

# University Christian Church

## Board of Stewards Meeting

October 15, 2013

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### UNAPPROVED MINUTES

#### Stewards Present:

Phyllis Allen	Sandi Kennedy
Shirley Branham	Carol Jane Lawrence
Carolyn Critz	Ernie O'Donnell
Heather Harris	Fred Spradley
Susan Hill	Sean Strange
Tom Jones	Scott Wheatley

#### Ex-Officio Members Present:

Rev. Larry A. Thomas, Senior Minister  
Rev. Ellen Lewis, Associate Minister

A meeting of the Board of Stewards of University Christian Church was called to order at 6:38 p.m. by the Vice Chair, Sandi Kennedy. Chair, Scott Wheatley arrived shortly thereafter. Carol Jane Lawrence led in the opening prayer and moment of discernment.

**Listening to UCC Members** – No member signed in to speak to the Board.

**Approval of Minutes** - The minutes of the September 17 board meeting were reviewed. Carol Jane Lawrence made a motion that the minutes be approved. Sean Strange seconded the motion. The minutes were approved.

### **Updates and Reports**

**Sr. Minister Report** – Rev. Thomas asked for any questions. A question regarding the interview with the TCU newspaper was asked. The publication is interested in the church's openness to the gay community. Larry wants to be careful to control the content of any article that might be published. His statement to the reporter was that we are a diverse congregation but that the opinions were his and he did not respond for the church. He was asked for names of gay members of our congregation but he refused stating confidentiality of our members. Rev. Thomas had a discussion with Scott prior to the interview. A report on the sound system

indicated that a contract has been signed, a check issued and installation would begin on November 11. Engineers came in to evaluate the work needed. Rev. Thomas stated that we have conducted 38 funerals in the past twelve months, 27 weddings and 311 outside events in the building. Our greeters are especially helpful since we expanded the number of volunteers.

Rev. Dr. Suzanne Castle gave a report on her recent sabbatical. She read 24 books, 18 articles and 6 interviews. Suzanne shared what she had learned when she attended training at *The Imagineer* sponsored by Disney, where they discussed ways things could be used differently. One session included making a video in twenty minutes using three words but without speaking. They were encouraged to (1) explore new ways of brainstorming, (2) consider principles of over management by staff, (3) to work strategically, not desperately, (4) think about a WHY study, and (5) have time to recover story and encounters. The board questioned Suzanne about one thing she would like to put into place, since her sabbatical. Her response: over-management in the church (helping people with concerned looks on their faces.) Larry points out the strides we have made in this church to be welcoming and friendly. Suzanne also attended the Wild Goose Festival in North Carolina where Brian McClaren and Phyllis Tickle were speakers.

Cyndy expressed her appreciation, via Thelia, for BOS members attending the new members' luncheon.

**Assignments for Calls to New Members** – Board members volunteered to reach out to new members: Heather Harris will call Terri Bollen, Tom Jones will call Chuck and Karen Rigby, and Jeanne Duke will call Scott Vernon.

**Report from Deacons** – Chair Chad Mooney was unable to attend the meeting.

**Report from Elders** – Chair Shirley Branham reported that there were 58 Elders at the last meeting. Chad Cline spoke to the group about the changes taking place in the region and how it affects our church. The regions and areas are working on coordinating their efforts.

**Stewardship** - There have been 274 pledges to date. Callers have begun to contact members of the congregation to express appreciation and ask for their support. Scott reports that the overwhelming response is positive.

**Finance Report** – Jeanne Duke reported that the choral risers have been paid for and over \$100,000 has been pledged to Disciples Crossing. A budget amendment for the transfer of up to \$110,000 will be presented to the Assembly next week for approval.

The Finance Committee has budgeted for a 3% increase in pledges. If we are flat, we will exceed the 60% targeted cap for personnel by about 1%. Scott explained this concept to the board and made the case for being flexible with that target. We need to pay our staff a fair wage. If we

lost them, we couldn't replace them for the same salary. The board is encouraged to support a sound budget that has flexibility. In the future, we may have to work off a budget that is not balanced for any significant change to be implemented. We currently have no debt and an endowment of almost \$13,000,000. We should embrace significant change--which is expensive. Jeanne asks this board to give the Finance Committee permission to look at a budget with the expectation that an increase without a firm cap may be required. If legacy personnel costs exceed the budget cap for personnel, we will need to pay it, even if it exceeds the cap (by as much as 1.5 %).

Scott moved that the board give guidance and direction to the Personnel and Finance Committees as the budget is prepared for this year that takes into account all the needs of the personnel with an eye towards having a balanced budget but with the 60% cap being flexible. Tom Jones seconded. All were in favor.

#### **Consolidated Balance Sheet as of September 30, 2013 (Finance Detail 1)**

- Comparative cash balances are summarized as follows:

	<b>9/30/2013</b>	<b>8/31/2013</b>	<b>9/30/2012</b>	<b>12/31/2012 (Audited)</b>
Operating	\$264,000	\$288,000	\$177,000	\$433,000
Restricted	567,000	511,000	395,000	625,000
Capital	416,000	390,000	376,000	389,000
Endowment	12,000	58,000	8,000	6,000
<b>Consolidated</b>	<b>\$1,259,000</b>	<b>\$1,247,000</b>	<b>\$956,000</b>	<b>\$1,453,000</b>

- The most notable change on the balance sheet from last month was the transfer of \$142,000 in funds covering prepaid WDS tuition to the Unified Budget. As a result, our UCC Equity increased from negative \$70,000 last month to positive \$58,000. For comparison, our UCC equity was negative \$9,000 at the end of September 2013.

#### **Unified Operating Report, Year-to-Date September 2013 (Finance Detail 2 & 3)**

- The unfavorable variance in contributions for September of \$18,000 reflects, in part, the need to change \$7,500 from contribution to pledge income upon the request of a member. The sum of pledges, non-pledge contributions, and offerings (PCO) at the end of September 2013 for the month were about \$16,000 above forecast for the month and about \$34,000 below forecast YTD, compared to \$16,000 favorable to forecast plan

for September 2012. This is remarkable given our successful \$100,000 Disciples Crossing campaign this summer. In addition, income overall YTD is only \$21,000 short of forecast. Expenses overall for September were \$8,000 less than budgeted. YTD, expenses are \$132,000 less than planned, driven mostly by savings related to personnel, building operating expenses, and worship-related expenses. In Outreach, the Nicaragua Mission Pilgrimage came within \$205 of budget. Note, YTD Children's Closet expenses appear to be over by \$21,000 but are now only \$5,000 less than the annual budget. In addition, UCC ended September 2013 with a net YTD variance of positive \$109,000, compared to \$130,000 last year YTD.

#### **Capital Fund (Fund 3) Activity Report (Finance Detail 4)**

1. UCC received the following income in September 2013:
  - a. Endowment Income \$46,172
2. UCC spent the following in September 2013:
  - a. Furniture Room 211 \$ 2,490
  - b. Video Production Equipment \$ 234
  - c. Sanctuary Sound System \$ 3,700
  - d. Choral Risers \$10,306

#### **Budget Amendments (Finance Detail 5 & 6)**

1. The Finance Committee recommended the following budget amendment to the Assembly:
  - a. Disciples Crossing (Disciples Crossing reserve): up to \$110,00 for 2013
2. The Finance Committee approved the following Unified Budget (Fund 1) budget amendments:
  - a. The Search Band CD (Search Reserves): \$2,000

#### **Draft Budget 2014 (Finance Detail 7 & 8)**

1. Significant changes in the Unified Budget (Fund 1) from 2013 include:
  - a. Income changes [increase/(decrease)]:
    - i. Estimated increase in pledge income at 3% \$64,084
    - ii. Increase in church usage fees \$ 5,429
    - iii. Net change in WDS Income (\$ 8,086)
  - b. Expenses: [(increase) /decrease]
    - i. Legacy personnel cost (\$24,164)
    - ii. Leadership & Administration (\$10,810)
    - iii. Worship & Spirituality \$12,575
    - iv. Congregational Life \$ 7,527

- c. Net Operating Income (Estimated) \$23,593
- 2. Not included in the Draft Unified Budget:
  - a. Endowment income changes
    - i. Finance Committee anticipates a request to Endowment Committee for a 4.5% income for 2014.
    - ii. Finance Committee anticipates a continuation of the current distribution of the General Endowment of 60% Operations, 30% Capital Fund, and 10% Outreach.
  - b. Outreach budget changes, which the Outreach Ministry Division will determine once the 2014 Endowment estimates are available.
- 3. Capital Fund (Fund 3) Budget is not yet available. The Building & Grounds Committee selected a vendor for the sanctuary sound system project on Sunday, October 13 and will finalize contract terms soon, presumably in time for the November Finance Committee meeting.

#### **New Business Action Item**

**Approval of Frost Bank Line of Credit** – Shirley Branham made a motion that the Board approve the \$500,000 line of credit with Frost Bank. Fred Spradley seconded the motion and all approved.

Dani Loving-Cartwright, Regional Minister, is retiring. She spent 6 months nurturing this congregation. The Board approved a gift or honorarium. It was agreed that a letter of appreciation would be written by Scott and Larry to be presented at the reception on Sunday along with a gift card in the amount of \$500 to be taken from the Senior Minister Discretionary Fund. Sandi Kennedy made a motion that a budget amendment be approved. Sean Strange seconded and all approved. The Finance Committee will approve the amendment at their November meeting.

The meeting went into Executive session to discuss a financial matter.

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Susan Hill  
Board Secretary

Thelia Chaffin  
Assistant to Senior Minister