mission. It is my prayer that God will bless each of you as you continue to give of your time and talents as you serve in His name through UMWomen.

Amy L. Johnson, *President*

UNITED METHODIST YOUTH

Youth ministry in our conference has continued to grow, not only in numbers, but also in support and importance. At conference-wide events, youth and adults are gathering to hear motivating speakers, experience inspiring worship, relate to creative drama, and simply enjoy spending time with friends. There were record numbers at events this year. Summit, the winter event in Boone, has grown to over 1,600 participants. Choose to Share Christ encouraged over 200 high-school youth and adults to share their faith with others. Kaleidoscope welcomed over 400 middle-school students. And, finally, SpiritUs, our summer retreat, held over two weekends, has skyrocketed to around 1,700 youth and adults attending. Besides these events, the Office of Ministries with Young People hosts the annual Bishop's Confirmation Celebration, which introduces confirmation classes to our conference and explains many options students have for experiencing Christ and growing in their faith.

Adults were encouraged as well to grow in their leadership abilities in youth ministry through three training events. A weekly e-mail is sent to youth workers offering support and resources. We are strongly encouraging young adults to grow through training events and weekly e-mails. The conference Resource Center is "stocking up" on resources to enable ministry with young adults in our conference, not only to exist, but to flourish. We are creating a "Culture of Call," a new focus in conjunction with the Board of Ordained Ministry. Resources and training for local churches and campus ministries is being made available to encourage pastors and congregations to identify gifts for ministry in young adults and to encourage them to consider ministry as a vocation.

Our conference Council on Youth Ministry supports missions and projects of our local churches. This year, over $10,000 was awarded through Youth Service Fund (YSF) grants to 26 churches and agencies to do mission with youth, for youth, and by youth. This year alone, YSF money will reach across the globe to Washington, DC; New York City; Cambodia; Haiti; the Bahamas; Costa Rica; Guatemala; Belize; and Puerto Rico. We are excited that youth can help spread God's love by the simple donations our conference youth have made over the year.

For the past year, staff leadership for our work has been provided by Kimberly T. Ingram, serving as a one-year interim coordinator. We appreciate all that she has done for us, and we wish her luck with her new job as conference secretary. We are looking forward to having someone to fill the position more permanently as ministry with youth and young adults in the Western North Carolina Conference persists in growth.

Chris Grimmett, *President*

BOARD OF ORDAINED MINISTRY

The Board of Ordained Ministry consists of clergy and laity from the annual conference, nominated by the bishop. These fifty-one persons have the primary responsibility for the recruitment of men and women to serve as elders and deacons in the church; for the examination of their calls to ministry, their skills in teaching and preaching, and their adherence to the doctrines of our tradition; and for the evaluation of their effectiveness and character. These responsibilities require a balance of support and accountability, grace and judgment. We also continue to work our way through the implications of the changes in the meaning of the two orders of ministry, deacon and elder, over the past 12 years.

A number of initiatives comprise the work of the board; some are formational, while others are in response to current trends and issues. The Residency in Ordained Ministry (RIOM) process continues to bring together commissioned clergy to "support the practice and work of their ministry as servant leaders, to contemplate the grounding of ordained ministry, and to understand covenant ministry in the life of the conference" (*The Book of Discipline*, ¶ 326). The board sponsored a sexual ethics training session in August and September 2007. The board also met with the conference Cabinet in September 2007. Our board served as the host of the Southeastern Jurisdictional Board of Ordained Ministry meeting in Charlotte. District boards of ministry were trained by members of the board in three different locations (Asheville, Charlotte, Winston-Salem) during the fall. Our fall meeting on October 23, 2007, was held at Greensboro College and included a discussion of possible restructuring for the board and the formation of a Proclamation Committee which combines the work of preaching and service in ministry committees. The board ensures that background checks are conducted on entering clergy, so that patterns of behavior that might be obstacles to effective ministry might be identified. Candidates also receive psychological evaluations, and we encourage sponsoring congregations to help men and women called to ministry with this expense. Three retreats for probationary clergy will be held in 2008 on the themes of call and disciplined life, preaching, and theology and doctrine.

There is a great need for compassionate, committed, and competent leadership in the church. We are grateful to local congregations across the conference that help in identification of those who might be called to full-time Christian service. The board encourages clergy in their lifelong education and provides

grants to those who serve in churches with fewer financial resources allocated for this purpose. We also meet the clergy around issues of vocational ineffectiveness and moral impropriety, and seek to provide guidance and support.

Finally, we give thanks for the work of Charles D. (Denny) White, Jr., our registrar, for his knowledge of the annual conference and *The Book of Discipline*, and for his faithful service to the work of the board.

J. Thomas Stinson-Wesley, *President*
Shirley L. Canty, *Vice-President*
Jeffrey S. Patterson, *Secretary*
H. Donnell FitzJefferies, *Treasurer*

Proposal: Amendments to Board of Ordained Ministry Policies

(Petition 14)

The Board of Ordained Ministry proposes that its Policies 2, 20, and 21 be amended by the 2008 conference session for immediate implementation, as follows:

2. **Local Pastors' Licensing School:** All persons licensed and appointed as local pastors who have not completed **at least two-thirds of** the M.Div. degree (or equivalent) shall satisfactorily complete the Local Pastors' Licensing School prior to appointment. Ordained clergy of other annual conferences or Christian denominations who are to be appointed to serve in the conference are neither expected nor required to participate in this school.

20. ~~**Clergy from Other Conferences and Denominations Under Appointment (¶ 346):**~~ **Joint Committee on Transfers:** ~~A clergy person from another annual conference or another Methodist or non-Methodist denomination requesting an appointment under ¶ 346 shall apply to the bishop on an application form to be provided by the bishop. With consent of the bishop, the administrative assistant to the bishop shall schedule an interview for the candidate with the Joint Committee on Transfers (see below), which shall forward its recommendation to the bishop. Prior to the interview, the candidate shall supply a service record; references (*i.e.*, from local church leaders, denominational officials, etc.); a background check, utilizing the process approved by the Board of Ordained Ministry; the notarized statement of written accusations and convictions required of all candidates; and transcripts. A current physical exam report and a psychological evaluation report not more than four (4) years old shall be submitted prior to the making of the appointment.~~

~~Appointments of clergy from other annual conferences or Methodist denominations (¶ 346.1) are at the discretion of the bishop. Clergy from other non-Methodist denominations (¶ 346.2) may be appointed at the discretion of the bishop upon approval by the Board of Ordained Ministry and the clergy session.~~

~~The~~ **There shall be a** Joint Committee on Transfers**,** ~~shall be~~ chaired by the ~~administrative~~ assistant to the bishop, and ~~shall consist~~ **consisting** of two district superintendents appointed by the bishop; the ~~administrative~~ assistant to the bishop; the president, secretary, and registrar of the Board of Ordained Ministry; and the chairpersons of the interviewing committees on theology and doctrine of the Board of Ordained Ministry. **The committee shall perform the functions described in Policy 21, item b, below.**

21. **Clergy** ~~**Transfers**~~ **from Other Conferences and Denominations (¶¶ 346-347):** ~~When a~~ **A** clergy person from ~~another annual conference or another Methodist or non-Methodist denomination wishes to transfer into the Western North Carolina Conference under ¶ 347, the following procedure shall be followed~~ **outside the Western North Carolina Conference who is seeking an appointment, or for whom an appointment in the conference is being sought by the bishop and/or a district superintendent, shall submit to the bishop's office the following documents**:
    a. ~~The candidate shall write to the resident bishop and the president and the registrar of the Board of Ordained Ministry, requesting to be considered for transfer and stating his/her academic background and ecclesiastical experience.~~
        - **A completed application form, available from the bishop's office and the district offices.**
        - **Photocopy(ies) of clergy credentials (ordination document(s)).**
        - **A reference from a responsible judicatory leader, presented on a form developed by the Board of Ordained Ministry. Included in the reference shall be an indication that the person is in good standing in the current judicatory and that there are no negative factors in the person's supervisory record.**
        - **A background check report, using the approved procedure of the Board of Ordained Ministry for clergy candidates.**
        - **A notarized disclosure form listing convictions or written accusations, if any, using the Board of Ordained Ministry form for clergy candidates.**
    b. **After all documents described above have been filed,** ~~With consent of the bishop, the administrative assistant to the bishop shall schedule an interview for the candidate with~~ the Joint Committee on Transfers (see Policy 20 above), **a district committee on ordained ministry, a district superintendent, and/or the bishop him/herself, as the bishop deems appropriate,**

shall interview the clergy person and either recommend or not recommend him/her to the Cabinet for appointment. ~~which shall forward its recommendation to the bishop; provided, however, that, if the candidate has been interviewed previously by the committee, the committee may choose to waive this additional interview and either confirm or amend its recommendation to the bishop. Prior to the interview, and if not previously submitted, the candidate shall supply the documents cited in Policy 20.~~ If the candidate is from another Methodist or non-Methodist denomination, the ~~committee~~ **interviewer(s)** shall determine his/her "agreement with and willingness to support and maintain United Methodist doctrine, discipline, and polity" (¶ 347.3)~~. The committee~~ **and** may examine ~~any candidate~~ **the clergy person** with respect to any qualification ~~which the committee deems~~ **deemed** necessary.

c. The bishop and Cabinet shall determine whether an appointment exists or will exist for the clergy person ~~requesting transfer, and Policy 20 shall apply~~.

d. In the case of a clergy person from another non-United Methodist denomination, the following documents must be filed in the office of the registrar of the Board of Ordained Ministry prior to the making of the appointment:
- **Transcripts of all academic work.**
- **A physical examination report, on an official Board of Ordained Ministry form.**
- **A psychological assessment report, not more than four years old.**

e. Following completion of items a-d above, as applicable:
- **Clergy from other annual conferences may be appointed at the discretion of the bishop and other Methodist denominations (¶ 346.1) may be appointed at the discretion of the bishop.**
- **Clergy from other non-Methodist denominations (¶ 346.2) may be appointed at the discretion of the bishop upon approval by the Board of Ordained Ministry and the clergy session.**

~~d~~**f**. The transfer of a clergy member of another annual conference may be effected by the bishop, in consultation with the president or executive committee of the Board of Ordained Ministry (¶ 347.1), at any time.

~~e~~**g**. The transfer of an ordained person from another Methodist denomination may be effected in accordance with ¶ 347.2. The Board of Ordained Ministry shall examine the educational experience of the individual before recommending the reception of the individual as a local pastor, probationary member, or full member.

~~f~~**h**. A candidate from another non-Methodist denomination may be received into conference membership as a local pastor or probationary member after having served an appointment under ¶ 346.2 for at least one year ~~(see Policy 20)~~. During the period of the appointment, the Board of Ordained Ministry shall determine the classification (local pastor or probationary member) which the candidate is eligible to pursue. If the credentials and educational experience of the candidate are at least equivalent to those of a local pastor, the board may recommend the transfer of the candidate as a local pastor. If the board determines that the candidate should be permitted to pursue probationary membership, the candidate shall fulfill all requirements specified in ¶ 324.3 and .4 (or, in some cases, .5 or .6) for persons seeking probationary membership in the annual conference, which shall include, but not necessarily be limited to, recommendation by a three-fourths majority vote of the district committee on ordained ministry and examinations, both written and oral, by all interviewing committees of the Board of Ordained Ministry. Particular attention is called to the specific requirements of ¶ 324 and Policy 8, all of which must be completed prior to transfer into probationary membership. Upon completion of all requirements, the candidate may be received into probationary clergy membership and, if deemed appropriate by the bishop, the Board of Ordained Ministry**,** and the executive clergy session, have his/her orders recognized.

Diaconal Ministry and Church-Related Careers

The Board of Ordained Ministry recommends the following persons for continuation as diaconal ministers at the 2008 annual conference:

Edward W. Allred, Rebecca G. Bingham, John L. Borchert, M. Susan Carmichael, Mark H. Christy, Marion C. Clark, W. Howard Coble, Doris H. Cornelius, Barbara A. Cox, Sarah Reynolds Dixon, Michael P. Dougherty, Carolyn Eargle, Catherine Ritch Guess, Peggy L. Hina, David M. Hines, Janet M. Hitch, Mary Margaret Houk, William H. Jordan, Rebecca K. Lile, Sandra M. McGarrah, Jean M. Morgan, Susan F. Osterberg, Kathryn E. Quick, Bonnie Schuldt Shinneman, Mavis C. Thompson, and Ann Tyler.

The following have fulfilled requirements for certification or re-certification in the categories specified (* indicates retired):

(a) Christian Education

Edward W. Allred, 208 Spring Creek Rd., Summerfield 27358
Betty S. Armstrong (*), P.O. Box 658, Winston-Salem 27102
LeeAnn Baird, 10221 Grand Junction Rd., Charlotte 28227
Anna L. Barden, 909 Chipola St., Kannapolis 28083
Barbara J. Barden, P.O. Box 6161, Charlotte 28207
William G. Benfield (*), 122 N. Elm St., Statesville 28677

Rebecca G. Bingham, P.O. Box 305, Lewisville 27023
Charlotte G. Brendel, 52 16th Ave., N.W., Hickory 28601
Peggy DeLoatch Bridgers, 2434 Commonwealth Ave,, Charlotte 28205
Amy W. Burton, 8122 Strandhill Rd., Huntersville 28787
M. Susan Carmichael (*), 266 Merrimon Ave., Asheville 28801
Ramona M. Clapp (*), 211 Day Break Dr., Kernersville 27284
Marion C. Clarke (*), 414 Lee St., Wadesboro 28170
Doris H. Cornelius (*), 104 S. Westover Dr., Monroe 28112
Barbara A. Cox (*), 3516 Clardy Ct., Charlotte 28205
Katherine K. Crain, 290 Azalea Dr., Maggie Valley 28751
Ben W. Curry (*), 298 Tillman Rd., Lake Junaluska 28745
Pamela Deck, 2026 N.C. Highway 108, Rutherfordton 28139
Brandon K. Dirks, 6800 Sardis Rd., Charlotte 28270
Sarah R. Dixon (*), 1244 Arbor Rd., Box 140, Winston-Salem 27104
Kimberlee J. Dodson, 41 Ridgewood Place, Brevard 28712
Anne C. Dooley, 410 N. Holden Rd., Greensboro 27410
Mary L. Doub, 4262 Grace Chapel Rd., Granite Falls 28630
Bernard G. Dougherty, 663 New Salem Rd., Randleman 27317
Donna Gottschalk Ford, 5614 Underwood Dr., Greensboro 27409
Deborah E. Foust, 306 S. Main St., Kernersville 27284
Cynthia Core Furr, 85 N. Main St., Weaverville 28787
Ron L. Hall (*), 305 Kings Marsh Way, Saint Simons Island, GA 31522
Dana Hanlon, 2424 Oak Ridge Road, Oak Ridge 27310
Elinor D. Heermans, 6401 Hickory Grove Rd., Charlotte 28215
Linda Hepler, 2159 Orchard Trail, Thomasville 27360
Virginia Cox Herron, 913 Hanover Dr., Concord 28027
Peggy L. Hina (*), 1506 Walnut Ridge Rd., Brevard 28712
R. Harold Hipps (*), 1203 Shiloh Dr., Nashville, TN 37205
Mary Margaret Houk (*), 267 Rocky Mt. Way, Arden 28704
Kimberly T. Ingram, P.O. Box 18005, Charlotte 28218
Sandra H. Jahn, 311 3rd Ave., N.E., Hickory 28601
Ellen Sapp Johnson, P.O. Box 718, Davidson 28036
Sarah B. Kalish, 301 N. Main Ave., Maiden 28650
R. Mark King, P.O. Box 658, Winston-Salem 27102
Thomas S. Lee, Jr. (*), 610 Carrington Place, Lewisville 27023
Lorie Lewis, 1032 Regency Dr., Charlotte 28211
Sandra M. McGarrah, 2916 Tarrymore Place, Charlotte 28270
Cecilia Brown McGee, 3835 West W.T. Harris Blvd., Charlotte 28269
Sarah Hanko McKinney, 401 6th St., North Wilkesboro 28659
Sallyanne Irwin McVay, 300 Smith Knolls Rd., Fairview 28730
Elizabeth H. Orrell, 130 Creekstone Court, Winston-Salem 27104
Beverly L. Parker-Reece, 1915 Oakdale Rd., Charlotte 28216
Sybil R. Parks, 204 6th Ave., W., Hendersonville 28739
Mary Lynne Peterson, 1320 Fernwood-Glendale, Spartanburg, SC 29307
Lewis L. Poag, 495 Highway 194, S., West Jefferson 28694
Gayle J. Quay, 200 Buncombe St., Greenville, SC 29601
Jennifer S. Reilly, 378 N. Pilot Knob Rd., Denver 28037
Gail W. Rose (*), 276 Crepe Myrtle Circle, Winston-Salem 27106
Gloria D. Simmons (*), 236 Union St., S., Concord 28025
Deborah K. Sluder, 20 Oneida Heights, Huntingdon, PA 16652
Alberta Y. Spencer, P.O. Box 718, Davidson 28036
Elizabeth G. Taylor, 5095 LaVista Rd., Tucker, GA 30084
Reuellyn Pletcher Thomas, 128 Westwood Lane, Elkin 28621
Edward A. Trimmer, 178 Stone Country Lane, Asheboro 27205
Ann Tyler (*), 3800 Shamrock Dr., Charlotte 28215
Susan E. Norman Vickers, 410 N. Holden Rd., Greensboro 27410
Yvonne L. Vredenburg, 801 W. Franklin Blvd., Gastonia 28052
Katie Sigmon Warren, 146 Westwood Rd., Asheville 28804
Douglas L. Watts, 794 Sedge Garden Rd., Kernersville 27284
Jane S. Webb, 507 E. Center St., Lexington 27292

(b) Youth Ministry

LeeAnn Baird, 10221 Grand Junction Rd., Charlotte, N. C. 28227
Charles T. Brown, P.O. Box 661, Denver 28031
Amy W. Burton, 8122 Strandhill Rd., Huntersville 28087
Brandon K. Dirks, 6800 Sardis Rd., Charlotte 28270
Bernard G. Dougherty, 663 New Salem Rd., Randleman 27317
Dana Hanlon, 2424 Oak Ridge Road, Oak Ridge 27310
Kimberly T. Ingram, P.O. Box 18005, Charlotte 28218
Kathleen H. Kilbourne, 4701 Park Rd., Charlotte 28209

Sarah Hanko McKinney, 401 6th St., North Wilkesboro 28659
Reuellyn Pletcher Thomas, 108 Reeds Lane, Elkin 28621
Edward A. Trimmer, 178 Stone Country Lane, Asheboro 27205
Susan E. Norman Vickers, 410 N. Holden Rd., Greensboro 27410
Douglas L. Watts, 794 Sedge Garden Rd., Kernersville 27284

(c) Older Adult Ministry

Dana Hanlon, 2424 Oak Ridge Road, Oak Ridge 27310
Douglas L. Watts, 794 Sedge Garden Rd., Kernersville 27284

(d) Music

Barbara C. Basham, 305 N. Main St., Mocksville 27028
W. Ashby Brown, Jr., 403 E. Main St., Jamestown 27282
W. Howard Coble (*), 515 W. Parkway Ave., High Point 27262
Edna Bradley Johnson, 3815 Cranwell Court, Greensboro 27407
William H. Jordan (*), 303 North Main St., Greer, SC 29650
Saxon C. Scarborough, P.O. Box 218, Gastonia 28053
Bonnie S. Shinneman, (*), 9153 Yarrow St., Apt. 162, Westminster, CO 80021

(e) Camping and Retreat Ministries

Kent L. Shrader, 1045 Mount Shepherd Rd. Ext., Asheboro 27205

Although the Board of Ordained Ministry does not certify persons in other areas of ministry, the responsible agencies report to our board for acknowledgment in the conference journal concerning the following categories:

(f) Christian Communicators

John L. Borchert (*), 2605 Quail Rush Rd., Charlotte 28226
Kenneth A. Horn (*), 140 Summerlea Dr., Charlotte 28214
Ruth W. Laughlin (*), 114 Ward Rd., Greensboro 27405

(g) Church Business Administrators

Robert H. Barnhill (*), 817 S. Jackson St., Gastonia 28052
R. Mark King, P.O. Box 658, Winston-Salem 27102
Suzanne B. Northcraft (*), 3513 Waterway Dr., Pfafftown 27040

(h) Commissioned Deaconesses

Lynn S. Barnes, P.O. Box 69, Elkin 28621
Barbara Blevins, 108 Montford Ave., No. 7, Asheville 28801
Arthelia H. Brooks (*), 266 Merrimon Ave., Asheville 28801
M. Susan Carmichael (*), 266 Merrimon Ave., Asheville 28801
Debra Sue Chenault, 252 Riverview Dr., Apt. 1, Asheville 28806
Sybil M. Dodson (*), P.O. Box 367, Balsam 28707
Nancy C. Garrison, 120 Hillside Dr., Swannanoa 28778
Esther Jones (*), 266 Merrimon Ave., Asheville 28801
Robin R. Minick, 290 Chambers Rd., Waynesville 28786
Jean M. Morgan (*), 266 Merrimon Ave., Asheville 28801
Mary Lou Roller (*), 4701 Chuckwood Dr., Charlotte 28227
Nazgul William, 266 Merrimon Ave., Asheville 28801

Ellen Sapp Johnson
Cecilia Brown McGee
Kathleen H. Kilbourne
Associate Registrars for Certification

BOARD OF PENSION AND HEALTH BENEFITS

Pension Program and Policies

In 2009, the conference Board of Pension and Health Benefits will send invoices monthly to the churches for clergy appointed, in accordance with the Clergy Retirement Security Program (CRSP) adopted by The United Methodist Church. CRSP covers all clergy of The United Methodist Church in the United States—including elders, deacons, and local pastors—appointed within the annual conferences. Invoices will be prepared using the following criteria:

A. Pension Plan Compensation (PPC) is the total annual compensation reported by the charge conference for 2009, minus the accountable professional expenses. After this calculation, the housing component is added. The housing is either 25% of the aforementioned net amount, if a parsonage is provided, or the cash paid in lieu of a parsonage.

B. Clergy Retirement Security Program – Core Defined Contribution Part (CRSP-DC) is 3% of PPC.
C. Clergy retirement Security Program – Core Defined Benefit Part (CRSP-DB) is an actuarially determined normal cost provided by the General Board of Pension and Health Benefits (GBOPHB). For 2009, the net cost is $4,161 for each full-time clergy. For those clergy appointed ¾, ½, and ¼ time, the cost is that percentage times $4,161. GBOPHB has provided that the conference's actuarially determined normal cost contribution due December 31, 2009, will be $5,424,325.
D. Clergy Retirement Security Program – Comprehensive Protection Plan (CPP) is 3% of PPC. Only full-time clergy are eligible for CPP, and the PPC used for the 3% calculation is limited to a maximum of $116,452 for 2009. If a full-time clergy's PPC is less than $34,936 for 2009, that clergy person is not eligible for CPP. CPP is primarily an insurance and disability program.

The conference board is proposing that the 2009 Past Service Annuity Rate be set at $643.00 per service year, which represents 1% of the Conference Average Compensation, as provided by GBOPHB for the Western North Carolina Annual Conference, and is slightly more than the required 2% increase over the prior year's payment.

Proposals: Pension Programs and Policies

(Petition 15)

The conference Board of Pension and Health Benefits proposes:

1. That the cost of pastors' pensions be invoiced to churches in 2009 as pension responsibility to support the Clergy Retirement Security Program.
2. That the Past Service Annuity Rate for service years prior to 1982 be set at $643.00 per service year, effective January 1, 2009.
3. That the following resolution be adopted for calendar year 2009:

Resolution Relating to Rental/Housing Allowances for Retired or Disabled Clergypersons of the Western North Carolina Conference

The Western North Carolina Conference (the "Conference") adopts the following resolution relating to rental/housing allowances for retired or disabled clergypersons of the conference:

Whereas, The religious denomination known as The United Methodist Church (the "Church"), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church ("Clergypersons"); and

Whereas, The practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation; and

Whereas, Pensions or other amounts paid to retired and disabled Clergypersons are considered to be deferred compensation and are paid to retired and disabled Clergypersons in consideration of previous active service; and

Whereas, The Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for retired and disabled Clergypersons who are or were members of this Conference; now, therefore, be it

Resolved, That an amount equal to 100% of the pension or disability payments received from plans authorized under *The Book of Discipline of The United Methodist Church* (the "*Discipline*"), which includes all such payments from the General Board of Pension and Health Benefits ("GBOPHB"), the Western North Carolina Conference Superannuate Endowment Fund, and The Duke Endowment during the year by each retired or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson.

Resolved, That the pension or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that a retired or disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such retired or disabled Clergyperson's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing allowance designated by the Clergyperson's employer or other appropriate body of the Church (such as this Conference in the foregoing resolution) for such year; (2) the amount actually expended by the Clergyperson to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

Balances Due from Churches

Beginning in 2007, direct clergy benefit costs were invoiced to each local church. According to conference action, recorded in the 2004 journal, page 234, "Non-payment of direct clergy benefit costs (pension

and health benefits) result in a default recorded against the church (see ¶ 636.4, 2004 edition of *The Book of Discipline*). While individual clergy will not lose benefits, the church will incur a liability to the conference Board of Pension and Health Benefits. The default will be reported by the conference benefits officer to the district superintendents, and the church will be led to correct this situation.

The following is the 2007 list of churches with balances as of April 4, 2008, resulting from non-payment of direct clergy benefit costs:

District	*Church*	*2007 Balance*
Albemarle	Richfield	$1,746.04
	Albemarle: Parkway	660.00
	Poplar Hill	$216.50
	Waxhaw	$4,636.50
Asheville	Leicester	$369.00
	Upward	$3,272.96
Charlotte	Charlotte: Duncan Memorial	$742.83
	Charlotte: Spencer Memorial	$1,603.32
Gastonia	Bessemer City: Bethea	$218.50
	Concord	$423.42
	Kelly's Chapel	$536.64
	Shelby: Martin Street	$285.00
Lexington	Macedonia	$1,096.23
Marion	Mundy's Chapel	$3,855.00
Northeast	Danbury Community Church	$1,419.96
	Eden: St. John	$1,718.01
	Hayes Chapel	$382.00
	Madison: St. Stephen's	$777.66
	Mount Airy: Mallalieu-Jones	$384.00
	Blackwater	$1,522.00
	New Hope	$1,348.68
	Stanford	$449.68
	Stoneville: Vida Nueva	$8,453.00
Salisbury	Pine Bluff	$445.74
	Salisbury: Grace	$2,892.51
Statesville	Conover: McQueen's Chapel	$421.25
Waynesville	Qualla Parish:Cherokee	$7,758.58
Total		**$47,635.01**

Health Benefits Committee

The Health Benefits Committee serves as a sub-committee of the Board of Pension and Health Benefits (BOPHB), with responsibility in three specific areas: health benefits, group term life insurance, and casualty insurance.

The committee is composed of at least 12 members appointed by the board to quadrennial terms, as follows: three from BOPHB, one serving as chair of the committee, one being an officer of BOPHB, and one being the Cabinet representative to BOPHB; one from the conference Board of Ordained Ministry; one from the conference Council on Finance and Administration; two retired clergy persons; and five professional persons involved in the insurance industry. Typically, there are six lay members and six clergy members. The various agencies represented nominate their representatives to BOPHB for appointment.

Group Life Insurance

The General Board of Pension and Health Benefits, through the Comprehensive Protection Plan, provides a death and disability benefit for eligible clergy, along with death benefits for members of clergy families. In addition to this coverage, the conference offers basic life insurance coverage of $10,000 for active clergy enrolled in the conference group health plan, with premiums for this coverage collected through the insurance apportionment. Clergy members may elect to increase their coverage by enrolling in additional coverage in the amounts of $25,000, $50,000, or $75,000. As an added benefit, a clergy member may elect to enroll his/her spouse and dependent children. This additional coverage is available from a group policy secured by the committee for a quarterly premium to be collected by the insuring company. The continuation of this optional benefit is dependent on normal participation of those eligible. Newly eligible clergy will receive information about this coverage from the Treasury Services Office. To obtain coverage without evidence of insurability, enrollment must be made within 30 days of eligibility.

Enrollment Deadlines for Health and Life Insurance

Responsibility rests with the individual to make application in writing for the group health insurance and the group life insurance. In addition, any changes in dependents' status must also be submitted in writing. The effective date of coverage for new applicants is July 1 following the session of annual conference. Applications must be made within 30 days of appointment at annual conference. Anyone seeking to apply following the 30-day grace period will have a 12-month waiting period for all pre-existing conditions.

Health Benefits Continuation Policy

The conference benefits plan provides for group members and eligible beneficiaries to continue coverage if they become ineligible for the plan. The policy is available from the plan administrator.

Premium Collection Policy

Payment of the medical/health insurance premiums for pastors is the responsibility of the local church(es). This premium payment is invoiced monthly. For churches with more than one pastor on the staff, the church is responsible for the payment of the insurance premium for each eligible pastor. It is the responsibility of the pastor to pay the premium costs for dependents.

The Health Benefits Committee requires the conference treasurer to notify dependent accounts which are delinquent by sixty (60) days or more that their coverage is immediately subject to termination. If full payment is not made by thirty (30) days after the delinquency, coverage will be terminated.

2007 Financial Summary of Health Benefits Plans through December 31, 2007

	Fund 575 Active	*Fund 125 Retirees*	*Total*
Asset Accounts			
Investment Accounts:			
Claims Reserve	$1,721,836	$ 373,300	$2,095,136
Premium Stabilization	0	3,178,751	3,178,751
FASB 106 Reserve		0	0
Fund Balance, 1.2007	1,721,836	3,552,051	5,273,887
Excess/Deficit	- 2,728,097	1,964,425	- 763,672
Fund Balance, 12.31.2007	$ -1,006,261	$5,516,476	$4,510,215
Sources of Funds			
Premiums:			
Church Contributions – Active	$5,038,241		
Dependent Coverage – Active	2,626,387		
Conference Center – Personnel	333,571		
Retiree Contributions		$ 482,375	
Cole Foundation		219,000	
Investments:			
Reserves Investment Income	28,061	254,343	
FASB 106 Reserve		0	
Other:			
Stop Loss Claims	820,000		
Employee Life Contributions	14,011		
Budget Credits	293,572		
Drug Rebates	114,750	0	
Clodfelter Trust		275,000	
Fund 507		2,062,248	
Total Sources	$9,268,593	$3,292,966	$12,561,559
Uses of Funds			
Benefit Payments	$10,830,414	$ 854,780	
Administrative Charges	240,452	115,925	
Life Insurance Premium	45,789	0	
Operating Expenses	59,059	50,865	
Miscellaneous	15,291	0	
Stop-Loss Fees (Sun Life Canada)	304,485	13,399	
Dental Claims	501,200	0	
Incapacity Fund 507		293,572	
Total Uses	$11,996,690	$1,328,541	$13,325,231
Sources less Uses	$ - 2,728,097	$1,964,425	$ - 763,672

Words of Appreciation

The service of Larry D. Wilkinson to our conference health benefits plans will be missed in the upcoming years. He always contributed to the leadership and wisdom of the group. We all care for him and, now, his family, too.

We express our gratitude and that of the conference to Dale C. Bryant, who came to the conference as benefits administrator in October 1998, and to Krishna Moore.

Questions dealing with either health insurance or group life insurance should be directed to Mr. Bryant or Ms. Moore at 704-535-2260 or 800-562-7929; e-mail dbryant@wnccumc.org or kmoore@wnccumc.org.

Conclusion

We appreciate the fine spirit in which subscribers and local churches are supporting the work of the Health Benefits Committee. We seek your continuing support as we make every effort to provide an insurance program that meets your particular needs. Members of the committee are: Frank A. Stith III (chairperson), Donald Lineberger, Robert E. Roach, Phillip B. Cole, Al Jones, E. Wannamaker Hardin, Jr., Frank H. Edwards, Michael H. Goode, Patricia K. Suggs, Kim Hockett, Donald G. Matthews, Eddie Allred, and W. Greg Light. William C. Wyman, Jr., Dale C. Bryant, and Krishna Moore are our conference staff representatives.

Retirement Security Fund

The following document has been adopted by the Board of Pension and Health Benefits, Inc., at its March 13, 2008, meeting in accordance with the instructions of the February 2, 2008, special session of the annual conference:

THE BOARD OF PENSION AND HEALTH BENEFITS, INC.,
WESTERN NORTH CAROLINA CONFERENCE,
THE UNITED METHODIST CHURCH

DECLARATION OF THE RETIREE SECURITY SUPPLEMENT FUND

DECLARATION

THIS DECLARATION, dated the thirteenth day of March, 2008, at Charlotte, North Carolina, is in four parts. Part 1 defines certain terms used in the rest of the Declaration. Part 2 contains provisions dealing with the composition of the Fund. Part 3 sets forth provisions governing administration and distribution of the Fund, and Part 4 contains miscellaneous provisions.

PART 1 – DEFINITIONS

1.1 Board. The "Board" shall mean the Board of Directors of The Board of Pension and Health Benefits, Inc., Western North Carolina Conference, The United Methodist Church (herein "Board," "Board of Pensions," or "Corporation") as constituted and composed from time to time according to *The Book of Discipline* of The United Methodist Church.

1.2 Advisory Committee. The term "Advisory Committee" shall mean and be composed of such Advisory persons as the Board shall designate from time to time, if any. The Chairman of the Board shall be an ex-officio member of the Advisory Committee.

1.3 Conference. The term "Conference" shall mean the Western North Carolina Conference of The United Methodist Church.

1.4 Code. The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.5 Gender. The neuter gender shall be deemed to include the masculine and the feminine, the masculine gender shall be deemed to include the feminine and feminine gender shall be deemed to include the masculine, as the context may require or indicate.

1.6 Investment Advisor. The term "Investment Advisor" shall mean that individual, firm, agency or foundation selected by the Board pursuant to paragraph 3.7 hereof to assist the Board in the selection and administration of proper investment vehicles for the Fund.

1.7 Number. The singular shall be deemed to include the plural as the context may require or indicate.

1.8 Bishop. The term "Bishop" shall mean the person then holding the office of Presiding Bishop of the Western North Carolina Annual Conference of The United Methodist Church in accordance with *The Book of Discipline* of The United Methodist Church.

1.9 Administrator. The term "Administrator" shall mean the person then holding the office of the Treasurer of the Conference as elected from time to time, or such other independent individual or firm employed by the Board, to administer the Fund in accordance with the terms of this Declaration .

1.10 Fund. The term "Fund" shall mean the Retiree Supplement Security Fund and all funds received, held, managed, invested and otherwise administered by the Board or the Conference from time to time pursuant to the terms of this Declaration. Income from the Fund shall be determined by reference to the total return of the assets of the Fund including interest, dividends, capital gain or capital appreciation, as determined in the sole discretion of the Board.

1.11 Principal and Income. As used herein, the term "principal" shall mean "historic dollar value" as defined in N.C.G.S. §36B-1(5), and the term "income" shall mean appreciation in excess of historic dollar value.

PART 2 – COMPOSITION

2.1 Fund Corpus. After the execution of this Declaration , the Conference shall deliver to the Board an amount computed as set forth in Exhibit A attached hereto (but not less that Five Million Dollars [$5,000,000]). The Board shall hold, manage, invest, distribute and otherwise administer any and all such funds received by them as the Fund pursuant to the terms of this Declaration

2.2 Purpose. The purpose of the Fund is to provide for the centralization of the investment and administration of all funds held by the Board for the purpose of supplementing the medical care expenses of retired United Methodist ministers, and to segregate and separately administer such Funds, not as a part of the general funds or assets of the Conference or the Corporation, but pursuant to the terms hereof and subject to the fiduciary responsibilities of this Declaration .

PART 3 – ADMINISTRATION AND DISTRIBUTION

3.1 Administration of Funds. Notwithstanding any other provision of this Declaration, the Board shall receive, hold, manage, invest, distribute and otherwise administer all assets of the Fund and the income therefrom in accordance with, and for the support of, the purposes set forth in Paragraph 2.2 hereof, all in accord with the terms of the resolution adopted by the Special Session of the Conference held on February 2, 2008, a copy of that resolution being attached hereto as Exhibit B.

3.2 Limitation Upon Use. No principal or income of the Fund shall be used for the payment of any items provided for in the annual operating budget of the Conference or the Corporation

3.3 Review of Prospective Donations. The Board shall have the power to review all proposed transfers to the Fund, and shall further have the power to approve or reject such proposed transfers as they in their sole discretion deem appropriate, bearing in mind the purpose underlying the creation and existence of the Fund.

3.4 Powers. In addition to any inherent, implied or statutory powers granted to the Board generally, the Board shall have the power to make distributions in cash or in specific property, real or personal, or in an undivided interest therein, or partly in cash and partly in property. Further, the Board shall abide by and manage all funds in a manner consistent with the North Carolina Uniform Management of Institutional Funds Act of N.C.G.S. Chapter 36B-1.

3.5 Employment of Investment Advisor and/or Fund Administrator. The Board may employ an investment advisor to assist it in selecting prudent investment vehicles for the Fund in accordance with Paragraph 1.11. Such investment advisor and/or Fund Administrator shall receive and be paid such commissions or other compensation as may be agreed upon by the Board. Such payment shall be treated as an expense of administration of the Fund.

3.6 Accounting. The Fund Administrator shall be responsible for the daily administration of, and accounting for, the Fund and shall discharge such responsibility for and on behalf of the Board. Within ninety (90) days after the end of the fiscal year of the Fund, the Fund Administrator shall prepare and distribute to all members of the Board an annual report of receipts and disbursements. The Fund Administrator shall also report to the Board as to the receipts, disbursements and other financial activities of the Fund at the regular meetings of the Board.

3.7 Fiscal Year. The fiscal year of the Fund shall end on December 31 of each year. All records of the Fund shall be maintained separate and apart from all other records of the Conference.

PART 4 – MISCELLANEOUS PROVISIONS

4.1 Dissemination of Information to Conference. Information pertaining to the activities, investments, and distributions of the Fund shall be disseminated through appropriate means to the members of the Conference from time to time, as the Board deems appropriate.

4.2 Successor to Fund. In the event the Board or the Corporation ceases to exist for any reason, subject to the *Discipline* of The United Methodist Church, the Western North Carolina Annual Conference of The United Methodist Church shall succeed to the Fund and shall, insofar as possible, administer the Fund as provided herein.

4.3 Amendment. This Declaration may be amended only by a two-third's majority vote of the Board, at a meeting called for this purpose. The foregoing vote shall be based upon those in attendance at such meeting; provided, however, there shall be a quorum present at such meeting. At least ten (10) days' notice of such meeting must be given to all Board members.

4.4 Qualification Under Code. It is the intent of the Conference and the Board to create, maintain, and operate the Fund pursuant to this Declaration under the auspices of the Conference to the fullest extent necessary to enable contributions to the Fund to qualify as charitable contributions. Any provision of this Declaration to the contrary notwithstanding, the Fund shall be and remain, subject to the *Discipline* of The United Methodist Church, the sole property of the Corporation, and no Board shall have any power to act in any manner which would result in the disqualification of the Fund, the Corporation or the Conference under Section 501(c)(3) of the Code. The Board recognizes and agrees that the Fund is solely the property of the Corporation, subject to the *Discipline* of The United Methodist Church, and that, upon request by a vote of three-fourths (¾) of the entire membership of the Conference, it will terminate this Declaration and pay over the Fund to the extent separately held by the Board as directed in the *Discipline* of The United Methodist Church.

4.5 Obligation to File Accountings. The Board shall not be required to qualify nor to file any periodic inventory or accounting with respect to the Fund with any court, but it shall file annual accounts of receipts and disbursements of cash and principal with the Conference and maintain such accountings in the Conference records.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

The Board of Pension and Health Benefits, Inc.
Western North Carolina Conference, The United Methodist Church

By: *Mark B. Edwards*
PRESIDENT OF THE BOARD

Exhibit A – Example of Calculation of Initial Fund Corpus

The balance to be transferred to the Retiree Security Supplement Fund will be based on the greater of $5,000,000 or the amount remaining in Board of Pension and Health Benefits, Inc., account called Cost Center 760, Health Benefits – Retirees, Net Balance less the reserve amounts required by the reserve policy. This calculation and transfer to be made based on December 31, 2008, fund balances.

The Reserve Policy states "two reserves shall be maintained, Premium Stabilization Reserve and Claims Reserve. The Premium Stabilization Reserve balance is equal to 5% of the previous years premium receipts and the Claims Reserve is equal to 25% of the previous years claims paid. These reserve amounts are set at the end of each year based on the previous years results."

An example of this calculation follows, as of December 31, 2007:

Net Balance Cost Center 760	$5,516,476
Less:	
Premium Stabilization Reserve 5% of $482,375	24,000
Claims Reserve 25% of $854,780	213,725
Net Balance less Reserve Policy	$5,278,751

Exhibit B – Conference Action creating the Fund, February 2, 2008

This approved action to be inserted as Part 9 of the Pension Board Report in 2008 Conference Journal (see text below as item 9 of "Proposals").

Proposals: Health Benefits Program and Policies

(Petition 16)

The Health Benefits Committee proposes:

1. That the Board of Pension and Health Benefits be authorized to secure a hospital/medical insurance contract for 2009 that will be advantageous in terms of coverage, premium rates, and administrative costs.
2. That the hospital/medical insurance program be continued for all eligible persons working 30 hours or more per standard workweek.
3. That each local charge be expected to participate in the conference program of hospital/medical insurance by contributing an amount equal to the pastor's coverage premium for each eligible pastor appointed to that charge and that these premium payments be remitted to the conference Treasury Services Office rather than to the pastor or other insurance carrier.
4. That premium cost information be mailed to local churches and pastors immediately after the 2009 contract has been negotiated.
5. That a pastor may exclude himself/herself from coverage by signing a written waiver, releasing the conference and any local church from legal or moral responsibility for medical or accident claims.
6. That, in the discussion of salaries and benefits for 2009 and all succeeding years, local church committees on staff-parish relations consider designating a portion of compensation for dependents' health care coverage.
7. That medical/hospital coverage be provided for persons terminated from the plan for not more than a 12-month period, with the premium costs to be paid by the person terminated.
8. That continued endorsement be given to the optional life insurance program provided by a top-quality life insurance company as supplemental coverage for active clergy.
9. That the following Retired Clergy Medical Plan, which became effective on January 1, 2003, and was amended at the special session of the conference on February 2, 2008, be continued:
   a. *Benefit Design:* The basic benefit design for all participants has benefits similar to Medigap Plan E, as approved by the Medicare Administration (complete benefit description available from the conference Treasury Services Office). This plan does not include prescription drugs.
   b. *Funding Design:*
      (1) Creation of the Retiree Security Supplement Fund, which shall be created December 31, 2008. This Restricted Fund shall be vested with a minimum of $5,000,000. Subsequently, additional contributions to this Fund (corpus or principal) shall be made of all free reserve available at year-end. Free reserve is defined as the fund balance in excess of the Claims Reserve required by the Plan. The Claims Reserve is 25% of the prior years claims paid.
      (2) The purpose of the Retiree Security Supplement Fund is to secure retiree medical benefit by contributing 5% of the fund balance (which consists of corpus or principal and earnings from dividends, interest and appreciation) each year to the Retired Clergy Medical Plan. The Fund's contribution will reduce the Net Estimated Claims Cost of the Retired Clergy Medical Plan to the Base Estimated Claims Cost.
      (3) Net Estimated Claims Cost is defined as Total Estimated Claims Costs (including administration, stop-loss insurance and other operating expenses), less all contributions from other charitable trusts, foundations or individuals, such as The Cole Foundation.
   c. Premium Design:
      (1) Participants enrolled <u>prior to January 1, 2003</u> will contribute the Base Estimated Claims Cost.
      (2) Participants enrolled in the retiree plan <u>on or after January 1, 2003</u>, will contribute based on

"years enrolled in the Active Health Benefits Plan". The contribution will be based on a percentage of the plan year's Net Estimated Claims Cost, as follows:
(a) 1-10 Years: 100% of the Net Estimated Claims Cost.
(b) Beginning in the 11th year, the contribution will decline approximately 1% per year to an amount equal to the Base Estimated Claims Cost.

All of the years prior to 2003 that a clergyperson has been appointed to a local church or conference position will be considered "years enrolled in the Active Health Benefits Plan"

d. Participants must be enrolled in Medicare to be eligible for the Retired Clergy Medical Plan.

10. That each participant electing dependent coverage be required to remit premium payments in the method established by the Health Benefits Committee and that dependent coverage remain in effect only when premium payments are current.
11. That sufficient funds for hospital/medical coverage be included in the appropriate 2009 apportioned funds to pay premiums for district superintendents and administrative, program, and support staff members of the conference headquarters.
12. That supplemental funds for insurance for clergy on incapacity leave be included in the 2009 conference budget at Fund 507, named Insurance Supplement – Incapacity Leave. The 2009 budget request for incapacity-leave clergy is $340,000.

Mark B. Edwards, *Board President*

CONFERENCE BOARD OF TRUSTEES, INC.

The Board of Trustees of the Western North Carolina Conference of The United Methodist Church, Inc., is a chartered corporation under North Carolina law, in accordance with *The Book of Discipline* of The United Methodist Church, subject to the instructions of the annual conference and its officers.

Investments:

a. Four funds under trustee management are invested through The United Methodist Foundation of our conference.
b. The yearly distribution of earnings from these funds is based on the following scale: The General Fund, 35.8%; the Higgins Fund, 31.3%; the Centenary-Rutherford Fund, 12.9%; and the Jesse Spencer Bell Fund, 20.2%. Earnings during 2006 were distributed to the following designated beneficiaries:

Western North Carolina Conference Board of Pensions	$ 4,810.34
Western North Carolina Conference United Methodist Women	2,714.21
Brevard College	5,912.15
Total Distribution	$13,436.70

The Conference Memorial Center:

The trustees continue to monitor the operational expenses of the Conference Memorial Center in Charlotte, keeping in close touch with the conference treasurer-director of administrative services, who manages the building on our behalf. We receive monthly reports from the Treasury Services Office, and we seek to work with that office for efficient operation of the center. The financial items concerning the Memorial Center reported by the Council on Finance and Administration reflect the recommendations of the trustees.

Bishop J. Lawrence McCleskey reported to the board on February 10, 2007, that the Task Force on Conference Reorganization would be taking up the matter and making a report to the special session of the conference. The special session, held on February 2, 2008, approved the establishment of a Facilities Task Force. Two members of the board of trustees will be named by the bishop to serve on that group. Any recommendations to the conference will come from the task force in 2009.

The Episcopal Residence:

The conference-owned episcopal residence is cared for through the Episcopal Residence Committee, constituted according to the provisions of the *Discipline*. Julia M. Hite, of our board, serves as our representative on this committee.

Risk Management Sub-Committee:

After meeting with representatives of the United Methodist Property and Casualty Trust (PACT) in 2006 and further study of the positive effects of risk management in lowering insurance costs, the board appointed a Risk Management Sub-Committee. The three members of the sub-committee are Roslyn Harris (chairperson), Eddie Allred, and J. Hurley Thomas III, all of whom have insurance industry experience and/or high interest in the benefits of risk management. The sub-committee hopes to provide helpful resource information to local-church trustees via district leadership conferences, collection of insurance data, and a simple survey of coverage. The sub-committee conducted a survey of local church property and casualty insurance coverage in 2007 and will produce a 2008 summary report of its findings for all local churches to use when establishing their insurance coverage for 2009. The committee thanks the many churches which responded to the survey.

Other Concerns of the Board:

a. The board and its legal counsel as necessary review property matters involving local churches, districts, and institutions of the conference. These matters are then reviewed by the full board at its meetings in February, June, and November.
b. We call to your attention ¶ 2532.2 of *The Book of Discipline* (2004), which describes specifically the responsibilities of the local church board of trustees for the risk management of church property and personnel. The Board of Trustees encourages the Council on Finance and Administration to adopt an administrative program that provides to local trustees, treasurers, finance chairs, and pastors the risk-management memos from the General Council on Finance and Administration. These plans will be very beneficial to the local churches and assist in risk management and loss control.
c. We also call to your attention the *Guidelines for Local Church Incorporation*, with advisory letter. The board understands that the "Safe Sanctuaries" program encourages local-church incorporation and, further, that incorporated local churches need to have support from the conference to maintain their records in accordance with North Carolina state law. The guidelines have been revised to include a step sheet, information on conveying church real property with the trust clause to the new corporation, conveying the church bank and securities accounts to the corporation, and obtaining new state and federal tax-identification numbers for the new corporation.
d. The conference Board of Trustees is often asked to take action on abandoned buildings and cemeteries. Much of our work involves determining conference responsibility for maintaining these properties and/or the legal authority to transfer or sell them, consistent with actions of the annual conference. The board will continue to work with the cabinet in taking necessary action on abandoned properties, consistent with *The Book of Discipline* and North Carolina state laws. The board has authorized support for a property facilitator to assist district offices with property management details. The property facilitator and management expenses are funded from property sales proceeds and the balance remaining split between the district and conference congregational development, 75% and 25%, respectively.
e. The cabinet and the conference Board of Trustees have worked together on a policy providing for trustee review and approval of disposition of all church properties that are discontinued or abandoned before action is taken by the annual conference.
f. Please note ¶ 2548.4 of *The Book of Discipline*, which specifies that all deeds, records, and other official and legal papers of an abandoned or otherwise discontinued church shall be deposited for permanent safekeeping with the Commission on Archives and History of the annual conference. The Board of Trustees has entered into a cooperative arrangement with the Commission on Archives and History which will make the conference archives office in Charlotte a much more effective central repository for such information. We encourage all district boards of trustees, cabinet members, and others to keep the conference archives office informed about such properties and to call the archives office when information is needed. The property project to index all discontinued, abandoned, and active property in our conference has been completed, and we anticipate that these files will be of great benefit to our conference.
g. The board has prepared a *Property Matters* binder and distributed to district offices a step sheet, based on *The Book of Discipline* and the 2001 *Legal Manual* of the General Council on Finance and Administration, to be used by all parties in the event of the discontinuation or abandonment of local church property.

Joseph P. McGuire, *President*
Doris P. Loomis, *Vice-President*
Charles D. White, Jr., *Secretary*

COMMITTEE ON THE ANNUAL CONFERENCE MEETING

The Committee on the Annual Conference Meetings welcomes the members of the 2008 conference to the fourth and last session of the current quadrennium, during which we have been focusing on the theme, "Follow Jesus – Make Disciples – Transform the World." We invite you to join us in, first, celebrating the ways in which this shared vision has found expression in our midst and, second, continuing to discover ways in which we may shape our future in commitment to the vision.

Those who preach and teach at conference each year are pivotal in defining what the experience of conference means for us. For the fourth consecutive year, Bishop J. Lawrence McCleskey has invited clergy members of our own conference to fill these roles. In-Yong Lee, pastor of St. Paul's Church, Asheville, and K. Wesley Judy, pastor of First Church, Forest City, will be conference preachers for 2008. Our Bible lecturers will be Veranita G. Alvord, pastor of Hoyle Memorial Church, Shelby, and Jeremy I. Troxler, director of the Thriving Rural Communities Initiative at Duke Divinity School. We also welcome Vincent Sutlive, of Crossroads Church, Concord, whom the Council on Laity has chosen to deliver the Laity Address on Friday evening.

We give special thanks for the dedicated service of so many persons who labor on our behalf. Among these are our 2008 host district, the Marion District, and its superintendent, Phillip B. Cole. Our three chief ushers—Holly C. Adams, Mary Alice Bradley, and Ed Eller—are from that district, and the 13 other districts will also be providing three ushers each. Les Ackerman, director of music and organist at Myers Park Church, Charlotte, and John-Palmer Smith, minister of music and the arts at First Church, Charlotte, will be leading us in music. To all of these, along with our speakers, worship planning team members,