

BOARD OF FINANCE AND ADMINISTRATION

Meeting Agenda

Wednesday, February 21, 2018

Attendance:

Yes	No		Yes	No	
■		Annette Abel, <i>Staff Liaison</i>	■		Paula Northwood, <i>Staff Liaison</i>
■		Todd Aldrich (2019)	■		Gary O'Brien (2019)
■		Jen Glaeser (2020), <i>Secretary</i>	■		Eric Olsen (2018), <i>Chair</i>
■		Jill Hennesen (2020)	■		John Schenk (2019)
■		Ray Martin, <i>Deputy Treasurer</i>	■		Jason Schuller (2018)
■		Rick Neville (2018)	■		Melinda Wellvang (2020)

GUESTS: Lloyd Kurtz & Jean Marie Petty of Wells Fargo; Carol Schleif, Dave Gutzke & Nick Gergen of Abbot Downing; Claire Colliander, Deacon

Actions Taken:

Item 1. Minutes from the 1/17/18 meeting electronically approved.

Item 2. Financial Statements: Board accepted the financial statements as submitted and reviewed.

Item 3. Fiscal Year 2019 Budget Guidelines: Board reviewed and approved the budget outline and guidelines as prepared by Ray Martin, Paula Northwood, and Annette Abel to be shared with deacons and leadership council.

Item 4. Exception to Alcohol Policy Request: Board reviewed and approved request from Philip Brunelle.

Social Impact Investing – Lloyd Kurtz

Eric Olsen opened the meeting at 5:08 pm. He welcomed the guests from Wells Fargo and Abbot Downing.

Dave Gutzke from Abbot Downing introduced himself and his team, Carol Schleif and Nick Gergen. He gave a brief background on Abbot Downing and its relationship with Plymouth. Mr. Gutzke introduced Lloyd Kurtz and Jean Marie Petty from Wells Fargo's Social Impact Investing team.

Mr. Kurtz provided a not quite brief history of Socially Responsible investing outside of and within Wells Fargo. He provided context and argument against commonly held notions that "one gives up something (meaning more favorable returns)" when choosing to invest with an eye toward social responsibility and impact. He indicated that many assumptions about this do not hold up when the market and history of this investment strategy is reviewed closely. Answering questions about how to engage with corporations on their attention and attitude toward social responsibility and impact he noted the following organizations as helpful resources: [Interfaith Center on Corporate](#)

Minutes Procedure

Minute-taker submits draft to group within 10 days of meeting; members have 7 days to submit revisions (no response is treated as approval).

If any revisions, minute-taker forwards revised draft to group within 3 days for electronic approval; members have 2 days to respond (no response is treated as approval).

Minute-taker submits approved minutes in Microsoft Word format to the Ministry Assistant for Programs (Doug Freeman, dougf@plymouth.org) upon approval.

[Responsibility, Principles for Responsible Investment](#) by the United Nations, and AsYouSow.org, a corporate responsibility advocacy organization.

Mr. Olsen thanked the teams from Abbot Downing and Wells Fargo and the board members paused to feast on handmade sandwiches and other treats from Melinda Wellvang, who has effectively raised the bar for delectables.

Opening Thought

Reconvening, Jason Schuller provided the opening thought for the group. He read Naomi Shihab Nye's short essay, "[Gate 4-A](#)", which tells the story of the author's encounter in the Albuquerque airport with a native speaking Arab woman, sharing their worlds with one another, opening their hearts to one another, and engaging those around them.

Electronic Approval of January 17, 2018 Meeting Minutes

Mr. Olsen noted that the board had approved the last set of meeting minutes via email.

Financial Report

Ray Martin reviewed the financial statements through January. The Statement of Operations continues to remain positive. While not as robust as December, total revenue through January fiscal YTD exceeds budget by nearly \$45K and total expenses fiscal YTD remains under budget by nearly \$60K, resulting in an excess positive budget of nearly \$105K FY to date. The group briefly reviewed the balance sheet accounts, Mr. Martin noted that the cash and investments accounts were in good shape.

Motion was made to approve and accept the financial statements as submitted. The motion was seconded and carried with no further discussion.

Stewardship Committee Report

The financial review and discussions segued into the topic of Pledge Campaign and status. John Schenk noted that we are closer, within striking distance of our target. Noteworthy in the discussion was that PCC has fewer pledging units this campaign, but greater dollars attributed to those pledges. However, the increase contribution amounts are not enough to offset the reduced number of pledges, and in the long run it is an inverted relationship to where we would like to be. Ideally, PCC should be growing pledge units and broadening its base of supporters.

Fiscal Year 2019 Budget Guidelines

In advance of the meeting, Mr. Martin submitted revisions for the FY 2019 budget recommendations.

Before jumping into discussion Mr. Martin introduced Claire Colliander, prior BoFA member and currently involved with the transition task force. Ms. Colliander has agreed to serve on the deacons and as treasurer for the term starting after the annual meeting and congressional vote in June. The announcement was met enthusiastically by the board members.

Mr. Martin discussed the approached, starting with the assumptions, as outlined in the memo to the BoFA. Once approved, the guidelines will be shared with the Leadership Council and Deacons for feedback and support.

The guidelines and assumptions laid out as follows, with discussion occurring throughout the review of the memo and budget scenarios:

Revenue Assumptions section covered Pledge receipts, other congregational giving, and lease/tenant income with notes of significance related to FY2019 pledges not exceeding \$1.54M and showing Christmas and Easter offerings as direct pass through in the financial statements.

Position and Staffing Changes section noted assumptions that neither Senior Minister nor the Minister for Community Outreach will be replaced, and that this reflects movement toward a three (3) minister clergy model. The budget recommendation reflects the recent staffing / role changes in positions. Additionally, Mr. Martin noted that there is a 2% salary increase recommendation, currently under review by the personnel committee, as well as an 8% increase in insurance benefits.

Transition Costs section contained a placeholder amount, with expectation that number will be refined as required needs are specified. Paula Northwood indicated that this person will be tasked with helping with reconciliation resulting from recent ministerial changes, shepherding change in the organization, and assisting with conversations about the ministerial model and denominational affiliation. Mr. Martin noted the recommendations to use funds from the 2014 Foundations for our Future campaign to fund the transition costs. Discussion from the board focused on the placeholder amount, and agreement was achieved to revise this placeholder amount from \$80K to \$47K prior to sharing memo and recommendations with the Deacons and Leadership Council.

Community Fund section called out recommendations to reduce donations to outside organizations by 1/3 for FY19. Reverend Northwood indicated that she had socialized this likelihood with members of the Community Fund.

Board, Committee, and Program Costs section included recommendation to hold the line with a small increase for a special incentive fund to be used for creative growth initiatives. The additional \$10K would be apportioned through a bidding or grant proposal process through the Leadership Council.

Building Improvements section noted the clarification on classification of major improvements, chiefly that anything greater than \$20K and a useful life of five (5) years be capitalized on the financial statements. Thus, revisions to the upcoming budget will show a significant reduction in the placeholder for minor improvements. Annette Abel noted that she and Ed Curtiss had recently met to review upcoming building projects and needs over the next few years and will develop a plan to address funding requests and scheduling.

In the budget recommendations Mr. Martin noted clarification in the interpretation of language in the PCC governing policy referencing the 4% draw against “unrestricted endowment” to be the Commingled Investment Fund. The 2019 Budget Guidelines reduce our draw on the Commingled Fund from 6.5% to 6.3%, and affirm our goal to work towards a 4% annual draw as required by the PCC governing policy.

Prior to asking for a motion to approve the Recommended Guidelines and Assumptions for the FY2019 budget, Mr. Olsen recognized the efforts and exceptional work by Mr. Martin, Ms. Abel, and Reverend Northwood in developing the budget memo and scenarios. He noted that this work has contributed significantly to the improved quality of the process and discussions.

A motion was made to amend the placeholder amount for the transition costs and subsequently share the memo and budget outline with the Deacons and Leadership Council. Motion was made, seconded, and carried with no further discussion.

It is noted that Mr. Martin will share revisions with Mr. Olsen and that the final revision will be submitted by Mr. Martin on behalf of himself, Ms. Abel, Reverend Northwood and this board.

Exception to the Alcohol Policy Request

Philip Brunelle submitted a request for exception to the alcohol policy on behalf of the individuals sponsoring the Sculpture exhibit opening taking place in the Theater/Fine Arts Foyer on March 15. The members briefly discussed and noted an apparent trend of exceptions swallowing up the rule.

Motion was made to grant the request for exception to the alcohol policy. The motion was seconded and carried with no further discussion.

Leadership Council Report

Mr. Olsen noted briefly that the deacons and leadership council met last week with discussion focused on the interim minister position and Beth Faeth’s permanent call.

Restricted and Designated Fund Discussion

Due to time, this was pushed to the March meeting.

Other Business

Melinda Wellvang raised concerns regarding the need for attending to the details of the processes when participating in counting. In particular she asked that counters pay close attention and examine closely the dollar amount on the checks.

Next Meeting

March 21, 2018, 5:00 p.m.

- Treats to be provided by Jason Schuller and opening thought to be provided by Jen Glaeser.
- John Schenk, Rick Neville, and Todd Aldrich noted they will be absent from next month's meeting.

The meeting closed at 7:25 pm.

Respectfully submitted,
Jen Glaeser, secretary