

University Christian Church

Tuesday, January 27, 2015, 6:30 p.m. Walker Fellowship Hall
Sandi Kennedy, Chair

Assembly Meeting Minutes

A regular meeting of the members of the Assembly of University Christian Church was called to order by the Chair of the Board of Stewards, Sandi Kennedy, at 6:40 p.m. The opening prayer was given by Arthur Townsend.

Approval of Minutes – Walter Echols made a motion to approve the May 17, 2014 and October 28, 2014 minutes. Jake Yarbrough seconded the motion and the minutes were approved.

Finance Report – Michelle Ingram gave the following report:

Consolidated Balance Sheet – December 2014 (Finance Detail Pg. 1)

Comparative cash balances are summarized as follows:

	12/31/2014	11/30/2014	12/31/2013 (Audited)
Operating	\$433,000	\$413,000	\$425,000
Restricted	779,000	626,000	704,000
Capital	427,000	447,000	350,000
Endowment	74,000	49,000	15,000
Consolidated	\$1,713,000	\$1,535,000	\$1,494,000

As of December 2014 operating cash balance is positive and comparable to December 2013 by \$7K. UCC Equity is also positive at \$315K which is higher than last year by \$147K. Just four years ago the equity total was (\$117K). Unified Budget, growth in the Endowment Fund and difficult budget and staff reductions have all contributed to improving this number.

This is not a Final 2014 Balance Sheet. There are still pending changes to Assets in both Capital and Endowment and there will be some 2014 expenses and adjusting audit entries still to post. Nothing is final until the Auditors report is completed in March.

Unified Budget Report – December 2014 (Finance Detail Pg. 2-3)

Income – notable items:

Pledges, Contributions & Offering (PCO Income) ended the year ahead of budget by \$69K.

The Special Red Envelope offering totaled \$59K which was \$29K over budget. This is fantastic!

Overall income is \$69K positive to budget. Without the generosity of the special offering, overall income would look very different.

Expenses - notable items:

Personnel ended the year with a positive variance of \$8K even though we absorbed a twenty-seventh pay period this year. This is an anomaly that occurs with bi-weekly pay periods once every 10-11 years (also known as “payroll creep”).

Administration General was under budget due to numerous variances that included legal and professional fees, staff training and search expense to fill vacant positions.

Youth Ministry was over budget for the year due to participation numbers in mission trips and fellowship events. Higher participation is GOOD! Youth Ministry has the reserve income to cover these overages.

Children’s Closet 2015 inventory at year end was posted at \$33K. The additional expenditures for uniform purchases were covered by donations made to their reserve. 10% allocation to Outreach was posted at \$23K. This number is subject to change as additional expenses are posted in 2014.

Capital Budget Report – December 2014 (Finance Detail Pg. 4)

Notable income items since October:

- \$5,000 gift to the Capital Fund to cover expenses for a new awning above the doors on Rogers Ave.
- \$3,970 representing the 5% tithe from UCC Youth from their game day parking fundraising efforts. The students from Youth want to give back to their Church and tithe their fundraising efforts. 5% is given back to Capital to help maintain the parking lots and the other 5% is given to a Ministry area of their choice. Music General was the recipient of the Youth’s tithe of 2013 funds.
- \$3,032 transferred from the Davis Education Endowment Fund reserve to cover the media upgrade for Genesis classroom.
- \$193,575 YTD Endowment income.
- Income available for capital projects at year end is \$403,920.

Notable purchases since October:

- New security cameras
- Bollards for the parking lot (concrete yellow posts)
- Wall paper removal on the rental property
- TV, projector, camera and cables
- Flooring for 3rd floor hallway
- Handbell tables & racks
- IT supplies
- Website work for compatibility on smart devices
- Soul Food kitchen dishwasher
- Bulbs for sanctuary
- Donor wall deposits
- New office computers

- Sunday School classroom media equipment
- WDS security cameras/monitors

Restricted Reserves Report – December 2014 (Finance Detail Pg. 5-6)

Notable activity this QTR:

- New gifts were received for the Senior Minister Advised Fund, Chancel Choir, Children's Closet, Gifts of Hope & Christmas Angel reserves.
- Game day parking income has increased Youth and Music Youth reserves respectively
- Youth tithe to Music General
- WDS Directory
- Davis Education Endowment Fund transfer for media costs for Genesis Sunday School class
- Johnson Organ Endowment Fund transfer to cover additions to the organ in 2014
- 2015 pre-paid pledges and a 2016 pre-paid pledge

Budget Amendments Approved Nov - Dec 2014 (Finance Detail Pg. 7-8)

Unified Operating Budget (Fund 1)

- \$3,000 – Christmas Cantata – Chancel Choir General Fund
- \$429 – Faith Business Forum – Senior Minister Advised Fund

Annual Transaction total - \$15,326

Net impact to Budget – (\$507) (income)

Capital Budget (Fund 3)

- \$10,000 - Planned Giving Display
- \$4,250 (50% cost) – Website mobile compatibility
- \$7,056 - WDS Security Cameras & Monitors – WDS Fundraising Reserve

Annual Transaction total - \$66,806

Net impact to Budget - \$54,306

****The Board of Stewards recommends to the Assembly for approval the delegation of amendment authority as noted below: This approval allows the Finance Committee and Board of Stewards to make changes to the approved budget throughout the year within these limits. The delegation of amendment authority was approved.***

Approval permitted by	Budget Impact	Transaction limits	Annual Limits
Finance Committee	Capital or Reserve fund expenses	\$30,000	\$ 125,000
Board of Stewards	UCC Bylaws 7.6(d)[4]: BOS may approve capital expenditures during a fiscal year up to an aggregate of 5% of total approved operating budget, or \$169,659 in 2014		\$ 191,275

Approval permitted by	Budget Impact	Transaction limits	Annual Limits
Finance Committee	Net effect of \$0 - Reserve fund expenses	\$ 30,000	125,000
	Net cost to General Operating Fund	\$ 10,000	20,000
Board of Stewards	Net effect of \$0 - Reserve fund expenses	\$ 50,000	250,000
	Net cost to General Operating Fund	\$ 50,000	100,000

2015 Capital Budget – (Finance Detail Pg. 10-11)

A list of 2015 new project details is attached to this report for reference. Carry over 2014 projects include roof repairs, new stove for Walker Hall, Donor Wall project, sanctuary lighting LED retrofit, Randol Bass BHYL music final payment, website mobile compatibility and numerous media/technology projects. 2015 Budget planned total project expense is \$315,985. Anticipated balance for future projects is \$419K. There are a couple of anticipated projects that currently don't have firm numbers available on them. We will request a budget amendment as those numbers become available. They include sand replacement in the sand yard and a new awning for the doors off of Rogers Ave. A potential future project still being discussed is a parlor/library refurbishment.

****The Board of Stewards brings forward a recommendation to the Assembly to approve the 2015 Capital Budget as presented. After a vote was taken, the 2014 Capital Budget was approved.***

Stewardship Report: (Finance Detail Pg. 12)

Final campaign results:

	2015 – FINAL	2014 – FINAL	Difference
# of Pledges	616	641	(25)
Total Dollar	\$2,062,615	\$2,047,567	\$15,048
# Of New Pledges	61	46	15 - \$25,917
# of Increased Pledges	219	192	27 - \$21,523
Overall Increase	\$151,932	\$102,595	\$49,337

We received 26 pledges from our new members and 219 of existing members increased their pledges! We exceeded the total available pledge dollar by \$15K and overall netted an increase of \$49K.

Again, we want to thank John Andrus and his committee for their leadership on the Stewardship Campaign. Despite all the efforts, we weren't able to increase our pledging units as we hoped, but we did increase the dollar total and we are grateful for that and grateful for everyone's participation in achieving that.

2015 Operating Budget - (Finance Detail Pg. 13-14)

As the end of the year quickly was approaching and our Stewardship campaign was obviously falling behind goal and only confirmed the declining nature of our pledged support, a leadership meeting was called by Sandi Kennedy, Board Chair, and Arthur Townsend, Finance Chair. Administrative Committee Chairs, Senior Staff and a couple of BOS members met to brainstorm ideas in an effort to not only eliminate the probability of more staff and program reductions, but to provide funding for new opportunities. The leadership team reviewed and discussed numerous options at their meeting and

after prayerful consideration a 2015 plan of action was formulated and presented to the Finance Committee for approval. The Finance Committee and Board of Stewards approved the 2015 Operating Budget as presented and now bring it to the Assembly for final approval.

Notable changes from 2014 Budget –

Income:

- Pledge Income adjusted to STW results
- Contributions & Offering calculated at a 3 year average
- Reduced season game day parking income to actuals
- Reduced Embry Trust income to actuals
- Adjusted WDS Budget from school year to Unified fiscal year
- Endowment income projected at a 4.5% distribution rate (same as 2014)
- General Endowment distribution projected at 60%/30%/10% (Operations/Capital/Outreach) (same as 2014)

Expense:

- Legacy benefit costs, 10% increase to healthcare, new part time Admin position, new part time Pastoral Care Minister position, pay raise adjustments for some staff positions
- Admin General - credit card fees increase for online payments & contributions (merchant rate of 1.49%-1.69%), Ad Valorem & rental property taxes
- B&G - estimated 3% increase to building insurance & reduction in electricity
- Addition of income and expense for planned Music/Church & the Arts trips in 2015
- Minor adjustments up and down in Ministry Area departments
- Children's Closet increase covered by reserve contributions and an approved increase from Outreach Committee of \$1,500.
- Adjustment of 10% to Outreach based on new income amounts (\$27K)

In 2007 and 2008, the Board of Stewards designated Cagle Mineral income to be placed into the Cagle Endowment Funds and treated as Endowment Assets. Also, in 2006, the Board of Stewards approved designation of the TCU Parking Funds to the Capital Fund to offset related expenses. At this time Fund 3 didn't have a lot of income sources and the TCU Lease at the time was \$40K.

The Gift Acceptance & Endowment Policy (GAEP) states the following regarding Board Designated Funds:

5.1.2. Board-Designated Endowment Funds

A Board-designated endowment fund is a fund that is established or dis-established by the Board of Stewards. The Board of Stewards establishes guidelines for any designated endowment fund's use, specifies how long the fund shall exist, and designates any restrictions on the use of assets placed in a specific board-designated endowment fund. These restrictions can be "temporary" and permit depletion of the corpus or be "permanent" and preserve the corpus. The Board of Stewards or a subsequent Board of Stewards may change or eliminate any board-designated restrictions at any time.

While the proposed 2015 Budget does not include re-designation of any Board designated Endowment Funds, it does include a change in allocating some unrestricted income sources we have currently posting to both Fund 3 (Capital) and Fund 4 (Endowment).

New items:

- Board Designated income additions –
 - \$148,000 Cagle and Building mineral income
 - \$100,000 TCU Parking Lease income
 - \$19,000 Rental property income

These income additions will not only balance the proposed 2015 Operating Budget and provide funding for the Personnel Committee's recommendations for pay raise adjustments and new positions and an increase to Outreach funding, but also will provide for the following:

- \$100,000 funding for new spiritual growth opportunities
- \$90,000 pay adjustments for some staff and two new PT positions
- \$75,000 End of Year transfer to Capital Fund

Departmental budget detail is provided on remaining pages for your review. **(Finance Detail Pg. 15-23)**

****The Board of Stewards brings forward a recommendation to the Assembly to approve the 2015 Operating Budget as presented. After a vote, the 2015 Operating Budget was approved.***

University Christian Church Legacy Society Donor Wall Update:

Work has begun on the donor wall. Gracie and Mandi from Grace Designs in Dallas were both on site last week to complete the faux plaster finish on the wall. Their time is generously gifted to us making the materials the only cost to UCC. These artists will also be painting the 3D printed replica of the Chancel Cross. The 3D scan of the Chancel Cross was completed just before Christmas and now the vendor (Direct Dimensions, in Maryland) is working with the data to make necessary manual adjustments to provide us with the best, most accurate results that will be used for the 3D print. Brian Rosenberger is helping to oversee this end of production as he has expertise in this field. It will likely be sometime in February before we see any end result.

In the March Journal there will be an insert for the Annual Endowment Report that will include an article with more information on the Legacy Society and how you can participate. With all of the moving pieces of this project, an early April installation date is anticipated.

Senior Minister Report – Rev. Larry Thomas stated that the new Legacy Society Wall changes things. The Endowment is currently at \$13 million. 4 ½ % is drawn from this. Imagine what it would be like to do ministry with an even larger endowment. The publicity from the wall is a way of helping people understand the difference it will make to our congregation and what an important part these endowments make in our moving forward in the future. This is a thank you for a permanent gift.

The security plan put forth following notice of protestors was done to avoid litigation. We took great pains to be ambivalent about the issue being protested. We were interested only in the protection of our members.

The staff had a retreat where they planned Lenten services. We will be sending devotionals to families, have an Ash Wednesday service - combined holy week services with an opportunity to walk the

labyrinth and participate in a candlelight communion in Walker Hall. A Service of Darkness will be held on Thursday evening at 7 p.m.

A member asked about repair to bench in north balcony and was assured that this is in line for repair.

We will begin streaming services. We hope this may help other disciples churches who cannot afford ministers.

Brite will recognize UCC on Sunday before Ministers Week when they will designate the gallery area on the second floor of Brite at a 4 p.m. celebration. The plaque will be unveiled at this time. Newell Williams says that Ministers Week helps them remember how important our relationship is. Harrison Building second floor balcony leads directly to Granville and Eaerline Walker Preaching Center.

Sandi reminded that we need to make nominations for Deacons Elders, Board of Stewards and officers.

There being no further business, the meeting was adjourned at 8:13 p.m. following a prayer by Rev. Thomas.

Respectfully submitted,

Sean Strange
Board Secretary

Thelia Chaffin
Administrative Assistant to the Senior Minister