

Our Shared Ministry Budget - 2009

ITEM #1

Submitted by the Council on Finance & Administration

Date Submitted: April 16, 2008

-----Conference Apportionment Categories-----

	% of total	Total	Clergy Pension & Benefits	Other Clergy Support	Conference Program	Conference Office
Clergy Compensation						
1	27.9%	3,435,500	3,435,500			
2	0.3%	41,060		41,060		
3	1.4%	175,000		175,000		
4	0.9%	105,000		105,000		
5	30.5%	3,756,560	3,435,500	321,060	-	-
Conference Staff						
6	18.3%	2,253,029		1,086,641	699,691	466,697
7	1.6%	202,009		139,889	55,620	6,500
8	19.9%	2,455,038	-	1,226,530	755,311	473,197
Parsonages and Offices						
9	1.5%	180,500		19,500		161,000
10	0.9%	110,000				110,000
11	0.5%	62,380		62,380		
12	0.8%	101,300		2,300		99,000
13	3.7%	454,180	-	84,180	-	370,000
Grants						
14	1.3%	160,000			160,000	
15	0.1%	11,500			11,500	
16	0.1%	8,000			8,000	
17	0.2%	27,500		1,500	26,000	
18	1.7%	207,000	-	1,500	205,500	-
Programs & Events						
19	0.6%	77,392		26,150	44,242	7,000
20	0.8%	100,000			100,000	
21	0.6%	75,000			75,000	
22	0.4%	43,400			43,400	
23	2.4%	295,792	-	26,150	262,642	7,000
Meeting Costs						
24	0.7%	86,222		40,000	26,972	19,250
25	0.7%	88,000				88,000
26	1.4%	174,222	-	40,000	26,972	107,250
Administrative Expenses						
27	0.4%	48,000				48,000
28	1.3%	154,580		72,630	2,450	79,500
29	0.2%	28,000				28,000
30	0.3%	39,500		5,000		34,500
31	2.2%	270,080	-	77,630	2,450	190,000
32		7,612,872	3,435,500	1,777,050	1,252,875	1,147,447
33	19.8%	2,444,291	99,606	689,677	823,875	831,133
34		10,057,163	3,535,106	2,466,727	2,076,750	1,978,580
General & Jurisdictional Church Apportionments						
35	9.4%	1,152,422				
36	3.2%	398,582				
37	2.5%	313,031				
38	1.3%	159,010				
39	1.0%	128,412				
40	0.3%	35,588				
41	0.3%	31,063				
42	0.2%	27,807				
43	0.1%	18,080				
44	100.0%	\$ 12,321,158				

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	% of total	2009 Proposed	% of total	2008 Adopted	2007 Spent
<u>Clergy Compensation</u>					
1	27.9%	3,435,500	26.5%	3,262,946	2,910,420
2	0.3%	41,060	1.4%	168,303	299,910
3	1.4%	175,000	1.3%	163,810	182,982
4	0.9%	105,000	0.9%	105,000	91,404
5	30.5%	3,756,560	30.1%	3,700,059	3,484,716
<u>Conference Staff</u>					
6	18.3%	2,253,029	18.5%	2,280,058	2,127,986
7	1.6%	202,009	1.5%	188,018	212,051
8	19.9%	2,455,038	20.1%	2,468,076	2,340,037
<u>Parsonages and Offices</u>					
9	1.5%	180,500	1.5%	179,700	178,204
10	0.9%	110,000	0.8%	100,000	101,544
11	0.5%	62,380	0.4%	50,000	58,558
12	0.8%	101,300	0.2%	30,500	90,034
13	3.7%	454,180	2.9%	360,200	428,340
<u>Grants</u>					
14	1.3%	160,000	1.3%	160,000	175,000
15	0.1%	11,500	0.1%	11,500	12,000
16	0.1%	8,000	0.1%	8,000	7,900
17	0.2%	27,500	0.1%	12,500	11,988
18	1.7%	207,000	1.6%	192,000	206,888
<u>Programs & Events</u>					
19	0.6%	77,392	0.2%	23,850	31,825
20	0.8%	100,000	0.8%	100,000	100,000
21	0.6%	75,000	0.7%	88,500	59,920
22	0.4%	43,400	0.4%	53,400	53,618
23	2.4%	295,792	2.2%	265,750	245,363
<u>Meeting Costs</u>					
24	0.7%	86,222	0.5%	64,631	75,854
25	0.7%	88,000	0.7%	85,000	77,722
26	1.4%	174,222	1.2%	149,631	153,576
<u>Administrative Expenses</u>					
27	0.4%	48,000	0.3%	36,188	38,059
28	1.3%	154,580	1.0%	118,943	127,342
29	0.2%	28,000	0.2%	26,861	27,532
30	0.3%	39,500	0.3%	37,788	30,033
31	2.2%	270,080	1.8%	219,780	222,966
32		7,612,872		7,355,496	7,081,886
33	19.8%	2,444,291	22.0%	2,701,667	2,703,006
34		10,057,163		10,057,163	9,784,892
<u>General & Jurisdictional Church Apportionments</u>					
35	9.4%	1,152,422	9.6%	1,176,325	
36	3.2%	398,582	3.1%	382,309	
37	2.5%	313,031	2.5%	307,633	
38	1.3%	159,010	1.2%	152,234	
39	1.0%	128,412	0.8%	103,552	
40	0.3%	35,588	0.3%	33,618	
41	0.3%	31,063	0.2%	30,195	
42	0.2%	27,807	0.2%	28,229	
43	0.1%	18,080	0.2%	20,252	
44	18.4%	2,263,995	18.2%	2,234,347	
45	100.0%	<u>\$ 12,321,158</u>	100.0%	<u>\$ 12,291,510</u>	

Our 2009 Shared Ministry Budget
 Submitted by the Council on Finance & Administration
 Number present when voting 13 : Number voting for: 13;
 Number voting against: 0; Number abstaining: 0
 Date: April 5, 2008

Overview:

The total proposed apportionment for 2009 is \$12,321,158 (line 45), a 0% increase over the 2008 apportionment. The apportionment items are:

Line 34:	Clergy Pension & Benefits	\$3,535,106
	Other Clergy Support	\$2,466,727
	Conference Program	\$2,076,750
	Conference Office & Admin	\$1,978,580
Line 35:	World Service	\$1,152,422
Line 36:	Ministerial Education Fund	\$398,582
Line 37:	Episcopal Fund	\$313,031
Line 38:	Black College Fund	\$159,010
Line 39:	General Administration Fund	\$128,412
Line 40:	Africa University	\$35,588
Line 41:	Interdenominational Cooperation	\$31,063
Line 42:	Jurisdictional Conference Admin	\$27,807
Line 43:	Jurisdictional Korean Mission	\$18,080

Lines 1 through 32 represent the proposed conference spending levels for 2009. Line 34 is the apportionment amount for the first four apportionment items listed above; all four apportionment levels were kept exactly the same as in the 2008 budget. Line 33 was derived as the difference between the amount needed to spend and the 2008 apportionment amount. The Council consulted with the Cabinet in budgeting this decrease of over \$250,000 in uncollected apportionments.

Lines 35 through 44 are our General Church and Jurisdictional apportionments assigned to our Annual Conference. These amounts cannot be decreased by Annual Conference action. They are subject to change, however, at the General Conference in May 2008 and the Jurisdictional Conference in July 2008. We propose them subject to any changes made at these two conferences.

Pensions (line 1) – The cost of clergy pensions to be earned in 2009 is estimated to be \$3,435,500. The Clergy Retirement Security Program was adopted by the 2004 General Conference and began for appointed clergy on January 1, 2007. The new pension plan is more expensive than the predecessor plan. Unlike the predecessor plan, the pension contribution per pastor varies directly with that pastor's compensation level.

The estimated pension cost for 2009 is based on an estimated 343 full-time clergy equivalents, an increase from 339.5 in 2008. "Full-time equivalents" is a measure of how many clergy are included in the pension plan.

Health care premiums (line 2) – The proposed budget includes \$41,060 for premiums for clergy on incapacity leave. The amount for clergy on incapacity leave represents the full amount of the premium.

The budget includes no apportioned funds for retired clergy healthcare, however the conference is budgeting to spend over \$1.4 million of earnings on reserves and Endowment Board gift on retiree healthcare in 2009. Assuming a 15% increase in the cost of retiree health care, the total cost in 2009 is projected to be \$1,990,896. Neither the Council nor the Conference Board of Pensions is proposing any change to benefits or to the minimum premium percentage charged retirees. The Council is participating in a Clergy Benefits Task Force along with the Retired Clergy Association, the Conference Claimants Endowment Board, the Conference Board of Pensions, and the Cabinet as we work collectively on long-range funding plans for all clergy health and pension benefits.

Clergy salary support (line 3) – The proposal includes \$165,000 for pastoral support for churches that would otherwise be unable to pay for a pastor. These funds are administered by the Equitable Compensation Commission in accordance with Conference standing rules. An additional \$10,000 is proposed to start a new fund to cover clergy salaries in the event of suspension or for severance.

Moving expenses (line 4) - \$105,000 is the estimated moving costs to the Conference in 2009 as provided for itinerant clergy according to the Conference standing rules.

Conference staff (line 6 - 8) – Conference staff salaries and benefits are proposed assuming a 15% increase in health care premium cost and a 3.2% salary increase. The salary increase percentage was defined by the 2007 increase in the CPI for the Western United States. The budgeted salary for district superintendents not living in a parsonage, the Director of Connectional Ministries and the Conference Treasurer is \$95,551 or 162% of the conference average compensation for clergy. The schedule on page 10 lists all conference staff positions except for the Executive Secretary of the Board of Pensions and the Board of Pensions administrative staff. Those salaries are funded from Conference pension investment earnings.

Parsonages and Offices (lines 9 – 13) – The United Methodist Center mortgage payments for 2009 total \$161,000. The Episcopal residence mortgage payments are \$19,500. Utilities paid for the Episcopal residence through this budget are \$2,300. All other costs associated with the Episcopal residence are funded through a \$10,000 distribution from the General Council on Finance and Administration. Property insurance premiums for all conference real property are budgeted at \$110,000. Rent for all district offices is budgeted at \$47,380. Rent for the Bishop's office is \$15,000. All

other expenses for the operations of the United Methodist Center (net of rental income) are \$99,000 including funded depreciation.

Grants (lines 14 – 18) – The campus ministry grant of \$160,000 will continue our young adult ministry on college campuses by supporting seven campus ministers, five of whom are part-time. Church and Society grants of \$11,500 are for ecumenical advocacy organizations such as California IMPACT, working for justice beyond the United Methodist Church. The \$8,000 in grants from the Commission on Religion and Race are for the work of ethnic caucuses within our Annual Conference and for multi-cultural leadership training with our Annual Conference. Line 17, “Other” grants include the following: the Communications Commission of \$15,000 to churches for computers and other equipment; Board of Discipleship of \$9,500 to Sierra Service Project; the Board of Ordained Ministry is budgeting \$1,500 for grants and the Committee on Christian Unity & Interreligious Concerns is budgeting \$1,500 for grants.

Programs & Events -

Line 19, Retreats and Events: includes \$23,650 for gatherings sponsored by the Board of Ordained Ministry; \$2,500 for events to welcome the new bishop to our area (Episcopacy Committee); \$27,500 for the Board of Discipleship for stewardship, evangelism and older adult ministries; \$5,250 for Church & Society advocacy events/trainings; \$3,000 for Children & Poverty Committee; \$1,500 for the Committee of Reconciliation events; and \$2,000 for cross-cultural training events sponsored by the Commission on Religion & Race; \$7,000 for the Board of Laity; \$3,992 for the Commission on the Status and Role of Women; \$800 for Christian Unity and Interreligious Concerns; .

Line 20, New Church Development budget of \$100,000 will be used along with the receipts from the Emerging Congregations asking item and the funds within the Bishop’s Trailblazer Fund to plant new churches. The Annual Conference also has funds held by district extension societies for this purpose.

Line 21, Youth and Young Adults budget of \$75,000 includes the following: \$25,000 for the Board of Discipleship’s support of the Youth Ministry; \$35,000 for the Board of Camping and Retreat Ministry’s underwriting of the conference camping program; and \$15,000 for the Board of Higher Education and Camping Ministry’s support for student participation in local service projects, Volunteer in Mission trips and the UM Student Movement.

Line 22, Video production, website & Igniting Ministry budget of \$43,400 includes \$5,000 for publications, \$12,000 for website design and upkeep, \$10,000 for “Igniting Ministry” work, \$5,050 for ACS video and exhibit, \$5,000 for the Media Resource Center, \$4,000 for equipment, and \$2,350 for training/workshops.

Meeting Costs (Lines 24 – 26) – The budgeted meeting costs for Conference boards and agencies are as follows:

Board of ordained ministry cost	26,500
Board of Laity	4,000
General & jurisdictional conference costs	6,000
Council on Finance & Administration	3,000
Higher Education & Campus Ministry	3,000
CCOM	6,700
Board of Camping & Retreat Ministries	5,000
Nominating committee	3,000
Board of Discipleship	1,600
Christian Unity & Interreligious Concerns committee	800
Communications committee	1,600
Committee on investigation & judicial process	10,000
Church and Society committee	2,000
Religion & Race committee	1,000
Episcopacy committee	2,500
Children & Poverty	3,000
District superintendency committees	1,000
Archives and History committee	500
Cost to equalize cost to ACS	500
Status & Role of Women committee	772
Committee on Memoirs	250
Committee on Reconciliation	1,000
Committee on Conference Legislation	<hr/>

2,500

Meeting Costs – line 24

86,222

The budgeted costs for the 2009 Annual Conference Session (line 25) are \$41,500 for sound/ light/ screens, \$23,100 for convention center rental, \$5,700 for childcare, \$6,000 for worship expenses, \$2,700 for moving expenses, \$6,000 for office computers and staff, and \$3,000 commission planning meeting expenses.

Administrative expenses

Line 27, legal/audit fees includes \$13,000 for legal fees and \$35,000 for audit fees.

Line 28, office supplies/postage/telephone includes \$57,130 for district superintendent offices, \$6,000 for Bishop's office and \$14,500 for the Board of Ordained Ministry costs, totaling \$77,630 in "Other Clergy Support." The "Conference Program" total of \$2,450 includes \$2,000 for the Board of Higher Education, \$200 for the Board of Discipleship and \$250 for the Church & Society Committee. The "Conference Office and Administration" total is \$50,000 for postage and office supplies at the United Methodist Center, \$18,000 for telephone expenses at the UM Center, \$5,000 for software support/license and \$6,500 for payroll services.

Line 29, conference journal & Conference Secretary covers the cost of the print and electronic journal as well as professional expenses for the Conference Secretary.

Line 30, computers/copiers, includes \$5,000 for district superintendent offices, \$25,000 for network and database maintenance, \$2,000 for funded depreciation for the UM Center copier and \$7,500 funded depreciation for computers.

Allowance for < 100% collection (line 33) - When a church increases the percentage paid on its apportionments, it affects future conference budgets profoundly. As the collection rate on apportionments increases, this allowance on line 33 can be decreased. As this allowance is decreased, either the total apportionment to all churches can be decreased or our investment in shared ministry can be increased (or both!)

The Council on Finance and Administration in cooperation with the Cabinet is proposing a decrease in this line of over \$250,000 with the intention of continuing such decreases in future years until all churches are strongly participating in apportionment giving.

World Service (line 35) - The World Service Fund has been called "the lifeblood of the Church." Seven general program agencies (The General Boards of Church and Society, Discipleship, Global Ministries, Higher

Education and Ministry and the General Commissions on Christian Unity and Interreligious Concerns, Religion and Race, Status and Role of Women) and three general administrative and support agencies (General Council on Ministries, United Methodist Communications, General Council on Finance and Administration) depend on the World Service Fund for all or a substantial part of their financial support. These agencies extend the Church's mission into the world and bring supportive services to annual conferences and local churches through such actions as deployment of missionaries, development of lay and clergy leadership, production of resource tools for church schools, research for social action ministries, provision of training workshops in evangelism, education, worship, and much more. The General Conference establishes the apportioned amount to each annual conference based on a formula.

Ministerial Education Fund (line 36) - distributed as follows: 25% is retained by our conference to be administered through the Board of Ordained Ministry in its program of ministerial education; 75% is administered by the Division of the Ordained Ministry of the General Board of Higher Education and Ministry for current operations of United Methodist seminaries.

Episcopal Fund (line 37) - provides salaries, residences, pensions, travel, office, and other benefits for all bishops of The United Methodist Church.

Black College Fund (line 38) - administered by the Division of Higher Education of the General Board of Higher Education and Ministry for the purpose of giving financial assistance to the twelve United Methodist related black colleges.

General Administration Fund (line 39) - covers the cost of the quadrennial General Conference session and other general administrative costs of the church at large.

Africa University (line 40) - A mission opportunity to develop a university in Africa to serve an entire continent where United Methodism is experiencing its most rapid growth.

Interdenominational Cooperation Fund (line 41) - covers the United Methodist contributions through ecumenical ministries in cooperation with other Christian communities. Work is done through the World and National Councils of Churches and other interdenominational ecumenical activities as authorized by the General Conference.

Jurisdictional Conference Administration Fund (line 42) - covers the costs of the quadrennial Jurisdictional Conference sessions and other administrative and program costs.

Jurisdictional Korean Mission Fund (line 43) - Korean Mission new church development and ministry in the Western Jurisdiction.

Conference Staff (lines 6 - 8)

	2009 Salary	Health Insurance	Pension, FICA, disability (non-clergy)	Total
Bayview District Superintendent	95,551	2,512		98,063
Delta District Superintendent	95,551	2,512		98,062
Fresno District Superintendent	95,551	13,211		108,762
Golden Gate District Superintendent	95,551	13,211		108,762
Nevada-Sierra District Superintendent	95,551	19,693		115,244
Shasta District District Superintendent (lives in parsonage)	74,202	13,211		87,413
San Jose District Superintendent (lives in parsonage)	74,202	13,211		87,413
Bayview District Admin Assistant	41,783	13,211	8,628	63,622
Delta District Admin Assistant	38,039	13,211	7,855	59,105
Fresno District Admin Assistant	34,838	6,440		41,278
Golden Gate District Admin Assistant	37,477	6,440	7,739	51,657
Nevada Sierra District Admin Assistant	34,838	12,323	7,194	54,355
Shasta District Admin Assistant	36,616	6,440	7,561	50,618
San Jose District Admin Assistant	36,616	6,440	7,561	50,618
Bishop's Executive Assistant (3/4 time)	38,788	13,211		51,999
Bishop's Admin Assistant	37,985	6,440	7,844	52,269
Bishop's staff travel				4,000
Board of Ordained Ministry Admin Assist	19,066		3,937	23,003
Amount funded by GCFA (episcopal office)				(73,600)
Amount funded from parsonage rental				(42,000)
Distict Superintendent travel				128,769
Continuing Ed for DSs				3,000
Training for new DSs				4,120
Conference Staff in "Other Clergy Support"				<u>1,226,530</u>
Director of Connectional Ministries	95,551	6,440		101,991
Director for Youth & Camping Ministries	75,420	10,560	15,574	101,554
Director of Communications	75,420	19,693	15,574	110,687
Volunteers In Mission Director	75,420	19,693	15,574	110,687
Director of Stewardship (1/2 time)	37,709	2,800		40,509
Director of Connectional Ministries Admin Assistant	40,685	6,440	8,401	55,526
Director for Youth & Camping Ministries Admin Assistant	36,616	6,440	7,561	50,618
Director of Communications Admin Assistant	34,838	19,693	7,194	61,725
Volunteers In Mission Director Admin Assistant	38,709	19,693	7,993	66,395
Professional expenses/travel				55,620
Conference Staff In "Conference Program"				<u>699,691</u>
Conference Treasurer	95,551	19,693	19,731	134,975
Conference Treasurer Admin Assistant	39,518	13,211	8,160	60,889
Accounting Manager	64,528	19,693	13,325	97,546
Workroom/Web staff	-		-	-
Bookkeeper	38,651	19,693	7,981	66,325
Bookkeeper	36,616	6,440	7,561	50,618
Receptionist	27,462	13,211	5,671	46,344
All employee workers comp				10,000
Professional expense				6,500
Conference Staff in "Conference Office & Admin"				<u>473,197</u>
Total Conference Staff - line 8				<u>2,399,418</u>