The 169th session of the California-Nevada Annual Conference began at 9:00 a.m. in the Burlingame, CA, Hyatt Hotel. Bishop Minerva Carcaño called us to order and briefly introduced Dr. James Smalley from Africa University, the preacher for the communion service, and Dr. Erin Hawkins, Conference Speaker, from the General Commission on Religion and Race. We then entered into a meaningful service of communion.

After a brief break, we reconvened in plenary. The Bishop called us to order and thanked Dr. Smalley for sharing his story and our story at Africa University. Conference Secretary Kristin Sachen offered the following Organizational Motions:

1. That the Bar of the Conference for the 2017 Session of the California-Nevada Annual Conference shall consist of the block of seating between the stage and the stanchions and ropes, the stage, the pages’ tables, and the audio/visual tables.
2. That the Conference accepts reports and items not requiring action by the Annual Conference Session and that the Secretary makes editorial corrections as required.
3. That we approve Section assignments of recommendations and resolutions as designated in the conference materials, and that we grant permission to the Section Leaders with the Conference Superintendent for Mission Collaboration to make changes it deems necessary.
4. That we suspend the 2016 standing rules, Division I, Section C.5.a, to allow Discontinuation of North Sacramento UMC and Establishing a Fifth District to be considered by the full plenary body without consideration in a Legislative Section first.
5. That where there are scheduled presentations on the agenda, invited speakers from outside the California-Nevada Annual Conference membership may address the Conference session.
6. That we suspend our Standing Rule Div.1.F.3.d, our deadline rule, to enable consideration of 4 late legislative items as follows:
   a. Item 27 Affirming Western Jurisdiction Council of Bishops Statement Regarding Judicial Decision No. 1341
   b. Item 28 Petition to Western Jurisdiction Council of Bishops to Convene a Special Western Jurisdiction Conference
   c. Item 29 Resolution Affirming LGBTQI Clergy
   d. Item 30 Resolution Affirming Western Methodist Justice Movement’s Statement to the Commission on a Way Forward
7. That we adopt the agenda as published and that we grant permission to the Agenda Chair in consultation with the Bishop to make changes they deem necessary.
Brothers and sisters, grace and peace to you in the name of Christ Jesus! It is such a great privilege to serve as your bishop. You inspire me to testify to love! My family and I have been recipients of your love. Thank you so much for all your kindness. Your gifts of welcome and hospitality have deeply touched our hearts and blessed our home. Most of all, I want to give testimony to the fact that among you, we have experienced the love of God. You are a true blessing to us.

As I stand before you on this day, I pledge to love you as your spiritual and temporal shepherd, by faithfully praying for you, working side-by-side with you in service to Christ Jesus, finding every good way to sustain you and our congregations and ministries in moments of joy and growth, in periods of challenge and stretching, and in hours of suffering and grief. I will exhort you when that is good and necessary for your soul, always out of the commitment to help you be the best you can be as the children of God and as disciples of our Lord and Savior, Christ Jesus. I long to know you, our clergy, our lay leaders, our congregations, and the communities where we are called to serve. Real and abiding love comes in knowing each other.

In knowing me I pray that you will find me present and transparent. I covet your prayers, and your partnership. Already I am experiencing God’s sustaining grace through you. Help me to be the best child of God and disciple of Christ Jesus that I can be. Exhort me when necessary! Allow me to know you and lead me to greater knowledge and understanding of our context of ministry – not only the context of our churches but that of the communities where you live and are called to serve – so that together we might discern how we are to be disciples of the One who loved us first.

As your bishop, I have no doubt that we will do well as we move forth. First and foremost, because of God’s grace, and because you are a community of humble and devoted Christian spiritual leaders. On this day, we stand on the shoulders of generations of Christian spiritual leaders, among them faithful bishops, who have served in sacrificial ways, giving testimony of God’s love. Now it is our privilege, yours and mine, to assume the holy work of being co-laborers with Christ Jesus in building His reign among us. Jesus asks only that we follow him. He provides what we need for the journey and surely leads us.

I think Jesus is leading us:

- To serve in the communities across Northern California and Northern Nevada in ways that transform communities through the word of God, both spoken and lived.
• To grow and strengthen the community of faith, welcoming all who find us to be a community where they can know and serve God, and to grow our own spiritual lives so that we can be faithful to our God.
• To be an integral part of the connectional community called The United Methodist Church, serving together around the world

I believe it is that simple: Serve and transform the world. Grow and strengthen the community of faith. Be the world-wide connection of The United Methodist Church.

We United Methodists are committed to Personal Holiness and Social holiness, always seeking to know, to love and to serve God, and to be faithful to Christ Jesus by making a difference in the world. We live and share our faith because we have experienced the love of God and want everyone to experience it as well!

I am inspired by the witness of our laity who are doing as Jesus calls us to do in Matthew 25: feeding the hungry, giving water to the thirsty, welcoming the stranger, clothing the naked, taking care of the sick, and visiting the imprisoned. And, I rejoice in knowing that you lay brothers and sisters are doing it not so much out of concern for where you will spend eternity, but rather because the love of God overflows in your hearts and you can do no less!

I would encourage you the laity to take one more step in your ministry: as you serve others, share your testimony of the love of God with them. Share with them the good news of the saving grace of Christ Jesus and invite them to church. If those you are sharing a witness with already have a church or a community of faith, then encourage them to fully participate in their church or community of faith, and you go and do the same.

I hear from some of you that you do not want to offend anyone with your testimony of God’s love. I can assure you that if you love others with the love of Christ Jesus, they will want to know where the love within you comes from. They will want to hear your testimony of the love of God. As a testimony to your love for them, pray for those whom you are serving. Don’t pray for them just in your spirit, or when you are alone and remember them. Pray with them. In their presence, lift-up their name before God begging God to bless them. There are those, too many of our brothers and sisters, who have never heard their name brought before God. They would be blessed by your prayers, by your naming them as worthy of God’s love and care.

I am blessed by the witness of our clergy as I come to know your efforts, brothers and sisters, and the many ways you testify to God’s transformative love among us, leading our congregations to grow in faith and commitment to being God’s people in the world. I was so deeply blessed by the gift of the Circuit visits and receptions across the conference. I was moved by your hard work, your thoughtful reflections on the struggles the churches and communities you serve are facing, and the hope you have for renewal
not only in our conference but across our great denomination. I was inspired by your servant leadership.

I would say to you the clergy, don’t be afraid! Don’t be afraid to say to that congregation you are serving that has long been preparing for death, “Church, don’t be afraid, for we serve a Risen Lord, who is able to bless us with newness of life.” Don’t be afraid, brothers and sisters, to preach what the Holy Spirit is placing upon your heart, not what will entertain or necessarily make everyone comfortable, but what the Holy Spirit is calling you to proclaim. Don’t be afraid to confront your own limitations and sin, for only in facing our limitations and sin before our Creator, Redeemer and Sustainer will we be made whole and that much more useful for God’s holy purposes. Above all, recommit every single day to be fully the Lord’s. As I say these words to you, I am saying them to myself, for we are all in need of God’s grace and mercy.

Now, here is what I hope we will continue to work on as priority in the coming annual conference year:

- Ministering to all people, but giving special emphasis to our ministry among the marginalized – the poor, the immigrant, and young people who are having their lives cut short in the school to prison pipeline;
- Working in circuits to renew our established congregations and continue planting new places for new people;
- Aligning our ministries with the 4 areas of focus of The United Methodist Church.

Listen carefully to the report of our Core Team as they lead us in vital and collaborative ministries that cover all these areas of priority.

There are three areas of concern that I would report to you. These areas need to be addressed in order to do the ministry I believe God is calling us to. Overall they will not surprise you because I know that the bishops I follow worked to help you address these concerns as well.

1. Our decline in membership: Over the last 27 years our membership has declined by almost 20,000. At the end of 2016 our membership stood at 72,226. The last time our membership increased was in 1992. It has been 25 years since we have grown. We have decreased in membership every year since then. In the last 10 years alone we have decreased in membership by almost 11,000, a decline of 1,000+ members most years.

As members of the Western Jurisdiction, we are the smallest jurisdiction in The United Methodist Church, membership-wise. Yet we live in an area and a jurisdiction with the highest overall population in the U.S. Some of us are quick to respond saying that we struggle with membership because we serve in a culture that is anti-church. I do not believe this to be the case. I believe that the greatest obstacle to church growth is that we have ceased to be relevant in the world. We fail to proclaim the good news of Jesus Christ with the faith that God’s grace is present in the world with transforming mercy and power. While membership is never the driving force of why we serve as disciples of Jesus Christ, it is a
real measurement of whether our work is effective or not. I commend to you the report of our diligent conference statistician.

2. Our Stewardship: I strongly believe we need to give greater attention to our stewardship. While I commend you for growing in your tithing to the connectional church, an examination of the giving in our local congregations reflects that at the base of who we are, we are not a tithing people. As a result, our ministry potential is limited, our connectional commitments are left wanting, but most of all we rob ourselves of the blessing that comes when we bring our gifts before God without reserve and experience God multiplying those gifts, using them for good in the world while also providing for us all that we need.

I believe that the churches of our conference have much more financial potential than we have yet seen. To assist us, and with the support of our CORE Team, our Council of Finance and Administration, and our Cabinet, I have requested the assistance of our United Methodist Financial Advisory Consulting Team. They are committed to assisting us in improving our conference financial sustainability and will be working with us over the 2017-2018 conference year.

3. Our District Structure: In learning about the ministry of our conference especially through our district superintendents and our pastors, I have come to the assessment that 4 districts are insufficient for the ministry demands and especially the ministry opportunities of an area the size of our conference. The work of attending to the care of established congregations while also responding to the population growth within our area, would benefit from an additional district and district superintendent. I pray you will support the recommendation coming from the District Superintendents under my guidance to add a district to our district structure.

Finally, I want to also address the recent Judicial Council Decisions concerning the election, consecration and assignment of Bishop Karen Oliveto, and the ordination of practicing, self-avowed LGBTQ persons in the New York and the Northern Illinois Conferences. First of all, I want to give witness to the fact that I have found Bishop Karen Oliveto a deeply committed disciple of Jesus Christ who is striving to serve faithfully as a bishop of the church. As a sister in Christ and a daughter of our conference we should hold her close in our prayers as she faces ongoing judicial proceedings. Secondly, I confirm the essence of what we the Western Jurisdiction College of Bishops stated in our message to the conferences of our jurisdiction — we are called to be in ministry to all God’s children without exception. Jesus Christ himself calls us to welcome ALL persons with respect, compassion, joy and love.

Questions have arisen about the impact of the Judicial Council rulings related to the New York and the Northern Illinois Conferences, particularly on the work of Boards of Ordained Ministry. I would state that our Book of Discipline has not changed. The Judicial Council does not have the authority to change the Book of Discipline, only the General Conference has such authority. Boards of Ordained Ministry continue to have responsibility and authority for determining who demonstrate the gifts and grace and above all, the call to set-apart ministry, ordained and licensed.
Disciplinary processes for those recommended for set-apart ministry are stringent and comprehensive, but open to all who are ready to lead God’s people in a ministry that is as true a representation of God’s love, as is possible under the blessing and power of the Holy Spirit, and who are ready to live the highest qualities of Christian faith, life and practice through God’s help (The Book of Discipline of The United Methodist Church, 2016, 301-304).

I want to give witness to the fact that I do believe that the Holy Spirit is at work on these matters through the Commission on A Way Forward. At this Session of our annual conference we will receive a report on the work of this commission. I would ask us all to pray for each member of the Commission on A Way Forward and the Commission as a whole.

The entire United Methodist Church has been invited to pray for the Commission. The California-Nevada Conference has been asked to lead the Church in prayer during the week of December 31, 2017 – January 6, 2018.

As we your Council of Bishops have prayed for the Commission on a Way Forward and for our entire United Methodist Church, we have called upon the Holy Spirit to breath upon us and give us wisdom, the very heart of Jesus, and God’s own vision for us. We your bishops are committed to praying for the Commission and our beloved church, trusting in the power of the Holy Spirit to help us find a way forward that speaks with mercy to those who have experienced themselves excluded, and that also affirms the unity that Christ has called us into; a unity that is not of our making, but rather a unity that Christ has determined for His body.

I would ask you, people of God, is the Holy Spirit not worthy of our trust? I trust that the Holy Spirit will lead us as United Methodists if we will but call upon the name of the Lord to guide us forth, not dictating the outcome to the Holy Spirit, but truly waiting upon the will of God.

What a privilege and a joy it is to be your bishop. I thank God for each and every one of you with a grateful heart! Let us together be those who testify to God’s love without ceasing!

Your Sister in Christ,
Bishop Minerva G. Carcaño

Lay Leader Micheal Pope – what a great and diverse group we are. We forget who we are, that God has created an agape kind of love and it goes beyond any understanding. It is embedded in our DNA. She knows she is forgiven, and she continues to repent, and God says it is OK because I love you differently. If you come from a group that is full of pain, I’m going to love you more. Our churches are empty because we keep doing it the same old way. It’s boring to the millennials. She loves her church, but her daughter won’t come back after she goes away to college. We are like McDonald’s – the same everywhere. We need to be willing to move things, change how we greet people, change the music. We forget to be happy in God. God makes it so. We must come together as a family, and it’s OK if we don’t always like each other.
Why does God ask Peter “do you love me?” three times? What was he asking for? He was asking for a commitment, to not get lost in the day to day, to take the message forward, and to make disciples. We are a mass of love and if we show this in the world, the young woman selling her body will learn something different. We are in a transformation time, but we were made for it. God made us to be ready for this time. Jesus is here, living in each and everyone of us, and he is just waiting for us not to be dormant. Awake! Join in partnership with people you don’t like, get out of the bubble, grab a hand and heart of those waiting to hear. She sees a future for laity of growth and opportunity. They need to think of themselves as servant leaders, even if all you do is put a staple on a piece of paper.

Didn’t we ask for grace? Don’t you remember the moment when grace touched your heart and you were on fire for God? Don’t you remember the first time someone grabbed you and hugged you so hard and told you that you were loved?

The Bishop and Lay Leader we will be visiting together in our communities.

The Bishop brought Jim Salley up to thank him again and give him a small token of our appreciation. May God continue to bless Jim.

Prayer announcement – Ardyss Sandell fell and broke her hip; Kathleen Kaplan fell and hit head, had brain surgery. We prayed for their health and recovery.

We were then dismissed until 2:00 pm.

When we reconvened, we honored those who have responded to the Roll Call for 50 years or more. They are:

- Clyde Vaughn – 54 years
- Chuck Cordes – 59 years
- Dick Ernst – 51 years
- Bob Blainey – 59 years
- Bill Beck – 59 years
- Oscar Escamilla – 60 years
- Bill Johnson – 51 years
- Jerry Angove – 50 years
- John Corson – 59 years
- Gerhard Drumm – 57 years
- Mas Kawashima – 53 years
- Phil Hall – 55 years
- John Emerson – 59 years
- Doug McCoy – 50 years
- John Sublett – 55 years
- Barbara Troxell – 59 years
- Jim Current – 59 years
- Darrell Darling – 58 years
Kelly Peterson-Cruse, director of Camping and Young People’s Ministries thanked the Bishop for her inclusiveness with youth. She then asked the youth representing the four districts to stand and they were warmly welcomed. Much gratitude expressed for the chaperones.

*Constitutional Amendments:* Jeffrey Kuan and Emily Allen, co-chairs of the General and Jurisdictional Conference delegations, presented an overview of the five Constitutional Amendments passed during General Conference 2016. Each Annual and Central Conference has the opportunity to approve or deny each Amendment. The Amendments are as follows:

1. Declares men and women equal in the eyes of God; seeks to eliminate discrimination against women and girls.
2. Inclusion – adding gender, age, ability and marital status as things that will not bar people from membership in congregations or participation on committees.
3. Paragraph 34 – election of delegates to JC and GC will include open nominations from the floor; a simple majority elects
4. Election of bishops, making Central Conferences elect Bishops at their regularly scheduled Annual Conferences.
5. This legislation follows Judicial Decision 1275 requirement of a legislative resolution from General Conference so the Council of Bishops may provide oversight of its members.

Emily shared her perspective on the Second Amendment, noting that gender is not currently listed as an attribute for inclusion and should be. How we treat and include people is important.

Jeffrey shared that the First Amendment is very modern for a global church. It is very important for the world-wide church to include non-discrimination against women and girls as a model for the rest of the world that continues to oppress them.

The Fifth Amendment was most disconcerting to both Emily and Jeffrey. The Book of Discipline entrusts the work of oversight of Bishops to the jurisdiction and the college of bishops. This Amendment would allow the Council of Bishops to extend into all jurisdictions and central conferences. The Council of Bishops could disagree with a ruling by a College of Bishops of a jurisdiction and take it over and make their own ruling themselves.

Explanation of voting for Constitutional Amendments: Persons eligible are Elders and Deacons in Full Connection, elected Lay members of the Annual Conference, and CLayM Pastors presently assigned to a church.

**Question:** Can you describe more about paragraph 50 – if we had a gay bishop in our jurisdiction, how would this affect things. **Answer:** The vote was 715 yes to 79 no at General Conference for this Amendment. The oversight would reside first with the College of Bishops, but this would allow the Council of Bishops to become involved. That is not the current practice. The Council could take up a complaint or issue at any point in the process, if they have a 2/3 vote to take it up.

**Question:** Can you tell us what the votes have been thus far, especially in our Jurisdiction? **Answer:** No, we are required not to publish our votes until all votes have been taken in all Annual and Central Conferences. That won’t happen until February 2018.
Renae Extrum-Fernandez, Centennial Sacramento spoke to the effect that this Fifth Amendment raises a constitutional issue involving separation of powers; it is empowering the General Conference to create an accountability of powers to the College of Bishops. This is a way of the General Conference to enter into the Jurisdictional Conferences which is not the way it is supposed to be.

Jim, an alternate lay delegate (elected this quadrennium) rose to say that we have our fears about our own issues, but what about when there are financial irregularities that don’t get resolved in an annual conference? This would allow a second look.

**Question**: Can the retired Elders in Full Connection vote? **Answer**: Yes.

Beth Snyder, Chair of Committee on Reconciliation—On Amendment One, it is simply binary and doesn’t include all varieties of gender.

Sara Ziegler – Faith Sacramento – appreciates that Amendment 1 is important to lead the global church.

Scott Kimble lay Los Altos - #5, oversight requires trust and a yes vote indicates distrust. The Commission on the Way Forward is looking at structures, and that could come into play. Let’s wait until we hear from the Commission.

Eligible voters were counted and the ballots distributed. Votes were taken and the voting closed.

**Report on the Commission on the Way Forward**— Brian Adkins, Open Door UMC, Richmond, is a member of the Commission and shared a short video introducing some of the members and their work together. Their task is to design a way of being church that maximizes the presence of a UMC witness in as many ways as possible. There is always more work to be done. It is tiring work but he feels honored to do it. My story matters, he affirmed and then shared his story: No one is more surprised than me at the hope I feel in these meetings. I have experienced some pain – I’m the only openly gay clergyperson, but over time we have been building relationships. My partner is Pat Miller, chair of the Confessing Movement and we have dinner together every time we meet. Over time we can have difficult conversations. People ask me “What’s the inside scoop – how’s it going to end?” I don’t know but the process is grace filled, the Holy Spirit is leading us. “Theology of I don’t feel like it” — that’s when God moves in a special way. I get myself out of the way. The Commission is not a time out or a pause – the gospel has never been more urgent. The good news is what we’ve got to give. I’m very grateful.

Myrna Bernadel-Huey, San Leandro First – thank you for speaking about how the spirit moves. It broke my heart when the process to do Christian conferencing was rejected at General Conference. What happens if the same thing happens when the Commission brings them their report and recommendations? What is the mandate for the General Conference to do with the result of the Commission? Brian – the Commission asks this question too. We never come up with an answer. We have tried to be strategic and intentional in setting the date for the conference. Bishop Carcaño – General Conference is General Conference and we hope to discern the will of God for God’s people. We hear two narratives: One narrative – we are equally divided. Another narrative – all Central Conferences have the same opinion. Both narratives are incorrect. We will have deep prayerful conversation about the report when it comes.

**Diversity monitoring report** - Barbara Horokoshi-Firebaugh and Dale Weatherspoon. Barbara is leaving the position as chair of the Commission on Religion and Race. Tikiko Lesuma will take her place.
Demographics do matter, but we also need a broader perspective. We are very diverse, but those present here do not represent that. Congregations are more diverse than the annual conference session. Diversity is not inclusivity.

We challenge the conference leadership especially the Commission on the Annual Conference Session to develop ways to learn from persons who do not have English as a first language. We have such a wealth of knowledge among us, if only we could hear each other. We are called for such a time as this.

Dale – CORR offers cultural competency and institutional training and resources for multi-cultural congregations. These conversations are part of bridging racial divide. The next gathering is August 19 in Reno. Are we learning from each other – to have true inclusion? We sense we have a long way to go. We welcome and appreciate leadership to encourage total inclusion. We welcome Erin Hawkins as our keynote speaker.

Barbara Troxell offered a prayer as a closing to the session for us.