

University Christian Church

Board of Stewards Meeting

January 21, 2014

Stewards Present:

Mark Alland	Sandi Kennedy
Phyllis Allen	Carol Jane Lawrence
Shirley Branham	Chad Mooney
William Butler	Ernie O'Donnell
Carolyn Critz	Fred Spradley
Brian Gibson	Sean Strange
Heather Harris	Scott Wheatley
Susan Hill	

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 Vice Chair, Sandi Kennedy. Chair Scott Wheatley arrived at approximately 7 p.m. William Butler opened with a 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 December 17 board meeting were reviewed. Mark Alland made a motion that the minutes be approved. Carol Jane Lawrence seconded the motion. The minutes were approved.

Updates and Reports

Assignments for Calls to New Members – Board members volunteered to reach out to new members: Carolyn Critz will contact Brian King; Mark Alland will contact Andy Duncan; Chad Mooney will contact the Lozano Family; Sean Strange will contact David Lamb; and Ernie O'Donnell will contact Carl Hickey.

Sr. Minister Report – Rev. Thomas began by emphasizing that it was a great holiday at UCC--including Randol Bass conducting Boar's Head, and Dr. Pennybacker returning to UCC by invitation for that event. Rev. Thomas has spent an enormous amount of time looking at the budget to arrive at a reasonable position.

Ministers Week (Feb 17-20) has been planned with arrangements ahead of schedule. Brite is taking on a larger role in the preparations. Speakers and workshops look interesting. They have made the decision that worship services will all be traditional services after reviewing surveys from last year. Lance Pape, Professor of Homiletics at TCU will be preaching at all three worship services. Deacons and ushers will be needed. Film Festival will be held January 24-25. The staff has dealt with many pastoral care matters recently.

The church online directory is underway, with the photos now taken. Additional photos have been/are being collected. The paper directory is being prepared and will be available very soon for those who don't have internet access. When the online directory is completed, we will have the ability to update it regularly.

The Internet upgrade has been completed, with expanded bandwidth, so that mobile devices may be used more efficiently throughout the building.

Choirmaster search update: A decision has been made and will be announced on Thursday evening to the choir. After an almost unanimous decision to call Dr. Jerry McCoy, he has agreed to take the position. He will begin sometime in February. He is head of the Choral Department at UNT and will be retiring late this year or in 2015 and will then take on a larger role as UCC Choirmaster. The Choir had a great deal of input and they are very excited. Currently he is Episcopalian, and was raised a Baptist. He has served as choirmaster for Presbyterian churches and is the director of Schola Cantorum.

Report from Deacons – Chair Chad Mooney communicated with the deacons requesting assistance with Ministers Week especially during the three evening worship services. Nomination forms are available online or in The Arches and at the Reception Desk for leadership positions beginning in June, 2014.

Report from Elders – Chair Shirley Branham stated that the Elders did not meet in December but they made visits to the homebound during the holidays. Approximately 40-45 Elders participated and were well received.

Finance Report – Jeanne Duke corrected an error in the finance report. An omission in paragraph 1 of the Unified Operating Report should read . . . \$299,000 in 2011; and \$294,000 in 2012. Non-pledge contributions were less and no one understands why it has happened. Pledge contributions were strong (\$27,000 ahead.) Staff is very good at controlling costs so the reduced revenue was offset.

The 2014 Budget will be presented at the Assembly meeting next week. We have \$140,000 less in pledges in 2014 than we did in 2013. There isn't an easy explanation for why. Expenses will need to be curtailed. A seven year pledge average was considered when choosing the figure to drop into the budget now and at the end of March, final decisions will be made about what must be adjusted. The Church has been in relatively the same position for the last decade. However, costs will be up this year--costs we can't avoid. A deficit budget (\$5,579) will be presented which, generally speaking, is minimal in a \$2 million budget. Changes in budget will need to be made if funds don't come in and will require eliminating personnel and/or eliminating a program. There are expenses that we have no control over--notably health insurance. The Board will need to be prepared to respond to questions about why we cannot legally take the shortfall from the endowment funds.

The Board will need to keep an eye on the contributions during the first quarter. A consultant might need to be employed to help educate the congregation --perhaps paid for with funds from the Senior Minister's advisory fund.

Chair Scott Wheatley commented that the situation is two pronged – we need to re-imagine and re-commit – to change the perception and educate the members to assure that everyone is doing what they can.

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

- Comparative cash balances are summarized as follows:

	12/31/2013 (Unaudited)	11/30/2013	12/31/2012 (Audited)
Operating	\$426,000	\$225,000	\$433,000
Restricted	702,000	563,000	625,000
Capital	350,000	318,000	389,000
Endowment	15,000	43,000	6,000
Consolidated	\$1,493,000	\$1,149,000	\$1,453,000

- UCC Equity was \$177,000 end of 2013, compared to \$156,000 at the end of 2012.

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

1. Actual non-pledge contributions for 2013 were just under \$237,000 compared to the prior 2 years' numbers: \$299,000 in 2011; and, \$294,000 (*in 2012*). The sum of pledges, non-pledge contributions, and offerings (PCO) came in at about \$34,000 less than forecast for the year, an improvement over \$67,000 behind for PCO YTD at the end of November 2013. End of year total unrestricted income for outreach funding was less than forecast by only about \$19,000 due to continued help from WDS income. As for expenses, UCC ended the year spending about \$72,000 less than budgeted, resulting in a net YTD (unaudited) net income of \$54,500, or more than \$34,500 better than forecast.

Reserve Fund (Fund 2) Activity Report (Finance Detail 4 & 5)

1. Notable new gifts other than expected seasonal changes since September 2013 include:
 - a. Senior Minister Advised Fund \$ 5,000
 - b. Time Restricted Pledge Income (2014 & 2015) \$152,000

Capital Fund (Fund 3) Activity Report (Finance Detail 6)

1. UCC spent the following since November 2013:
 - a. Miscellaneous purchases & repairs: \$ 20,743
 - b. Sanctuary Sound System: \$ 8,560
 - c. AV Hardware replacement: \$ 993

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| d. Office IT Hardware: | \$ 4,301 |
| 2. Accounts Payable: | \$ 14,992 |
| (Banquet tables purchased 2013; payment 2014) | |

Budget Amendments (Finance Detail 7 & 8)

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| 1. Children's Closet | \$ 18,335 |
| (Children's Closet Reserve \$18,165
(Increased earnings from Children's Closet Endowment \$170) | |
| 2. Usher Appreciation Breakfast | \$ 751 |
| 3. Friday Fellowship Luncheon | \$ 730 |
| (Both from Senior Minister Advised Fund) | |

Note: the Gross Transaction amount approved in the Unified Budget by Finance Committee was just over \$98,000, of which \$94,000 was approval of reserve fund transfers, or almost the annual limit of \$100,000 that the committee can approve.

Stewardship Report January 17, 2014 (Finance Detail 9)

The pledge total for 2014 is \$2,151,035. UCC reduces the gross value by 7% to account for shrink, which would normally result in a pledge budget of \$2,000,463, or about \$135,600 less than the pledge budget for 2013 of \$2,136,134. Almost 100 families that pledged in 2013 have not yet done so for 2014.

Proposed 2014 Unified Budget (Fund 1) (Finance Detail 10 & 11)

1. Expense containment: The only significantly increased expenses for 2014 are for those items that UCC must support:
 - a. Personnel costs increased by \$28,000, mostly as increased pension fund and health insurance payments for existing staff. There are no salary adjustments.
 - b. Increased Leadership & Administrative costs:
 - i. Administrative General \$6,000
(HR/Health Insurance Consultant)
 - ii. Building & Grounds \$5,000
(Increased utility and equipment lease costs)
 - iii. Communications \$5,500
(Membership Directory)
2. Revenue projection: The Finance Committee recommended:
 - a. Initial use of the 7-year average of pledge income (\$2,115,000) and non-pledge contribution income (\$330,000) for 2014 with the understanding that:
 - i. Larry, in collaboration with Business Office staff, will contact the 100 or so non-pledging households by mail in the first quarter of 2014 to ascertain whether they intend to continue supporting UCC's ministry.
 - ii. Larry, in collaboration with Business Office staff, will assess at the end of March 2014 whether and to what extent the 100 or so non-pledging households continue to support UCC.

- iii. Larry, in collaboration with Personnel Committee and BOS, will bring recommended adjustments to Finance Committee and BOS in April 2014.
- b. Projected income from all other sources was determined in the usual manner.
- 3. Net Income/(Loss) projected to be (\$5,579) or \$26,713 worse than 2013.

Proposed 2014 Capital Budget (Fund 3) (Finance Detail 12 & 13)

- 1. The Capital Fund Budget is now set by categories of expenditures rather than on a project-by-project basis. Categories with significant expenditures for 2014 include: Structure; Interior; Furniture & Fixtures; and Technology. Details of projects planned for 2014 are on *Finance Detail 13*.
- 2. Projected Cash flow:

Opening Cash Balance (Dec. 2013)	\$349,551
Total Income (all sources less Misc. Expenses)	\$237,023
Total Expenses	(\$201,047)
Net Cash Balance (Dec. 2014, net of Deferred Revenue and Restricted Reserves)	\$369,852

Proposed 2014 Annual Delegation of Amendment Authority

The Finance Committee recommends continuation of the amounts authorized in 2013 for 2014:

- 1. 2014 Unified Budget (Fund 1) Amendment Authority

Approval permitted by	Budget Impact	Transaction limits	Annual Limits
Finance Committee	Net effect of \$0 - Reserve fund expenses	\$20,000	\$100,000
	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

- 2. 2014 Capital Fund (Fund 3) Amendment Authority

Approval permitted by	Budget Impact	Transaction limits	Annual Limits
Finance Committee	Capital or Reserve fund expenses	\$20,000	\$100,000
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.		\$169,659

Creation of New Reserve Accounts – The Finance Committee approved the following policy: The Board of Stewards constructively approves the creation of a Reserve Account (in Fund 2) when it approves a new UCC ministry. The Director of Accounting may postpone the assignment of a general ledger number to the reserve until activity warranting a reserve account occurs.

New Business Action Items

Approval of Proposed Unified Operating Budget for 2014 – Approval of the motion by the Finance Committee to approve the proposed Unified Operating Budget for 2014 was seconded by Brian Gibson and was unanimously approved.

Approval of Capital Fund Budget for 2014 – Approval of the motion by the Finance Committee to approve the Capital Fund Budget for 2014 was seconded by Sean Strange and was unanimously approved.

Approval of Proposed 2014 Unified Budget Amendment Authority - The motion to approve the transaction limits for the Board and the Finance Committee was made by Fred Spradley and seconded by Shirley Branham. The motion was approved.

Approval of Proposed 2014 Fund 3 Amendment Authority - The motion to approve the transaction limits for the Board and the Finance Committee was made by Carol Jane Lawrence and seconded by William Butler. The motion was approved.

WDS Update and Spring Fundraiser – Claire Graham, Director of the Weekday School was present to discuss the spring fundraiser planned by the Weekday School for this year. For a little background, Claire provided the following: the 25th Annual Holiday Bazaar was very successful, but over the last five years has diminished in fund-raising capacity. Thinking of new ways to raise money, they decided to take the silent auction from the bazaar and on March 21 they would like to have a fundraiser off-site which would include a silent auction, dinner, dancing, and Vegas-style (games). Claire desires approval from the board for this.

They anticipate 200 people in attendance. Advertising will be in-house, in UCC Journal, and possibly some notice in the Colonial Country Club newsletter. Alcohol will be served but will not be on church property. The word “casino” has been removed from the advertising. The cost for the games is \$1700. Winner of casino activity would win door prizes. Secondary goal would be to increase "community" of the WDS parents--and increase conversation and mixing of people. Heather questions what the attire of the Vegas people would be. Money made would come from silent and live auction. The cost of the event (room, band, food) would be covered by ticket sales, token sales, etc. Conversation ensued regarding any negativity that might be raised from the alcohol consumption and the image of casino gambling associated with UCC.

After further discussion, the Board voted to approve the WDS Spring Fundraiser.

Scott commended Claire on the good work of the WDS and the funds they raise, and applauds efforts of the WDS to become NAEYC accredited.

Executive Session – At 8:45 p.m. the meeting was called into executive session to discuss a program matter.

The meeting was adjourned at 9:20 p.m.

Respectfully submitted,

Susan Hill
Board Secretary

Thelia Chaffin
Assistant to Senior Minister