

Board of Trustees
Upper New York Annual Conference of the United Methodist Church
Conference Center, Syracuse, NY
Minutes: October 6, 2014

A meeting of the Board of Trustees was held on Monday, October 6, 2014, at 10:00AM at the Conference Center in Syracuse. The President, Deborah Byers called the meeting to order.

Present: Trustees Patricia Brown, Stephen Butler, Deborah Byers, Diana Cordes, Wendy Deichmann, Colleen Delcore, Essie Harding, Nannette Helgager, and John Jackson. Ex-Officios: Ted Anderson, Wayne Butler, Kevin Domanico, Christine Doran, Bill Gottschalk-Fielding, Chancellor Scott DelConte, Property Management Consultant Thomas Clemow; 3 representatives from Council on Finance and Administration (CF&A): Larry Lake, Gregory Threatte, and Richard Griffin; and guest presenter, Frank D. Patyi, Esquire, Bond Schoeneck & King, PLLC.

Excused: Travis Dann, Ted Foss, Paul Wiley.

Welcome, Centering, and Worship led by Deb Byers

Election with Rev. Wayne Butler presiding.

The following officers were elected:

President –John Jackson

Vice President – Wendy Deichmann

Secretary – Essie Harding

It was subsequently noted by the new President that although there is no provision for such office in the *Book of Discipline*, by mutual agreement Debbie Byers will serve in an unofficial position of “immediate past president.” It was also noted that the Conference Treasurer serves as the treasurer for the trustees.

Transitions

Comments were made by President John Jackson following the Election (Attachment A).

Resignation

Trustee Paul Wiley resigned from the Board due to health issues.

Outgoing President Debbie Byers who had prepared the agenda, led the board through discussions of the agenda items.

Minutes

Minutes of 3 prior conference call meetings were presented for approval:

- Minutes of June 16 were approved.
- Minutes of July 21 were approved.
- Minutes of September 15 were approved as corrected to show that Ted Anderson was not present at the meeting.

Treasurer's Report

Kevin Domanico circulated audit reports and presented a detailed spread sheet of the financial status of the Conference thru Sept 13, 2014.

Fund Management

Orientation presentation by Frank Patyi, Esquire, of the law firm Bond Schoeneck and King on Restricted Funds management under the New York State Uniform Prudent Management of Institutional Funds Act (UPMIFA), a uniform act that provides guidance on investment decisions and endowment expenditures for nonprofit and charitable organizations. (Attachment B).

Under UPMIFA, which went into effect on September 17, 2010, the donor's intent is still sacrosanct but the provisions allow for more practical ways to administer restricted bequests. Frank Patyi recommended delegating management and investment functions to an Investment management firm for qualifying donor-imposed restricted funds. The Trustees' Financial Resources Committee is in the process of exploring delegation of those funds.

Orientation presentation by Conference Chancellor, Scott DelConte on Trustees' responsibilities in handling Conference properties. Trustees Resolutions were updated to carry on the two-trustee assignment system, with Trustee President John Jackson responsible for making the assignments. (Resolution, Attachment C).

Orientation presentation by John Jackson on organization and structure of UNYAC Board of Trustees. A brief personal introduction of all persons present including the organization or conference entity each one represented before proceeding with overview of Trustees organizational structure. Much of the trustees' work has been carried out by the 3 Governance teams being re-designated "committees": Property, Financial Resources, and Insurance. Trustees will continue to be assigned in teams of 2, to handle matters pertaining to specific properties, referring matters back to the officers and board as they deem appropriate. It was suggested that in some instances a third trustee may be assigned to property, but this was not acted upon.

Trustees present were given the opportunity to volunteer for property assignments. Existing Trustee assignments will continue in effect unless and until changed in writing by the president or his designee. As assignments are changed and updated, the Board will be notified.

Update on Albion UMC Funding Request: Colleen Delcore moved and Wendy Deichmann seconded a motion to provide \$1,200 to Albion UMC and assign two Trustees to oversee progress and make recommendations, if needed, for any further trustee involvement. It was unanimously approved.

The New Conference Center Task Force Report was presented by Wendy Deichmann. **It included a 7841 Henry Clay Resolution, which was** unanimously approved. (Attachment D).

Sources of Funds –Development and Operations: It was announced that for the Annual Conference Special Session scheduled for October 13, 2014 at the OnCenter, Syracuse, Bishop Mark Webb, John Jackson, Kevin Domanico, Wendy Deichmann, and Bill Gottschalk-Fielding would be making presentations. Bill Gottschalk-Fielding encouraged all Trustees as voting members to actively participate in the discussion at Special Session.

University UMC lease renewal is up in December. Rev. Craig French, pastor, and church officers are fully aware of the Conference transition. Deb Byers and John Jackson are the two trustees assigned to lease renewal issues.

Property Consultant Report: Conference Center in Endicott sold for \$300,000 to be shared with the Susquehanna Conference. The Susquehanna Conference is entitled to two thirds of the net proceeds as adjusted to reflect property management and maintenance costs and other relevant factors. Treasurer Kevin Domanico is already in conversation with the Treasurer of Susquehanna Conference.

Sale of the Willet property in progress. The property is being sold to the Town of Willet.

District Parsonages

Northern flow purchase is under way with assigned Trustee Travis Dann and John Jackson working with Tom Clemow, District Superintendent Rebekah Sweet, and the District Committee on Location and Building.

Long Term Plan for Property Management and Administration

Deb Byers moved and Wendy Deichman seconded to assign this issue to the Property Committee. Unanimous approval.

Insurance

Deb Byers reported on a meeting with Church Mutual.

Transitional Assistance has been provided to churches to help them meet their insurance premiums in the total amount of \$ 120,000, each church getting a subsidy of no more than the difference between its premium cost for the current year as compared with 2013. One hundred applications were approved and one was denied where the premium cost had actually gone down. It is expected that applicants in 2015 will be assisted at one third of their premium increase.

Camps

Silver Lake Institute Update and Resolution

The two Trustees, John Jackson and Deb Byers presented the Silver Lake Resolution (Attachment E). Deb Byers moved and Steve Butler seconded that the resolution be accepted. Motion passed by unanimous vote.

As a result of a request made at the last session of the Conference, the Trustees plan to speak to the issue of fracking.

It was noted that another task force will concern itself with the relationships between the Trustees and other Conference entities and how to work together more effectively.

Trustees were asked to indicate their interest in serving on either of these task forces.

The scheduling of regular Board meetings was discussed, along with the desirability and costs of face to face meetings. The President will work with others to establish a meeting schedule, which will be published as soon as practicable. Trustees should expect occasional called meetings to deal with matters that must be addressed between scheduled meetings. John Jackson will use

Doodle polls to schedule called meetings. The meeting adjourned at 3:00PM.

Respectfully Submitted,

Essie Harding
Secretary

Attachment A
President John Jackson's comments following the election

Attachment B
Fund Management Orientation
To be provided when permission
by Attorney Frank Patyi is received

Attachment C
Secretary's Certificate of Resolution

Attachment D
7481 Henry Clay Boulevard Resolution

Attachment E
Silver Lake Resolution

Attachment A

Trustee President John Jackson's Comments
following Election

The following comments were expressed to my fellow trustees upon my election to the presidency of this board.

First, I ask you to join me in saluting my predecessors. When this conference and this board were formed, Tom Clemow was our first president. The scriptures tell us that in the beginning "the earth was a formless void and darkness covered the face of the deep." Perhaps to suggest that this is what Tom faced is a little over the top, but he successfully expended a considerable amount of effort with the board to create order out of chaos. He was well along in that process when the board recognized it needed his services in another capacity. In his role of property consultant, he continues to perform extraordinary services to the board and the conference, for which we are all grateful

When Tom left his position as president, I suspect Deborah Byers was quite surprised to find herself succeeding him. She continued the process of creating order out of chaos, serving the board and conference diligently and skillfully for three years. I accept this position, confident that Deb has solved all or most of the difficult problems. Many (most) boards create in their bylaws an office of "immediate past president" to capture the knowledge and experience of the outgoing president and facilitate continuity. While we have no bylaws to implement this arrangement, I have asked Deb and she has agreed to work with those of us whom you just elected as part of our team.

Please join me in thanking Tom and Deb their past, present, and future service.

In electing your new officers you have honored us. You have also entrusted to us significant responsibility for coordinating and documenting the work of this important body and representing you in various ways. We accept these responsibilities with humility, recognize our accountability to you, and commit that with God's help we will vindicate your confidence in us.

We all know that God's help comes in a variety of ways. Quite often God helps us through each other. Every individual in this room knows or should know that much of the help we seek from God will come through you. If that help is in the form of criticism or questioning, do not be deterred. Learn from Jonah, defying God's assignments doesn't work. Be assured we know that constructive criticism is one of the most valuable forms of help we can get.

What I have just described is a sacred covenant between us, between those whom you elected and the board we serve.

When Jesus said, "For my yoke is easy, and my burden is light," he was not recruiting for the board of trustees of the Upper New York Conference." Of course the opportunity to use our God-given skills and strengths to further God's kingdom is a privilege and a joy. This makes our work easier and lightens our burden. But when you accepted this position, you signed up for some hard work and heavy lifting.

There are only 12 trustees at most, 11 now and sometimes fewer, responsible for serving a conference comprising 168K people, over 900 churches, 12 districts, and 48,000 square miles. This means that when a trustee sees something that needs to be done by this body, he or she cannot wait for someone else to do it as there aren't many "someone elses." When asked to serve on or chair a committee or undertake any task, the needed response is to pray for God's enabling power and accept the assignment. Having done so, we work with God to make things happen. Every trustee is relying on every other trustee to carry a full share of the responsibilities. This is a second covenant we have with each other.

This also means that when the board acts as a body, each one of us must participate fully, understanding the issues and advocating for what he or she believes to be right. We like to make our decisions unanimous, but not at the expense of acquiescence by trustees to decisions they don't understand or believe to be incorrect. However, once a decision is made, we must be unanimous in support of its implementation.

Those of you who are part of this team from the staff and cabinet and as legal and property consultants you are an integral and essential part of this body. Your participation in our work assures its success. We thank you for your commitment and indispensable support.

Because of who we are and what we do, we must appreciate that we are immersed in God's love. I pray that everything we think, say, and do will be informed by that fact. We follow Solomon's example and ask for each of us and all of us to be granted wisdom in the performance of our duties. We pray for unanimous acceptance of the covenants we described, and we pray for divine strength and courage such that everything we do will glorify God. In Christ's name we pray. Amen.

John Arter Jackson

Attachment B
Fund Management Orientation
To be provided when we receive confirmation
of permission by Attorney Frank Patyi

Attachment C
Secretary's Certificate of Resolution

**UPPER NEW YORK ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

SECRETARY'S CERTIFICATE OF RESOLUTIONS OF THE BOARD OF
TRUSTEES CONCERNING
ABANDONED AND DISCONTINUED LOCAL CHURCH PROPERTIES

I, Essie Harding, Secretary of the Upper New York Annual Conference of the United Methodist Church ("Conference"), a New York Religious Corporation, hereby certify that the following is a true summary of Resolutions adopted by the Conference's Board of Trustees on October 6, 2014:

WHEREAS, pursuant to provisions of *The Book of Discipline of The United Methodist Church*, the Conference Trustees are charged with administering all Conference real property, subject only to Conference Session direction; and

WHEREAS, attached as Schedule A is a list of properties currently under the control and supervision of the Conference Trustees, including parcels which were formerly held in trust by local United Methodist churches, and which have been abandoned or discontinued by Conference action pursuant to *The Discipline*; it is therefore

RESOLVED, that the Conference, through its Board of Trustees, shall sell and convey the abandoned and discontinued local church parcels listed on Schedule A, in accordance with the Religious Corporations Law and *The Discipline*;

RESOLVED, that the Board of Trustees shall take all necessary steps to secure, market and sell the abandoned and discontinued church parcels;

RESOLVED, that John A Jackson, as President of the Board of Trustees shall assign two Trustees to each abandoned and discontinued church parcel, and upon such assignment, the respective Trustees are authorized to market and sell the real estate in whole or in part in their discretion and in accordance with prevailing market conditions;

RESOLVED, that the assigned Trustees are authorized to take steps to secure and prepare the subject properties for sale, and may employ real estate agents and others to assist in their stewardship; and it is further

RESOLVED, that the assigned Trustees are authorized to execute and deliver any and all documents, including, but not limited to, a deed, and take all other necessary actions to market, convey and sell the real estate.

I further certify that there is no provision in the Certificate of Incorporation or *The Discipline* limiting the power of the Trustees to pass upon the foregoing matter, and that the same is in

conformity with the provisions of the Certificate of Incorporation and *The Discipline*. I do further certify that the above matters have not been altered, amended, repealed or rescinded.

IN WITNESS WHEREOF, have executed this Certificate on the 14th Day of October, 2014.

Essie Harding
Essie Harding, Secretary

Attachment D
7481 Henry Clay Blvd.

**THE UPPER NEW YORK ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH**

**SECRETARY'S CERTIFICATE OF RESOLUTIONS OF THE BOARD OF TRUSTEES
7481 Henry Clay Boulevard, Liverpool, New York**

I, _____, Secretary of the Board of Trustees of The Upper New York Annual Conference of the United Methodist Church, a New York Religious Corporation, hereby certify that the following is a true summary of Resolutions adopted by the Board of Trustees on October 6, 2014:

WHEREAS, members of the Board of Trustees negotiated terms and submitted a written Purchase Offer on September 26, 2014 with respect to the potential acquisition of an office building and 4.5 acres of property located at 7481 Henry Clay Boulevard in Liverpool, New York ("Property");

WHEREAS, the negotiated purchase price for the Property in its current condition is \$895,000;

WHEREAS, the Property, if ultimately acquired, will be refurbished and used as the Conference Center; and

WHEREAS, the acquisition of the Property is subject to the approval of a Special Session of the Annual Conference; it is hereby

RESOLVED, that the terms of the Purchase Offer submitted on September 26, 2014 are approved;

RESOLVED, that the many actions taken to date on behalf of the Board of Trustees and the Annual Conference with respect to the potential acquisition of the Property, including, but not limited to, selecting an agent, investigating other available sites, negotiating the purchase price and transactional terms, submitting a Letter of Intent and presenting a formal Purchase Offer, are expressly ratified and approved;

RESOLVED, that John A. Jackson and Deborah Byers, as Trustees, are authorized to take all actions necessary to complete the transaction including negotiating final contract and closing terms, provided that the acquisition of the Property is duly approved by the Special Session.

IN WITNESS WHEREOF, I have executed this Certificate on the ___ day of October 2014.

Secretary

**THE UPPER NEW YORK ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH
RESOLUTIONS OF THE BOARD OF TRUSTEES
RELATING TO THE SILVER LAKE INSTITUTE**

I, Essie Harding, Secretary of the Board of Trustees of the Upper New York Annual Conference of the United Methodist Church (“Annual Conference”), hereby certify that the following is a true summary of the Resolutions adopted at a regular meeting of the Annual Conference Trustees held on October 6, 2014:

RECITALS

- A. The Annual Conference.** The Annual Conference is a Religious Corporation organized as an advisory and governing body under Section 15 of the New York Religious Corporations Law and *The Book of Discipline of the United Methodist Church*. It is the corporate successor to the Western New York Annual Conference, which consolidated with the North Central New York, Troy and Wyoming Annual Conferences in 2010. The Annual Conference serves as the regional denominational connection providing supervision and guidance to over 930 United Methodist churches and various denominational agencies. It is led by Resident Bishop Mark J. Webb.
- B. The Silver Lake Institute.** The Silver Lake Institute is also a religious corporation. It was formed by the New York State Legislature in 1857, with a distinctly religious – and Methodist – purpose, namely, “holding religious meetings under the jurisdiction of the Genesee Annual Conference of the Methodist Episcopal Church, and according to the usages of the said Methodist Church.” The corporate charter was amended by various special legislative acts, the final one being in August of 1984, which amended the charter to allow the Institute to own property, so long as that property is used to promote the “religious, educational, intellectual, moral and physical welfare of the people.” The Institute was also permitted to hold meetings to provide for the “instruction, recreation, health and quiet enjoyment on its grounds at Silver Lake, New York.”
- C. United Corporate Mission.** The Annual Conference and the Silver Lake Institute are united in Christian mission and service, and dedicated to making Disciples of Jesus Christ

for the transformation of the world. Both affirm a common principal that neither will benefit at the expense of the other.

- D. Missional Futures.** Following the creation of the Annual Conference in July of 2010, representatives of the Annual Conference and the Silver Lake Institute have been engaged in intentional conversation with respect to the future of their corporate missions and relationship. Each has concluded that it is in the best interest of the communities they serve to, through a cooperative process, separate all corporate and property relationships between the Silver Lake Institute and the Annual Conference. To that end, on August 8, 2013, representatives of the Annual Conference and the Silver Lake Institute met at Epworth Hall on Silver Lake and reached, in principal, a universal resolution to separate the Silver Lake Institute from the Upper New York Annual Conference.

ANNUAL CONFERENCE RESOLUTIONS

NOW, therefore it is RESOLVED that:

- A. Silver Lake Institute Charter Amendments.** After carefully considering the more than one hundred year relationship between the Annual Conference and the Silver Lake Institute, the Annual Conference Trustees have concluded that it is in the best interests of the Annual Conference and the Silver Lake Institute that the corporate and property interests of the two be separated.
- B. Plan of Separation.** Subject to any conditions required by law or *The Book of Discipline of the United Methodist Church*, the Annual Conference Trustees approve and consent to the following:
1. Legal Process. Counsel to the Annual Conference and the Silver Lake Institute will work cooperatively in developing a joint and effective process to remove denominational representatives from the Silver Lake Institute's Board of Trustees and also to terminate certain mutual restrictive covenants burdening real property owned by the Petitioners. Petitioners' shared objective is to sever the longstanding corporate and governing connections between the Silver Lake Institute and the United Methodist Church. Petitioners agree that it is in the best interests of all involved, as well as the communities they serve, to untether their interlocking structures and existing property relationships.

2. Operative Provisions for the Institute's Dissolution. The following operative and substantive provisions will be pursued through the legal process:
- a. *Termination of Reverters and All Other Property Restraints.* The Annual Conference and the Silver Lake Institute will release and quitclaim all reverters, reversions or other title interests in the other's property. To effectuate this, the Silver Lake Institute will release and quitclaim all interest in the Annual Conference property south of Chapman Road, and the Conference will release and quitclaim all of its interest in the Silver Lake Institute property north of Chapman Road.
 - b. *Release of Deed Restrictions.* All conditions and restrictions in the 1959 deed (and all other conveyances) between the Silver Lake Institute and the Annual Conference will be released.
 - c. *Rules of the Silver Lake Institute Are Not Applicable to the Annual Conference.* Except for the four vacant waterfront lots to be sold by the Annual Conference, the Annual Conference and all of its property will be expressly released from all rules and regulations relating to the Silver Lake Institute. The Annual Conference will no longer be considered a member of the Silver Lake Institute, and will not be subject to the Silver Lake Institute's rules or regulations.
 - d. *Future Land Use Restrictions.* The present Silver Lake Institute property and Annual Conference property will be forever restricted (by deed covenant) so that future owners may use the property for religious and educational purposes only or, in the event that religious and educational activities cease, residential purposes. This restriction is intended to preserve the integrity and character of the Silver Lake community by allowing other denominational and faith based organizations to pursue religious, education and spiritual formation, but prohibit future non-educational and non-religious owners from conducting commercial and retail trade. The restriction is not intended to interfere with the existing and ongoing missional activities on the parcels, such as the construction of new buildings and the rehabilitation of existing structures in support of the retreat ministries on the Annual Conference's property, or the educational programming on the Silver Lake Institute's property.

- e. *No Future Fees.* As the Annual Conference is no longer subject to the Silver Lake Institute, there will be no further annual fees, assessments or charges of any nature between the parties. The \$18,000 claimed obligation asserted by the Silver Lake Institute was reduced to \$8,000, and has been paid by the Annual Conference. Other than the parties' agreement concerning the sale of the four wooded, waterfront lots, the parties release all debts and claims for any monetary payments.
 - f. *Administration of the Annual Conference's Four Waterfront Lots.* With respect to the four wooded, waterfront lots (generally referred to as the Sutton Tract lots), the Conference will proceed, in its sole discretion, with the marketing and sale of those lots, and will pay 17.5% of the net sale proceeds to the silver lake Institute as sales occur. There is no restriction on how the Annual Conference may use its portion of the sales proceeds. As the Sutton Tract lots are located within the boundaries of the Institute, the lots will be conveyed to vendees by the Annual Conference subject to the rules and regulations of the Institute under the format of the standard form Institute deed. No other Annual Conference property will be subject to the Silver Lake Institute's rules or regulations. The Annual Conference is not responsible for enforcing any rules, use restrictions or covenants on initial or future Sutton Tract waterfront lot owners, and makes no representations or warranties as to whether such restrictions will be legally enforceable.
5. Insurance. The Annual Conference has no objection to the Silver Lake Institute's participation in the Annual Conference's existing group insurance plan at this time, provided that the insurance carrier accepts the institute as an insured, and the institute pays its own premium directly. However, the Annual Conference reserves the right, in its sole discretion, to withdraw consent with respect to the Institute's participation in the group insurance plan.
6. Use of Epworth Hall. The Annual Conference will continue its practice of renting Epworth Hall from the Silver Lake Institute on an event basis, as it sees fit.
7. Continued Cooperation and Effective Communication. Representatives of the Annual Conference and the Silver Lake Institute are committed to cooperate in the legal process and will promptly take all actions necessary to fulfill the spirit of this mutually

beneficial plan. Cooperation and good-faith participation in the legal process will include: continued communication with each other and members of their respective communities; exchange of corporate and property information; preparation and signing of legal and title documents; and other actions deemed necessary by counsel to complete the comprehensive plan to separate the Annual Conference from the Silver Lake Institute.

- C. Authorized Trustees.** Deborah Byers and John Jackson, as Trustees, are authorized to act on behalf of the Annual Conference with respect to the implementation the plan of separation. They are expressly authorized to execute and deliver any and all documents including, but not limited to, judicial pleadings, deeds and agreements on behalf of the Annual Conference, and they may take all other necessary actions to complete the plan.

I certify that there is no provision in the Certificate of Incorporation or *The Book of Discipline* limiting the power of the Trustees to pass upon the foregoing matter, and that the same is in conformity with the provisions of the Certificate of Incorporation and *The Book of Discipline*. I do further certify that the above matters have not been altered, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have executed this Certificate on the 11th day of November, 2014.

Essie Harding

Secretary, Board of Trustees
Upper New York Annual Conference of the
United Methodist Church