

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

December 6, 2017

Members Present: Becky Boland, Tom Biatek, Jomyla Choate, Deb Marzahn, John Mitchem, David Parker, Keith Peterson and Steve Richards.

Members Absent: Brenda Kramer King, Jane Gilbert, Linda Gesling, and Steve Weber.

Ex Officio & Services: Bishop Bruce Ough, Cindy Gregorson – Minnesota Annual Conference (MAC) Director of Ministries; Barb Brower – Minnesota Annual Conference (MAC) Director of Finance & Administration and Treasurer and Kathleen Keller, Controller.

I. Opening Matters

John Mitchem called the meeting to order at 12:15 p.m. with prayer and introductions.

Consensus to adopt Agenda. Becky Boland made a motion to approve the September 7, 2017 minutes. Deb Marzahn second. Motion Carried

Barb Brower gave the report of the Treasurer.

Cindy Gregorson gave the report of the Director of Connectional Ministries.

II. New Business.

- **Staff Review Process** – Cindy Gregorson gave an overview of the 2017 staff review process. Every three years the review process includes 360-feedback from supervisors, staff and colleagues. This was a 360-feedback year. Accomplishments, goals and a sense of fit within the organization discussed with each staff member. We also discussed that the Ministry Area needs additional administrative support.
- **Introduction of Kathleen Keller, Controller**
- **Executive Session** – the committee went into executive session at 1:00pm. Barb Brower, Cindy Gregorson, and Kathleen Keller left the meeting. The committee resumed their regular meeting at 1:45pm with Barb, Cindy and Kathleen returning to the meeting.
- **Follow-up for February Meeting** – The committee requests that staff prepare for our meeting in February, an analysis of director level staff at the conference compared to the Jurisdictional average. They would also like an analysis of staff salary by function compared to other non-profit benchmarks.
- **2018 & 2019 Budget** – Cindy reviewed the strategy map outlining the goals for the 2019 budget and the performance based metrics. Barb reviewed the dates and process. Steve Richards suggested that we document the impact to the conference by not being able to fund something – what are we sacrificing. Barb reported that the 2018 budget included a 3% increase for staff and a 2.3% increase for directors. Barb suggested increasing the director rate to 3% at a cost of \$5,000 to the conference. **Motion:** Becky Boland made a motion to give the directors and staff a 3% salary increase for 2018. Deb Marzahn second. Motion carried. Barb reviewed the 2019 human resources budget requesting a 3% budget salary increase for all staff. Barb also included a 5% increase in health insurance rates (rates not known at this time). Human resources budget requested in total for 2019 \$1,976,905 – the amount requested from the apportioned budget

\$1,437,317, increase of \$64,372 in apportioned funds from 2018. **Motion:** Becky Boland made a motion to approve the 2019 human resources budget. Tom Biatek second. Motion carried.

- **Review of Volunteer Mileage** – Barb reported that the current IRS approved deduction rate for mileage is 14 cents per mile. Staff has received some complaints from volunteers and Barb discussed the matter with the Dakotas Conference. They reimburse at 60% of the IRS business rate. Discussion ensued. **Motion:** Steve Richards made a motion to keep the reimbursement at 14 cents per mile. Keith Peterson second. Motion carried with two opposed.
- **Housing Allowance** – Barb reviewed clergy housing allowance and noted an email vote will be requested at the end of December for clergy housing allowance.
- **Investment Committee Update** – Barb reviewed the September 30, 2017 YTD returns. Barb noted that the conference funds are invested at the Foundation but that both the Foundation and MAC Investment Committee continue to meet separately. The Bishop had requested in January 2016 prior to merging funds that we consider merging funds; dissolve the two committees and creating one committee. The purpose is to align the Foundation and Conference as one identity and grow funds to make disciples of Jesus Christ. **Motion:** Steve Richards made the motion to dissolve both committees and create one new investment committee with an aligned common purpose and identity. Becky Boland second. Motion Carried.
- **Reach Renew Rejoice** – Barb reported that contributions to date were \$2,232,737 or 59.2% of total pledges.
- **Apportionment Discussion** – Hold until the February meeting.
- **Financial Statement Review** – Barb gave a brief overview of the October financial statements. Steve Richards explained that he would like an overall summary. Barb and Kathleen will work on a summary for the next statement and a dashboard in the future.
- **Financial Reserves Review** – Barb gave an overview of the reserves analysis and specifically explained how the committee will use that at their January meeting to determine final payment of our general church apportionments.

A. **III. Closing**

Voucher submitted

Respectfully submitted,

Barb Brower, Recorder –

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

- Friday, January 12, 2018 Conference call
- Thursday February 22, 2018
- Thursday April 19, 2018
- Annual Conference 2018 May 30-June 1: Meeting if needed