

Council on Finance and Administration (CFA) Minutes
Minnesota Annual Conference of the United Methodist Church
Minnesota Church Center
122 W Franklin Ave, Minneapolis, MN

April 20, 2017

Members Present: John Mitchem; Steve Weber; Jomyla Choate; Greg Johnson; Deb Marzahn via UMconnect.

Members Absent: Brenda King, Steve Richards, Keith Peterson;

Ex Officio & Services: Cindy Gregorson – Minnesota Annual Conference (MAC) Director of Ministries; Barb Brower – Minnesota Annual Conference (MAC) Director of Finance & Administration and Treasurer; and Deltry Coles – MAC Administrative Assistant (Recorder).

I. Opening Matters

John Mitchem called the meeting to order at 12:10 p.m. Cindy opened with prayer

Adoption of Agenda and February 9, 2017 minutes – Steve moved to approve the Agenda and approve February 9, 2017 minutes. Jomyla second the motion. Motion approved.

Report of the Treasurer

- YTD through 3.31.17 apportionments collected for 2017 were \$1,028,963 or 15.06% of the total for the year. Collection amount is slightly behind prior years but in line with the four- year average.
- Board of Trustees are working on the Star Lake lease negotiations with the Star Lake Wilderness Camp that is up for renewal in August. In addition, camping has noted another cabin on the lake shore of Koronis will likely be up for sale and camping would like to purchase as it fits within their strategic plan. Lastly, BOT is currently having discussions regarding opening bank accounts for our new church starts. BOT raised several questions and these will be resolved at their next meeting in May.
- Capital facilities continues to support Main Street Church with a part of their mortgage payment each month. A team of individuals were put in place to help the congregation determine how and when they might reach full payment on their mortgage and an analysis was completed by Dan Lehrer (an outside party) and he has determined the church and the areas near the church is turning around, and with the hiring of new staff at the church the congregation is expected to grow. The portions of the Conference will decline and they will be able to pay full payments and begin repaying Capital facilities by early 2019.
- The auditors were in our office last week gathering information to finalize this year audit, we finished moving the investment portfolio (not health or Wespath) to Baird and Wisconsin United Methodist Foundation. The Investment Action team is working with Gallagher to find an appropriate investment vehicle for our NICRUT accounts. Barb will continue to work with Spirit River Church and foundation and will attend their next Foundation Board meeting to work on the next steps with them.

II. New Business.

- A. Resignation of Rod Hebrink.** The demands of his job overlap with the meeting time and he is not able to commit fully. He regrets he has to resigns, but feels it is best.

- B. **Audit Communication Letter** –Audit communication letter is done annually it outlines what the auditors do, what is the responsibilities of management and the interim control and its analyzed risk. If anyone has any concerns that comes out of the audit you are able to talk with them and they will be happy to answer your questions or concerns. Greg asked if the question was addressed to the auditors regarding the uncollectable reserves? Barb stated it has not been as of yet. But she will go back to them.
- C. **Policy and Procedure Manual**- Janet Beard and Cindy Gregorson are working to updating the Policy and Procedure Manual and it will be going to Annual Conference for approval. There is a portion in there that we have attached for CFA on operations, budget and reserve funds. There have been minimal changes and it is going to the common table so they can endorse the changes also.
- D. **Apportionment Model**- Cindy gave an update on the direction we are trying to move with zero based budget. What target are we trying to meet as were not trying to reset the budget to a lesser amount but are we investing in the right areas/resources? Extended Cabinet is weighing in on these conversations and nothing has been refined, but they are continuing these discussions. Also, we are looking to design an evaluation audit process to involve every ministry and staff person to look at everything we are doing and to offer their input as to how we are doing with meeting those goals and helping to support churches. Are we meeting the needs of everyone and hitting the right areas for growth? Where do we want to invest more? Greg suggested bringing in lay members from a few churches to discuss the tithing based giving. He stated it may be difficult to sell them on a tithe that is more than the 10% but it is worth the try to explain to them what we are doing. We will research other conference modeling and see if they have anything we can utilize.
- E. **Guest – Diane Owen project Director Lilly Grant** – Diane gave an overview of her current position as the Project Director over the Lilly grant. As well as informed of us other grants and scholarships they have available and what the Lilly grant goals are and how this grant is helping us and what we need to do in with regards to the loan. We currently share the \$1,000,000 with the Dakotas grant and we have to match \$500K with the Dakotas. The grant is about financial health not only for our clergy, but also for our churches. One strategy is pastoral financial literacy with the target group of pastors new to ministry.

III. Unfinished Business

- A. **Reach Renew Rejoice**- Information is in the packets, we are almost at 50% of collection, our pledges continually to bump up and Christa just finished the newsletter and that will go out next week.
- B. **Update on combination of CFA and HRT**- CFA taking on the responsibilities of the HRT Team- Tom Biatak will be joining us from HRT, our time will remain the same noon-3:00 pm. Barb is hoping we obtain Jane Gilbert she is lay and she is a human resource expert. Greg is expressed that we keep in mind that we need more lay people so that our numbers on the board in line with the discipline.

III. Closing

CFA/HRT 2017-2018 Proposed meeting dates- Take a look at that and let us know if the proposed dates fit into your schedules. There is also a copy in dropbox.

Take a look at how Barb and Cindy annual reviews are presented to the Bishop. Both Barb and John Mitchem will speak to the bishop regarding the process.

Respectfully submitted,
Detry Coles, Recorder –

2017 Meeting Dates – all meetings are at the Minnesota Church Center from noon – 3pm.

- June 1, 2017