

# University Christian Church

## Board of Stewards Meeting

November 19, 2013

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### UNAPPROVED MINUTES

#### Stewards Present:

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

#### 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 6:35 p.m. by the Chair, Scott Wheatley. Susan Hill 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 October 15 board meeting were reviewed. Heather Harris made a motion that the minutes be approved. Fred Spradley seconded the motion. The minutes were approved.

### **Updates and Reports**

**Sr. Minister Report** – Rev. Thomas Gilbert reported that Gilbert Davis is having surgery tomorrow. Scott asked if he had received feedback on the Sunday sermon. Larry commented about the Gospels' influence by apocalyptic thought and his courage in preaching without giving in to that.

The UCC Staff Organization Chart was recently updated with new positions and names of staff members. A copy was provided to the Board for review.

Rev. Russ Boyd reported to the board that he will attend an alumni event for Sticky Faith in March. Our church has been contacted to participate in a research project on churches that have been successful in retaining youth after graduation. Russ also mentioned a new initiative this winter: Comprehensive sexuality education and spirituality in the church for youth and children. He thinks Eighters camp is great, but we need to talk about these things earlier. Also, the kids lose a lot before going to college or beginning a career. The new initiative is for 4th - 12th graders. Eighters Camp has been re-vamped to reflect our more modern family structure. Eleven staff members have been trained by the Goddards (CLER ministries) in comprehensive sexuality education. It is abstinence-based, with additional important information for youth. Workshops will begin in January and there will be sessions for elementary through high school. Church members with appropriate-aged children will be notified about the details. There was a discussion about sharing information with school counselors as an outreach.

On another note, Russ is keynoting the Couples Retreat in February. He has received training for this type of counseling in the Army.

**Assignments for Calls to New Members** – Board members volunteered to reach out to new members: Shirley will contact Nathan Hrach; Chat will contact Geoffrey and Michelle George; Carolyn Critz will contact Marty Johnson; Heather Harris will contact Lynn King; Jeanne Duke will contact the Rosenbergers and Brian Gibson will contact the Klatzkins.

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**Report from Deacons** – Chair Chad Mooney said the Deacons will provide ushering for services during the Christmas season.

**Report from Elders** – Chair Shirley Branham said that the Elders did not meet in October. They will meet next Tuesday.

**Stewardship** - Michelle Ingram reported that follow-up emails have been sent to 150 folks who have not yet pledged. Only Endowment and communications committees have not had 100% pledging. 152 pledges from this year have not responded for 2014. Michelle said the next steps may be to send a letter. Most of our major donors have responded. Red letters will go out soon. Campaign is not in bad shape for November--and not unusual from previous years. We aimed for a 3% increase this year and aren't going to reach that lofty goal. Larry is thinking of options depending on how we end up. It is even possible that we will be \$150,000 short, but no conversations will happen until January at the earliest. Of the 150 people who have been contacted, four families have moved to other churches. If we are close to the 3%, we will go back to the congregation to ask for additional contributions. Larry stated that we have to do some stewardship education. Phone calls are very good for the congregation. We need to talk more and be more assertive--making this a "commitment church." We have to talk about strategies for growth and how to get more young families. This will take resources. Difficult decisions are ahead for our church, but we have great opportunity. We must learn to have more agility.

**Endowment Report** – Troy Tuomey reported a \$1.3 million increase from September 2012. The Endowment Committee and Finance Committee are recommending a slight decrease in the distribution to enable more growth in our endowment. Proposed changes to investment policies are included in the finance report. A motion to approve the changes to UCC's endowment investment policies was

seconded by Tom Jones and unanimously approval by the board. Revised distribution of endowment is also recommended to the board in the form of a motion and was seconded by Brian Gibson and also approved unanimously by the board. Two typographical errors in the Endowment Committee report were corrected: "total value compared to September 2012 is a net change . . ." and ". . . mineral income, a decrease . . ."

**Finance Report** – Jeanne Duke made the following report. Better compensation is needed for TCU singers or we could lose them. We also continue to pay our personnel at rates in the lowest percentile: <25%. Our final stewardship will determine who gets a pay raise. At least two people are grossly underpaid, but are loyal to UCC. A motion from the finance committee was made to keep the current distribution of income from the General Endowment at the current ratio of 60% to the Unified Budget (Fund 1), 30% to the Capital Fund (Fund 3), and 10% to Outreach. Also keep the 4.2 distribution. This motion was approved.

**Consolidated Balance Sheet as of October 31, 2013 (Finance Detail 1)**

- Comparative cash balances are summarized as follows:

	<b>10/31/2013</b>	<b>9/30/2013</b>	<b>10/31/2012</b>	<b>12/31/2012 (Audited)</b>
Operating	\$246,000	\$264,000	\$129,000	\$433,000
Restricted	623,000	567,000	456,000	625,000
Capital	362,000	416,000	368,000	389,000
Endowment	30,000	12,000	21,000	6,000
<b>Consolidated</b>	<b>\$1,260,000</b>	<b>\$1,259,000</b>	<b>\$973,000</b>	<b>\$1,453,000</b>

- The most notable change on the balance sheet from last month is that we are officially over \$13 million in the endowment fund.

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

1. The sum of pledges, non-pledge contributions, and offerings (PCO) actually improved compared to September 2013, with comparative YTD variance from forecast of \$29,400 under plan in September and \$27,100 less than plan in October 2013. Total income, however, was \$27,000 under forecast YTD for October, about \$5,000 worse than September 2013. Not bad following the uncertainty generated by the partial federal shutdown. As for expenses, we paid more than expected for the month to clean the vacant lot behind Children's Closet and to cover the cost of musicians for the Rutter *Requiem*. Net operating income YTD remains solidly positive at \$86,000 more than planned. UCC will send Disciples Crossing campaign contributions before the end of November.

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

1. UCC received the following income in October 2013:
  - a. Contributions: \$ 1,000
2. UCC spent the following in September 2013:
  - a. Miscellaneous purchases & repairs: \$ 9,138
  - b. Sanctuary Sound System: \$40,463
  - c. IT backbone upgrades: \$ 336
  - d. BHYLEF music legal fees: \$ 6,669

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

1. New hymn arrangement (Chancel Choir Reserve) \$ 350
2. Musicians for Rutter Requiem \$13,000
  - a. Note: the General Music Reserve had a balance of \$14,728 on Oct. 31, 2013
3. Love Offering to Dani Loving-Cartwright (From Sr. Minister Advised Fund) \$ 500
4. Juliette Fowler Homes in memory of Rev. Ed Dowell \$ 500

#### **Endowment Income and Personnel Cost Estimates for 2014 (Finance Detail 7 & 8)**

We now have the 2014 endowment distribution estimates from Brian Gibson. Although the operating budget would likely receive the same amount in 2014 with a 4.25% distribution as we received in 2013 with a 4.5% rate. UCC needs to address significantly below-market salaries of several positions, with a goal of bringing salaries up to the 25<sup>th</sup> percentile for our market. Jeanne Duke explained that both an increase in the sum of pledges and contributions and an increase in funds from the endowment that we would obtain from keeping the rate at 4.5% would fund most of the critical components of the personnel plan. The Finance Committee approved this recommendation to the Endowment Committee, which the Endowment Committee approved for recommendation to the Board of Stewards on November 13, 2013. In addition, Jeanne recommended and the Finance Committee approved for recommendation to the Board of Stewards keeping the current distribution of income from the General Endowment at the current ratio of 60% to the Unified Budget (Fund 1), 30% to the Capital Fund (Fund 3), and 10% to Outreach.

#### **Endowment Report & Endowment Correction (Endowment Detail 1—4)**

UCC's Endowment increased in value about \$456,000 since June 2013. In addition, total value compared to September 2013 is a net change of positive \$1.3 million. During the third quarter of 2013 we distributed \$116,849, received new gifts totaling \$21,647, and earned almost \$37,000 in mineral

income, a decrease of about \$9,000 in mineral income from the third quarter of 2012. Further, we have no funds at less than 92% of the original corpus.

**Endowment Correction** – The Board of Stewards approved a 4.50% distribution rate for 2013 to be taken quarterly. The quarterly distribution rate was properly in put into our endowment administration software, Fundriver, at 1.125%. However, during posting of the Q3 activity, we discovered that Fundriver had improperly been rounding this percentage to 1.13% (two decimal places) in Q1, Q2, and Q3.

This was caused by a coding error at Fundriver in July 2012, and was corrected in October 2013. The calculation of distribution amounts was thoroughly tested at implementation, but was based on the quarterly distribution rate of 1.25%, and thus did not encounter this two-decimal place limit error. The distribution calculation was not retested in 2013 as it was already deemed reliable.

In order to correct for this error, and to minimize the administrative tasks required to accomplish it, the following is recommended:

1. Return \$519.14 to CCF for correction of the Q3 distribution to 1.125%.
2. Modify the Q4 distribution rate to 1.115% to correct for Q1 and Q2. As a result, the combination of quarterly rates (1.13 + 1.13 + 1.125 + 1.115) will equal the approved total of 4.50%. The combination of Q1 and Q2 over-withdrawals and the Q4 under-withdrawal results in a net under-withdrawal of \$58.76 (on a total of \$461,519), which compensates the endowment fund for lost earnings resulting from the over-withdrawals.
3. Future distributions will be mathematically tested for accuracy each quarter.

The Finance Committee approved this recommendation on November 12, 2013, and the Endowment Committee approved it on November 13, 2013.

### **New Business Action Item**

**Approval of New Member of Building & Grounds Committee** – Sandi Kennedy reported that Cory Brown must leave the committee for health reasons and she seeks names of people who might fill his role.

**Approval of Tiann Smith Morgner as Candidate for Ordination** – Russ presented Tiann Smith Morgner as a Candidate for Ordination as she is nearing time for ordination and we are her congregational care committee. She has been deployed as a chaplain assistant and has been traveling throughout Iraq with her therapy dog. Now she seeks to be a chaplain. She has been in seminary full time for three years. She serves a church in Alexandria, VA and has helped that congregation re-surge. Tiann has sat through ordination interviews and has done well. She is a great candidate for ordination. She plans to go back into active army chaplaincy. Board is asked to approve her before her final

ordination interview, by way a letter of support. A motion to approve her for ordination was made by Sean Strange. Carol Jane Lawrence seconded and the Board approved.

The meeting was adjourned at 9:55 p.m. and went into executive session to discuss a personnel matter for the next items of business.

#### **Old Business Action Item**

**Confidential Evaluation of the Senior Minister** – After a discussion in executive session, this portion of the meeting adjourned at 10:13 p.m.

Respectfully submitted,

Susan Hill  
Board Secretary

Thelia Chaffin  
Assistant to Senior Minister