

Mississippi Annual Conference Disaffiliation Information

These are the steps to the Disaffiliation Process as outlined by David Stotts, the Mississippi Conference Treasurer, at our exploratory meeting.

1. Exploratory Meeting with David Stotts to learn the details for the disaffiliation process.
This was our meeting on Tuesday, October 25.

2. Official Letter to the District Superintendent Requesting a Vote:

If a church wants to disaffiliate, the Church Council must have an official vote with minutes recorded.

Then, the Chair of the Church Council must send a letter to the DS requesting a called Church Conference for an official vote on disaffiliation.

The **Deadline** for this request is **February 1, 2023** so that the Bishop and Cabinet know whether or not to appoint a pastor to this church for the next appointment year.

3. Called Church Conference:

The District Superintendent will schedule a date for a Called Church Conference for an official vote.

This meeting must be publicly advertised at least 10 days prior.

All church members (active or inactive) who are duly present are eligible to vote.

Voting will be by a **paper secret ballot**. Each person's vote is anonymous.

Disaffiliation requires a **two-thirds majority (66.7%)** of all members present.

Deadline for a disaffiliation vote is **March 31, 2023**.

This gives the Conference time to do the legal paperwork in preparation for Annual Conference.

4. Annual Conference Vote:

The Annual Conference must vote by a **simple majority** to approve each church's disaffiliation.

All Lay and Clergy delegates duly present are eligible to vote.

Annual Conference meets **June 2023** (tentatively June 26-30).

Usually, the AC approves all disaffiliations by a block vote with 90% approval, or better.

The 2022 Annual Conference requested that our new incoming bishop call a **Special Called Annual Conference in December 2023** solely for the purpose of churches disaffiliating.

However, it is solely at the bishop's discretion to call such a meeting. It cannot be compelled.

We will not know until perhaps November 2022 whether our new bishop will grant this.

5. Disaffiliation Payment:

The 2019 Book of Discipline requires a "Covenant Payment" (David's term):

Two Years of Apportionments:

100% of a church's 2023 apportionments, and another like it.

Our **2023 Apportionments** (Conference & District) are **\$60,962**.

So, that's a **total of \$121,924** in Apportionments.

Unfunded Pension Liability:

Based on 105% market value as of July 1, 2022, Mississippi's total liability is \$192 million. The Conference has \$160 million currently in the bank plus \$3.2 million in additional funds that can be applied to it.

That leaves a **total liability of \$29 million** for the Conference.

The local church's share is based on their **Apportionment Index Number (AIN)** as determined by the Conference.

This is the average of 2 years apportionments (2021 & 2022)

Divided by the total Annual Conference apportionments for those 2 years.

That Apportionment Index Number is then multiplied by the \$29 million unfunded liability.

Our AIN is 0.49766%. So, our **unfunded liability is \$144,543.**

Combined (\$144,543 + \$121,924) gives

*** **Grand Total of \$266,467.** ***

Also, David Stotts will calculate the **final number** based on market factors as of **April 1.**

So, the final number may go a little up or a little down based on stock market and interest rates.

6. Indemnification Coverage:

Local Church must secure **\$1 million indemnification coverage** for the Annual Conference for a period of 3 years.

This is usually added onto the church's current liability insurance and covers the Conference on the chance anyone sues it as part of legal action against the local church.

Likewise, the Conference will secure a \$5 million coverage for the local church on the chance anyone sues the local church as part of legal action against the Conference.

7. Copy of All Church Property Deeds:

David Stotts needs a legible copy of all our Church Property Deeds so that the Conference can research and prepare the **Quit Claim Deed** that releases a local church from the Trust Clause.

Neal Bryant at Watkins & Eager will handle the deeds on behalf of the Conference.

The Conference is responsible for that expense.

8. Audit of Membership Rolls:

The Conference or the DS will send the local church an Official Audit Roll sheet.

This gives the Conference an accurate list of names of all church members eligible to vote on disaffiliation at the Called Church Conference.

As a part of Disaffiliation, all the Church Membership Rolls will go with the local church, not the Conference.

(In church closure, the Church Membership Rolls go with the Conference, not the local church.)

9. Cross & Flame Logo:

The UMC Cross & Flame is copyrighted. Therefore, all Cross & Flame items **must be removed** from the local church and returned to the Conference for use in other UMC churches.

This includes stained glass windows, but excludes church cornerstones.

10. Hymnals:

All UMC Hymnals **must be removed** from the local church by the date of the Disaffiliation Agreement (June 30, 2023). David encourages people to take them home by that date.

(Possibility: Unless we are going to buy new hymnals of a different kind [since we're still going to need hymnals for funerals and other services], perhaps we should just gather them up and remove them for a time and then put stickers over the Cross & Flame for later use.)

11. Use of the 'Methodist' Name:

The local church cannot use the name "**United Methodist**" any more. It is copyrighted.

Likewise, the legal contract the church must sign as part of disaffiliation will stipulate that the local church **cannot use the name "Methodist"** in its legal name.

David says this is more for the local church's protection on the chance that someone tries to sue a local "Methodist" church as part of a UMC lawsuit.

However, **if the local church joins another 'Methodist' denomination**, this doesn't apply.

So, if a church joined the Global Methodist Church, the Free Methodist, the Congregational Methodist, or the Independent Methodist Church, then they could continue to use 'Methodist' as part of their legal church name.

So, this only applies if a church decides to stay truly independent.

12. Church Signage:

All Church Signage **must be changed** before the Disaffiliation Agreement date (in June).

For instance, our lighted sign on the corner of Washington & Madison, not the church name "First Methodist" that is bolted to the building.

13. New 501(c)(3) Status:

If a local church stays independent, it will need to file for a new 501(c)(3) status so that they may remain tax exempt.

However, if the church joins another denomination, they may use their 501(c)(3).

14. Church Incorporation:

The local church will need to **reincorporate under a new legal name** with the State offices.

15. New Federal Employee Identification Number (EIN):

The local church can no longer use the Mississippi Annual Conference's EIN.

It must file for a new federal EIN.

16. Change Name on Church Bank Accounts:

The local church must change the name on their bank accounts to their new legal name.

17. Minutes of Church Council and Trustees:

The local church must submit the original minutes of all Church Council and Trustees meetings to the Annual Conference for record and reference.

The local church may retain copies of these for reference.

18. Reasons for Disaffiliation & the Disaffiliation Form:

Before the Church Conference Vote on Disaffiliation, the local church must fill out and submit to the Conference Trustees a form called the **Certification of Local Church**.

This form must explain the **reasons for requesting** Disaffiliation based on paragraph 2553 in the Book of Discipline.

This must be for **Actions or Inactions** of the Mississippi Annual Conference related to human sexuality issues:

- a) That is, the church must state clearly that it **disagrees with the current stance** of the Book of Discipline prohibiting the practice of homosexuality and same sex marriage,
- b) Or that the Mississippi Conference has **actively ignored**, defied, or disobeyed what the Book of Discipline says,
- c) Or that the Mississippi Conference has **by its inaction** not done enough to support the current Book of Discipline.

So, it is not sufficient to list offenses in other Annual Conferences, like the election of Bishop Karen Oliveto in the Western Jurisdiction or clergy performing same sex weddings in Florida.

These offenses must have taken place in the Mississippi Annual Conference.

Bishop Swanson has not allowed any overt disobedience to the Discipline in Mississippi. So, there aren't any obvious actions we might cite.

However, we could say that the Bishop, the Cabinet of District Superintendents, or the Conference leadership have not spoken against these acts of disobedience by bishops and other conferences strongly enough.

Or, we could say:

The Mississippi Annual Conference has failed to demonstrate sufficient support for the 2019 Traditional Plan, leaving the members of our church with significant doubt as to the future disposition of the Mississippi Annual Conference regarding its clergy and the issue of human sexuality.

Consequently, it has become harder to retain faithful traditionalist church members and to gain new church members.

The **Conference Trustees must vote to approve** these reasons from the Certification before Disaffiliation can move forward.

David Stotts has promised that he will help churches find appropriate wording if they are struggling with it. He does not want any 'trapped' churches remaining UMC.

If a church officially votes to disaffiliate, the **church's last day** as a United Methodist Church will be **June 30, 2023**. July 1st will be their first day as a new church. The Disaffiliation Agreement will be signed and "Covenant Payment" will be made around that time.