

Proposed 2017 Budget

NARRATION OF 2017 PROPOSED BUDGET

Benevolence Factor – Proposed 2017: 17.75%

The benevolence factor is the percentage churches are apportioned based on their operating expenditures, less

exclusions. The percentage for 2017 is the same as the percentage used in 2016.

Apportionment Collection Rate - Proposed 2017: 92%

The projected collection of the amount apportioned to churches in the 2017 Budget is 92%

REVENUE

Apportionments: \$14,218,923

A church's share of the local and global mission work and operating expenses of the Annual Conference as determined by the apportionment formula.

Grants: \$122,650

This represents grants given directly to the conference for ministry and mission. For example, General Church grants to operate the episcopal office and residence.

Event Registration: \$2,089,831

This includes Annual Conference registration, workshop registrations, camping and retreat registrations (the majority of line item) and other conference events.

Publications: \$19,176

This includes sales or rentals of publications, DVDs, paid UMConnection subscriptions, and other materials.

Individual Gifts: \$0

Gifts coming from individuals for specific programs. These are for the conference specifically, rather than for ministries outside of the conference. No such gifts are anticipated in 2017.

Reimbursements: \$99,783

The conference receives reimbursements from denominational agencies for specific operating programs. The Trustees are reimbursed for the expenses of property upkeep when that property is sold.

Other Income/Sources of Funds: \$2,048,892

Miscellaneous income or sources of funds, such as the use of funds held from previous years, funding from agency reserve funds, etc.

Interest: \$30,000

An estimate of the interest the conference will earn on operating funds in investment vehicles.

TOTAL OPERATING REVENUE: \$18,629,255

EXPENSES

I. DISCIPLESHIP

Regional Ministry: \$2,414,781

Funds to operate the ministries and administrative support of the Regions. The Regions include the Southern Region, Baltimore Region, Washington Region and Western Region.

Discipleship Ministry Teams

Connectional Ministries: \$2,557,569

Funds to operate the ministries and administrative aspects of the Connectional Ministries Team. Administrative expenses include salary expense, benefits, travel, and continuing education. Ministries funded by Connectional Ministries include children, youth, young adult, campus ministry, and camping ministries. Funds are also allocated for Discipleship Council and Connectional Table.

- a. Youth Ministries engage and support young disciples of Jesus Christ.
- b. Camping Ministries provide opportunities for spiritual growth and formation for children and adults.
- c. Campus Ministries includes activities of young adult ministry on area college campuses.

Focus on Missions & Advocacy:

- a. Conference Mission and Social Justice Programs: \$561,596

Through grants to specific social justice ministries, such as Action for the Homeless, Appalachian Development, and UM Community Services, the conference seeks to grow mission and ministry.

This ministry area also includes funds for our covenant partnership ministries in other conferences, such as Zimbabwe, Korea, Latin America, and Russia. Funds are also devoted to the Hope for the City Initiative, Deaf Ministries, and Justice for Our Neighbors.

- b. General and Jurisdictional Apportionments: \$3,574,384

The funds that the denomination and Northeastern Jurisdiction request for ministry and programs, from each conference. The conference is proud of its track record of paying 100% of these apportionment askings, consistently, for more than a decade. They include contributions to the specific funds listed below:

- World Service - To help our denomination to strengthen its evangelism efforts, stimulate church growth, expand Bible studies and enrich spiritual commitment. This fund allows us to share in a worldwide ministry, including support for missionaries.
- Interdenominational Cooperation - This fund allows United Methodists to have an effective presence in the activities of ecumenical organizations.
- Africa University - This fund supports the further development of a United Methodist affiliated university for men and women in Africa.
- Black College Fund - This fund represents the denomination's support of the operation and capital funding of historically black colleges and medical schools.
- Ministerial Education Fund - This fund provides our church support for the recruitment and education of future pastors and bishops.
- Episcopal Fund - This fund pays the salaries and benefits of active bishops in the denomination and supports retired bishops.
- General Administration - This fund supports administrative areas of the church, such as the General Council on Finance and Administration, the General Conference session, and Archives and History.
- Jurisdictional Administration - This fund supports mission and ministry throughout the Northeastern Jurisdiction.

Congregation & Leadership Development: \$365,664

Funds to operate the ministries and administrative aspects of the Congregation and Leadership Development (CLD) Team. Administrative expenses include salary expense, benefits, travel, and continuing education. Ministries funded by this area include a focus on church growth and church leaders.

Focus on Church Growth: \$1,224,864

- a. Grants to local churches and ministries to grow congregations and expand ministry in the community.
- b. Start new churches
- c. Latino/Hispanic Ministries
- d. Strengthening the Black Church

Focus on Leaders: \$287,634

- a. The Discipleship Academy – Learning opportunities and training for all congregations with a focus to develop current and future leaders within the church.
- b. Discipleship Boards and Agencies – Includes funds for Board of Ordained Ministry and Ministerial Education Fund.

Total Discipleship Ministry Teams: \$8,571,712

TOTAL DISCIPLESHIP: \$10,986,493

II. STEWARDSHIP

Communications: \$623,903

The publications produced by this area are tools for telling the stories of the ministries of the Conference, such as the UMConnection newspaper, the website, social media and e-connection.

Operations: \$3,849,782

This area is responsible for overall operations of the conference including all conference infrastructures, facilities, IT, conference owned property, and relates to the Trustees and CFA.

- Property Ministries - Performed by the Conference trustees who oversee all property owned by the conference and the management of the Conference Mission Center.
- Archives and History - The conference provides some of the ongoing support for the preservation of our United Methodist heritage.
- Conference Chancellor - Provides legal resources to the Trustees and other conference leadership.
- Annual Conference – Commission on Sessions - This commission prepares all aspects of the Annual Conference Session and executes the onsite implementation of the program and logistics.

Finance: \$509,546

This area is responsible for maintaining and administering comprehensive fiscal and administrative policies and services. The office of the treasurer provides support and information for clergy and laity in the local churches.

HR/Benefits Administration: \$2,217,732

This office administers all clergy and laity benefit plans for the conference and cares for our staff and clergy including personnel related items.

- Retiree Benefits - Annual amount of health insurance premiums for currently retired conference clergy

TOTAL STEWARDSHIP: \$7,200,963

Episcopal Leadership Ministry: \$441,799

Ministries that lead our mission and develop the leadership to lead congregations, ministries and staff.

TOTAL OPERATING EXPENSES: \$18,629,255

OPERATING NET: \$0

SUMMARY	2015 ACTUAL (UNAUDITED)	2016 BUDGET	2017 BUDGET
Benevolence Factor	17.75%	17.75%	17.75%
Collection Rate	92.00%	92.00%	92.00%
INCOME			
APPORTIONMENTS	14,128,185	14,330,827	14,218,923
NON-APPORTIONED INCOME			
Grants	82,981	123,800	122,650
Event Income	1,960,093	2,037,968	2,089,831
Publications	2,054	19,176	19,176
Individual Gifts	10,957	0	0
Reimbursements	45,719	119,783	99,783
Other Income/Sources of Funds	866,246	477,912	2,027,892
Interest	63,759	30,000	30,000
Carry Forward Budgeted	21,000	21,000	21,000
Carry Forward Unbudgeted	0	0	0
TOTAL NON-APPORTIONED INCOME	3,052,809	2,829,639	4,410,332
TOTAL INCOME	17,180,994	17,160,466	18,629,255
EXPENSE			
DISCIPLESHIP			
REGIONS			
Southern Region	597,602	577,267	592,031
Baltimore Region	599,789	577,367	592,131
Washington Region	644,328	597,436	627,438
Western Region	572,400	588,417	603,181
TOTAL REGIONS	2,414,119	2,340,487	2,414,781
MINISTRY TEAMS			
Connectional Ministries	2,439,464	2,423,835	2,557,569
Focus on Missions & Advocacy	4,129,166	4,030,190	4,135,981
Note: General Apportionments	3,493,309	3,491,262	3,574,384
Congregation & Leadership Develop.	286,699	295,199	365,664
Focus on Church Growth	1,361,041	1,224,864	1,224,864
Focus on Church Leaders	249,517	287,634	287,634
TOTAL MINISTRY TEAMS	8,465,887	8,261,722	8,571,712
TOTAL DISCIPLESHIP	10,880,006	10,602,209	10,986,493
STEWARDSHIP			
Operations	2,911,695	2,842,769	3,849,782
Communications	593,454	610,220	623,903
Finance	473,458	499,446	509,546
HR/Benefits	1,860,553	2,211,576	2,217,732
TOTAL STEWARDSHIP	5,839,160	6,164,011	7,200,963
EPISCOPAL OFFICE	463,897	394,246	441,799
TOTAL OPERATING EXPENSE	17,183,063 (2,069)	17,160,466 0	18,629,255 0

- Denotes items funded from Non-Apportionment sources. Includes percent non-apportioned if less than 100%

	EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
SOUTHERN Region	Personnel		
	Total Salary	413,422	424,171
	Total Benefits	114,895	118,910
	Total Personnel	528,317	543,081
	Travel	22,000	22,000
	Continuing Education	4,200	4,200
	Regional Strategy/Program		
	Meetings	1,000	1,000
	Washington East District		
	District Superintendent	2,500	2,500
	Washington East District	2,000	2,000
	Annapolis District		
	District Superintendent	2,500	2,500
	Annapolis District	2,000	2,000
	Total Regional Strategy/Program	10,000	10,000
	Administration		
	Copying and printing	2,200	2,200
	Supplies	2,300	2,300
	Postage	500	500
	Telecommunications	1,500	1,500
	Cell Phone	3,750	3,750
	Total Administration	10,250	10,250
	Property and Equipment		
	Equipment	500	500
	Contingency	2,000	2,000
	Total Southern Region	577,267	592,031
BALTIMORE Region	Personnel		
	Total Salary	413,422	424,171
	Total Benefits	114,895	118,910
	Total Personnel	528,317	543,081
	Travel	21,500	21,500
	Continuing Education	4,800	4,800
	Regional Strategy/Program		
	Meetings	1,000	1,000
	Baltimore Suburban District		
	District Superintendent	2,500	2,500
	Baltimore Suburban District	2,000	2,000
	Baltimore Metropolitan District		
	District Superintendent	2,500	2,500
	Baltimore Metropolitan District	2,000	2,000
	Total Regional Strategy/Program	10,000	10,000
	Administration		
	Copying and printing	2,200	2,200
	Supplies	2,300	2,300
	Postage	500	500
	Telecommunications	1,500	1,500
	Cell Phone	3,750	3,750
	Total Administration	10,250	10,250
	Property and Equipment		
	Equipment	500	500
	Contingency	2,000	2,000
	Total Baltimore Region	577,367	592,131

WASHINGTON Region

EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
Personnel		
Total Salary	428,422	449,561
Total Benefits	119,064	126,027
Total Personnel	547,486	575,588
Travel	22,500	22,500
Continuing Education	4,200	4,200
Regional Strategy/Program		
Meetings	1,000	1,100
Greater Washington District		
District Superintendent	2,500	2,500
Greater Washington District	2,000	2,200
Central Maryland District		
District Superintendent	2,500	2,500
Regional Coordinator	0	1,000
Central Maryland District	2,000	2,000
Total Regional Strategy/Program	10,000	11,300
Administration		
Copying and printing	2,700	2,700
Supplies	2,300	2,150
Postage	500	500
Telecommunications	1,500	1,500
Cell Phone	3,750	4,400
Total Administration	10,750	11,250
Property and Equipment		
Equipment	500	500
Contingency	2,000	2,100
Total Washington Region	597,436	627,438

WESTERN Region

Personnel		
Total Salary	413,422	424,171
Total Benefits	114,895	118,910
Total Personnel	528,317	543,081
Travel	28,500	27,500
Continuing Education	3,200	4,200
Regional Strategy/Program		
Meetings	1,000	1,000
Frederick District		
District Superintendent	2,500	2,500
Frederick District	2,000	2,000
Cumberland/Hagerstown District		
District Superintendent	2,500	2,500
Cumberland/Hagerstown Dist.	2,000	2,000
Total Regional Strategy/Program	10,000	10,000
Administration		
Copying and printing	2,200	2,200
Supplies	2,700	2,700
Postage	500	500
Telecommunications	5,500	5,500
Cell Phone	2,500	2,500
Total Administration	13,400	13,400
Property and Equipment		
Equipment	3,000	3,000
Contingency	2,000	2,000
Total Western Region	588,417	603,181

EXPENSES		2016 BUDGET	2017 BUDGET PROPOSED
CONNECTIONAL Ministries	Personnel		
	Total Salary	244,630	266,705
	Total Benefits	59,648	74,767
	Total Personnel	304,278	341,472
	Travel	10,500	13,500
	Continuing Education	3,290	4,290
	Department Strategy/Program		
	Discipleship Council	1,648	1,648
	Connectional Table	3,832	3,832
	Board of Laity	7,840	7,840
	Ministry of the Laity	44,000	44,000 #
	Children's Offering & Seminar	14,250	14,250 #
	ROCK Event	270,000	270,000#
	Youth Ministry - CCYM/DCYM	24,000	24,000
	Young Adults		
	Young Adult Strategy	27,053	27,053 #(5%)
	Campus Ministry	353,440	353,440
	Camping Ministry	1,344,954	1,440,994 #
	Total Department Strategy/Program	2,091,017	2,187,057
	Administration		
	Copying and printing	1,500	1,500
	Supplies	2,000	2,000
	Postage	250	250
	Cell Phone	1,000	2,500
	Total Administration	4,750	6,250
	Contingency	10,000	5,000
	Total Connectional Ministries	2,423,835	2,557,569 #(69%)

CONGREGATION & Leadership	Personnel		
	Total Salary	191,249	243,033
	Total Benefits	53,150	68,131
	Contract/Stewardship Resource Specialist	30,000	30,000 #
	Total Personnel	274,399	341,164
	Travel	11,800	15,300
	Continuing Education	1,500	2,200
	Administration		
	Copying and printing	2,000	1,500
	Supplies	500	500
	Postage	500	500
	Cell Phone	2,500	2,500
	Total Administration	5,500	5,000
	Contingency	2,000	2,000
	Total Congregation & Leadership Development	295,199	365,664 #(8%)

- Denotes items funded from Non-Apportionment sources. Includes percent non-apportioned if less than 100%

CHURCH Growth

EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
Grants - New Faith Ministries	385,000	385,000
Grants - New Church Starts	296,224	296,224 #(12%)
Strategic Growth Initiatives	268,000	268,000
Equitable Compensation	70,000	70,000
New Church Start Strategy Development	70,000	70,000 #(21%)
Small Church Ministry	3,800	3,800
Congregation Development	45,000	45,000
Latino/Hispanic Ministry	65,000	65,000
Korean Ministry	3,120	3,120
Asian-American Ministry	3,120	3,120
Strengthening the Black Church	15,600	15,600
Total Focus on Church Growth	1,224,864	1,224,864 #(4%)

CHURCH Leader

Certified Lay Ministry	16,000	16,000 #
Board of Ordained Ministry (BOOM)	74,000	74,000 #(54%)
Other BOOM Expenses	41,250	41,250 #
Ministerial Education Fund - BWC	156,384	156,384
Total Focus on Church Leaders	287,634	287,634 #(34%)

MISSIONS & Advocacy

Grant - Quality of Life Retreats	3,605	3,696
Grant - Appalachian Development	3,698	3,790
Grant - MILC (MD Interfaith Legislative Committee)	500	500
Grant - United Methodist Community Services	3,698	3,790
Total Mission and Justice Grants	11,501	11,776
Commission on Disabilities	1,688	1,730
Status and Role of Women	1,688	1,730
Ethnic Local Church Concerns	1,688	1,730
Grants -Unity & Ecumenical Concerns	29,149	29,149
Unity & Ecumenical Concerns Oper Fund	1,061	1,061
Hope for the City	26,084	26,084
Zimbabwe Partnership	39,557	64,558
South Korea Partnership	13,731	13,731
Latin American Partnership	2,252	2,252
Eurasian Partnership	13,843	13,843
Total Advocacy and Partnerships	130,741	155,868
Operating Fund	6,956	7,130
Peace with Justice	8,000	8,000 #
Legislative Advocacy	16,995	16,995
Drugs and Violence	2,186	2,186
HIV AIDS	2,186	2,186
Children and Poverty	11,255	11,255
Native American Ministry	21,000	21,000 #
Religion and Race	1,688	1,730
Family Event - Kings Dominion	3,500	0
Total Church and Society	73,766	70,482
Board of Global Ministries Secretary	546	560
Education and Cultivation	4,371	4,480

MISSIONS & Advocacy (cont.)	EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
	Deaf Ministries	228,900	228,900 # (3%)
	Justice for our Neighbors	72,000	72,000
	Volunteers in Mission	5,623	5,764
	Disaster Response	5,623	5,764
	Refugee Resettlement- UMCOR	1,126	1,154
	School of Christian Mission	3,605	3,695
	Parish Nurse Ministry	1,126	1,154
	Total Global Ministries	322,920	323,471
	Total Focus on Missions & Advocacy	538,928	561,597
	GENERAL & JURISDICTIONAL APPORTIONMENTS		
	World Services	1,822,016	1,886,591
	Interdenominational Coop	48,945	50,654
	African University	55,859	57,820
	Black College	249,532	258,360
	Ministerial Education Fund	625,534	647,696
		(156,383)	(161,925)
		469,151	485,771
	Episcopal Fund	587,347	567,897
	General Administration	219,980	227,706
	Northeast Jurisdictional Apportionments	38,432	39,585
	Total Apportionments	3,491,262	3,574,384
	TOTAL FOCUS ON MISSIONS & ADVOCACY AND APPORTIONMENTS	4,030,190	4,135,981 # (1%)

OPERATIONS	Personnel		
	Total Salary	464,275	476,280
	Total Benefits	127,052	131,492
	Total Personnel	591,327	607,772
	Travel	6,800	6,800
	Continuing Education	2,100	2,600
	Strategy/Program		
	Annual Conference - Sessions	340,000	375,000 # (53%)
	General/NEJ Conference	12,000	10,000
	Operations Administration		
	Copying and printing	2,800	2,800
	Supplies	2,000	2,100
	Postage	250	250
	Conference Calls	400	400
	Operational Hospitality	7,200	7,200
	Cell Phone	2,250	2,250
	Contingency	4,000	4,000
	Total Operations Administration	18,900	19,000
	Conference Administration		
	Conference Secretary	3,000	3,000
	Legal	130,000	123,000
	Replenish Legal Reserve	0	200,000
	Replenish 10% Apportionment Reserve	0	100,000
	Archives	108,970	113,323

EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
D & O Liability Insurance	22,000	22,000
Total Conference Administration	263,970	561,323
Property and Equipment		
Annual Conference Property		
Conference Property Insurance	139,500	143,000
Camp Debt Service	160,000	160,000
Episcopal Residence		
Taxes/fees	9,000	9,000
Maintenance	5,358	5,358
Utilities	10,100	10,100
Capital Expense	2,000	2,000
Contingency	1,000	1,000
Total Episcopal Residence	27,458	27,458 #(36%)
Total Annual Conference Property	326,958	330,458
Regional Offices		
Lease	20,657	21,277
Service Contracts	1,650	1,650
Total Regional Offices	22,307	22,927
Episcopal Office Lease	53,327	55,460
Facilities Management and IT		
Conference Center Costs		
Office Supplies	10,000	15,000
Postage	4,000	5,000 #
Conference Center Mortgage	655,274	638,802 #(11%)
Accelerated Mortgage Reserve	0	700,000
Utilities & Service Contracts	90,490	90,490
Maintenance/Janitorial Contracts	102,850	122,850
Improvements, furnishings	1,050	1,050
Replacement Reserve Fund	108,500	108,500
Information Technology Costs		
IT Services	128,166	72,000
Software & Development	15,000	15,000
Copiers and Machines	23,400	23,400 #(95%)
Computers and software	24,720	24,720
Telecommunications	21,630	21,630
Total Facilities Management and IT	1,185,080	1,838,442
Contingency	20,000	20,000
Total Operations	2,842,769	3,849,782 #(8%)

- Denotes items funded from Non-Appportionment sources. Includes percent non-apportioned if less than 100%

	EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
FINANCE	Personnel		
	Total Salary	315,790	323,689
	Total Benefits	84,427	87,377
	Total Personnel	400,217	411,066
	Travel	1,424	1,300
	Continuing Education	2,633	2,758
	Administration		
	Copying and printing	1,927	1,827
	Supplies	2,200	2,050
	Postage	1,800	1,700
	Phone	180	180
	Cell Phone	800	800
	Bank Fees	22,000	22,000 #
	Document Scanning	6,500	6,500
	Financial Services Fees	18,000	18,000
	Audit	36,000	35,000
	Contract Services	1,264	1,264
	Contingency	1,000	1,500
	Total Administration	91,671	90,821
	Property and Equipment		
	Equipment	850	850
	Service Contracts - Accounting Software	2,651	2,751
	Total Property & Equipment	3,501	3,601
	Total Finance	499,446	509,546 # (6%)

HR/Benefits	Personnel		
	Total Salary	129,992	133,372 # (22%)
	Total Benefits	36,126	37,389
	Total Personnel	166,118	170,761
	Travel	2,507	2,800
	Continuing Education	1,200	1,500
	Strategy and Program		
	Human Resources Programs:		
	Human Resources	2,500	2,500
	Staff Development	13,500	13,500
	Staff Recruitment	3,000	3,000
	Education Programs Health & Benefits	350	350
	Moving Expense	160,000	160,000
	Retiree Programs:		
	Retiree Luncheon	8,880	10,000 # (25%)
	Retiree Medical Premiums	1,837,630	1,837,630 #
	Laity Retiree Benefits	10,000	10,000
	Total Strategy and Program	2,035,860	2,036,980
	Administration		
	Copying and printing	1,527	1,527
	Supplies	1,064	1,064
	Postage	1,500	1,300
	Cell Phone	800	800
	Contingency	1,000	1,000
	Total Administration	5,891	5,691
	Total HR/Benefits	2,211,576	2,217,732 # (85%)

COMMUNICATIONS

EXPENSES	2016 BUDGET	2017 BUDGET PROPOSED
Personnel		
Total Salary	357,650	366,948
Contract services	30,000	30,000
Total Benefits	99,395	102,868
Total Personnel	487,045	499,816
Travel	15,700	11,163
Continuing Education	3,376	3,376
Programs and Operations		
Fees and subscriptions	1,025	1,025
Program supplies	4,551	10,000
Total Regional Strategy/Program	5,576	11,025
Administration		
Supplies	4,202	3,202
Postage	23,000	23,000
Copying	2,167	1,167
Printing	60,002	62,002 # (31%)
Cell Phone	3,000	3,000
Equipment	3,152	3,152
Total Administration	95,523	95,523
Contingency	3,000	3,000
Total Communications	610,220	623,903 # (3%)

EPISCOPAL Office

Personnel		
Total Salary	203,102	246,888
Total Benefits	56,444	69,211
Total Personnel	259,546	316,099 # (24%)
Travel	13,000	4,000
Continuing Education	3,750	1,750
Strategy/Program		
Episcopacy Committee	3,000	3,000
Episcopal Discretionary	22,000	25,000
Cabinet Budget		
Program/Retreats	20,000	20,000
Cabinet Strategy	4,000	4,000
Sustentation	47,000	47,000
Contingency	2,000	2,000
Total Strategy/Cabinet	98,000	101,000
Bishop's Day Apart		
Clergy	2,500	2,500
Total Bishop's Day Apart	2,500	2,500 #
Administration		
Copying and printing	1,700	1,700
Supplies	2,500	2,500
Postage	1,000	1,000
Phone & Communication	4,200	4,200
Cell Phone	4,550	3,550
Total Administration	13,950	12,950
Property and Equipment		
Equipment	1,500	1,500
Total Property and Equipment	1,500	1,500 #
Contingency	2,000	2,000
Total Episcopal Office	394,246	441,799 # (19%)

Recommendations

STEWARDSHIP MINISTRIES

Recommendations from the Council on Finance and Administration

1. The proposed budget of \$18,629,255 shall be adopted for 2017, including an apportionment income budget of \$14,218,923. This represents a decrease of 0.8% in the apportionment asking compared to the 2016 budget.
2. The Benevolence Factor (BF) for 2017 is set at 17.75%, the same value that was established in the 2016 budget. The collection rate assumption for 2017 is set at 92.0%, the same rate as 2016.
3. As required by The Book of Discipline, the ratio for World Service and Conference Benevolences shall be set as follows: 33% for World Services and 67% for Conference Benevolences.
4. The firm of Ellin & Tucker is approved as independent auditors to audit the Conference Treasurer's financial records for 2016.
5. The date for the closing of the 2016 books shall be set at January 10, 2017, with all payments to be received by the Treasurer's office not later than January 10, 2017.
6. The Baltimore-Washington Conference grants authority to the Council on Finance and Administration, in consultation with the Bishop and the Cabinet, to act on financial matters between sessions of the Annual Conference.

Rev. Dr. Ann Laprade, President

Paul J. Eichelberger, Chief Financial Office and Treasurer

Recommendations from Board of Pensions and Health Benefits

1. That BWC continue to provide retiree medical to all eligible participants – must be on our medical plan 5 consecutive years prior to retirement.
2. That in accordance with paragraph (e) of Supplement One (Pre-1982), the surviving spouse pension benefit shall continue to be 85% of the participant's formula.
3. That the special grant for Madelyn Hoffman be continued.
4. Pre-1982 Service – Past Service Rate (PSR): That the Annual Conference shall approve the following pre-1982 prior service funding plan in compliance with the Disciplinary requirement listed in ¶1506.8: The Past Service Rate (PSR) for 2016 is confirmed at \$640. The PSR for 2017 will be set at \$665.
5. That the Annual Conference shall approve the following funding plans based on the receipt of a favorable opinion from the General Board of Pension and Health Benefits in compliance with the Disciplinary requirement listed in ¶1506.6.

Funded status and contributions are based on actuarial valuations as of January 1, 2015.

Pre-82 Plan: By General Conference mandate, Pre-82 liabilities are to be fully funded by December 31, 2021. Baltimore-Washington Conference is already fully funded, with its assets with the Pre-82 Plan equal to 168% of its liabilities.

Corridor Funding: Clergy Retirement Security Program (CRSP-DB) and Ministerial Pension Plan (MPP) annuities. The funded Ratio for this funding is the same for all Conferences

Plan	Assets	Liabilities	Funded Ratio
CRSP-DB	\$1.407B	\$1.270B	110.73%
MPP Annuities	\$3.465B	\$3.122B	110.98%

Post-Retirement Medical: Based on an interim actuarial report received in March 2016, the Post-Retirement Medical plan is reported to have a funding ratio of 64.3%. The ongoing view increases the funding ratio to 84.3%.

The funding plan as of December 31, 2015 is summarized below.

	Current View	Ongoing View
Discount Rate	4.0%	6.5%
Plan Liability	\$36,376,952	\$27,746,530
Plan Funding	\$23,380,412	\$23,380,412
Funded Status	(\$12,996,540)	(\$ 4,366,118)
Funded Ratio	64.3%	84.3%

6. That the following resolution, as required for IRS compliance, shall be approved:

Resolutions Relating to Rental/Housing Allowances for Retired or Disabled Clergypersons of the Baltimore-Washington Conference

The Baltimore-Washington Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for active, 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”);

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;

WHEREAS, pensions or other amounts paid to active, retired and disabled Clergypersons are considered to be deferred compensation and are paid to active, 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 Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

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”), during the years 2016-2017 by each active, 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; and

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 an active, 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 active, 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 there under 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 resolutions) 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.