

**UNITED CHURCH OF CHRIST BOARD
FINANCE & BUDGET COMMITTEE
October 9, 2013**

Minutes

Members Present: Sue Artt, Joyce Bathke (Chair), Geoffrey Black, Dale Bonds, Edward Davis, Robert Frieberg, Kevin Finley, Gilberto Garcia-Rodriguez, Ernesto Reyes (Vice Chair), Kira Geary, Rich Pleva, and Bernard Wilson

Members Absent: Bernard Wilson

Staff: Kathy Houston

October 9, 2013

The joint session with the Investment & Committee was held in executive session.

The meeting of the Finance & Budget Committee was called to order at 10:30 a.m. by Joyce Bathke, Chair.

Joyce expressed appreciation to the Committee members for their participation on all of the conference calls that were held in advance of the board meeting.

The opening prayer was offered by Joyce.

The agenda was adopted as presented.

Following a review of the September 26, 2013 meeting of the Committee, it was voted:

To approve the minutes of the September 26, 2013 meeting of the Finance & Budget Committee.
(M-R. Pleva; S-S. Artt)

The Committee was provided background on the clergy housing allowance which is an action taken at the fall meeting to ensure there is authority given to staff if allowance declarations are not received on a timely basis. After a brief discussion, it was voted:

To recommend that the United Church of Christ Board approve that the Clergy Housing Allowance under Section 107 of the Internal Revenue Code and the regulations promulgated thereunder ("Section 107") during calendar year 2014 for each ordained minister in good standing with his or her respective denomination and any other "Minister of the gospel" within the meaning of Section 107, who is in the employ of a Covenanted Ministry of the United Church of Christ), shall be a sum equal to such employee's good faith estimate of the amount which will be excludible under Section 107 with respect to the providing of a home by such employee for such year; however, unless and until such employee shall provide in writing the estimate described above, the amount of said Clergy Housing Allowance for such employee shall be a sum equal to one third of such employee's gross salary compensation.

[Each eligible employee will be instructed to submit a signed statement of his or her designated Housing Allowance for calendar year 2014, which shall conform to the requirements of the above resolution to Human Resources by a date determined by that department.]

(M-S. Artt; S-D. Bonds)

The Committee was informed that the Pension Boards requests the authority to provide supplementation of small annuities at a certain income at the fall meetings. After a brief discussion, it was voted:

To recommend that the United Church of Christ Board authorizes the Pension Boards-United Church of Christ to provide supplementation of small annuities, effective January 1, 2014 based on an income level of \$28,008 with three-fourths of that amount as the level applicable in determining supplementation for a deceased member's surviving spouse/partner.

(M-S. Artt; S-E. Davis)

Kathy Houston and Geoffrey Black providing information related to the funding for OGM historically, speaking to restructure and the allocation of resources. The Committee had the opportunity to ask questions related to the August 31, 2013 Year to Date Revenue and Expense Reports for the Office of General Minister & President, Justice & Witness Ministries, Local Church Ministries and Wider Church Ministries . The Committee also reviewed the Combined Revenue & Expense report for the same time period.

Kathy Houston reviewed the General Synod Revenues & Expenses as of August 31, 2013, noting that the revenues and expenses were not finalized and that the Committee would receive a final report at the March 2014 meeting of the Board. Following the review, it was voted:

To receive the Year-to-Date Revenue and Expense Reports as of August 31, 2013 as presented.
(M-B. Frieberg; S-G. Garcia-Rodriguez)

During the review of the National Basic Support Allocation, Kathy Houston explained the off the top section of the allocation, providing historical information on how the allocation has changed since restructure in 2000. The allocation is based upon the new model that the Committee had approved during their September 17, 2013 conference call. After discussion, it was voted:

To recommend that the United Church of Christ Board approve the National Basic Support allocation base of \$6,304,000 for 2014 and the funding to the Office of the General Minister & President, the Covenanted Ministries and the Pension Boards allocation as follows: OGMP \$2,836,295 (53.29%), JWM \$857,264 (13.60%), LCM \$1,111,728 (17.64%), WCM \$625,278 (9.92%) and PB \$350,014 (5.55%).(M-R. Pleva; S-E. Reyes)

The Committee had been provided commentary for each of the Covenanted Ministry 2014 Proposed Budgets prior to the meeting so the discussion concentrated on the combined deficit of approximately \$2.4 million. There was concern expressed about the deficit but also an acknowledgement that the Collegium would need to continue their work together to reduce the projected shortfall. After discussion, it was voted:

To recommend that the United Church of Christ Board approve the proposed 2014 budgets totaling \$25,173,749 with the provision that the Collegium will enact the financial stability plan as presented to the UCCB.
(M-E. Davis; K. Geary)

After noting that the Committee had completed their agenda so there was no need to meet on October 10, the meeting adjourned at 12:00 p.m.