

**Little River United Church of Christ**  
Church Council Meeting  
Minutes  
September 14, 2016

**Present**

CiCi Thompson, Past-Moderator  
Carolyn Yocom, Moderator-Elect  
Mary Summers, Treasurer  
Gary Allen, Assist. Treasurer  
Dave Curtis, Comptroller  
Nancy Carey, Music Committee  
John Forrest, Member-at Large  
Ben Northrup, Board of Trustees  
George Leonard, Endowment Fund  
John Mingus, Member-at-Large  
Dawn Forrest, Board of Deacons  
Jan Curtis, Communications Committee  
Amy Mireku, Board of Outreach and Social Justice  
Mike Craven, Board of Christian Education  
Donna Jones, Church Business Administrator  
David Lindsey, Senior Pastor

The meeting was called to order at 7:35 p.m. by CiCi, who invited David to open the meeting with a prayer.

Carolyn Yocom agreed to take minutes.

The minutes for the June 8, 2016 were approved without correction; the minutes of the July 13 and August 28th 2016 minutes were approved with corrections.

**Treasurer's Report**

Mary noted that she would be resending the package of information to the council. In particular the package adds the market values of designated funds. As a summary, she noted that the spending is currently on track to meet the target allocations for staffing (67%), operating costs (23%), benevolences (9%), and reserves (1%). In terms of cost savings there have been reductions in hours and changes on the cost side. In terms of income, we are ahead of the budget without about 75 percent of the budget in for pledges, prepayments, and plate offerings. There have been some building usage opportunities. With regard to the pastors' expense budgets, Hank's was frozen at the end of August, and did have some available funds remaining. David's is overspent. The church will recoup some reimbursements for September spending for dental and health insurance for Hank.

Other items that Mary noted included

- The communication coordinator has reduced her hours to 10 hours per week.
- We have a new accountant, and there has been a learning curve, which has increased the number of hours charged (charge is \$125 per hour), so this needs to be watched carefully.
- The church is still receiving endowment fund contributions.
- The exercise class has now been discontinued after 18 years of operations. Any individuals who paid for classes that will not be held will be reimbursed upon request, and the church will absorb any negative balances.

### **Endowment Fund**

George provided the following proposed amendment to the endowment fund plan of operation (See Attachment A). He explained that this amendment makes the following improvements.

1. It corrects a drafting error in describing the process for calculating the amount of annual disbursements from the Endowment Fund. If the correction is not made, only a few hundred dollars will be available in 2017. If the amendment is approved, \$12,000 will be available.
2. It changes the approval process for proposals to be funded. Currently, the Board with jurisdiction presents a proposal to the Endowment Fund Committee (EFC). If the EFC determines the proposal is in furtherance of the mission of LRUCC, the EFC will specify the level of funding available for the project. We do not believe this is an appropriate role for the EFC. The proposed amendment provides for integrating proposals for the use of the Endowment Fund into the Churches regular budget process. The Congregation would approve proposals for the use of the Endowment Fund as part of the process of approving the annual budget. The proposal provides that proposals that are not approved as part of the regular budget process may be approved by the church council.
3. To facilitate planning for Endowment Fund projects in conjunction with the annual budget process, the proposed amendment provides for calculating available funds based on 2<sup>nd</sup> quarter data rather than 3<sup>rd</sup> quarter. This means the information would be available in mid-July

George noted that the proposal makes no changes in the

- (a) intended process for calculating the money available,
- (b) Endowment Fund Policy, or
- (c) distribution of money among the authorized users.

20% to Operations = \$2,400

10% to Scholarships = \$1,200

40% to Outreach = \$4,800

30% to Innovative ministries or capital projects = \$3,600

Lastly, George noted that it is important that the Amendment to the Endowment Fund Plan of Operations is included in the Call for the Congregational Meeting.

In discussion,

- Dawn asked what happened when the requests for distribution come in during the year. George responded that the council could approve requests made after the second quarter.
- Jan commented that perhaps not all the ideas needed to come through boards and committees, but that some could “bubble up” from the congregation. George stated that that this could still occur, and that many boards and committees do reach out to others for input.
- Dave noted that the finance committee has reviewed this proposal in detail and endorses these proposed changes.

The council voted unanimously to send these amendments to the congregation.

### **Finance Committee Update**

Dave Curtis recommended approval of a policy for paying for services rendered by LRUCC members. The recommended policy is as follows:

Since Little River UCC is sustained largely by the active voluntary participation of the congregation, it is the exception to pay members for services provided to the church. All such cases should be carefully considered. Thus, any agreement to pay a member or participating friend of LRUCC, or a spouse or child of such a person, for services rendered to the church, requires the prior approval of the Governance Board of the Council and must comply with standard financial and legal practices and other policies of LRUCC.

This policy does not affect the need to reimburse individuals for the cost of materials and supplies purchased to support the church. Those costs should be reimbursed in accordance with standard procedures. This policy also does not affect the question of whether members, or their closer relatives, can become employees of LRUCC. That situation is governed by other policies.

Dave noted that this policy had been shared with the Trustees in March, multiple times with the governance board, the ministry board, and at the congregational meeting in July. One of the key points is that it doesn't specify what can be paid for—but rather focuses on the process by which approval is granted. Dave noted that prior approval is required. Dave moved, and Ben seconded that this policy be passed by the council.

### Discussion

Council members asked questions and offered comments regarding this policy, including the following:

- Whether this policy had undergone significant change—response was no
- Examples of exceptions to this policy that might be approved—guest musicians, extraordinary provision of time and services
- Examples of exceptions to this policy that have been denied—individuals who provide baked goods—materials are reimbursed, but the time is not reimbursed.
- Whether this policy would increase consistency—opinions varied in this regard, with some believing it might help, while others believed that this would not necessarily increase the consistency. In response, Dave noted that there would be a more public record of such determinations.
- Whether additional information, such as a more general policy for what should be considered for purposes of determining whether to pay church members, should be considered and developed.
- The tax implications of private contractors, particularly for amounts over \$600.

The vote was 13 ayes and one nay vote. Dawn asked that individuals be mindful of the requests we make of individuals when we are asking about personal services. She stated that the things we ask people to do may be more involved and be more work than we think.

As a second matter, Dave provided, for information, a draft policy regarding how monies received—in worship services or in another manner—shall be credited. He requested that people read this and provide any comments on it to the Finance Committee before it is submitted to the Governance Board for approval at a future meeting. No action was taken during this meeting

### **Board of Outreach and Social Justice (BOSJ)**

Amy reported on the following activities with BOSJ

- The coat drive will be held earlier this year—so go through those closets now!
- On September 25, the hands on initiative—Stop Hunger Now — will be held. 80-100 people will be needed for this event, so please join this important event.
- Coordination of activities related to dismantling the new Jim Crow
  - This is a grant from the Potomac association
  - In October and November, there will be evening programs
  - Also coordinating with the Board of Christian Education (CE) regarding white privilege
  - Faith in Film will be postponed until December (this is a partnership between BOSJ and CE).
- White Gift
  - BOSJ is talking with their partners about the number of gifts, planning to reduce to less than 300 this year
  - BOSJ is also asking about the use of white gift wrapping paper—if this is being torn off and replaced with colored wrapping paper—there is concern that this is a waste of paper. If this is the case, BOSJ may consider a different way of managing the gifts.
  - BOSJ is also planning an evening of fellowship and community, and having a potluck the evening of the service. David and Jill Ross are working on this.
- The council also discussed some of the sources of funds used for these different events. For example, Mary noted that the Easter offering funds the Stop Hunger Now initiative. Other funds, such as the Thelma Morris fund, may also be appropriate. This fund is aimed at getting individuals in the church to be “hands on;” these funds have been used to send individuals on missions, seminary, and other activities. Dave stated that it may be important to have Council note that there may be a marketing and education issue related to the use of these special funds.

### **Trustees, Pastoral Housing Fund**

One aspect of David’s call was to set aside \$15,000 for David to use during the first two years to purchase a house. However, two years have passed and David and Carrie haven’t taken action on purchasing a house yet. The recommendation is to modify the call to extend the amount of time that these funds are available. George moved and John seconded that these funds be made available until October 2018.

#### Discussion

Although the monies aren’t available for use until someone asks to use them, council agreed that there was a benefit to having the congregation vote to formally approve the change in the date to October 2018. The Council voted unanimously to add this proposal to the next congregational meeting for consideration and vote.

### **Hiring for Immediate and Short-term Needs**

CiCi reported that she had put information out asking for feedback on the interim pastor, and did not receive any comments or reports. She noted that the council can interview or appoint a committee, and in the past, the Board of Deacons has played a role. CiCi stated that having 4-5 people on a search committee to begin doing the ground work while the church waits to hear Claire’s report and decides upon a forward approach. There are funds available for a ½ time associate pastor. There is an immediate need for a youth minister to work with the youth group and First Friday.

George noted the importance of the stewardship campaign, and the importance of setting a hard target for the congregation to reach. He recommended that there be a congregational meeting with the sole objective of setting a budget figure for the stewardship campaign. David did note the decline in the number of pledges over the past few years, as well as changes in pledging. In particular, he noted that a significant number of individuals are retiring and going to a fixed income.

George moved that the council authorize the moderator to appoint a search committee for the interim associate pastor for pastoral care and social justice. Jan seconded the motion, and the vote was unanimous.

### **Change in Moderator**

CiCi shared a letter from Rob Peters, which stated his intention to resign as moderator. CiCi will serve as moderator for the remainder of this year through the annual meeting in January. David and the Council thanked Rob for his service, noting that he took over when CiCi was ill, and has served as moderator for over a year now.

### **Christian Education**

Mike noted that Faith in Film will be postponed through November, that David Roach has agreed to teach an adult education course on white privilege, and that Jennifer Atkinson will be coordinating adult education activities for CE. PF is going to start with monthly meetings, and hopes to grow from there.

### **Board of Deacons**

Dawn reported on the exercise class, which is ending after over 15 years of operation. There will be a potluck event to note the official closing of the class, and she noted that this had been a wonderful program for seniors, providing them with age-appropriate exercises.

The transition from two services to one service has occurred and Deacons is ensuring that information is consistent regarding this change. The picnic for rally day was a success as well.

A member of the congregation has been talking with the Board of Deacons regarding having flags on the church property. The Board of Deacons voted that flags should not be present in the sanctuary for church services, although flags are present in the sanctuary for other events, such as Eagle Scout ceremonies. There is interest in considering flags on the property, and many council members shared their perspectives—from different faith traditions and backgrounds—regarding whether flags should be part of a church. Members expressed concern over the wide range of opinions—even within council—on flags on the church property. Ultimately, the council agreed to think and pray regarding this issue. CiCi and Dawn will also work together on how to have a process that is respectful and allows all views to be heard and considered.

### **Usher Training**

Donna raised concerns regarding the need for ushers to be trained, as some inconsistencies in how the attendance counts and bulletin inserts being left out. Ginny Peters will address usher training, and Carolyn Johnson is the focal point for the bulletin preparation.

### **Ministry Models**

Carolyn noted that the models group put together their thoughts on needs for the church and the different organizational structures that could help meet these needs. The team is focusing on

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pastoral care, Christian education/faith formation, and outreach and social justice as key needs. Other topics raised related to the challenges facing the church, dynamics within the church, and possible organizational structures that could be implemented. The Models group is meeting Wednesday September 21<sup>st</sup> with Claire Bamberg to talk through what qualities and attributes are needed for these different needs.

**Expectations for the October 16, 2016 Congregational Meeting**

David reported that the meeting on October 16 is expected to be 2.5 to three hours long. Lunch will be served after the church service, then we will go into the meeting. The materials for the meeting will be mailed to every home 10 days ahead of the meeting. These materials will contain a physical copy of the notes. Claire will have no less than 5 recommendations for the congregation to discuss and consider regarding next steps for the church. There will be cards passed out where each individual will record their top three recommendations (of the ones provided).

Based on this description, the council agreed that no other business will be conducted on October 16, but other business items—such as the proposed budget, and the items requiring vote—will be presented at the October 23<sup>rd</sup> meeting.

Two items were emphasized:

- (1) That these meetings be advertised frequently and through all media so that we have as much attendance as possible,
- (2) That child care be available throughout these meetings. John Mingus stated that he would check his schedule to see whether he could assist with child care during this time.

The meeting was adjourned very late...

Respectfully Submitted,  
Carolyn Yocom

**Attachment A**

PROPOSED AMENDMENT TO THE ENDOWMENT FUND PLAN OF OPERATION  
JULY 13, 2016

Delete all of the existing text under 3. Accumulation and Distribution and substitute the following:

When gifts, bequests, and transfers to the General Endowment Fund reach a total of \$250,000 money from the Fund may be distributed annually in support of the mission of the Little River United Church of Christ as specified below:

- a. No more than 20 percent of the amount available for distribution for support of the church operating budget, as requested by the Board of Trustees;
- b. no more than 10 percent of the amount available for distribution for college, university, theological or continuing education scholarships or support of UCC-related institutions PROPOSED AMENDMENT TO THE ENDOWMENT FUND PLAN OF OPERATION of higher education as requested by the Board of Outreach and Social Justice;
- c. no more than 40 percent of the amount available for distribution for outreach projects - local, state, national or international as requested by the Board of Outreach and Social Justice;
- d. and the remaining 30 percent of the amount available for disbursement plus any unrequested amounts from the previous three categories for (a) innovative ministries or programs and/or (b) capital projects of the Little River United Church of Christ as requested by the appropriate Board or Committee.

In determining the amount of the annual distribution from the Fund, the Endowment Committee will be guided by the Endowment Policy.

The amount of the annual distribution will be determined on a Total Return basis as authorized by the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA). Total Return includes interest and dividends received plus the appreciation of the principle. The annual distribution from the Fund shall not exceed 5 percent of the average market value of the Fund over the previous three years. In selecting the appropriate percentage, the Committee will strive to maintain a stable level of funding from year to year while considering such factors as the preservation of the Fund, general economic conditions, the effect of inflation or deflation, and the expected total return from income and the appreciation of investments in accordance with the UPMIFA.

The basic procedure to be followed annually is as follows:

1. In July, following receipt of the previous quarterly report on investments, the Endowment Committee will calculate the average market value of the Fund over the immediately preceding 12 calendar quarters.
2. The calculated average market value will be multiplied by the percentage deemed appropriate considering the factors listed above.

3. The result of this calculation is the amount of money that will be available for distribution in the following calendar year.
4. The committee will notify the Church Council of the resulting amounts available for distribution in each of the specified categories.
5. The Board with jurisdiction will consult with the Endowment Committee as to whether the proposed use of the money is consistent with the Endowment Policy.
6. To the extent feasible, plans for use of money from the Endowment Fund will be incorporated in the annual budget considered at the Annual Meeting.
7. Approval of the Budget by the Congregation will constitute authorization for distribution.

If a proposal for use of available funding is developed after the annual meeting, the Board or Committee with jurisdiction will provide an opportunity for the Endowment Committee to advise on compliance with the Endowment Policy before submitting the proposal to the Church Council. The Council may approve or disapprove the proposal on behalf of the Congregation or refer it to the Congregation.

Generally, unused funds will not carryover. They will remain in the Endowment Fund and be subject to the regular distribution process the following year. However if an approved use is based on planned multi-year financing, the funds will be carried forward as planned. Also, if an approved use is delayed and is expected to be completed the Funds will carryover into the next budget year.

A review of the Plan of Operation of the General Endowment Fund shall be made as needed. This review may include consultation with interested boards, committees and individuals.

The Committee shall assist and support the Stewardship Committee in devising a plan to encourage and attract more gifts to the General Endowment Fund. This plan shall be developed by the Stewardship Committee in accord with the bylaws of the church. Emphasis shall be placed on the importance of donors providing unrestricted endowment gifts. Donors shall receive personal acknowledgment of gifts at the time gifts are made, consistent with IRS rules governing the acknowledgment and valuation of gifts by charitable recipients. Unrestricted memorials and special gifts shall be transferred to the Endowment Fund.

The preexisting named funds which the church maintains as endowments shall, for accounting purposes, continue to be identified and maintained as separate endowed funds dedicated to the purposes for which they were established. At such time as a named fund is released from its original restriction by the donor/grantor or grantor's heirs, it shall be included in the unrestricted General Endowment Fund of the church.

### **Move the following text from 3. Accumulation and Distribution to 2. Investment Management:**

The Endowment Fund Committee may accept or reject contributions to the Fund, referring questionable cases to the governing board of the church, or the congregation.