

Council on Finance and Administration (CFA) Minutes  
Minnesota Annual Conference of the United Methodist Church  
Minnesota Church Center  
122 W Franklin Ave, Minneapolis, MN  
February 21, 2019 Approved Minutes

**Members Present:** Becky Boland; Linda Gesling; Brenda King; John Mitchem; Jomyla Choate; Sharon Fields; Deb Marzahn; Dave Parker; Keith Peterson; Steve Richards and Daniel Wetterstrom.

**Members Absent:** Tom Biatak; Jane Gilbert; and Steve Weber.

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

### **I. Opening Matters**

John Mitchem called the meeting to order at 12:15p.m. Dan Wetterstrom led us in prayer for the General Conference Session opening this week. The agenda was adopted by consensus. The consent agenda including the minutes of December 6, 2018 and January 11, 2019 were approved.

### **II. New Business**

Barb Brower gave the report of the Treasurer with focus on investment results and the coming 2018 financial statement audit. Cindy Gregorson gave the report of the Director of Ministries.

Barb gave an overview of the 2018 apportionments received noting a collection rate of 88.36% slightly down from 2017. Barb also noted that 80.4% of the churches had paid 100% of their apportionments this year. The committee discussed concerns regarding two larger churches that did not pay at 100% this year and the impact that has on the conference. Barb noted that the conference used \$103,257 of reserves to pay 100% of the general church apportionments.

John Mitchem introduced the audit engagement letter and audit communication letter from Baker Tilly for the 2018 financial statement audit. Keith Peterson explained that the Audit Committee had reviewed these letters and were comfortable engaging Baker Tilly again this year. Keith noted that the Audit Committee does periodically discuss changing auditors but that is costly and inefficient. Kathleen Keller also noted that with the change in accounting systems in 2019 it would be best to retain the same audit firm. Keith Peterson made a motion to retain Baker Tilly for the 2018 financial statement audit. Sharon Fields Second. **Motion approved.**

Cindy Gregorson introduced the 2020 proposed budget providing the background on the process and the relationship to our strategic plan. Barb Brower gave an overview on the assumptions used. Steve Richards made a suggestion for the future to include on our analysis the actual amounts for the prior year. Discussion ensued around priorities. After discussion, the committee would rather reduce space than a DS or staff. The committee also felt strong regarding our support to our partner organization The MN Council of Churches and the Resource Center. Steve Richards made a motion to approve the total 2020 draft apportioned budget of \$7,120,538 to present to Annual Conference in June 2019. This is an increase of 1% and within the ceiling guideline of under 3% of the approved prior year apportioned budget. Keith Peterson second. **Motion approved.**

Dan Wetterstrom made a motion to move the 2019 annual conference legislation specifically the 2019 Special Asking for Hamline University at \$1 per member and for the Camping Ministry at \$2 per member. Deb Marzahn second. **Motion Approved.**

Barb Brower provided background on the benefit reserves and explained the concern expressed by GCFA to mitigate risk by either separately incorporating the reserves or placing them in an irrevocable trust. Barb is creating a task force of Board of Trustee and Conference Board of Pension and Health Benefit members (2 from each) to investigate. Sharon Fields and Keith Peterson volunteered to be members of the task force representing CFA.

John Mitchem explained concerns regarding our current bonus policy that were expressed after our December 6 CFA meeting. Generally, the conference will provide a small bonus for additional work assumed (such as assuming additional duties during a leave). Steve Richards suggested agreeing to additional compensation prior to assuming the work. John Mitchem requested that Barb Brower and Cindy Gregorson work on this with our ADP Specialist and bring a policy to our April meeting.

Kathleen Keller provided an overview of the December 31, 2018 financial statements and addressed questions.

Being no further business the meeting adjourned at 2:25 p.m.

Respectfully submitted,

Barbara Brower