

University Christian Church

Board of Stewards Meeting

May 20, 2014

UNAPPROVED MINUTES

Stewards Present:

Mark Alland	Brian Gibson
Phyllis Allen	Heather Harris
Michelle Allred	Susan Hill
Shirley Branham	Sandi Kennedy
William Butler	Carol Jane Lawrence
Carolyn Critz	Fred Spradley

Ex-Officio Member Present:

Rev. Larry A. Thomas, Senior Minister
Rev. Ellen Lewis – Associate Minister
Rev. Jessica Vacketta – Associate Minister

A meeting of the Board of Stewards of University Christian Church was called to order at 6:40 p.m. by the Vice Chair, Sandi Kennedy, who then opened with a prayer.

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

Approval of Minutes - The minutes of the April board meeting were reviewed. Brian Gibson moved to approve the minutes. Fred Spradley seconded the motion and the minutes were unanimously approved.

Auditors Report – Donna Mayes of Rylander, Clay & Opitz, LLP reported that we received an Unmodified Opinion. She stated that the church has good processes and controls as a result of the board and management oversight. We take a proactive approach to internal control and accounting processes. Any changes are addressed when an issue arises rather than at the time of the audit. For 2013, we show total assets of \$23,000,000 which is a 7.8 % increase over last year. We have little liability and it is stable year to year. Without our investment revenue and permanently restricted contributions, we would have had a large deficit.

Conversion to Fund Driver software offers “cleaner” reports and was affordable.

Assignments for Calls to New Members – Board members volunteered to reach out to new members: Carolyn Critz will contact Sam Baxter, Meredith Buckley and Sam Copeland; Phyllis Allen will call Carol Pierce; and Shirley Branham will call Amy Yandell.

Sr. Minister Report – Rev. Jessica Vacketta gave a report on the recent developments for office staff, adult programming and college ministries. They are moving offices around on the third floor and making space for a new class called Community, which is a class for young married and/or single adults in their twenties and thirties. Kelly Kruse will assist with getting started.

The Nicaragua Mission trip will be July 20-27 and they currently have twelve individuals signed up to go. This year there are new and younger faces. College students away are home for summer and have been coming to the College Sunday School class. We need volunteers to teach this class. If anyone is interested, they should contact Jessica. She attended the Bethany Fellowship program and has found it to be a way to connect with other ministers across the country. Thelia is putting adult Sunday School class signs with topics in the hallway in front of Room 207 and at the Rogers Street entrance. We feel this will be an easy reference for guests and members as well. We would like to station greeters around the hallways to help people find their way or to locate a class.

The last softball game will be on Friday when they play 1st Presbyterian. The games had been really fun and are a good inter-generational event.

Rev. Thomas reported on the transitional work needed following the recent staff changes. He met with Jennifer, Thelia and Pam before Jennifer left and they discussed how to divide her work between Thelia and Pam. Following the staff retreat scheduled for next week, they will have some adjustments to report. The consulting company (Alban Institute) that we might have engaged to help us transition into a model that will help us thrive, is no longer in business. It will be difficult to find another appropriate firm. The Stewardship campaign will be incredibly important this year. John Andrus will be chair. It is important for the BOS to help with this. Rev. Thomas suggested that if our giving units would each increase a few hundred dollars a year, it would be a big boost to our budget. It would be beneficial to incorporate more stewardship education into the campaign--especially in Sunday School classes. William Butler suggests that we do this early on--in the summer, not when things get so busy in the fall. William agrees to help John with stewardship

Many are concerned about reaching the millenials. However, our goal is to reach all folks with our quality worship and music. We need to be welcoming and authentic.

Rev. Daniel Terry did an exceptional job with the homily for Corey Brown. God Talk Sunday School class took great care of the family.

Report from Choirmaster - Jerry McCoy is the Director of Choral Studies at UNT where they currently have 1600-1800 students in the program. His father was a Baptist preacher. Later he came to the Episcopal church where the feeling is that everything is supposed to be beautiful--apart from the world--taking us away from the stress and drudge of the world. His mission is to change the hearts of the people in the choir and in the sanctuary through music. He is interested in expanding our relationship with the city at large. He is also the director of Schola Cantorum. Schola will rehearse at UCC and we will produce a February program with them and an unnamed university honoring MLK. The All Saints Sunday program will involve texts from all major religions of the world--not just the Christian. Jerry already has plans for a rich Advent season of diverse music. There must be an intellect in what we do--integrating the past and our present.

A concern is that the mean age of the choir is above 60; the challenge is to reach the younger generation. They will come here to be moved in spirit. We need to invest in the spirit and the human voice. "We are going to sing the world into existence." Jerry would like to include more theatrical components to worship.

Jerry brings an excitement and enthusiasm which is contagious. It was suggested that we would like to have him come to the board meeting at least three times per year, preferably before major seasons. Kyla and Larry will work with him.

Report from Deacons – Lori Gallagher is the new chair. Orientation for new deacons is June 1.

Report from Elders – Chair Shirley Branham reported it has been a wonderful year. She thanked the Board for the opportunity to work with them. She has enjoyed wonderful attendance of elders this year. At the last meeting, they had Ted Talks followed by a discussion. It was joyful. Eldon Irving will be new Chair. Margaret Puckett - Vice Chair, and Margaret McDonald - Secretary. Thanks to Larry for his support. Shirley concluded by stating that Elders are important for congregational care in the church.

Finance Report – Jeanne Duke provided the following report.

Consolidated Balance Sheet as of April 30, 2014 (Finance Detail 1)

Comparative cash balances are summarized as follows:

	4/30/2014	3/31/2014	4/30/2013	12/31/2013 (Audited)
Operating	\$684,000	\$461,000	\$605,000	\$426,000
Restricted	476,000	603,000	442,000	702,000
Capital	329,000	334,000	403,000	350,000
Endowment	58,000	18,000	69,000	15,000
Consolidated	\$1,548,000	\$1,416,000	\$1,518,000	\$1,494,000

UCC Equity is currently at about \$413,000. This means that we will likely cover any summer cash flow problems and the proposed revised 2014 budget deficit without borrowing against our line of credit.

Unified Operating Report, Year-to-Date April 2014 (*Finance Detail 2 - 4*)

The Finance Committee recommends the following changes to the Unified Operating Budget for 2014:

- Net Income revisions of **(\$116,965)**:
 - Reduce expected annual pledges to the actual results of the Stewardship Campaign reduced by 7%, which is \$2,047,567. This is a net change of \$67,433 less than the pledge forecast the Assembly approved in January. The tables on *Finance Detail 4* shows how the projected income by month for the revised budget. The monthly amounts also account for accelerated pledges, or pledges paid earlier than normal in the year. The effect is to increase the values for March and April, when UCC received the accelerated pledges, and to reduce the anticipated income for December.
 - Reduce expected Non-pledge Contribution income from the 7-year average of \$330,000 to the 3-year average of \$276,300. This is a net change of \$53,700 less than the forecast approved by the Assembly in January.
 - Revise the Offering income estimate to the 3-year average of \$38,700, or \$3,045 more than the forecast approved by the Assembly in January.
 - Adjust income from the BHYLF reserve to match actual expenses for 2014, which were \$1,123 more than originally planned.
- Net expense revisions of **(\$114,563)**:
 - Reduce Personnel expenses by \$81,735, which reflects the annualized effect of the recent personnel reduction.
 - Reduce the amount budgeted for Senior Minister's continuing education by \$4,500
 - Reduce the Advertising budget by \$10,000
 - Reduce annualized expenses for Search by \$7,643
 - Increase expenses for BHYLF to reflect actual costs for 2014 by \$1,123. These costs are paid fully from the BHYLF reserve and, therefore, do not affect the net operating income/loss.
- Net projected loss is **(\$7,981)**, or \$2,402 more than the net loss of **(\$5,579)** approved by the Assembly in January.

The proposed revisions exceed the delegated amendment authority granted by the Assembly to both the Finance Committee and the Board of Stewards. Therefore, if accepted by the Board of Stewards, it would need approval by the Assembly.

As for a review of Unified Operating Income/Expense activity for April 2014 using the revised income and expense budget, our unrestricted income through the end of April was only \$11,000 less than forecast due to a deficit of \$12,600 from WDS. On the expense side, we received a refund for taxes paid on energy costs, resulting in lower than expected Building & Grounds expenses for the month. In addition, we accelerated a payment to TACC. This will have no effect on the net operating budget for the year. Net operating income YTD as of April 30, 2013 using the revised budget is \$248,077, or \$47,391 better than forecast.

Reserve (Fund 2) Activity Report, Year-to-Date April 2014 (Finance Detail 5 & 6)

Notable activity in the Reserve Accounts since December 2013 include the following:

- Gifts of \$6,400 into the Senior Minister's Advised Fund. The \$1,035 expense from the fund paid for musicians during Ministers Week (Budget Amendment approved in March 2014).
- Income of \$62,476 into the WDS Fundraising Reserve. In comparison, WDS raised only \$25,418 into this fund during the entirety of 2013.
- Use of the Outreach General Reserve to pay \$29,000 of budgeted Outreach Division expenses.
- Use of \$37,660 from Children's Closet Reserve to pay budgeted expenses.
- Income of \$10,317 for Week of Compassion Offering.
- Continued collection of pledges for Disciples Crossing Campaign of \$3,205.
- Advance pledge income for 2015 of \$27,000.

Capital (Fund 3) Activity Report, Year-to-Date April 2014 (Finance Detail 7).

We received \$250 in Miscellaneous Income and \$881 of Trust Income in April 2014 into the Capital Fund. As for expenses, we paid about \$500 for a washer and about \$5,800 more for the sanctuary sound system and a microphone.

Endowment (Fund 4) Activity Report, Year-to-Date March 2014 (Endowment Detail 1 - 3).

The 5-quarter average shows a net 7.2% increase as of March 31, 2014 compared to the same date 2013, from about \$12,759,000 to about \$13,682,000. In addition, our 4-quarter investment return was about 9.7%. We distributed \$121,418, invested \$13,867 in new gifts, and received \$38,084 in mineral income in the first quarter of 2014. As for expenses, we paid \$2,000 for 2 quarters of fees for Fundriver and \$4,288 in ad valorem taxes on our mineral interests. The planned distribution table shows that UCC has no funds that are less than 95% of their original value. In addition, the only fund not yet in distribution status is the Brian & Kristie Gibson Adult Education Fund, which will begin distribution per UCC's policy once it equals \$5,000.

A Motion from the Finance Committee was made for approval of the revised 2014 budget. The call to question was made by Susan Hill. All were in favor. The Board will recommend the revised budget to the Assembly for approval at the May 25 meeting.

New Business

1st Quarter Endowment Report - Troy Toomey, outgoing chair of Endowment Committee, reported that the endowment has performed well over the last year with a balance of \$13.682 million. All funds are distributing. The committee is working on a Legacy recognition wall. Building & Grounds has referred the project to the architectural advisory committee who will assist in planning to fit within the style and character of the church. It is assumed that this is a Capital Budget expenditure. There should be enough funds in the Capital Budget reserve to cover this. It is his belief that this will be a positive change.

Approval of Ministry Division Leaders – We will need to approve the partial slate provided at this time. The Youth Ministry Leader will be submitted at a later date. Phyllis Allen made a motion to approve the recommendations. Mark Alland seconded the motion. All approved.

Old Business

Other Positions - Jake Yarbrough will complete the term of Tom Jones on the Board. Mary Jane Alland will serve in place of Judy Jones on CLG. Also, Sarah Wilson was nominated as a Continuing Elder which requires the approval of the Board. Carol Jane Lawrence made a motion to approve the recommendations. Shirley Branham seconded the motion and all approved.

Approval of Administrative Committees and Chairs – The proposed list of Administrative Committees includes good chairs and some new members. As this was the recommendation from a Board sub-committee, the matter was called to question after no discussion. All approved. Board members responsible for selecting members talked to those rolling off and all new members. They will send one final thank you for all. Thelia will send charts to the chairs.

A final appreciation to those going off the Board was given by Sandi, expressing that they have been good and faithful servants.

After a prayer by Rev. Vacketta, and no other business to come before the Board, the meeting was adjourned 8:40p.m.

Respectfully submitted,

Susan Hill
Board Secretary

Thelia Chaffin
Assistant to Senior Minister