

**PETITION  
to the  
2021 MOUNTAIN SKY CONFERENCE**

**TITLE: SUPPORTING MSC EMERGING FAITH COMMUNITY ENDOWMENT**

1 The Mountain Sky Conference hereby authorizes changes to its guiding policies and procedures in order for  
2 the proceeds from sale of closed church property to fund the Emerging Faith Community Endowment Fund  
3 (hereafter “Endowment Fund”) established by the Mountain Sky Conference Trustees.

4  
5 The Endowment Fund shall be a primary instrument by which the Conference receives, holds, and  
6 distributes funds from the liquidation of closed local church property for “new and/or existing ministries,”  
7 according to guidelines set forth later in this section.

8 Once fully funded, the Endowment Fund will also become a funding source for a full-time congregational  
9 developer position (currently the conference position of Superintendent of Congregational and Community  
10 Vitality).

**ACTION TO BE VOTED ON**

1 **I. USE OR DISPOSITION OF PROPERTY OF A CLOSED LOCAL CHURCH**

2 **I100 Policy Governing Use/Disposition of Local Church Property**

3 This policy governs the use or disposition of local church property available to the Conference  
4 following closure of a local church, and the assumption of control or ownership by the Conference  
5 Board of Trustees. To the extent allowed by *The Book of Discipline* and this policy, such property  
6 shall be used for new and/or existing ministries within the Conference.

7  
8 **I101 Property Available to the Conference.**

9 “Property available to the Conference” includes all real, personal tangible and intangible property  
10 of a local church following its closure by the annual conference without direction concerning  
11 disposition, but does not include (1) items deposited or set aside for safekeeping as provided in  
12 ¶2549.4 of *The Book of Discipline* 2016; or property for which the annual conference provides  
13 dispositional direction.

14  
15 a. The determination of what constitutes “new and/or existing ministries” shall be made by  
16 the Mountain Sky Conference Congregational Vitality Committee (the Committee) acting  
17 within the scope of its mission and authority.

18  
19 b. The Committee shall have the authority to balance and prioritize all such ministries, as  
20 well as requests and claims for the use or disbursement of any property or funds subject  
21 to this policy. The Committee shall develop and publish guidelines for its determination  
22 of what constitutes “new and/or existing ministries” in urban transitional communities,  
23 non-urban centers and elsewhere throughout the Conference. The guidelines shall include  
24 the process for applying for the use of any property and the granting, borrowing or other  
25 use of any funds subject to this policy. To the best of its ability, the Committee shall act  
26 with regard to the ministry needs of the entire Conference and, in this regard, is expected  
27 to consult as necessary with the resident bishop, appointive cabinet, and other Conference  
28 and District boards, committees, and agencies in the formulation of ministry needs and  
29 priorities.

30 c. Upon the closure of a local church, the Trustees will conduct an inspection of the  
31 property to determine its condition regarding its safety, operational integrity, and whether

- 32 or not it is generally in good repair. In consultation with the Committee, resident bishop,  
33 and appointive cabinet, the Trustees will determine whether the property should be sold  
34 or maintained for use in a new ministry. If the property is to be maintained, the Trustees  
35 will act to correct any deficiencies and bring the property into a safe and usable  
36 condition.
- 37
- 38 d. If a property is to be retained and the Committee applies for the use of the property, the  
39 Committee, the Trustees, and any stakeholders in the new ministry will negotiate a  
40 memorandum of understanding regarding the building's use and maintenance, including  
41 any how any repairs, improvements, or additions are to be approved and funded.  
42
- 43 e. With the formation of the Emerging Faith Community Endowment Fund (hereafter  
44 "Endowment Fund") by the Mountain Sky Conference Trustees, the Fund shall be the  
45 primary instrument by which the Conference receives, holds, and distributes funds from  
46 the liquidation of closed local church property for "new and/or existing ministries,"  
47 according to guidelines set forth later in this section.  
48
- 49 f. In the case of the sale of property from the closure of a local church in an urban center  
50 with more than 50,000 population, the proceeds of the sale must be used for new and/or  
51 existing ministries within urban transitional communities, as further set forth in ¶ 2549.7  
52 of *The Book of Discipline 2016*. In the case of the sale of property from the closure of a  
53 church in a non-urban center, the proceeds of the sale may also be used for the purposes  
54 set forth in ¶2549.7 of *The Book of Discipline 2016*.  
55
- 56 g. The Committee's use or disposition of property or funds subject to this policy shall be  
57 reported no less than annually to the Conference Board of Trustees. The Committee may  
58 recommend the retention and use of real property, instead of its sale or other transfer. The  
59 Conference Board of Trustees shall determine and administer the method by which funds  
60 are disbursed and real property is managed or transferred pursuant to this policy.  
61
- 62 h. The Conference Board of Trustees shall retain control or ownership of, and otherwise  
63 manage, all property and funds subject to this policy pending its distribution of funds  
64 pursuant to this policy. At all times, and regardless of a prior decision to distribute funds  
65 to the Committee, the Conference Board of Trustees may take any action it deems  
66 necessary with respect to any such property, including the sale of real property and the  
67 use of funds, subject to this policy.  
68
- 69 i. Within 90 days of the receipt of funds of a sale, transfer or other disposition, the  
70 Conference Board of Trustees shall deposit the net proceeds of such disposition of local  
71 church property in the following fund accounts:  
72
- 73 i. 50% of proceeds deposited to the Endowment Fund. Any proceeds subject to  
74 ¶2549.7 shall be deposited into the Urban account of the Endowment Fund. All  
75 other proceeds shall be deposited into the General account of the Endowment  
76 Fund.  
77
- 78 ii. 25% of proceeds deposited to a designated fund chosen by the Committee in  
79 accordance with ¶2549.7 and this policy.  
80
- 81 iii. 25% of proceeds deposited to a Trustees church sale transition fund to redevelop  
82 properties used in emerging faith community projects. Any proceeds subject to

- 83 ¶2549.7 shall be deposited into the urban account of the church sale transition  
84 fund.  
85
- 86 iv. The Congregational Vitality Committee, in consultation with the Trustees,  
87 Bishop, and Cabinet, may choose to transfer less than 50% to the Endowment  
88 Fund for any given sale based on a stated need to support the CVC designated  
89 fund in g.ii., or the Trustees sale transition fund.  
90
- 91 “Proceeds of the sale” shall be net of all actual costs to the Conference, including but not  
92 limited to maintenance, repair, holding, and sale and legal costs. “Proceeds of the sale”  
93 may also be net of any amounts owed to the Conference by the local church, including  
94 but not limited to pension and health benefits, property and liability insurance, grants,  
95 and Mission Shares. All such discretionary decisions will be made by the Board of  
96 Trustees in consultation with the relevant team or committee. All such funds shall be  
97 under the control of the Board of Trustees and, except for the powers reserved herein to  
98 the Board of Trustees, are subject in their use or disposition to this policy.  
99
- 100 j. The Church Vitalization Endowment Fund (the Vitalization Fund) was established by the  
101 former Yellowstone Annual Conference with the proceeds of the sale of a local church  
102 property. With the creation of the Endowment Fund, all holdings of the Vitalization Fund  
103 shall be deposited in the Endowment Fund to be used in accordance with the Vitalization  
104 Fund’s original charter and the Endowment Fund’s current charter. No more than half of  
105 the Vitalization Endowment funds’ annual proceeds at the time of transfer should be used  
106 to support the Superintendent of Congregational and Community Vitality position.  
107
- 108 k. The Committee shall be accountable to the annual conference, and shall annually submit  
109 a written report to the annual conference outlining its activities for the prior year,  
110 including the use and disposition of property or funds subject to this policy.  
111
- 112 l. This policy shall be implemented in accordance with directives and guidelines set forth in  
113 *The Book of Discipline*, as quadrennially amended. In the event of a conflict between this  
114 policy and *The Book of Discipline*, the latter shall control.

**RATIONALE (Not debatable):****1 Summary**

2 *This action changes Mountain Sky Guiding Principles Section I.100 and I.101, changing the policy on use*  
3 *or disposition of property of a closed local church, in order to support emerging faith communities through*  
4 *the funding of the Emerging Faith Community Endowment, approved by Mountain Sky Conference Trustees*  
5 *in April 2021.*

- 6 - *Recent fluctuations and general decline in the conference budget negatively impacts the number of*  
7 *emerging faith communities the conference can support.*  
8 - *The endowment, once fully funded, can provide a steady income stream for emerging faith*  
9 *community development while allowing budget funds to be re-allocated to support of established*  
10 *congregations and other conference priorities.*  
11 - *Using proceeds from the sale of closed churches for the growth of the endowment continues the*  
12 *conference’s priority of using these funds for support of new churches. The process by which*  
13 *Trustees, in consultation with others, decides whether to sell a property or re-develop it, remains*  
14 *the same.*

15

**16 Defining the Need**

17 Like most of the United Methodist Church, the Mountain Sky Conference is experiencing a significant  
 18 decline lasting at least four decades. Today, the Mountain Sky Conference has only 76% of the members  
 19 and 72% of the worshippers we had a decade ago. The conference also has 18 fewer churches. This pattern  
 20 is in line with the prevalent trend in American Christianity. However, there is evidence to show that new  
 21 faith communities can reach the “nones” and “dones” better than established congregations.

22

23 Therefore, the Mountain Sky Conference has made a significant investment in emerging faith community  
 24 formation. In the past five years, the conference has given over \$2 million in grants to new faith  
 25 communities and has chosen to designate any funds from the liquidation of closed church property for  
 26 revitalization and emerging faith community formation. Through this investment, we have supported 22  
 27 new faith communities over the past eight years.

28

Congregational Vitality Budget		
YEAR	Budget	% decrease
2019	\$531,022	
2020 (Adjusted)	\$488,542	8%
2021	\$410,000	16%

29

30 While the conference's recent investment in emerging faith community formation has been significant,  
 31 sustaining the needed investment level is difficult. Declines in wider missions giving to the conference have  
 32 led to reductions in the conference budget, including new faith communities' funding. Due to budget cuts,  
 33 the Congregational Vitality Committee has used reserve funds to maintain our planting capacity, but these  
 34 funds – though significant – are limited. If budget reductions continue, the CVC will run out of designated  
 35 funds in three to five years and will have to reduce our efforts dramatically.

36

37 There is one other element negatively impacting our efforts. The decline in apportionments has led to  
 38 significant uncertainty in how much will be available for new faith communities from year to year. The  
 39 clergy planter's appointment and compensation are dependent on CVC's financial support. Any unexpected  
 40 reduction in support adversely affects both pastor and the new congregation. So, in good conscience, CVC  
 41 cannot start a project it does not believe it can afford to support over the multi-year timeline. This reality  
 42 presents a significant limiting factor not present to other granting agencies within the conference, which,  
 43 for the most part, support projects year-to-year.

44

45 Because of the expectation of continued decline and increased instability of conference budgetary funding,  
 46 the conference must create a new funding stream for new faith community formation if we are to fulfill our  
 47 mission. We believe a permanent endowment provides a realistic way to fund new faith communities  
 48 moving forward.

49

#### 50 **The Mountain Sky Conference Emerging Faith Community Endowment**

51 In response to this need, the Mountain Sky Trustees, with the support of the Congregational Vitality  
 52 Committee (CVC), has approved the creation of a permanent endowment to fund new faith community  
 53 formation and, once fully funded, the continuation of a full-time congregational developer position. We  
 54 have set a goal of raising \$10 million to "fully fund" the endowment, through a) an initial deposit from  
 55 designated funds, b) future sale of closed church properties, and c) fundraising. The goal of \$10M, at a 5%  
 56 return, will provide \$500,000 each year.

57

58 The Methodists Helping Methodists Foundation fund will hold and administer the fund, providing a yearly  
59 payment from interest proceeds by January 15 of each year to be used by the Congregational Vitality  
60 Committee.  
61

62 As mentioned above, the Endowment allows for funding of the conference's congregational developer  
63 position. Studies across the denomination and experience within our own conference has shown that a  
64 full-time conference developer position is important for the success of any strategic development of  
65 emerging faith communities across the conference. The developer is the advocate for the priority of  
66 supporting new churches and oversees all the support networks an emerging faith community requires to  
67 grow and thrive. Without a staff position for this work, these efforts are inconsistent and offer falter putting  
68 the emerging faith communities at risk.  
69

70 The Emerging Faith Community Endowment Charter, approved by the Mountain Sky Trustees in April  
71 2021, can be viewed here:

72 <https://drive.google.com/file/d/1g8hZSahOpdfKU2HyUIWgctHyHZ1Z1X1T/view?usp=sharing>  
73

#### 74 **This Petition and the Sale of Future Church Properties**

75 The Mountain Sky Conference has an ongoing commitment to using funds from sold properties of church  
76 closures to fund new ministries under the CVC's direction. This petition continues that commitment by  
77 funding the endowment. The conference budget cannot fully support our faith community formation  
78 efforts. Also, the designated funds currently held by CVC will not last indefinitely, as a significant portion  
79 will be used to start the endowment. Finally, the Trustees have been supporting new faith community  
80 formation and will need to continue to support projects where the potential of redeveloping a  
81 conference-owned property is a possibility. Therefore, until we meet the \$10-million goal, we recommend  
82 the following distribution of funds from the sale of future church properties acquired by the conference  
83 trustees in church closures:  
84

- 85 - 50% of net proceeds from the sale of a property to be distributed to the endowment,
- 86 - 25% of net proceeds to be distributed to a CVC designated fund for use in new faith community  
87 formation, and
- 88 - 25% of net proceeds to be distributed to a Trustees church sale transition fund to redevelop  
89 properties used in new faith community projects.  
90

91 Once the balance of the endowment reaches \$10 million and above, these percentages should be changed to  
92 best meet needs at the time. This petition enables the language for this distribution to occur whenever a  
93 closed church property is sold  
94

95 The above recommendation speaks to the closure of church properties. There may be an additional income  
96 stream related to properties to consider. Conference leaders expect several congregations to seek an exit  
97 from our conference and denomination over the next few years. The Trustees currently have a process in  
98 place, based on General Conference 2019 decisions, which allows Trustees to negotiate some funds in  
99 return for the release of the trust clause. It is still uncertain how future General Conference decisions may  
100 affect this policy. We recommend that any funds received from a disaffiliation process should be invested in  
101 the Endowment 100%. Knowing that funds received will be used in this way may convince some churches  
102 to negotiate with Trustees and not seek legal remedies to paying for their property when they exit. But this  
103 decision to invest any funds received from disaffiliating churches is still left to the Trustees' discretion at  
104 this time.  
105

106 One concern is the current Guiding Principles' lack of clarity regarding when funds from a property sale are  
107 transferred from Trustees to CVC. This amendment to the guiding principles and policies define a timetable  
108 for the transfer of money, including a timeline after closing for assessing costs related to sale, deducting

109 from proceeds, and transferring the net proceeds to the endowment and a CVC designated account. We  
110 recommend no more than six months after closing for the transfer to be completed.

111  
112 Future support for redevelopment of a property would be approved by concurrent and independent Trustees  
113 and CVC decisions. As the Trustees will not be holding proceeds for more than six months, CVC may also  
114 need to invest in repair and maintenance of facilities used by a new faith community. All stakeholders  
115 should approve an agreement for sharing this responsibility *before* an appointment for the new faith  
116 community is announced.

**EVALUATION (Not debatable):**

- 1 *There are reporting requirements described in the changes above that provide accountability for Trustees,*
- 2 *Congregational Vitality Committee, and the Endowment Committee (formed in the Endowment's Charter)*

**ATTACHMENTS (Additional Information / Not Debatable)**

**PETITION DETAILS**

This petition is a

- Binding Action  
 Non-Binding Resolution

Effective Date:

NOTE: Unless otherwise stated, petitions will be effective November 1, 2021.

Termination Date:

NOTE: Unless otherwise stated, petitions will terminate on June 30, 2025.

**PETITION ADVOCATE**

*This person will be the contact person for the Petition before and during the annual conference session and will be responsible for overseeing the presentation of the Petition in Hearing Groups and Plenary.*

Name: Rev. Jeff Rainwater  
Address:  
City, State, Zip:  
Email: jrainwater@mtnskyumc.org  
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Phone @ Conference:

**PETITION SUPPORTERS:**

*Names of additional persons who wish to be identified in support of the Petition.*

The Mountain Sky Conference Board of Trustees  
The Mountain Sky Conference Congregational Vitality Committee

Other Names as needed

**FINANCIAL IMPACT:**

Will there be any identifiable financial impact to the Conference?

Yes  
 No

If "Yes," please complete the information below.

To Be Completed by the Originator of the Petition

Cost: \$

Over what span of time (check one):

One Time  
 One Year  
 Multiple Years

To Be Completed by Conference Council on Finance and Administration (CFA)

Review by CFA on: mm/dd/yyyy

Included in proposed 2021 budget?

Yes  
 No

Amount if included \$

May be considered for budgets in future years?

Yes  
 No

Projected Total Amount \$

Recommendation by CFA concerning funding

Reason for recommendation