

## BOARD OF FINANCE AND ADMINISTRATION

### Meeting Agenda

Wednesday, May 16, 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:** No guests

#### *Actions Taken:*

**Item 1. Minutes from the 4/18/18 meeting electronically approved.**

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

**Item 3. Restricted and Designated Fund Policy Approval:** Board approved revisions to the policies as drafted. Final edits will be completed and submitted.

#### *Opening Thought*

Eric Olsen opened the meeting at 5:06 pm, encouraging the group to nibble on the vittles he provided. Gary O'Brien shared a prayer from the Episcopalian Common Book of Prayer (circa 1928), remarking that this reminded him of a maternal uncle, a farmer.

*LORD, support us all the day long, until the shadows lengthen and the evening comes, and the busy world is hushed, and the fever of life is over, and our work is done. Then in thy mercy grant us a safe lodging, and a holy rest, and peace at the last. Amen.*

Mr. Olsen thanked Mr. O'Brien and noted that additions to the agenda included discussion of solar garden subscription and an update on the school lease.

#### *Electronic Approval of April 18, 2018 Meeting Minutes*

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

#### **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.

## ***Financial Report***

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Ray Martin reviewed the financial statements through April, beginning with the balance sheet, and noting the capital campaign account remaining balance of roughly \$400K and total operating fund account balances of \$568K.

He next turned attention to the operating statement (income and expense summary) and called attention to activity and trends: Budget variance on revenue went from positive \$4.5K in March to negative \$71K in April for the year to date, with the significant variance coming from Pledge revenue (short by ~\$100K through April for year to date). All other income categories were on budget or exceeded budget assumptions. Expenses were running lower than budget assumptions at \$73K, thereby offsetting the income shortfall for a net cash total of ~\$2K, albeit with a \$178K negative cashflow.

Paula Northwood remarked that while things were a bit off the mark, considering the year of transition we have experienced, we're in a pretty great place and she feels optimistic.

Mr. Olsen thanks Mr. Martin for his work and presentation.

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

## ***Fiscal Year 2019 Budget Update***

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Mr. Olsen noted that the FY2019 Budget was received by the Deacons and accepted as submitted.

The budget and budget narrative from Rev. Northwood will be sent to the congregation and posted to the PCC website on Friday. There will be a meeting at 9:00am prior to services on Sunday May 6<sup>th</sup>, hosted by Jim Van Iwaarden and Rev. Northwood. The budget will be voted on by the congregation at the congregational meeting on 6/17/18.

Mr. Olsen thanked Mr. Martin, Ms. Abel, and Rev. Northwood for their hard work and for making this process the best budget experience in many years at PCC.

## ***Investment Committee Report***

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Todd Aldrich provided an update on PCC Investment portfolio. Total performance was flat in April; equities were up 0.15% while fixed income was down 0.39%. Real estate fought rate headwinds well and was up 1.9% for the month. Summary overview of Investment fund is as follows:

<b>Current Total Value as of April: \$6.46M</b>	
YTD Change in Value: -\$81.7K <ul style="list-style-type: none"><li>-1.23% (vs 0.09% benchmark)</li></ul>	Portfolio returns since inception 6.11%
<b>Current Allocation:</b> <ul style="list-style-type: none"><li>54% equities</li><li>39% fixed income</li><li>5% real assets</li><li>2% cash</li></ul>	<b>Target Allocation:</b> <ul style="list-style-type: none"><li>49% equities</li><li>42% fixed income</li><li>7% real assets</li><li>1% cash</li></ul>
Equities Breakdown: <ul style="list-style-type: none"><li>65.5% US stocks</li><li>34.5% International stocks</li></ul>	

SRI vs. Non-SRI assets (SRI – Socially Responsible Investment)

- 5.4% of investments in portfolio are not SRI specific as it is REIT exposure
- All other equity and fixed income is managed with an SRI mandate

Mr. Aldrich noted that while the first couple months in '18 has produced losses of ~\$78K, losses had slowed considerably in April and all evidence points to a modest turnaround in market direction. It is generally anticipated that markets will produce gains of roughly 5-6% for the year.

### ***Stewardship Committee Report***

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John Schenk provided a brief update: Nothing much new since last BoFA meeting. We are close to hitting targets, but still short on pledge totals, hoping that the weekend birthday activities generate additional energy, excitement, and dollars.

### ***Restricted and Designated Fund Policy Approval***

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Board members turned their attention to the long awaited and anticipated discussion of the Restricted and Designated Fund Policy and its approval.

Mr. Martin provided the context and back drop of the story for discussion. The policy review process began a few years ago with Rev. Jeff Sartain, Rev. Carla Bailey, Ms. Margaret Shreves, Jim Van Iwaarden and Mr. Martin reviewing the 9000 account funds, trying to identify donor advised or restricted funds. Mr. Martin noted that at that time the memorial gifts went to the Endowment, and that Revs. Sartain and Bailey had remarked that they hadn't seen many churches that did that, highlighting that there should be clear language that states where money goes (purpose and how it's used). These policies contain the revised memorial fund policy, approved in December 2016, where memorial gifts go to a fund where they may be spent.

The policy changes included in the revised draft outline guidelines for intention, establishment and sunseting for restricted funds. The key intent is to maximize the purposeful spend on the restricted funds to help manage impact to operating fund (and legacy fund draw). Mr. Martin noted that he'd reviewed the policy draft with Claire Colliander (Treasurer-elect) and with Georgia Aiken, CPA, both who concurred. He noted that Ms. Colliander, Rev. Northwood, Joy Hanson and Annette Abel are to meet later in May to review in detail fund purposes and make dispensations on some as appropriate. Also, he indicated that more of the fund activity would flow through the operating funds (and appear on financial statements) in the spirit of transparency.

**Motion was made and seconded to approve the polices substantially in the form presented, expecting that final edits will be applied. Motion carried with no further discussion.**

Mr. Olsen thanked Mr. Martin and Rev. Northwood for their work on this, noting the real milestone of moving this through the board prior to the new board and congregational meeting in June.

### ***Other Business***

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Annette Abel provided update on the new tenant. The school will start lease payments on July 1<sup>st</sup>. School operations launch on August 1<sup>st</sup> with children present. This was pushed back a month due to licensing issues related to address of school. The administrators are in the process of recruiting families, looking for playground equipment for the space next to the Groveland Food Shelf, adding furniture, all in preparation for launch.

Ms. Abel also informed the board of an additional, significant copper theft last week. She has added additional surveillance capabilities to monitor grounds.

Rick Neville provided an update on the community solar garden project. It happens that the Community Solar Garden vendor with whom PCC had entered into a contract subscription for electric power services was not able to deliver services as negotiated. It was mutually determined that this contract should be terminated. The Caring for Creation (C4C) committee consequently began discussions with other vendors and settled on an opportunity with Rene Sola, a

similar provider of Community Solar Garden subscriptions. The terms of the contract with the new vendor were similar to the prior contract, but details and contract should be reviewed and finalized. Mr. Neville asked that the BoFA grant approval for the C4C to enter into agreement with Rene Sola. After some discussion, Mr. Olsen requested that Mr. Neville provide a financial outline of the project to the BoFA. Mr. Neville noted he would follow up.

Mr. Olsen spoke briefly to the conclusion of the current board cycle. Jason Schuller will be exiting the board. We are grateful for his service and commitment. Mike McGettigan is on the candidates list for incoming board members, to be finalized with the vote in congregation vote in June. We expect he'll be a wonderful addition to the board.

Mr. Olsen will continue in his role as board chair.

### **Next Meeting**

June 20, 2018, 5:00 p.m.

The board is entertaining ideas for meeting in a different venue for last meeting of the year. First meeting of the "new" board in the new fiscal year will be August 15, unless there is a compelling need to meet on July 18.

The meeting adjourned at 6:30 pm.

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*Respectfully submitted,  
Jen Glaeser, secretary*