision whether or not to move forward with disaffiliation. I encourage you to stay in conversation with your pastor and local church leaders. However, please contact me if you feel you cannot share your thoughts or beliefs freely or if you feel you are not receiving the information you need to make an informed decision.

I look forward to meeting with you at the upcoming listening session.

Sincerely,

Dr. Blake Bradford Northwest District Superintendent northwestds@arumc.org 479-783-0385



First Listening Session Agenda

- 1. Welcome, Prayer and Introductory Remarks
 - a. Welcome
 - b. Prayer
 - c. Introduction of the DS
- 2. Why We Are Here
 - a. Words of greeting
 - b. Discuss the importance of a fair, open and transparent process for all
- 3. Our Current Landscape An Overview Powerpoint
- 4. Disaffiliation Details
 - a. Link to Conference Web Page Resource: https://docs.arumc.org/Disaffiliation/
 - b. Major Steps in the Disaffiliation Process
 - c. Church Liability Calculation
 - d. FAQ
 - e. Questions and Answers about process
- 5. Options Going Forward
- 6. Discussion
 - a. Do you think it is important for your church to consider disaffiliation? Why or why not?
 - b. How like-minded is your congregation concerning the possibility of disaffiliation?
 - c. What do you want your fellow congregation members to know as your church goes through this process?
 - d. What do you want me to communicate to Annual Conference leaders?
- 7. Next Steps
 - a. Review of Discernment Plan by pastor
 - b. Listening Session #2 and #3 dates
 - c. Straw Poll Date
- 8. Adjourn
 - a. Closing Remarks and Thank-you
 - b. Prayer



Major Steps in the ¶2553 Disaffiliation Process

A local church checklist

ame of Church and District	
hurch Pastor name, phone number and email	
hurch Contact name, phone number and email	
NTENT AND DISCERNMENT	
Initial Disaffiliation Request with minutes, both including the rationale statement "for reasons of conscience concerning human sexuality," received by DS	
Disaffiliation Request Reviewed by the Bishop, Appointive Cabinet and Conference Chancellor	
Discernment Process (attach) approved by the Appointive Cabinet	
Initial listening session held (facilitated by DS or designee)	
Second listening session held	
Third listening session held	
Straw poll of professing members present in the last listening session with majority in favor of disaffilian	tion
Sessions report, statement of purpose and vote record given to DS and discernment process certified	
HURCH DECISION	
Church conference announced on(10-day advanced notice, please attach announcement)	
Church conference held (date)and presided by	
Approved by ¾ majority of professing members present (attach minutes and ballot)	
ISAFFILIATION AGREEMENT CONSENT	
Conference Trustees and Local Church Trustees finalize Disaffiliation Agreement	
Consent of the Local Church Trustees (date) (attach minutes)	
Consent of the Conference Board of Trustees (date) (attach minutes	
Agreement referred to the Annual Conference by conference trustees for vote (date)	

	Agreement ratified by duly called session of Arkansas Annual Conference (date)						
СОМ	PLETION						
	Disaffiliation Agreement completed (date)	(attach copy of signed agreement)					
	All stipulations identified in #6 of the Conference Principles for Disaffiliation have been met						
	Property deeded to	(date)					

Estimated Departure Date 11/30/2022



The exit liability calculations below are current best estimates using 2021 statistical tables and actual pastor's pension billing where applicable. Final actual liabilities will be established as part of the a final exit agreement.

Church Name: Siloam Springs First				Located In The	Northwest District	
		Church's Operating Income		Total Operating Income For All ARUMC Churches		Church's Prorata Share of Pension Liability
	2021 Stats Table III	\$324,778.00	/	\$92,228,583.00	=	0.35214500%

	Potential Pastor-Related Liabilities		Liabilities Owed to the Arkansas Conference	
*			Church's Pro Rata Share of Legacy Pension	
Į	Compensation Arrearage (if applicable)	\$0.00	Liability	\$46,259.20
*			District & Conference Grants Received Since	
	Pension Arrearage (If applicable)	\$0.00	2013 (Excluding Benevolence Grants)	
	Maximum Compensation Liability for Pastors			
+	remaining in the UMC from anticipated		Tithe Liability Remaining for 12-Months Prior	
	departure date to end of appointment year	\$55,656.00	to Anticipated Departure Date	\$32,478.00
	Maximum Pension Liability for Pastors			
+	remaining in the UMC from anticipated		Tithe Liability for 12-Months Following	
	departure date to end of appointment year	\$7,791.91	Anticipated Departure Date	\$32,478.00
	Potential Pastor-Related Liabilities	\$63,447.91	Subtotal Liabilities Owed to AR Conference	\$111,215.20
_				\$63,447.91
		Estimated Legal Fees and Closing Costs:		\$2,500.00
		To	\$177,163.11	

- * Compensation and Pension payments that are currently due but have not been paid.
- + Compensation and Pension payments that will be owed if the church's pastor remains with the UMC

Values on Market Basis					Arkansas Conference
4/1/2022 Estimates	Assets	Liabilities	Status	Conference Share	Liability
All Conferences Liabilities					
MPP Annuities	67,650,771	(68,898,362)	(1,247,591)	100.00%	(1,247,591)
CRSP-DB	47,943,349	(61,807,065)	(13,863,716)	100.00%	(13,863,716)
TOTALS	115,594,120	(130,705,427)	(15,111,307)		(15,111,307)
Conference Specific Liabilities					
Pre-82 on Market Basis	19,118,948	(19,644,047)	(525,099)		(525,099)
Conference Reserves				_	2,500,000
TOTAL LIABILITIES					(13,136,406)

The United Methodist Church's pension plan includes three parts based on years of service. Pre-82, for years of service prior to 1982. Ministerial Pension Plan (MPP) lasted from 1982-2006. And Clergy Retirement Security Plan (CRSP) from 2006 through today. Each of these three plans have at least some type of defined benefit component to them. This means the money is held in a group plan and paid out in a predetermined amount. In order to pay for the expected future benefits, actuaries calculate the amount of money needed today using estimates of life expectancy, market rate of returns, average salary increases and other relative factors.



Disaffiliation FAQ

I'm hearing a lot about Disaffiliation and Paragraph 2553. Is this the only path forward available to churches? Certainly not! In fact, it should be clearly stated from the beginning that for most congregations and clergy in the Arkansas Conference, staying right where they are, right as they are as United Methodists will be the preferred path forward. Indeed, this is the default position for all of our congregations and clergy; no vote or other action is required to remain United Methodist. Other churches will want to wait until after the General Conference in 2024 before making any decisions, and this is an acceptable path as well. However, for many honest and honorable reasons, some of our congregations and clergy feel it is or may be time now to depart the UMC in order to explore paths more closely aligned to their current beliefs, whether that be to unite with another denomination or to to go an independent route. Currently for these congregations disaffiliation, described in ¶2553 of the 2016 Discipline of the United Methodist Church, as amended by the 2019 General Conference, is the only path ready to be used.

I have also heard about Paragraph 2548.2 as an available path for churches wanting to leave. Is this accurate?

¶2548.2 in our 2016 Book of Discipline does indeed provide a way for churches to leave by deeding church property "...to to one of the other denominations represented in the Pan-Methodist Commission or to another evangelical denomination under an allocation, exchange of property, or comity agreement." Legislation has been submitted to the 2022 Annual Conference to establish a comity agreement template and a set of guiding principles in order to guide the Arkansas Conference in the use of this paragraph for churches wanting to leave the UMC. If approved by the annual conference, we will be ready to use ¶2548.2 as another path for congregations wanting to leave the UMC. Until then, disaffiliation is the only process ready to be used now by churches wanting to leave the UMC.

I have heard that it might be possible for an entire annual conference to disaffiliate. Is this true?

No. In <u>Decision 1444</u> the Judicial Council stated that absent General Conference legislation regulating the process and setting the conditions for an annual conference to leave, an annual conference may not disaffiliate from the UMC.

What then is Disaffiliation?

Disaffiliation is a process described in ¶2553 that allows a congregation to leave The United Methodist Church under very limited circumstances, namely: "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." The choice by a local church to disaffiliate with The United Methodist Church must be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023 when the provisions of ¶2553 are set to expire.

For churches considering the possibility of disaffiliation, what is the process that will be used in our conference? Paragraph 2553 of our current *Book of Discipline* provides the overall framework that must be followed by any church in the United Methodist Church that wants to disaffiliate. During the 2021 Arkansas Annual Conference legislation was passed defining the specific process that will be used within the Arkansas Conference for congregations wishing to disaffiliate. A link to that document can be found here.

Who decides for a church whether or not to pursue disaffiliation?

Whether or not to pursue disaffiliation is ultimately up to the professing members of the local church, and there are several points at which they can make decisions. The initial request to pursue disaffiliation must come from the appropriate leadership body of the church. After a three-month period of discernment open to all members of the local church, a majority of the professing members must show they are in favor of moving forward in the process. Then, at a duly called church conference (¶248), two-thirds of the professing members present must vote in favor of disaffiliation. Finally, a simple majority of members present and voting at a regular or called session of the Arkansas Annual Conference

is needed for final ratification of the disaffiliation.

When do we have to vote?

You do not have to vote. Neither the current disaffiliation language nor the May 1 formation of the Global Methodist Church (GMC) require any church or individual (lay or clergy) to vote on issues of disaffiliation unless they desire a change. In fact, many churches will likely wait to make any decisions at all until the 2024 General Conference, in order to see what new pathways might become available. By default, congregations not voting to disaffiliate will remain in the Arkansas Conference of The United Methodist Church.

Are there costs to a congregation pursuing disaffiliation?

While disaffiliation, as outlined in ¶2553, is a fair and straightforward process, there are some significant financial responsibilities associated with it. Although the actual costs will differ for each local church and circumstance, they will include the following:

- Payment of any unpaid conference tithe for the 12 months prior to disaffiliation, as well as an additional 12 months of conference tithe;
- Actual costs for transfer of title or other legal work;
- Remaining clergy salary support for the current appointive year (if applicable.)
- An amount equal to the local church's pro rata share of any aggregate unfunded pension obligations to the annual conference as determined by the General Board of Pension and Health Benefits.
- Repayment of any district or annual conference grants made in the past ten years, excluding benevolence grants. For a specific financial liability calculation for any individual local church, the church Trustee Chairperson, Church Council Chairperson or Pastor should contact Mr. Todd Burris, Director of the Arkansas Conference Center for Administrative Services, at tburris@arumc.org or (501) 324-8024.

Why does a disaffiliating church have to pay a share of "unfunded pension liability?"

The key to understanding a church's withdrawal liability is to recognize that the United Methodist Church has consistently maintained some form of "defined benefit" for clergy in all its pension plans, both present and past. In a defined benefit plan, the employer undertakes a promise to pay a set amount to a retiree for the rest of the retiree's life, and in some cases, for the rest of a spouse's life. Those plans are administered by Wespath Benefits & Investments, but they are funded by annual conferences and local churches. In order to pay for the expected future benefits, actuaries calculate the amount of money needed today using estimates of life expectancy, market rate of returns, average salary increases and other relative factors. If those returns do not meet the actuarial projections or if clergy live longer than expected, Wespath will be forced to turn to annual conferences to contribute more to the plans in order to meet the obligations to retirees. Utilizing market factors, Wespath estimates The Arkansas Conference's total unfunded liability for accrued pension benefits and annuities is currently around 34 million dollars, an amount that disaffiliating churches still have an obligation to support. For more information, the Wespath FAQ can be accessed here.

How is an individual church's pro rata fair share of the pension obligation determined by the Arkansas Conference? In order to ensure money is available to pay for pastors' pensions, Wespath recommends a target of 110% of the above calculation. This is to help reduce the risk of "catch-up payments" which occur when the plan drops below 100% funding status. Once the Arkansas Conference's share of the current funding level of each of the three parts of the plan is determined, the local church's percentage share is then calculated by using its total annual operating income divided by the total for all churches in the Conference. It is anticipated that the fair share amount determined on July 1, 2020 will remain fixed throughout the disaffiliation period in order to provide an established liability amount for local churches considering disaffiliation. Further questions about the pension obligations of the Arkansas Conference or individual congregations should be sent by the church Trustee Chairperson, Church Council Chairperson or Pastor to Mr. Todd Burris, Director of the Arkansas Conference Center for Administrative Services, at tburris@arumc.org or (501) 324-8024.

What will happen to the status of a church's current membership if that church disaffiliates?

Upon disaffiliation, the church laity who agreed with the decision to disaffiliate will no longer be considered members of the United Methodist Church and their future status will be determined by the final destination of that congregation. Members who disagree with a decision of their congregation to disaffiliate and wish to remain United Methodist will be offered an opportunity by their District Superintendent to transfer their membership to another United Methodist congregation. This will all be established as part of the Disaffiliation Agreement.

What happens to any clergy whose church leaves through disaffiliation?

It is important to note that a local church decision whether or not to disaffiliate is separate from the clergy person's decision, and may not be the same. If a church disaffiliates, the pastor who had been appointed or assigned to serve that congregation will remain with the United Methodist Church unless they intentionally decide to leave with the church by surrender of their credentials. If the disaffiliating congregation joins the GMC or another denomination and the pastor seeks to leave with the congregation, their pastor's salary, benefits, appointment and tenure will be determined according to the new denomination's polity. If the disaffiliating congregation becomes independent, their pastor's salary, benefits and tenure will be determined solely by that congregation. If the church's current pastor does not choose to exit the UMC, he or she will remain part of the appointive system of the United Methodist Church. In all cases, congregations thinking of leaving The United Methodist Church should pay careful and compassionate attention to the many impacts their decision will have on their clergy, and clergy should remain in close contact with their district superintendent throughout the process of disaffiliation.

If a local church disaffiliates from the United Methodist Church and their current pastor leaves with them, either as an appointment or direct hire, what will happen to that pastor's <u>pension</u> benefits?

The answer to this question is both technical and complicated, but for the latest and best information on pension benefits Wespath, the UMC's Church Benefits agent, has on their website a comprehensive FAQ dealing with disaffiliation and pension. It may be accessed at https://www.wespath.org/about-wespath/wayforwardwespathfaq. Clergy with questions about their own individual benefits should contact Mona WIlliams, the Arkansas Conference Benefits Officer, at mwilliams@arumc.org or (501) 324-8028.

If churches and clergy have openly declared they are disaffiliating, will they be allowed to vote at Annual Conference? Congregations remain United Methodist until their disaffiliation is approved by the annual conference, and clergy remain United Methodist until their credentials have been surrendered. Until that time their current rights to vote at annual conference remain unchanged.

Where can we go to find out which churches, if any, in the Arkansas Conference are seeking to disaffiliate? In order to maintain some level of confidentiality, especially during the discernment phase of the disaffiliation process, and to respect the right of churches to explore their future options without undue pressure from others, we will not be publicly publishing a running list on our website of churches wanting to disaffiliate. For questions you may have about individual churches you should contact your district superintendent.

What happens if the Annual Conference votes "No" on a motion for disaffiliation?

Ultimately, the Annual Conference must approve all disaffiliation requests by a simple majority, and if it does not the disaffiliation is not approved. However, if all the steps have been properly followed, this is not likely.

If our congregation is considering disaffiliation, where should we go for more information?

For more general information from the Arkansas Conference about disaffiliation, go to www.arumc.org/current-landscape. For a specific financial liability calculation for any individual local church, the church Trustee Chairperson, Church Council Chairperson or Pastor should contact Todd Burris the Arkansas Conference Center for Administrative Services at tburris@arumc.org or (501) 324-8024. For all other questions or if your church is ready to enter into the process of disaffiliation, an official representative of the church should contact your district superintendent in writing with a request to begin the process.