

2021 Michigan Annual Conference

CFA Report | Brad Bartelmay

Friday, June 4, 2021

Thank you, Bishop. Good Day, Conference! As President of the Council on Finance and Administration, I'm here to give you an overview, in the next few minutes, of the conference's financial well-being.

Let me begin, however, with a few words of thanks. As you may be aware, Conference Treasurer, David Dobbs, resigned in 2020 just before the beginning of the pandemic. A team made up of representatives of the Council on Finance and Administration, Trustees, the Conference Personnel Committee and the Episcopal Office began the process of searching for a new leader for our financial ministry. In doing this we had support from the denomination's General Council on Finance and Administration. As you can imagine attempting to perform an executive search in the midst of the pandemic was more than a little demanding. It soon became apparent that finding the right person to lead us forward was being significantly hampered by the challenges inherent in the pandemic.

Thankfully, after months of searching and an unsuccessful round of interviews, Don Emmert graciously accepted stepping into the position of Interim Chief Financial Officer for the conference along with his other duties with regards to pensions and benefits. Since he took over Don has successfully led us through the completion of the 2019 and 2020 audits, has capably managed the staff, and has begun the process of aligning our financial reporting to reflect the emerging ministry needs of the conference. The council is incredibly grateful for Don's willingness to say "yes" in a time of need, and for his determined leadership over the last several months. Thank you, Don.

As the pandemic has receded the council has once again taken up our responsibility to find a new financial leader for the Treasurer's Office. The search has begun, and our goal is to find someone by the end of this calendar year. Please watch MiConnect for updates as the search continues.

I also want to say a word of thanks for the team working on your behalf in the Treasury Office. Their tireless efforts in the ministry of administration are essential in creating the foundation for all other conference ministries. During the pandemic they have kept the financial services of the conference running. Kim Kemmis, Rich Pittenger and Jill Smith have managed accounts payable and receivable and have generated essential information so the council could manage conference finances. Kriss Salters in her capacity as Administrative Assistant has been invaluable in keeping details on track. And when the General Council on Finance and Administration announced that they were moving away from the EZRA data management, a team from this office with support from District Administrative Assistants seamlessly transitioned us to the new structure. I am particularly thankful to Pamela Stewart, Mike Mayo-Moyle and Mandana Norbrock in accomplishing this task.

Finally, I want to thank the members of the Council on Finance and Administration for their efforts on behalf of the conference in the ministry of financial management. These servants are working hard and making difficult decisions on your behalf. I particularly want to thank Andy Wayne, Vice-President of the council. This year, a health challenge took me away from my duties as president for a number of months, and Andy stepped in leading the council in my absence. Thank you, Andy for your leadership and collegiality, and I haven't forgotten that dinner I owe you, my friend.

Last July when we were still early in the pandemic, I highlighted for you the challenge we were facing in Ministry Share remittances. At the end of May 2020 remittances were 23.1% behind where they were in May of 2019. The conference's financial future was uncertain. I am pleased to report to you that as we progressed through the year, Ministry Share remittances steadily improved, and while at the close of 2020 we will still be behind 2019, we had nonetheless closed the gap to just 4%.

I want to thank the bishop and cabinet for focusing on remittances and for highlighting the importance of Ministry Shares. Your efforts made a tangible difference. I also want to thank you, the churches of the Michigan Conference. In the midst of unprecedented challenges, most of you recommitted yourselves to supporting the work of the conference and at times found creative ways to meet your obligations. Thank you.

Also, the conference Trustees applied for a Paycheck Protection Program Loan from the Small Business Administration at the beginning of the pandemic. That loan of \$880,000 has since been converted into a grant due to the diligent work of the Treasury Office staff and CFA member Renea Clevenger. My thanks to everyone involved in making this happen. The good news is that the loan generated a one-time windfall which helped us successfully navigate 2020. Of course, there is an implicit challenge in this – it was a one-time occurrence. The fact that it will not reoccur means that we must redouble our efforts to strengthen Ministry Share remittances.

Even as we celebrate the fact that we reduced the shortfall in Ministry Shares, we still must acknowledge the decline in remittances. That decline continues this year. At the close of April 2021, Ministry Share remittances are 13% behind where they were this time in 2019. Has the pandemic had an impact? Certainly, that said, the larger challenge we face is demographic.

Ten year ago, Lovett Weems described what he called the impending “death tsunami” facing the United Methodist Church as older members age out and aren’t being replaced by adequate numbers of new members. And while the events of the last year make garnering accurate worship attendance and membership figures all but impossible, we do know that prior to the pandemic the Michigan Conference was contracting by 3 to 5% a year with regards to worship attendance. This inevitably has an impact.

In response to this new reality the Council on Finance and Administration along with conference leadership is doing the following:

First, we are focusing in a sustained way on Ministry Share remittances. In 2020 only 55% of our churches paid their ministry shares in full. As I noted last year, when churches do not remit their Ministry Shares other churches end up paying a premium to help partially offset these underpayments. As this year continues, we intend to refine reporting so superintendents can continue to identify congregations and serving clergy who demonstrate a consistent pattern of underpayment. It’s understandable when a church has a surprise expense – a boiler blows, an unexpected cost arises – such things are inevitable, but consistently underperforming in Ministry Share payments places an undue burden on others.

I want to thank the superintendents in advance for their willingness to highlight this reality in church conferences this fall and throughout the next 12 months.

Second, I mentioned last year that the Council on Finance and Administration was establishing a task force to examine the formula for calculating ministry shares. This task force has begun meeting and while I had hoped we might bring a proposal to the conference this year, the realities of operating in the pandemic have made this impossible. We have, however, gathered information about the apportionment practices of other conferences in the North Central Jurisdiction as well as articulated principals we deem to be important as we consider revising the Ministry Shares formula. These principles include:

A desire to reframe and communicate how we ask for Ministry Shares so as to spark generosity in the local church. Along with this, we hope to enhance the “perceived value” you the churches of the conference have for our shared ministries. In short, our goal is to work with the Conference Leadership Council and other conference leaders to create a culture of excellence and excitement about the ministries we are doing in the connection.

Along with this we recognize the need to align the Ministry Shares formula so as to acknowledge historical injustices and current economic inequality among our churches. The reality is that many of our churches are located in settings which are deeply challenged economically, and more than a few of our congregations have been marginalized and undernourished by the dominant culture. In order to be just, any revised Ministry Shares formula must take these factors into account.

Third, as the conference contracts and income from Ministry Shares declines, it is important for us to develop other revenue streams to support conference ministries. One way to do this is to establish a capital fund wherein we can preserve our assets for the next generation of United Methodists. Our goal is to establish a capital fund, the principal of which will remain intact, while providing proceeds to support funding of conference ministries.

To this end, the CFA has legislation before this body to adjust the conference's portion of the proceeds from the sale of closed churches. This legislation will not impact the proceeds going to the districts, but it will move the conference portion from going directly into new church starts and into a capital fund the proceeds of which can be used for new church starts or any other ministry purpose designated by you the Annual Conference or by your elected leadership on the Conference Leadership Council. As this fund builds over time, we will ensure a permanent income stream for the future.

Friends, we are living in a remarkable moment. There is great churning in our society. The church is being de-centered from its historic position of privilege. We await, many of us anxiously, General Conference 2022 and the uncertainties it brings, but let us not forget that the church is of God! As Paul proclaimed to the Romans, if God is for, who can stand against us! The church is in God's hands, and if we choose to focus on the tasks that are before us in this moment then God will handle the rest.

When I was a kid, each day before going off to school my dad would say the same mantra to me and my brothers: "work hard; play hard; be a good [neighbor]; attack your problems." And as much as I sometimes, I feel pain to admit it; the old man was right.

Do we face steep challenges? Yes. So, let's roll up our sleeves and get to work. And yes, it's hard work, but let's work joyously, playfully for we are about the work of the reign of Jesus Christ which is intended to be joyous. And it's also intended to be a reign of justice, so let us be mindful of our neighbors knowing that we cannot live lives of fulfillment until all are living lives of fulfillment. And when problems arise, and they have, and they will; may we come together doing our part and trusting in our God who holds history in the palms of those righteous hands – trusting that this God will do the rest. May it be so.