

Board of Trustees

Report I  
Presidents 2019 Report  
*For Information Only*

The work of the Trustees has continued at a good pace since our last Annual Conference. We have transitioned by sale 3 properties generating approximately \$861,747.98 in net proceeds. As of this writing, some properties are under contract and we will continue to update our numbers. Of the proceeds from the properties sold:

\$ 26,462.85 has been designated for the Urban Property Fund in accordance with the Rio Texas Urban Ministry Strategic Plan adopted by the 2016 Annual Conference, of which \$19,847.14 has been made available to the District Strategy Teams and \$6,615.71 has been made available to the Mission Vitality Center.

\$52,855.40 has been designated as “non-urban” and has been made available to the District Strategy Teams.

Of these amounts, because of the origin of the transitioned properties, \$782,429.73 is restricted for use as having a preference for supporting Hispanic/Latino ministries, of which \$586,822.30 has been made available to the District Strategy Teams and \$195,607.43 has been made available to the Mission Vitality Center.

We have transferred 2 properties to other nonprofit entities: Bryan: Oak Grove (Crossroads District and Muldoon (Crossroads District).

We have one property that was returned to ministry (Lakeview, West District).

The Board of Trustees has been carefully monitoring the work and resulting legislation of GC 2019. An immediate task was for the Trustees to consider how the Annual Conference would compute pension liabilities for churches that choose to disaffiliate. The legislation proposed by Wespeth at GC2019 and which was passed required such payment but left the decision regarding the fair allocation and calculation of those liabilities to each Annual Conference. Based upon the recommendations and reasoning of Conference staff, the Trustees decided that using the apportionment decimal to assign pension liability was the fairest way to proceed. As such, the Board of Trustees voted to recommend this allocation to the Uniting Table, who then voted to accept our recommendation.

Regarding the disaffiliation legislation passed by GC 2019 and reviewed by the Judicial Council, if a church follows the steps of the legislation and votes to disaffiliate, then “the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference

Final. May 17, 2019

chancellor.” The legislation then provides that The General Council on Finance and Administration will prepare and distribute a template for a Disaffiliation Agreement for the Board of Trustees to use as the basis for our work, subject to the context within which we are negotiating the Agreement. When we receive the template, the Board of Trustees will meet and decide how we can best implement the legislation.

We are pleased to report significant progress regarding Mt. Wesley. Management of the property has been undertaken by Light on the Hill @ Mt. Wesley, a 501 (c) (3) Non-Profit corporation (the “Corporation”). Conference Staff and the Conference Board of Trustees will have seats on the Board of Directors of the Corporation. With shared leadership from First United Methodist Church of Kerrville, Methodist Healthcare Ministries, the Board of Trustees and staff of the Rio Texas Annual Conference and a consortium of local agencies, Mt. Wesley is fulfilling the dreams we have of a vibrant, long-term ministry at that sacred place. The legal relationship between the Annual Conference and the Corporation needs to be reduced to a long-term lease agreement so that grant money for capital improvements will become available. To this end, the Board of Trustees has negotiated such a lease. The negotiated lease is such that all operational expenses, maintenance and capital improvements will be paid for by the Corporation. The lease is for 25 years, with options to extend, subject of course, to the corporation’s compliance with the terms of the lease. Approval of this lease by the Annual Conference is required under the Discipline.

Respectfully submitted,

Bill Knobles  
President of the Board of Trustees

Report II  
Approval of the Long-Term Lease for Mt. Wesley  
*For Conference Action*

After a great deal of consideration, the Board of Trustees has decided that the best path to honoring the legacy of Mt. Wesley and assuring its continuing viability as a ministry in the Conference is to enter into a long-term lease agreement (the “Lease”) with Light on the Hill @ Mt. Wesley, a 501 (c) (3) Non-Profit corporation (the “Corporation”). The effective date of the Lease will be June 10, 2019. Provision will be made in the Lease for the maintenance and retention of access to the Bolivian Cross and Vespers Point. The Bishop Joel & Dr. Raquel Martinez Disaster Response Center will be specifically excepted from the Lease. The Lease will provide that the Corporation will pay all costs of maintaining, operating and building capital improvements on the property. The Lease will not provide for any monetary rentals to be paid by the Corporation to the Annual Conference. The Corporation’s governance is composed so that the Annual Conference has seats on its Board of Directors. We ask that the Annual Conference approve the Lease between the Annual Conference, acting by and through its Board of Trustees, and the Corporation, under terms

Final. May 17, 2019

and conditions as may be approved by the Board of Trustees, and as may be amended from time to time.

We ask this matter be placed on the agenda as an action item for Annual Conference approval of the Lease as required by the Discipline of The United Methodist Church.

Respectfully submitted,

Bill Knobles  
President of the Board of Trustees