

BOARD OF TRUSTEES

Jonathan Arnpriester, President

The Conference Board of Trustees worked on several projects this last year. Listed below are updates on some of the major ones.

Episcopal Residence

We received approval to sell the episcopal residence located in North Scottsdale that was occupied from 09/01/1996 - 02/28/2022 by Bishops Dew, Carcaño, and Hoshibata, respectively, with sales proceeds designated for future episcopal housing needs (housing allowance and/or home purchase).

Paragraph 638 of the *Book of Discipline* states that the Episcopal Residence Committee (ERC) has the responsibility to recommend to the Annual Conference the sale of an episcopal residence. The ERC is chaired by the Chair of the Episcopacy Committee and includes the Conference Finance and Administration President and Board of Trustees President. All three of these bodies approved the sale of this property.

Paragraph 2515 states that the sale of annual conference property between annual conference sessions must be approved by the Bishop and a majority of the District Superintendents. Bishop Hagiya and all four District Superintendents approved the sale of this property.

Based on the above approvals, we entered into an agreement to sell this property, with escrow scheduled to close at the end of April 2022.

Boy Scouts Settlement

The United Methodist Church (UMC) denomination has negotiated a settlement with the Boy Scouts of America (BSA) to release all UMC churches and organizations from any liability related to alleged sexual abuse at BSA troops sponsored by these UMC churches and organizations. This settlement agreement calls for the UMC to contribute \$30 million for victims into a fund to be administered as part of an overall BSA bankruptcy reorganization plan. The trial to consider that plan is currently underway in U.S. Bankruptcy Court in Delaware. If approved by the Court, the Conference has agreed to contribute \$208,096 (\$20,000 of which has already been paid) as its share of the overall \$30 million UMC settlement contribution. Until a ruling is made by the Court in the trial that is currently underway, the status of this settlement contribution is unknown.

Disaffiliation Agreement

In preparation for any future requests from any Conference churches to disaffiliate from The UMC, we updated our draft disaffiliation agreement for use on a case-by-case basis as the need may arise. The draft agreement includes provisions for payments by the disaffiliating church to the Conference for:

- A portion of the property value;
- Unpaid apportionments for the past 12 months plus another 12 months of apportionments;
- A pro-rated withdrawal liability for unfunded pension liabilities as calculated by Wespah;
- Unpaid debts owed to the Conference;
- Reimbursement of any grants received in the past five years; and
- Reimbursement of any attorney fees related to the disaffiliation.

Conference Office Property

In February 2022 we received a letter from a luxury apartment developer indicating an interest in purchasing the property on which our conference office building is located. The letter included a number of re-zoning and other contingencies, but the developer indicated a willingness to pay well above the value of the property as an office building. Since the conference office building is currently utilized only very partially, we have prepared the Board of Trustees recommendation to request approval from the

Annual Conference to accept any offer to sell this property that is at or above \$2.5 million. We encourage your approval of this recommendation.

It has been our pleasure to do the necessary Board of Trustees work over the past year. We look forward to serving the Conference again in the year ahead.