

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, 2018 Approved Minutes

Members Present: Tom Biatek; Becky Boland; Jane Gilbert; John Mitchem; Jomyla Choate; Sharon Fields; Deb Marzahn; Dave Parker; Keith Peterson; Steve Weber and Daniel Wetterstrom.

Members Absent: Brenda King; Linda Gesling and Steve Richards.

Ex Officio & Services: MN and Dakotas Area Bishop Bruce Ough, Cindy Gregorson, Director of Ministries, Barb Brower – Minnesota Annual Conference (MAC) Director of Finance & Administration and Treasurer, Kathleen Keller Minnesota Annual Conference (MAC) Controller and Val Walker, Executive Director Minnesota United Methodist Foundation.

I. Opening Matters

John Mitchem called the meeting to order at 12:15p.m. with introductions. John welcomed Becky Boland back to the Committee.

The agenda was adopted by consensus. The September 13, 2018 meeting minutes were approved with no changes.

II. New Business

At 12:20pm the Committee moved into executive session. At 2:30pm the Committee moved out of executive session.

Barb Brower presented the 2019 suggested salary increase of 3% that was included in the approved 2019 budget. Sharon Fields inquired if that was across the board. Cindy responded yes. Sharon Fields made a motion to approve a cost of living increase for staff of 3% for 2019. Tom Biatek second. **Motion approved.**

Cindy Gregorson gave the report of the Director of Ministries and Barb Brower gave the report of the Director of Finance and Administration.

Barb Brower presented the 2020 suggested human resource budget totaling \$2,166,653 or a 3% total increase. This would include a 2.5% increase for both director and support/specialist staff cost of living increases. The Committee was reluctant to approve this budget and requested that staff bring it back with the complete 2020 budget in February.

The Committee reviewed the volunteer and elected leader reimbursement guidelines. Tom Biatek made a motion to approve volunteer mileage at 60% of the IRS business rate in line with the Dakotas Conference. Becky Boland second. **Motion approved.**

Barb Brower updated the Committee on the church database and financial accounting software decision that is required since the current database, Shelby Version 5 will not be supported as of March 2020. Barb noted that a decision has been made to move the church database to Brick River. The conference currently uses Brick River to support the website so the monthly fee would not increase but the conference would incur a data conversion cost of approximately \$16 thousand. The financial system first choice is Oracle NetSuite. However, the second choice, Xledger is used by the Dakotas Conference. Both systems cost about the same for both the annual fee and the one time implementation cost. John Mitchem noted that the annual fee for the system would be approved as part to the annual budget process so the Committee is asked

to approve a total dollar amount for the data conversion. Staff noted that \$100 thousand of reserves have been set aside for this conversion. Sharon Fields requested staff to consider synergies with the Dakotas when making an overall decision. Sharon Fields made a motion to approve up to \$50 thousand for the data conversion. **Motion approved.**

Val Walker gave an overview of the minor changes to the investment allocation that the Minnesota United Methodist Foundation is recommending in accordance with the Wisconsin United Methodist Foundation investment allocation. Kathleen Keller also noted the changes to the King, Ministerial, Harper and Scofield bequest from 100% fixed to 70% fixed and 30% equity and the change to the MAC Main Account from 75% equity and 25% fixed to 60% equity and 40% fixed in accordance with the investment committee recommendations. The fund allocation changes were approved.

Barb Brower and Kathleen Keller reviewed the reserve calculation that will be important at our January 11 meeting. Dan Wetterstrom inquired about the FACT study and the Bishop gave a brief overview.

The financial reimbursement policy, credit card policy and fixed asset policy were approved by consensus.

Being no further business the meeting adjourned at 3:35 p.m.

Respectfully submitted,

Barbara Brower