

NCNY Conference Finance Committee Meeting
January 27th, 2006
9:30 AM
Conference Offices, Cicero, New York

Our mission is to make disciples of Jesus Christ, to nurture and equip Christ-centered spiritual leaders to be in ministry and mission in God's world.

Attendees: Bob Sherburne Pat Curtin Jeff Childs
 Beth Benham Judy Buchardt Chuck Forbes
 Cindy Makarchuk Steve Deckard

Concerns: Rich Ertinger recovering from triple-bypass surgery;
 David Underwood to have shoulder surgery.

- 1. Devotions: led by Bob Sherburne**
- 2. Review minutes of December 20th, 2005 meeting: Jeff Childs moved to accept the minutes as written. Judy Buchardt seconded. All in favor, motion carried.**
- 3. Update from Conference Treasurer, Pat Curtin:**
 - a. 'Our 2006 Shared Ministry in NCNY' report shared with Finance Team. Total Shared Ministry Plan for 2006: \$3,682,400.
 - b. Current balance at Key Bank \$1,325,000 (half of which will be used in the next one-two months). Since set up of the Key Bank Account, the Conference has earned \$6,000 in interest in eight months. The interest rate is 3.6%.
 - c. Trustees Update: A task force has been formed to identify all funds and restriction/non-restriction status.
 - i. Discussion on issues with Frontier Foundation: local churches are complaining about the way they are treated; and, that the rates are not that good. DS Beth Benham will work with the Cabinet on gathering information. Local churches will be asked to write letters to the Conference about Frontier Foundation issues. Information will be gathered and discussed as an agenda item at the next Finance Team Meeting.
 - d. Pat has asked that the mileage reimbursement policy be re-visited. Request to compare NCNY policy with our sister conferences in NY State.
 - e. There has been no response to our request for audit volunteers to be used as outside auditors for the local churches. Pat requests that this be placed back on the agenda.
 - f. Shared Ministry Receipts finished 2005 at 75.95% (see Shared Ministry Revenue Report). From a cash flow standpoint, the Conference is in good financial shape. This is due in part to the work of the Finance Committee

and the efforts of Pat Curtin and her staff. Our Conference situation is similar to all the other UM Conferences – money went to special collections in support of Tsunami/Katrina instead of Shared Ministries.

- g. Total Conference Receipts (Shared Ministry and Direct Bill) for 2005 came in at 89.9% (see Conference Receipts December 2005 Report).
- h. December 2005 Churches Needing Our Attention Report: report will be shared with the Cabinet. The number of churches on the report has been significantly reduced due to end-of-year payments. The Cabinet plans to address the churches remaining on the list.
 - i. DS Beth Benham updated us on the Cabinet procedure for dealing with the churches: Cabinet tracks if the local church has an on-going problem – is the problem with the pastor, the local church congregation, or the appointment? The Cabinet then ‘encourages’ the local church. Beth stressed the importance of the Finance Team assisting the Cabinet. Discussions around possible ‘new’ arrangements (clusters/mergers/etc.) are taking place.
 - ii. Q: What is the status with Cortland First? Cortland First UMC has made payments for their Direct Bill arrearages (not to Shared Ministry). An evaluation of their ministries is in progress.
 - iii. Note: Waddington and Mohawk Trinity UMCs appear on the report; however, their year-end payments came in after the books were closed for 2005. The Finance Team commends Waddington and Mohawk Trinity on their improved outlook.
 - iv. Finance Team requests a representative on the Committee for the Central Lakes District so that assistance can be offered.
 - v. Cindy Makarchuk has contacted North Columbia and Columbia Center UMCs. She will be meeting with the pastor and the local church finance teams.

4. Arrearage Report:

- a. Pat Curtin recommended that the Arrearage Policy be amended to close ‘open-ended’ clauses.
 - i. When a Finance Team representative contacts a local church in Step II – this prevents the church from moving into Step III, if no improvement. Suggested revision to the policy: if no improvement/progress within three months, then the church becomes listed as a Step III. Jeff Childs moved that the policy be amended to include the three month deadline. Cindy Makarchuk seconded. All in favor, motion carried.
 - ii. How long does a church stay in Step IV? There should be a process to deal with a Step IV church. Current policy indicates an un-ending status. DS Beth Benham responded that a Step IV situation takes time to be resolved. This could include closure, re-appointments, etc. Keeping conversations going between the Cabinet and the Finance Team resolves the issue with Step IV. Pat

Curtin requested that any information that can be shared on a Step IV church be emailed to her so that she can share it with the Cabinet.

- iii. Non-payment of Retiree Premiums: the reality is that some churches have never had an Elder appointment, yet they are asked to pay.
- iv. Coordination needed between Finance Team and Congregational Development on money between given out for salaries. Bob Sherburne will ask Lauren to continue to be a member of the Finance Committee. Finance Team recommends that a church in Step IV status be precluded from receiving any monies from Congregational Development unless the responsible District Superintendent intercedes. This recommendation will be discussed at a joint meeting of Cabinet, Congregational Development, Pat Curtin, Steve Deckard and Bob Sherburne.

5. Review of Income for 2005:

- a. Pat Curtin has provided a balanced look at all income streams. Referring to the '2005 Line Item Manager Report', the Conference finished ahead \$82,161 YTD Approved and ahead \$8,377 YTD Actual. Many teams reduced their expenses to offset the decrease in Shared Ministry receipts. Pat added Column M, 'Pass Thru Special Funds and Prior Year', to the report.
- b. Department 800 (Service Ministry Area) had a projected recovery of a 2004 deficit of \$100,000. Actual recovered is \$75,855.
- c. Department 653 (Ministerial education Fund): Pat worked with BOOM and recovered \$47,326.
- d. Pat was also able to recover funds from the Bulson loans to college students.
- e. Total recovered and special funds from 2005 were: \$235,692.
- f. Q: How much was our Conference able to pay toward General Church expenses? A; 76%. NEJ Expenses were paid 100% in 2005.
- g. Additional reports were shared with the Finance Team: '2005 Church Payments Comparison: Selected Churches with large Unpaid Shared Ministry' and '2005 Church Payments Comparison: Shared Ministry – General Advance Specials – Direct Bills'. These reports are given to the Cabinet.

6. 2006 Budget:

- a. 82% expectation in receipts approved by AC 2005. Q: Should we stay at 82 or adjust based on the 2005 end-of-year results?
 - i. Message to Council has to be clear: all monies may not be there in 2006. The Council reserve of approx. \$25,000 cannot be used without talking to the Finance Team first.

- ii. Pat Curtin expects Shared Ministry to rebound to 80-82% range in 2006 barring anymore disasters.
- iii. Pat provided the Finance Team with a list of budget reduction opportunities. Legitimate opportunities that can be done immediately: #810 – Request Conference Trustees subsidize Conference accounting department staff (\$30,000); # 825 – Request Board of Pension and Health Benefits subsidize Vicki Putney expenses (\$38,200); and, #860 – Reduce increase of Ministerial Interpretation and Communication budget for 2006 by \$15,000.
- iv. Recommendation to be made to Council on February 4th, 2006: Jeff Childs moved that the 2006 budget expectation remain at 82% and that the situation be re-evaluated prior to AC 2006. Beth Benham seconded. All in favor, motion carried.

7. 2007 Budget Number Needed for Conference Council:

- a. Council wants a percentage increase for 2007. There are no expected changes in Shared Ministry. A balance is needed between healthy local churches and Conference ministries. A 3-4% range indicates we are healthy and growing. Anything over that is not realistic unless there is a special need that is communicated.
- b. Q: Can we try to fund the Stewardship position that is called for in the Ministry Plan? This position could be funded by the “opportunities” that were identified in 6.a.iii above. Finance Team recommends that this topic be brought to the Council meeting for the 2007 Budget discussion (also, Personnel Committee).
- c. Jeff Childs moved that the percentage increase in the 2007 budget be 3.5%. Cindy Makarchuk seconded. All in favor, motion carried.
- d. Any other input for 2007 budget? By consensus: formal request to be made by the Finance Team to the Board of Trustees and the Board of Pensions & Health Benefits for immediate implementation of the opportunities identified in 6.a.iii above for 2006.

8. **Camping Update:** brochures have been published as on 01.27.2006.

9. **Shared Ministries – telling the story:** recommendation to ask Sharon Fulmer to contact the Area Coordinators and have them contribute information on how they use their allocations. Sharon can then use the articles throughout the year. Also look at developing a Finance Team column in *Connections*.

10. **Finance Workshop at Conference-wide Training events:** to be reported on at next Finance Team Meeting

11. Devotions for the next meeting will be led by Steve Deckard.

12. Other Business:

- a. Annual report to AC 2006: Bob wants to use a video of success stories (UMCOR kits/advance specials/VIM volunteers/churches that have met their obligations).
- b. Q from Jeff Childs: When two churches merge, how much Shared Ministry do they end up paying? A: the two Shared Ministries are merged.
- c. Skaneateles UMC letter concerning health insurance charges: author of letter has offered to meet with the Finance Team and share his thoughts. Offer accepted.
- d. Q: Does the Conference use regional statistics/demographics when deciding apportionments? A: Yes, actual money a local church spends reflects the area situation.

13. Meeting Adjourned at 12:40 P.M.

Next Meeting: Saturday, March 4th, 2006 at 9:30 A.M. at the Conference Offices in Cicero.

Respectfully submitted by Chuck Forbes, Finance Team Secretary