

## **MSMC 2018 BUDGET PROPOSAL**

This past year Mountain States Mennonite Conference (MSMC) continued to experience significant change. We are drawing to the end of a two-year transitional journey as Linford and Mary Etta King wrap up their time of leadership—filling both Acting/and Transitional Minister roles. They have become well-known in our congregations and have helped the Leadership Board think through and plan next steps. The Kings will continue with us until the end of August. We much appreciate their thoughtful leadership.

In the past months we have developed a job description for the future conference minister based on the realities of a reduced revenue stream and other adjustments to a position that gives us a .75 FTE (Full Time Equivalent) or a combination of several individuals up to that level.

The 2017 budget gave us permission to draw from our investments as we needed more FTE than our regular income provided. This was the second year in that process. However, with Annie Lengacher Browning's resignation last September our FTE requirement dropped by 25% so our drawdown of reserves was somewhat less than planned.

### **A history of the use of our reserve funds**

For **FY 2014** there was a budgeted transfer amount of \$40,000 for our Associate Conference Minister position. All of those funds were transferred and used.

In **FY 2015** approximately \$40,000 was budgeted for the position but with the resignation of Jaime Lázaro only \$29,000 was actually transferred.

In **FY 2016** a much larger transfer amount of \$136,969 to cover anticipated expenses was budgeted but only about 60% of that, \$82,000 was transferred.

This current year (**FY 2017**), we have a budgeted amount of \$132,628 available for transfer. So far \$25,000 has been transferred and we anticipate transferring \$25,000 in the coming month. If we can keep the 2017 transfer to \$50,000, that will be approximately 38% of the expected, or permissible amount.

For **FY 2018** we are requesting access of up to \$15,000 of reserve funds to meet our proposed budget as this period of significant transition comes to an end.

Following is a list of the budget items along with a brief explanation of what is included. We welcome your questions.

## PROJECTED EXPENSES

### CONFERENCE ADMINISTRATION:

- **Salaries and benefits:** This category includes the salaries and benefits of our paid staff which includes our Conference Ministers, Administrator and Bookkeeper. This budget item shows significant reduction in FTE (Full Time Equivalent) from the current 1.5 to .75FTE. We are hoping to live *nearly* within our means (see above request for \$15,000 from reserves). This is a reduction from the current **FY2017** \$261,858 to **FY2018** \$147,325. Note that we are underspending significantly due to Annie Lengacher Browning's resignation last September. We don't know if we'll need the additional transfer this year, but we are requesting access to reserves if needed.

- o **Conference Administrator** (Karen Martin) **and Conference Bookkeeper** (Rita Balzer) are part-time positions that are paid hourly. We expect these positions will continue to operate in the next year much the same as they have in the past.

- o **Conference Minister:** .75 FTE for one position or a combination of several people who will fill this role.

### CONFERENCE MINISTRY EXPENSES

- **Conf. Ministry Expenses:** This item includes the expense accounts for our paid staff for items such as food, lodging, travel expenses when staff make conference sanctioned trips, materials needed to perform their assigned tasks, and a technology allowance for phone/computer. Travel expenses include airfares and rental cars for longer trips, and mileage reimbursements (at the federal rate) when personal cars are used.

- **Continuing Education:** These funds are available for our staff to use if an opportunity for continuing education is available that would help them develop their skills in their given area of responsibility.

### OFFICE AND CAPITAL EXPENSES:

- **Liability Insurance/Worker Compensation** are the expenses associated with providing the necessary insurance for the organization and our staff.

- **Pueblo Properties: Church/House:** When the Pueblo Church closed a few years ago the conference became the owner of the church building and a parsonage. This is an in-and-out category that captures the expenses associated with the real estate in Pueblo. The income from the property is shown in the "Other Revenue - Pueblo Properties" item below.

- **Office supplies** include paper, pens, toner, software licenses and other office related expenses.

### GATHERING, DISCERNMENT & DECISION MAKING

- **Faith and life Forums:** Includes out-of-pocket expenses associated with the annual meeting of our Conference congregations. This item has been increased to better reflect the reality of the past few years.

- **Annual Assembly:** This category includes the expenses associated with our annual assembly. This is another in-and-out category that is offset by the registration fees and offerings received at the assembly as shown below.

- **MSMC Travel and Events (non-staff):** This item is to reimburse non-staff for their expenses when they travel on conference business (such as Conference committee meetings, etc.) This year we are over-spending as there has been an increased need for travel and face-to-face meetings related to staff transitions, interviews, etc. We have also subscribed to **ZOOM video conferencing** which is proving to be a **very effective way** for committees and other groups to conduct face-to-face meetings without the expense of travel. This line also includes expenses associated with sending non-staff delegates to MC USA or other wider church gathering such as Constituency Leaders Council meetings, etc. We do not budget separately for the years we send conference delegates to the national Mennonite Church USA convention. This year we are overspending this line. Next year we will not have this expense. This cycle will be taken into account in future budgets.

## **SUPPORTING OUR MISSION**

- **MC USA Support** is our contribution to the on-going work of MC USA

- **Rocky Mountain Mennonite Camp** is our contribution to the on-going work of RMMC

- **The Corinthian Plan:** While no conference staff members are currently covered through the Corinthian Plan, the conference has elected to participate in a way that will allow future participation and that assists congregations who have the need for insurance, but not the resources.

- **Youth and Family Ministries:** Currently we are not funding this line, but if a Christian Formation Council is organized in the next year we will reintroduce funding in this category.

- **SEED Projects:** This category is used to fund blossoming ministries in our community. The SEED Committee is encouraged to seek out and support new ministries that do not fall within the normal activities of our churches. They have presented a plan to the leadership Board that includes exciting ideas and we wish to support them in that. We are reducing conference funds for SEED projects by \$5,000 but The World is My Community Fund, which SEED administers, has continued to grow. Current balance is \$24,469.76.

## **PROJECTED CONTRIBUTIONS**

### **CONGREGATIONAL GIVING**

- The number shown reflects a combination of what has been received in the past and the estimates from congregations of their intent for the next year. We have been blessed to have congregations that see the work of the conference as important and continue to contribute so that the on-going work of the conference will continue. We are grateful for several congregations who have been able to increase their level of giving even as several other congregations are not able to give at previous levels.

*Congregational Giving acknowledges the partner relationship between congregations, enabling the ministries of the conference to serve on behalf of the congregations through facilitating the building of relationships, offering services such as congregational consulting, walking with congregations through pastoral changes, supporting pastors and leaders, etc.*

#### **OTHER CONTRIBUTIONS**

- This amount varies considerably from year to year, but recently has become more important as congregational giving has become less predictable. Sometimes individuals who are not connected to a congregation, find ways to support our Conference mission. Some individuals also contribute directly to the Conference's operating budget—above and beyond support of their local congregation.

#### **INVESTMENT INCOME:**

- We as a conference are blessed to have significant invested resources that provide flexibility in our planning. While we are committed to preserving these resources, we also recognize them as gifts to be used in appropriate ways. The 2017 budget shows the interest income from the invested resources as available funds to be used in our ongoing work. The investments are in three categories:
  - o **Endowment.** This has been money that we have avoided using principle from. Access to these funds requires advance notice. The balance sheet shows a balance in the Endowment Fund as of 06/30/17 is \$318,702.65.
  - o **Operating Reserve.** The income from the operating reserve has dwindled over the last several years.
  - o **Other Interest Income.** This has been interest that comes from funds sitting in savings that we have immediate access to, such as our checking account, savings for a next Conference car, savings to use toward future sabbatical expenses, etc.