

UUFCA Board Meeting
July 12, 2018
Location: Conference Room

Attending: Erika Beard-Irvine, Marty Rudolph, Max Merrill, Sylvia McFarland, Greg Byrne, Chad Leonard, Susan Kinney.

Absent: Scott Rudolph

Guest: Linda Crouse

Called to Order: 6:00 PM

Minutes written by: Erika Beard-Irvine, Recording Secretary

Consent Agenda

Minutes of June board meeting and July financials approved. July board agenda approved. *Acceptance of consent agenda moved by MM, second by GB. Unanimous.*

Reference Documents:

Board Minutes June 7, 2018; June Board Financial Report 2018; Board Agenda July 12, 2018

Intro to All Things Financial

Sylvia moved that we remove Max as signatory to all accounts and replace him with Marty, and that we add Susan as signatory to the two Washington Federal checking accounts.

Motion by SM, second by GB. Unanimous.

Sylvia moved that Chela Sloper and Ayla Halberstadt be approved to have credit cards with \$3,500 credit limits. Greg clarified that they both control money that is budget line items.

Motion by SM, second MM. Unanimous.

Sylvia gave an overview of the church financials. She reviewed the three types of funds we have, where they come from, how they are used, and how much is available. She then reviewed the various expenses and how they are paid. Sylvia also reviewed how increases in budget items occur.

Reference Documents:

EOM Bldg Detail TR June18 Board Reports; EOM June18 Board Reports; SM presentation jul 18 board

Endowment Decisions

Linda Crouse was present from the Endowment Committee. Sylvia introduced Linda to the new Board members. The Endowment Committee has created an investment policy recommendation for the existing funds. They would like to invest 40% in bonds or CDs and 60% in stocks, which is a fairly conservative allocation. Until recently, the fund was earning 0.1% and now is earning 0.75% in a money market account in Washington Federal. The Endowment Committee would like to bring in more money to the Endowment Fund by having a charitable giving session for the congregation to talk about estate planning and tax planning and to talk about the Endowment Fund. The Committee proposes putting 40 percent of the funds in a CD ladder at TD Ameritrade with terms of 1, 2, and 3 years, and rates ranging from 2.4% to 3%. They propose putting 60 percent of the with funds in two Vanguard Index funds. One is a US fund. The other is international. They are not, at this time, looking at ESG funds which would hold closer to our values as a congregation, but these funds have more fees and fewer holdings, so are higher risk. The Committee plans to research these funds for the future. Sylvia moved that the Board approve the Endowment Committee to set up an account at Ameritrade

for the Endowment Funds that are currently at Washington Federal in the account ending in 9827, in the approximate amount of \$362,517, and instruct the Treasurer to move said funds to that Ameritrade Account.

Motion by SM, second GB. Unanimous.

Sylvia moved that the Board approve that the Secretary sign the statement below on the applications for both Ameritrade Accounts.

“RESOLVED, that the President, Vice President, and the Treasurer of this corporation (or nonincorporated association), or any one of such officers, are hereby fully authorized and empowered to open a brokerage account, transfer, endorse, sell, assign, set over, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities (including short sales) now or hereafter standing in the name of or owned by this corporation (or nonincorporated association), to purchase stocks, bonds, debentures, notes, evidences of indebtedness, and other securities (on margin or otherwise), and to make, execute, and deliver, under the corporate seal of this corporation, any and all written instruments necessary or proper to effectuate the authority hereby conferred.”

Motion by SM, Second by MM. Unanimous.

Sylvia moved that the board approve the attached Investment Policy for the Endowment Funds as below. We acknowledge that it is not realistic for us to approve the specific bond or CDs, but we do approve the target term and approximate interest rates as specified above. Dollar amounts are also approximate.

- 1 year CD maturing in July 2019 - 2.4% (or best available rate at time of purchase) - \$48,000
- 2 year CD maturing in July 2020 - 2.8% (or best available rate at time of purchase) - \$48,000
- 3 year CD maturing in July 2021 - 3% (or best available rate at time of purchase) - \$49,000
- Vanguard total stock market index fund (VTSAX) - \$127,000
- Vanguard FTSE All-world-ex US index fund (VFWAX) - \$90,000

Motion by SM, Second by MM. Unanimous.

Sylvia moved that the Financial Secretary and the Chair of the Endowment Committee be authorized to invest and make trades with those funds consistent with the Committee's Investment Policy that has been approved by the board. The Treasurer, the Chair of the Endowment Committee, and the Financial Secretary will have authority to sign checks to disburse funds from the Endowment account, consistent with Board Policy.

Motion by SM, Second GB. Unanimous.

Reference Documents:

Investment Policy from Endowment Committee

Financial Review and Discussion

Sylvia reviewed FY17-18 EOY results. She reviewed each of the income line items and what they include. For the year, expenses exceeding income by ~\$29,000 which was far better than the ~\$85,000 that was budgeted. The FY 18-19 budget was passed at the April Board meeting and accepted by the congregation at the annual meeting in May. Subsequently, two employees elected to receive retirement benefits at an increase of ~\$6000 per year. Also, two members had to significantly decrease their pledges for the year secondary to changes in financial situations. Given these changes and the 5 year budget that estimated that we would overspend the operating reserve, Sylvia recommended cuts to some expenses. Scott has been working on that. The Finance Committee did not feel that the change in pledges (~\$4000 for the year) was not significant enough to warrant changing the budget. There have been issues with hiring into the positions of the part-time communications person and a part-time janitor. The Finance Committee recommended that the Board authorize Scott to increase the staffing budget by

\$11,000 and rearrange the staffing budget as he sees fit to accommodate the two new identified positions. There was a general discussion of current and future staffing levels in relation to the budget and congregational needs. Chad volunteered to do some research on our staffing expenditures relative to other congregations. Marty will talk with Scott about whether we are maximizing our staffing investment.

MM moved to approve the Budget Committee's recommendation with a plan to revisit the status at the end of Q1. Second CL. Approved: SK, CL, MR, GB, MM, EBI. Opposed: SM.

Sylvia reported that a portion of the new home funds are at SELCO earning 0.6% and could make more interest income in CDs through Ameritrade. She moved that the board approve the Treasurer to set up an account at Ameritrade for the New Home Funds currently residing at SELCO Credit Union in the account ending in 4642, in the approximate amount of \$301,405, and instruct the Treasurer to move said funds to that Ameritrade Account. The President and Treasurer will be the signatories on this account. The Treasurer has the authority to invest those funds in CDs, with a third of the money invested in a one-year CD at approximately 2.4% interest, one third in a two-year CD at approximately 2.8% interest and one-third in a three-year CD at approximately 3% interest. All CDs will be with comparatively strong financial institutions and will be federally insured.

Motion SM, Second MM. Unanimous.

Reference Documents:

EOM Bldg Detail TR June18 Board Reports

Aesthetics Request

The Aesthetics Committee has been investigating options for outside seating and is requesting funding for outdoor seating at a cost of \$16,500 from the Aesthetics Fund.

GB moved approval of the request. SM seconded. Unanimous.

Documents:

Terrace Furniture-July 18

Retreat

Marty reviewed the retreat which is this Saturday.

Policy Approval

Sylvia has requested the Finance Committee members to count the offering on Sundays. She introduced policy resolution 2018-06, which changes the UUFCA Policy in Income, Expenditures, and Related Fiscal Matters to allow for counting of the offering on Sundays by members of the Finance Committee.

MM moved to approve. GB seconded. Unanimous.

Documents:

Resolution 2018-06

Meeting Adjourned: 8:15pm

Board Retreat July 14.

Next Meeting August 9.