

## MSMC 2017 Budget Proposal

In the last year the Mountain States Mennonite Conference (MSMC) has embarked on a 1½ to 2 year transition period; a time to step back and review who we are, where we have come from and refocus our goals for the coming years. We have been assisted in the process by Linford and Mary Etta King who were hired in the fall of 2015 as Transitional Conference Ministers, and we are now well into that transition period. The Kings have visited each congregation and various other associated groups and are helping us process the information they have gathered.

In addition we have been blessed to have Annie Lengacher Browning serve as Acting Conference Minister to take care of the day-to-day operations while we determine what the future “Conference Minister” job description will look like.

The 2017 Budget reflects continuing with this model for the first half to three quarters of the year, and then moving to a new model as determined by the transitional review. We offer this budget proposal for 2017 aware that we are making best guesses and recognizing that it will be a year of change. We enter it committed to taking the step that is before us and then the next step, and we look forward to where God’s Spirit will lead us!

Following is a list of the budget items along with a brief explanation of what is included. These notes have been prepared by Leadership Board members Phil Rosenberger and Karen Cox in consultation with (and with gratitude to) Treasurer Rita Balzer. We welcome your questions.

### **Projected Expenses:**

#### **Conference Administration:**

- **Salaries and benefits:** This category includes the salaries and benefits of our paid staff. Our paid staff includes our Conference Ministers, Administrator and Treasurer. This budget item shows a \$28,836 decrease from last year’s budget. Last year we had budgeted for 2FTE (Full Time Equivalent) positions to cover both the Conference minister and transitional conference minister’s work. In reality it turned out that we were able to accomplish the work using only 1.75FTE. The proposed 2017 budget has been adjusted to match the reality.
  - **Conference Administrator (Karen Martin) and Conference Treasurer (Rita Balzer)** are part-time positions that are paid hourly. We expect they positions will continue to operate in the next year much the same as they have in the past.
  - **Acting Conference Minister:** Annie has been our Acting Conference Minister since Sept. 2015 and was receiving 1.0FTE
  - **Transitional Conference Minister:** The Kings are in about the middle of their tenure as our Transitional Conference Ministers and are jointly receiving 0.75FTE.

- With the resignation of Annie, the Leadership Board approached the Kings and asked if they would be willing to assume most of her responsibilities in addition to their own. They have agreed and this budget proposes that they jointly receive 1.5FTE to perform both the Acting Conference Minister and the Transitional Conference Minister responsibilities. A few of the things Annie was doing will be covered in other ways.

#### **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 Expense:**

- **Capital and Equipment Updates:** In 2016 we included funds in this category to purchase a portable sound system. These funds were not used, and have not been included in the 2017 Budget.
- **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 (non-staff):** This item is to reimburse non-staff MSMCers for their travel expenses when they travel within the conference on conference business (ie. Conference committee meetings, ...)
- **MC USA Events (non-staff)** includes expenses associated with sending non-staff MSMCers to MC USA or other wider church gathering such as Constituency Leaders Council meetings, etc.

### **Supporting Our Mission:**

- **MCUSA Support** is our contribution to the on-going work of MCUSA
- **Conference Development:** This category covers speakers, counselors and other help that may be needed as we move forward.
- **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:** While this category has not been used very much over the last several years, we believe it is important to continue to make it available.
- **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.

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

#### **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:
  - Endowment. This has been money that we have avoided using principle from. Access to these funds requires advance notice. Balance Sheet shows a balance in the Endowment fund as of 06/30 is \$410,991.84.
  - Operating Reserve. The income from the operating reserve has dwindled over the last several years. We have not included any income from this account in the proposed 2017 budget.
  - 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.

**Other Revenue:**

- **Assembly Offerings** is the second half of the in-and-out category introduced in the Annual Assembly expense category above.
- **Pueblo Properties** is the second half of the in-and-out category introduced in the Pueblo Properties expense category above. The income includes rent collected for the use of the facilities.
- **SEED Director/Program Transfer:** In 2015 it was agreed to incorporate the SEED budget into the General Operating Budget, therefore this line item was eliminated.
- **Foundation Transfer ACM:** In 2015 it was agreed to incorporate the Associate Conference Minister expenses into the General Operating Budget, therefore this line item was eliminated. We currently do not have an Associate Conference Minister, but if in the future one is added, the expenses will be included in the General Operating Budget.
- **Reserves Transfer:** This line item was created in the 2016 budget to consolidated previous transfers to fund the SEED Director and the Associate Conference Minister positions. This line item is intended to show the maximum amount that we might transfer from our invested accounts in order to meet operating expenses. We recognize that tapping into our reserve funds at this rate is not a sustainable way to maintain our Conference life. A Development Committee has been formed and they are working diligently to find innovative ways to raise additional funds. If we are not able to increase our incomes in the next year, our ways of functioning will need to be significantly altered.
- **Other Contributions:** The conference has received significant contributions from out-side sources over the last number of years. These are contributions and donations that have come from individuals within and outside of MSMC.
- **25% Development Transfer:** This is a transfer from the Church Development fund, per previous Leadership Board directions, of 25% of the total remaining of the fund, which has been tagged for SEED work.

**Summary:**

This proposed 2017 budget included the second half of what we are calling our transitional period. It shows a reduction of about 10% from last year's budget. The reduction is the primarily the result of anticipating 1.75FTE instead of the 2.0FTE that was budgeted for last year. The next year will be a critical period for us as we finalize our transition and make plans for both funding and staffing our future.