

Church Town Hall — Parsonage & 2027 Budget

Oct 26, 2026 ·

Summary

The town hall laid out two items ahead of the charge/church conference: a proposal to sell the parsonage and the 2027 budget. The meeting ran about 43 minutes (12:14 start, recording 0:12:21–0:55:32), led by Pastor Mike, with questions from the floor.

Parsonage sale. The trustees, chaired by Garrett Crane, recommend selling the parsonage. It has sat empty or housed single people and couples, is costly to heat and cool, and needs a roof (about \$25,000) and exterior paint (about \$17,000–18,000) soon. It also has knob-and-tube wiring, all bedrooms upstairs, and a dated interior. The foundation is sound, but it is a roughly 100-year-old house. The church bought it in 1939 for \$750, with Harris family money.

Instead of a parsonage, the church would pay a housing allowance of about \$27,000 a year, based on military housing rates for the Manhattan/Junction City area. Pastor Mike's projection, assuming a \$400,000–450,000 sale, shows the church financially ahead for about 20 years, then roughly break-even. County valuations are higher (\$485,000 cited; \$539,000 for 2025 and \$528,820 for 2026), but no appraiser would take the job. Sale proceeds would go into the same restricted account as the Harris proceeds, usable only for property or (with approval) mission. No capital gains tax applies, and the house is not on the historic register.

Jim Reed, who lived in the parsonage nine years, spoke in support of the sale. Debbie, the church historian, asked that the Florence Harris plaque by the front door be kept, and Garrett agreed. Questions also covered how the church will help an incoming pastor find housing.

Process. On December 1, at the church council meeting, the district superintendent will convene a church conference with a single item: the vote on the sale. Every church member has voice and vote, so it will likely be held in the sanctuary. The District Committee on Church Property and Location must also approve.

2027 budget. The proposed budget is about \$1.5 million, versus about \$1.1 million last year. The increase reflects bringing designated and restricted giving into one combined budget, not new spending. The base figures are an average of 2024 and 2025 by account, refined with each staff and program leader. The finance committee and church council have approved it; only pastors' salary packages remain for the charge conference.

Mission support (Wesley K-State Campus Ministry, Ogden Friendship House, Fit Closet, Lydia Ministries, Shepherd's Crossing) will now be funded as a single request to the church Foundation instead of ad hoc requests, which averaged about \$100,000 a year. If the sale passes, the Foundation will also backstop the first-year housing allowance up to \$27,000. Foundation requests now go through the pastor's office.

Current finances. At the end of September the budget was about \$30,000 in deficit, which Pastor Mike called a good position before strong November–December giving. The 2026 apportionment has been paid on the first of every month. The church also paid about \$60,000 for an unbudgeted interim pastor this spring. Giving in the budget area is up about 12%, though some designated giving is falling. Finance chair Carl said the budget includes about \$50,000 of built-in surplus. Only about 40% of the budget is covered by pledges.

The meeting closed with Pastor Mike inviting questions anytime and a closing prayer.

Outline

1. **Welcome and purpose (0:12:21)**
 - Pastor Mike: after 350+ charge conferences, contention usually comes from people seeing proposals for the first time on voting day
 - Two items: the parsonage (sensitive, as church property always is) and the 2027 budget
2. **Parsonage: background (0:14:15)**
 - Raised at a trustees meeting in late spring: house vacant at times, expensive to heat and cool for a single person or couple
 - Trustees evaluated it; Pastor Mike compared a housing allowance against maintenance and sale proceeds
 - Bought in 1939 for \$750
3. **Trustees' findings — Garrett Crane, chair (0:16:12)**
 - Home inspection done; Fred and volunteers have fixed some items
 - Roof replacement soon: about \$25,000 quote
 - Exterior paint: about \$17,000–18,000 quote
 - Knob-and-tube wiring; all bedrooms upstairs; dated interior needing a renovation plan
 - Foundation good, but a ~100-year-old house can surprise; bats noted in 2022
4. **Jim Reed's testimony (0:17:34)**
 - Lived nine years in the parsonage and loved it; paid for restoration work himself
 - Supports the sale: the house no longer fits how the church and pastors live today
5. **Q&A on the parsonage (0:19:45)**
 - New pastor's housing: conference trend is selling parsonages; pastors can build equity and choose a home that fits their family and accessibility needs
 - Early appointment helps the pastor start a house search; the church would support them
 - Housing allowance: about \$27,000/year, based on Army O-6 housing rates for Manhattan/Junction City
 - Projection at a \$400,000–450,000 sale: church ahead for ~20 years, then about even
 - Valuation: county figures \$485,000 / \$539,000 (2025) / \$528,820 (2026); likely sells in the mid-\$400s; appraisers declined the job
 - A realtor would be engaged to get the best price
 - Pastor's view: living next door to the church is convenient but you never get away from work
 - Not on the historic register
 - Debbie (historian): bought with Harris money; keep the Florence Harris plaque — agreed
 - Proceeds go to the restricted account (property, or mission with pastor and DS approval); interest plus avoided maintenance funds the allowance
 - No capital gains tax
6. **Process and timeline (0:30:53)**
 - December 1 church council; the district superintendent convenes a church conference for one vote on the sale

- Every member has voice and vote; likely held in the sanctuary
 - District Committee on Church Property and Location must also approve (order doesn't matter)
7. **2027 budget overview (0:33:15)**
- Budget is in the stewardship mailing
 - Earlier "we're going bankrupt" fears came from reporting only the operating budget, not designated giving
 - Goal: one budget, one sheet of paper, everything included; restricted funds still tracked as restricted
 - About \$1.5 million total vs. \$1.1 million last year — the church actually operated on \$1.5 million
 - Built from a 2024–2025 average by account, then reviewed line by line with staff
 - Finance committee and church council approved; pastors' salary packages go to the charge conference
8. **Foundation changes (0:39:31)**
- Before: anyone could request Foundation money directly (~\$100,000/year average); now requests go through the pastor's office
 - Mission support now a budgeted Foundation request, giving the Foundation visible credit
 - Funded missions: Wesley K-State Campus Ministry, Ogden Friendship House (\$5,000), Fit Closet, Lydia Ministries, Shepherd's Crossing
 - If the sale passes, the Foundation backstops the first-year housing allowance up to \$27,000
9. **Current financial position (0:42:26)**
- End of September: about \$30,000 deficit, ahead of strong November–December months
 - Apportionment paid on the first of each month, through November
 - About \$60,000 extra paid for the spring interim pastor; together that is over \$100,000
 - Budget-area giving up about 12%; some designated giving declining as giving shifts back
10. **Q&A on the budget (0:44:18)**
- Kathy: why apportionment is lower — it's now based on budget and spending, not membership
 - Carl (finance chair): budget is numbers-based and variances explained; about \$50,000 built-in surplus for flexibility
 - Undesignated giving: lets leadership direct money where it's needed; signals trust
 - Income categories: pledged and identified giving; only about 40% of the budget is pledged
 - Courtney (newer member): thanked leaders for clear, transparent finances
 - Long-time member: losing a major donor once caused concern; the surplus and the Foundation now give protection
11. **Closing (0:53:36)**
- Questions welcome anytime by email or in person
 - Closing prayer

Full transcript

Timestamps are positions in the recording file. The first 12 minutes are pre-meeting room chatter and are omitted. Speaker names come from how people were introduced; "Participant" marks someone not named. [Unclear] marks audio, mostly off-mic questions, that couldn't be made out.

Pastor Mike [0:12:21] All right, I have 12:14. I think I can be excused for starting just a few seconds early. Welcome. Happy that you could come. Appreciate your coming. I was thinking this morning how many charge conferences I have had. It's north of 350 charge conferences. And one of the things that I came to discover fairly early, and was confirmed throughout all of those charge conferences, was whenever there was contention or stress, or an underlying sense of it, it was because people did not know what was going on and they had just that day discovered it, or got handed a packet and were told, "Okay, here, take 15 minutes and read this, and we're going to vote on this."

[0:13:15] And so we thought about these two big things — well, one big thing and one regular thing. The parsonage and the issue of the parsonage, that's always a sensitive thing. Property around a church, and it doesn't matter what it is. I discovered that early in my ministry when I thought that we ought to take care of some landscaping in front of the church in Yates Center, right on US 54, and it needed it. And I said, "Well, we'll get these bushes out, we'll put flowerbeds in here." "Oh, no, no, you can't take the bushes out." I said, "Why?" "Those are memorial bushes." You know, Aunt Sally had given some money. Now, I don't think that's a good thing to invest your memorial money in, bushes, because they have a life cycle. But any kind of property in a church has valence, energy in it, and it needs to be discussed. People need to feel okay about what's being proposed.

[0:14:15] So it was late spring, I think, at a trustees meeting that I was attending, the question came up — it popped up from one of the members, and I don't remember who it was — that the parsonage had been vacant now for a while. We've had a couple of single people in the parsonage, we've had couples in the parsonage. It's expensive to heat and cool for a single person or a couple, and so we should think about whether we want to sell it or not. Then the trustees undertook a series of steps to examine that, and they'll explain more about what they did. My contribution was just to look at what a housing allowance would cost and how that compares against the proceeds from the sale and the maintenance that we get to avoid with an older house.

[0:15:22] Fred shared with me this morning — because I needed the deed to send to the superintendent — the purchase price of the house and property. Fred, do you want to share with them what that was?

Fred A whopping sum of \$750. The land, the house and all came with it — \$750 purchase price.

Pastor Mike [0:15:50] So when was that?

Fred 1939.

Pastor Mike All right. So is Garrett here? Where's Garrett? There you are. Do you want to come up and just tell us what you all did, how this proceeded, and then see if there are folks that have some questions?

Garrett Crane [0:16:12] Yep, Garrett Crane. I've been chair this year for the trustees. So like Pastor Mike mentioned, we evaluated the parsonage. There was a home inspection performed. Fred and the geezers have been going through it — he's got some of that paperwork. That inspection report outlined some things that need to happen, and he's been able to knock some of those out. One of the bigger expenses is the roof. The roof is going to need to be replaced in the near future, and I think about \$25,000 was the quote we got from Weddell [name as heard]. It's also going to need to be painted in the near future. We got a quote on that too, just to understand — I think \$17,000 or \$18,000 was the quote. So some of those repairs that we know are forthcoming played into that decision.

[0:16:47] There are also other things, like old knob-and-tube wiring in the house, and other things of that nature. And as Pastor Mike said, for some of the pastors we've had here in recent years, it hasn't really met their needs. The bedrooms are all upstairs. It's starting to get a little dated on the inside, and so there probably needs to be a plan for what we're going to do to renovate it as well. So that's kind of high level. I'm sure there's more we can get into if you have questions.

Participant [0:17:34] [Unclear question about the foundation.]

Garrett Crane Foundation overall is pretty good. Yep, really no concerns there. But it's also a 100-year-old house, so things could come up that we don't know about.

Jim Reed [0:17:46] I have a mic here. I do want to speak. My name is Jim Reed. I'm the only one in this place who has lived nine years in that building called the parsonage. And I want you to know it was more fun than you can imagine. I love that place. It was so elegant. I don't know whether you all remember that we had it on a historical show at Christmastime. And we spent a bunch of our own money on that — we paid for the architectural fees to get it repaired, redone, and so on. So we love that place.

[0:18:29] But I'm telling you, I cannot imagine going up those stairs now. And I cannot imagine all of the kinds of things that have to be done. So, as an old guy and one who loves this church and who loves that parsonage, I want you to know that this old guy supports the sale of it, simply because it doesn't fit the way we do things now. I wish it did, because I loved parsonages, and I loved the adventure of going to one and waiting the two or three years until the church thinks you can maybe stay before you say, "Maybe we ought to repair something here." And that's what we did with this. But I just wanted you all to know that this old guy, who loves this church and who loves that parsonage, sees how things need to change. That's my take on it.

Participant [0:19:19] And there are probably still bats there.

Garrett Crane That actually came up on the report. I think about three years ago, 2022, there were bats.

Participant [0:19:45] Jim mentioned it's not the way we do things now. Could we elaborate on that a little bit? Because my question is: we are in the middle of the process of bringing a new pastor and a family here. What are the plans for how we accommodate them?

Pastor Mike [0:20:03] Well, two things I'd say about the way things are now. The conference is generally moving more and more to sale of parsonages, just because they can be a drain and an attention-grabber in a lot of ways. Pastors are benefited by the opportunities they might have in one place or another to grow some equity in a house. If you live your entire time in a parsonage, or in military quarters, I would tell you personally there's no equity in any of that. So for a pastor, that's a positive.

[0:20:48] I did the search on what a housing allowance in Manhattan would look like, and I confess that my military background drew me in a particular direction. I figured, okay, about a lieutenant colonel's salary, if I was thinking about Army stuff. Jim, that's not too far off the mark. I don't want to claim a full O-6 salary. But I guessed what it would be at an annual rate, and I looked it up — I was \$500 off when I looked up the military pay scale. The housing rate for Junction City and Manhattan, for an Army colonel assigned to Fort Riley, is about \$27,000 a year. That's the housing allowance that you get. So that's what we used, and that would be the hit on the budget.

[0:21:30] Your question is really about the pastor. What it means for a pastor also — and it's helpful for us that a pastor will be appointed early — is that they can start their search and find a home that fits their family's needs. If it's, like you mentioned, handicapped accessibility — you know, Jim was saying he can't imagine [name unclear] getting up and down those stairs, as an example — if they have that need, they can go find something zero-entry. If they have a family of a certain size, they can fit that.

[0:22:16] I costed it out. I asked my AI assistant, who I pay very well: based on a sale of \$400,000, here's the maintenance, here's the age of the house, and here's what we intend to spend as a housing allowance — give me a report on this. And basically, the result was that we are financially ahead up to the 20-year mark, and then it goes negative at 20 years. But with that housing allowance, it's pretty much a wash.

Participant [0:22:59] I just want to know if you had it appraised, to get a rough idea of what it's worth.

Pastor Mike So we haven't had it appraised. I have the county appraisal, and I should have looked that up right before this — apologies. But I know the county appraisal is over \$400,000.

Participant \$485,000 is the county appraisal.

Participant [0:23:23] [Unclear question about property taxes.]

Pastor Mike No, we don't pay taxes on it. We get the appraisal, but there's no tax. They still appraise it.

Participant [0:23:40] [Partly unclear question about the Manhattan housing market and whether the church would use a realtor to get the best price.]

Garrett Crane [0:24:08] Yep, and that was important on the timeline. That came up early in spring: if we're going to consider this, we need to do the evaluations and make a proposal so we can do the charge conference, and then when the new minister comes we'll have all that done. Realtors have been discussed, as far as having somebody put it on the market to help get the best price. So I think we would engage those services for sure. Was there another part of your question I missed?

Participant [0:24:52] [Unclear follow-up about how the church would help the new pastor find housing.]

Garrett Crane That's a good question that we haven't talked about, as far as supporting them, but I'm sure the church and everybody would be a great support. Whatever they would need, we could help provide that. And I agree, it's tough. I moved here seven years ago, and it took us two or three months to find a house, so it takes a while.

Larry [0:25:14] I'd just point out the county's valuation in '25 was \$539,000; '26 values it at \$528,820. Now, I don't think it would generate that price — probably more in the mid-fours.

Garrett Crane [0:25:34] Yep, I think Larry's spot on there. And we tried to get it appraised, but a couple of different appraisers just said no thanks. They wouldn't do it — they were too busy, whatever. They had excuses. So I tried to get it done but couldn't find anybody. And Larry's on the trustees — he's the treasurer — so he's been very involved.

Pastor Mike [0:25:59] Wait, wait, Dave — we can't hear you.

Dave I'll speak louder then. From a pastor's point of view, irrespective of who that would be — we don't have any idea, obviously — typically they've been in their 40s at least in age, so they're not having small children. And then we get to the convenience factor of having a parsonage very close to the site where almost all the activity will be.

Pastor Mike [0:26:41] My first parsonage in Yates Center, by the way, was kind of a carbon copy of this — a standard floor plan. I was telling Larry, same floor plan layout, just a little bit smaller. I think this is the premium edition of the floor plan; Yates Center didn't go for the premium, they went for the farm edition. From the side door of that house to the side door of the church was closer than you and I are. That's kind of nice on a snowy Sunday morning. It's not always so nice when people are knocking on your door for something they can't find. And you never get away from your work. So I tell you, as a pastor, living next door to the church is not something I would be looking forward to.

[0:27:42] Let me also say, with those valuations: the projection that showed us ahead for 20 years and then break-even — I think I did it at \$425,000 or \$450,000, just ballparking.

Participant [0:28:05] In case anyone is interested, the house is not listed on the historic register.

Pastor Mike [0:28:27] Okay. All right, thank you. Debbie, our historian, has a question.

Debbie Sorry — as historian, I can't help myself. The parsonage was purchased with Harris money, Lucinda Harris's money, and there is a plaque by the front door. Lucinda's sister Florence enabled the expenditure of that money to buy the parsonage, and so there's a plaque by the front door in honor of Florence Harris. If we sell it, we really do need to take that plaque.

Garrett Crane [0:28:55] Yep. When we sold the Harris, the same thing happened — a lot of that stuff came with us, and we'll make sure that happens. Appreciate that.

Pastor Mike [0:29:15] It's also worth mentioning that the proceeds of the sale of the parsonage would go into exactly the same account that the Harris proceeds went into. It is money that cannot be spent except either to purchase or construct property, or for mission work if you get the permission of the pastor and the district superintendent. So it's restricted, as the Harris money is restricted.

Participant [0:29:32] That's correct, and that's being used right now — the Harris interest money, right?

Participant [0:30:00] The interest money is available. We can spend it on facilities or upkeep.

Pastor Mike Well, in essence we're going to be spending all of it on the housing allowance. Between the interest that we gain from the sale money and the maintenance money that we avoid, that's how the model suggests we can pay for a housing allowance for a pastor.

Participant [0:30:15] Do we have to pay capital gains when we sell it?

Pastor Mike [0:30:36] No. Thank God, no.

Participant What was the percentage? 56,000 percent, something?

Pastor Mike Any other parsonage questions?

Pastor Mike [0:30:53] Okay. Well, let me tell you what the process is and the timing. Thank you very much, Garrett. Appreciate it. The trustees have done a great job this year — just to lift them up in their ministry to the church, their fiduciary responsibilities and attention.

[0:31:13] We have a church council that is scheduled for December 1st — am I right there? I think, yeah, December 1st. The superintendent will come, and for a brief period he can call to order a church conference. The church conference will be for a single purpose, which will be a vote on the sale of the parsonage. Jamie will have the chair, and whenever the superintendent gets here, he'll turn the gavel over to the superintendent. The superintendent calls the conference to order, reads the resolution, takes questions if there are any, conversation, and then there's a vote. Then that conference is over — separate action — and he turns the gavel back to Jamie. That's how that works. It is a church conference vote. That means every member of the church

has voice and vote in that meeting. So it won't be held in the library; it'll probably be held right here in the sanctuary.

[0:32:22] Any other questions of me? And by the way, the deed that Fred got to me, I'm sending that to the superintendent. There's one more vote that needs to take place for us to do this. The Discipline also requires action by the District Committee on Church Property and Location. That committee just keeps us squared away and honest, basically — it makes sure we've dotted all our i's and crossed all our t's. When they next meet, they'll take that action. The order is unimportant, as long as both of those bodies, the church conference and the district committee, vote positively.

[0:33:15] Okay, the next thing is the budget for '27. This is included in the stewardship mailing you'll get, but I wanted you to have it today as well. What I really intended for today, though, was to explain where we're headed and what we're dealing with. I love doing budgets. I served a tour as a budget officer at an Army corps, and I had a \$182 million budget for a couple of Army divisions and some aviation units, a whole bunch of people, and I just kept general officers happy. That was my job as a budget officer. So putting things together, looking at them and figuring out what's happening is something that tickles me and I enjoy doing.

[0:34:09] One of the first things I look at when I come to a place to do an interim is: bring me the policies of the church, bring me the minutes of the last charge conference and all the documents, bring me the church directory, and bring me the church budget. I was really confused when I got the church budget, particularly since I had heard coming in — and remember, I came in the middle of December — that the budget was, "Oh my Lord, we're going to go bankrupt." Then I started looking at all these numbers and I thought, well, that's really not true. I understand why you could say that, because the budget money was deficient. But that's not the only money we have, and it's not the only money we spend.

[0:35:15] As opposed to just the offerings that come, the pledges that come, the non-pledge giving that comes, we also receive designated money. People will write a check and write "music" on the check, or "youth," or "church improvement fund." That becomes restricted money, and that's over in another category, and it's not reported as part of the budget. It just isn't, because of the way accounting works. So when somebody tells you, "Oh, the budget's underwater" — well, yes, but not really. And maybe that's one of the reasons we get frustrated with money and talking about money in the church: we don't see the full picture.

[0:36:03] So the object of our exercise was to start pretty quickly in the finance committee: we want one number, one budget that includes everything. My goal has always been to hand people one sheet of paper that they can understand, that tells them where we are, what we're spending on, where the money's coming from, and do that in the easiest way possible. Some people just don't like numbers and it won't work, but as easy as possible. That's been our effort, and it's been challenging. Noni has been working hard with Frank and with Derek to develop that system. We still have to treat restricted money as restricted money — that's a legal requirement — but we bring this money into a single place where we can report a single number.

[0:37:07] That's why, when you look at the number on the budget, it's a million and a half dollars. That wasn't your last budget. Your last budget was a million one. But the church didn't

operate on a million one; it operated on a million and a half. So this number really tells you what we're spending and the money we're taking in.

[0:37:27] In order to build a budget, we needed a base figure. So Noni got the two years, '24 and '25, as close as she could, and then we averaged those two years by account. I don't know how it is in industry, but we have WAGs and SWAGs — WAGs are wild guesses and SWAGs are scientific wild guesses. So this is a SWAG. It's very deliberately developed, but we understand that it is not precise and it's not exact. We expect there are places where we've missed something — something came in and was recorded one way to this account or that account, and averaging always gets you in trouble.

[0:38:13] Then we sat down with every one of the staff persons and program persons and walked through developing next year's budget. After that, we also had to think about the distribution of the monies — how much we had, how much we could expect — and put the budget together. The finance committee got about a month to work with that report. We then sent it to the church council a month ahead of time; they had time to work on it. They have approved the budget. Everything is approved except for the salary packages of the pastors, which have to be done at the charge conference. But otherwise, the budget's approved.

[0:39:31] The other thing we changed — and this is a little bit of a separate conversation — is the foundation. Our church foundation has been, and is, a wonderful asset for the church, and we got a lot done. What I discovered when I came, though, is that the head of any committee, or anybody, could send a request over to the foundation: "I need \$500 for new bags for the kids," or "I need \$5,000 for cabinets or chairs or tables." And the foundation would do that. But Noni didn't know that had happened. I didn't know that had happened. So we changed the process: now all those things come through my office and I sign off on them, so I know what's going over there.

[0:40:08] But there was a downside for the foundation: they never got any recognition. There's all kinds of stuff in our church that the foundation has made possible, and they got no recognition for it. So, in discussion with the foundation, instead of nickel-and-diming — and that nickel-and-diming, by the way, adds up to about \$100,000 through those averaged years — we would move our mission support money into the budget as a foundation request. So when we go to Ogden House, as an example, the \$5,000 in the budget for Ogden House is from the First United Methodist Church Foundation.

[0:41:08] And that's guaranteed money. It allows us to identify the foundation, to be very clear with the congregation that this is a reason you should consider the foundation for your legacy gifts, because we're funding mission out of it. They were very happy to do that. So all of our outside mission support — Wesley K-State Campus Ministry (you're going to hear more about that, by the way, because I'm the board chair, so I'll tell you about it some other time), Ogden Friendship House, Fit Closet, Lydia Ministries, our ministry right here, Shepherd's Crossing — all of those are now funded by the foundation in this budget. But we account for it, because it's part of our budget, so you'll see it reflected there.

[0:41:59] The other thing we asked of the foundation this year: if the decision is made to sell the parsonage, the first year the foundation will backstop the housing allowance, because we won't have the interest income and the maintenance savings yet. They won't necessarily give us a whole \$27,000, but whatever interest we make and whatever maintenance we compute that we've saved, they'll bring it up to \$27,000.

[0:42:26] I'll just say one more word about where we are currently, financially, and then offer the chair of our finance committee a chance to say something. At the end of September, our budget was \$30,000 in deficit. That's a good place to be at the end of September. June, July, August, September are low months of receipts in church, and to be only \$30,000 in deficit is wonderful, because November and December are coming, and those are great months for us.

[0:42:58] Part of the reason for that deficit is that this year — as opposed to last year, when we were scrambling at the end of the year to pay our apportionment — from day one we have paid our apportionment on the first day of the month, every month. Our apportionment is paid right now through October, and on the first of November it'll be paid again. So we're way ahead of where we were last year; otherwise we'd be positive if we were comparing. The other thing is that you all paid an extra \$60,000 to have an interim pastor through the spring that wasn't part of the budget. Between those two, we're already over \$100,000.

[0:43:42] Giving is up about 12% in the budget area. But there's a little bit of a challenge there, because as that giving comes back, I'm watching some of the designated giving collapse a little. I'm wondering if people, in the midst of conflict, were moving pledged giving over to designated giving, and now they're moving it back. That's another part of the SWAG that we'll keep track of as we move forward. Before I throw Carl to the lions, do you have any questions of me about the budget? Kathy.

Kathy [0:44:46] I'm the one whose mother requested her memorial gifts go to pay the apportionments for the little church I grew up in, because it was that important to her. I noticed that the apportionment cost is down. Is that because of the membership transitions that happened the last couple of years?

Pastor Mike [0:45:06] No. Membership is no longer part of the apportionment formula. The apportionment formula is based on the budget and the spending in the budget. What you see in the budget is the number we've received from the conference that we need to pay.

Carl [0:45:33] [Adjusting the microphone.] Well, I asked Pastor Mike if it would be good if I was here, and he said, "Oh, it'd be nice if you could come." I said, "Do I have a role?" And he said, "No, just sit and listen in case there are any questions." So that changed dynamically.

I actually think Pastor Mike has done a great job describing how things have been done. My observation would be that the pastors and the staff have done a wonderful job of grounding the upcoming budget in a thoughtful, thorough, numbers-based approach, using those averages he described, and then working through with staff the places where we would need to make adjustments or spend more or less. Each of those is carefully spelled out, so when you get the document, I think you'll see that any variances are pretty carefully explained.

[0:46:44] The finance committee did a great job — doing their work to review things carefully, ask questions, and those questions got answered. And again, we moved pretty quickly through things calendar-wise, as Mike described, because all that work had been done. So I feel very confident and comfortable in the budget. I don't think you mentioned the surplus specifically. There is a giving increase assumed, based on the trends just described, but we didn't spend all of that increase. So there's about \$50,000 of built-in surplus. If something happens that's different than what we're expecting — especially since our reporting is now different than it was, and we may discover some things — we have some room to flex before we'd actually have to take any other actions. And of course we'll pay attention. The things we'll watch this year are certainly giving, in addition to what the spending trends look like. So with those extemporaneous remarks, do you have any questions for me?

Participant [0:47:54] Well, with my tithes, I never designate where the money is to go. Do you get much of that? Is that helpful or not?

Carl [0:48:10] Well, let me give my opinion, which is partially informed by being finance chair. [Joking about "what Carl meant to say."] We'll leave Pastor Mike to do that. Probably the higher percentage of giving is given in a way that the church can use it as appropriate. I think it's wonderful when we see that happen, because what that really comes down to is the membership having confidence that church leadership knows where the funds should go. It gives them a lot of degrees of freedom to put money here versus somewhere else, and money is in many ways fungible, so that's really helpful. Pastor Mike just said a minute ago that he's hopeful some of that movement might represent that kind of confidence, and I'm sure that's the case. Just because something's not designated doesn't mean it wouldn't be appropriately spent, and we can take advantage of church leadership knowing how to move the money around appropriately. They have the best picture of that.

Pastor Mike [0:49:24] So, what did Carl mean to say? I think Carl said exactly what he meant to say. The thing I would add: we have two categories of income in the budget, as you'll see there. There's pledged giving and identified giving. Identified giving is where we know that Joe Smith contributes this much every year; he never turns in a card, but this is the contribution. So when we're building a budget, we're expecting that to continue, because only about 40% of the budget is actually pledged. So it's a process of making wise projections based on past information, more than anything else. And I should have started by saying thank you for those gifts — which makes me think I should say thanks to everybody. So thanks, everybody. One back over here — Courtney.

Courtney [0:50:30] I don't necessarily have a question; I just want to make a comment. We're fairly new to the church. For decades, I've been involved in church leadership in other parts of the country, and in that experience, money and budgets have always become noise. It takes our eye off the prize, takes our eye off the ball. And coming from somebody who's been in those situations — been accused of not having the right faith, or not having enough faith, because I was really focused on the business side of the church — I really commend all of you for what you have done here, because this makes perfect sense to me. It takes the distraction and the noise away, and it's very clear-cut. I just wanted to say thank God for all of you, that you've taken on this hard work. I appreciate it.

Pastor Mike [0:51:37] Thank you very much. For a second there, I thought that was going to be a great place to stop.

Participant [0:51:42] Well, excuse me — mentioning that the budget is depending on certain people giving certain amounts. Historically — and I think it goes back to Charles Bennett's time of pastoring, when I think our budget was around \$200,000 — one of the major donors at that time was Mr. Ramey, who had the lumberyard southeast of town. I recall a number like \$5,000 a year that he pledged and gave. He passed away, and suddenly there was concern about a major donor passing away. Your \$50,000 of flex, I'll call it, would probably help take care of a situation when that happens. We all hope we live long enough and can keep giving, but sometimes it doesn't happen that way. Just a perspective: when one or a very few people are giving a major amount of money, that might suddenly dry up.

[0:53:09] And the foundation and its presence is new; that wasn't there back then. So there is a bit more protection against a real dilemma. It's always a reality, and it's why, when we joined the church, we promised to support it with our prayers, our presence, our gifts, our witness, and whatever.

Pastor Mike [0:53:36] I learned a long time ago that the mark of a high-performance team is to quit when you're done. So there you go. I was just going to say thank you all for coming. And it doesn't have to be a town hall. Any time you have a question, just holler, send an email — happy to answer it. The more we all know together, and understand in common, and see what's going on — even if we don't agree — the more we all know what reality is, the better off we are. So thank you again, all of you, for your support and your prayers.

[0:54:20] Let's stand for a prayer. Lord, I'm so thankful for the people of the First United Methodist Church in Manhattan, Kansas — for their faithfulness, for their generosity, for their seriousness, for their grace and faith. You have blessed this church throughout its history with leadership and stewardship and membership that has brought us to the day we find ourselves in. And we know, Lord, that you will travel with us into the future and that you will provide for us. Help us to be the faithful servants who acknowledge your grace and accept it, and allow it to empower us to make a difference in the world. Amen.

God bless you all. Have a good day. Thank you.