

University Christian Church

Board of Stewards Meeting

December 16, 2014

UNAPPROVED MINUTES

Stewards Present:

| | |
|-----------------|---------------------|
| Phyllis Allen | Eldon Irving |
| Michelle Allred | Sandi Kennedy |
| Carolyn Critz | Carol Jane Lawrence |
| Lori Gallagher | Monty Phillips |
| Brian Gibson | Sean Strange |
| Heather Harris | Carol Wilkerson |
| Don Houk | Jake Yarbrough |

Ex-Officio Member Present:

Rev. Larry Thomas – Senior Minister
Rev. Ellen Lewis – Associate Minister

A meeting of the Board of Stewards of University Christian Church was called to order at 6:18 p.m. by the Chair, Sandi Kennedy. Don Houk offered the opening prayer.

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

Approval of Minutes - The minutes of the November board meeting were reviewed. Jake Yarbrough made a motion to approve the minutes with the correction that Rev. Thomas and Rev. Lewis were not in attendance at the meeting. Carol Jane Lawrence seconded the motion. All approved.

Assignments for Calls to New Members – Board members agreed to contact the new members.

Approval of Ministers Housing Allowance for 2015 – Michelle Ingram provided a list of the requested housing allowances for the ministers. Eldon Irving made a motion to approve the housing allowances. Michelle Allred seconded the motion and all approved.

Communications Policies & Procedures – Maggie Thomas presented the On-line Communications/Social Media Policy. The purpose of this policy is to protect the image and brand of UCC and to have a centralized communication system that can be accessed and overseen by a staff member. Jake Yarbrough made a motion to approve the policy. Phyllis Allen seconded the motion and all approved.

UCC Youth Alumni/ae Endowment Fund Policy - Russ Boyd and John Rodenberg made a presentation to the Board for a proposed endowment fund to provide scholarships to UCC members who want to pursue a career in ministry. Using the Page scholarship as a template, a draft version was presented to the endowment committee. After a discussion regarding the proposal, Brian Gibson stated that the Board supports the concept of the Youth Alumni Endowment fund and refers the matter to the endowment committee for review and with the request that it be returned to the board for further action and approval. Eldon Irving seconded this proposal and all were in agreement.

Finance Report – Michelle Ingram provided the following report.

Consolidated Balance Sheet

A. Comparative cash balances as of November 30, 2014 are summarized as follows:

| | 11/30/2014 | 10/31/2014 | 11/30/2013 | 12/31/2013 (Audited) |
|--------------|-------------|-------------|-------------|-------------------------|
| Operating | \$413,000 | \$379,000 | \$225,000 | \$425,000 |
| Restricted | 626,000 | 583,000 | 563,000 | 704,000 |
| Capital | 447,000 | 468,000 | 318,000 | 350,000 |
| Endowment | 49,000 | 29,000 | 43,000 | 15,000 |
| Consolidated | \$1,535,000 | \$1,459,000 | \$1,149,000 | \$1,494,000 |

As of November 2014 operating cash balance is positive and still up comparatively to November 2013 by \$188K. UCC Equity is also positive at \$139K which is higher than last year by \$135K. Note on the Restricted Fund and Capital Fund, cash balances of \$250K have been moved to the Church Extension Demand Note at an interest rate of 0.5%.

Unified Operating Income/Expense Statement (Fund 1)

B. Pledges, Contributions & Offering (PCO Income) are currently ahead of budget YTD by \$19K. Pledges received for the month of November were ahead of budget by \$10K. On the expense side, Children's Closet continues to make purchases for 2015 inventory.

Capital Fund Reports (Fund 3)

- C. Flooring for 3rd Floor hallway, handbell table and racks, IT supplies and web work to ensure our website is compatible with smartphones were among the purchases made this month from our Capital Fund. Income available for capital projects is \$423,405.

Stewardship Report:

The Business Office completed campaign follow up mid-November. As expected the email follow up yielded positive results the first few days. We were able to renew 40-50 pledges that week. Over the past couple of weeks, pledges have been trickling in. We currently have 595 pledges and are short \$35K (\$33K + 7% shrink) to flat 2014 pledge income total.

| | 2015 – CURRENT | 2014 – FINAL | Difference |
|-------------------------------|-----------------------|---------------------|-------------------|
| # of Pledges | 595 | 641 | (46) |
| Total Dollar | \$2,015,037 | \$2,047,567 | (\$32,530) |
| # Of New Pledges | 56 | 46 | 10 - \$13,297 |
| # of Increased Pledges | 215 | 192 | 23 - \$19,138 |
| Overall Increase | \$133,027 | \$102,595 | \$30,432 |

Other Committee Business

Budget Amendments – No Budget Amendments this month.

2015 Budget -

Sandi Kennedy, Board Chair and Art Townsend, Finance Chair, discussed with the Finance Committee the results of a recent meeting with Administrative Committee Chairs, Senior Staff and a couple of BOS members. The Stewardship Campaign did not yield the results we had hoped for and only confirmed the declining nature of our financials. The current leadership reviewed and discussed numerous options presented at their meeting. After prayerful consideration, a 2015 plan of action was formulated and presented to the Finance Committee for approval.

2015 Budget Highlights – (*See revisions in bold*)

- Pledge Income left flat to 2014
- Reduced season game day parking income to actuals
- Adjusted WDS Budget from school year to Unified fiscal year
- Endowment income at a 4.5% distribution rate (same as 2014)
- General Endowment distribution at 60%/30%/10% (Operations/Capital/Outreach) (same as 2014)

- Personnel budget reflects reduction in staff positions from 2014, legacy benefit costs, 10% increase to healthcare, one new part time Admin position, 5% cost of living increase and pay adjustments to six positions
- Admin General - Credit card fees increase for online payments & contributions
- Reduction in electricity in B&G
- Addition of income & expense for planned Music/Church & the Arts trips in '15
- Minor adjustments up and down in Ministry Area departments
- **Adjustment of 10% to Outreach based on new income amounts**
- **Contributions & Offering calculated at a 3 year average**
- **New part time Pastoral Care Minister position**
- **Board Designated income additions – Cagle & Building mineral income from Fund 4, TCU Parking Lease income and Rental income from fund 3 based on a 3 year average**
- **Addition of Ad Valorem & Property Taxes to Administration General**
- **Addition of expense for new contemporary worship service \$100K**
- **End of Year transfer to Capital Fund**

Back in 2007 and 2008, the Board of Stewards designated Cagle Mineral income to be placed into the Cagle Endowment Fund 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 parking lot costs as set out in the Lease Agreement with TCU. 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 disestablished 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 doesn't 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).

The Finance Committee recommends to the Board of Stewards to re-designate the following unrestricted income receipts in 2015 to Operations:

1. Cagle & Building mineral income
2. TCU Parking Lease income
3. 2612 University Dr. Rental income

The Finance Committee is not asking for 2015 Budget approval at this time.

Other Committee Business

Budget Amendments – Please note updated amount on a Budget Amendment approved last month. Originally the Finance Committee approved a \$5,000 transfer for All Saints musicians, however, when all of the final expenses were posted, it totaled \$4,555. New budget amendments approved by Finance Committee this month include: Christmas Cantata musicians' expense of \$3,000 to be paid for by the Chancel Choir General Fund and Honorarium and travel expense of \$428.64 for the Faith Business Forum to be paid for by the Senior Minister Donor Advised Fund. No net impact to the Budget by this transfer.

General Endowment split for 2015 – Current rate of distribution for UCC's General Endowment Fund is 60/30/10 (Operating/Capital/Outreach). If we were to reduce the operating split by 5-10%, the budget impact is \$15K-\$30K. There isn't any flexibility in the Operating budget at this time to withstand that kind of reduction from Endowment without making significant reductions to staff or programming. The Gift Acceptance and Endowment Policy summarized states the following: "Annually, the Board of Stewards will allocate the General Endowment Fund income as follows:...a minimum of 10%, but not to exceed 60%, will be spent according to the recommendation of the Finance Committee with the confirmation of the Board of Stewards...in support of ...operations, outreach and capital."

Action: The recommendation from Finance Committee to the Board of Stewards is to approve the current split of General Endowment 60/30/10 (Operating/Capital/Outreach). A vote was taken and all approved this recommendation.

Stewardship Report:

Week 7 Comparison Results at a glance:

| | 2015 - Week 7 | | 2014 - Week 7 |
|-------------------------------|----------------------|-------------|----------------------|
| | Difference | | |
| # of Pledges | 510 | 554 | (44) |
| Total Dollar | \$1,948,096 | \$1,962,786 | (\$14,690) |
| # of New Pledges | 47 | 29 | 18 - \$51,411 |
| # of Increased Pledges | 195 | 175 | 20 - \$13,694 |
| Overall Increase | \$127,163 | \$80,721 | \$46,442 |

While the overall increase number is still ahead compared to Week 7 last year, our # of pledges and total dollar has fallen behind this week. The pledge cards are beginning to trickle in slowly now. It's important to keep reminding people that we've yet to reach our campaign goal. Every pledge matters! We are 190 pledges away from our campaign goal of 700 and \$236K from the 2014 pledge budget!

The Business Office will complete their follow up from the Calling Campaign during the coming week. Anyone who indicated to a caller their intent to turn in a pledge card and hasn't done so yet will receive a friendly reminder. This often yields numerous pledges. We'll also send out an email update prior to the Thanksgiving holiday to provide members with current campaign results.

Rev. Thomas reported that Scott Wheatley with the assistance of Cy Rowell will be putting together a group to make recommendations for a contemporary service (rather than alternative) on Sunday mornings. The consensus is that a contemporary service appeals to younger families/children. Worship services will be benchmarked and evaluated in the future. Rev. Thomas contemplates that worship services could be streamed or in-person – but we want to develop a shared congregation. Lay leadership will be a very important aspect of the program. Arthur Townsend replied that we have to think outside the box to address the needs of younger church attendees in order to grow our church.

The final budget will be brought to the Board in January prior to the Assembly Meeting as minor changes are still needed.

Senior Minister Report – Rev. Thomas reported that Christi McDowell has been hired as the new Associate Minister of Pastoral Care. She will be a tremendous part time addition to our staff and will come on after the first of the year. She is an ordained minister with a background in pastoral care. Daniel Terry has resigned following a promotion at TCU with increased responsibilities. Tony Allred and Russ Boyd will be working with him to continue the men's ministry program. Also, Dr. Jerry McCoy resigned due to his over commitment and health issues. No immediate search is planned for replacement at this time.

There being no further regular business, following a closing prayer, the meeting was adjourned at approximately 8:22 p.m.

The Board then went into executive session at 8:30 p.m. for the yearly performance review and evaluation of the senior minister. This portion of the meeting ended at 9:30 p.m.

Respectfully submitted,

Sean Strange
Board Secretary

Thelia Chaffin
Assistant to Senior Minister