

March 2, 2015
Minutes
Board of Trustees
Madison Presbyterian Church

Attending: Scott Hookey, Rick laCour, Connie Huntington, Larry Crisafulli and Dick McCracken (guest)

Scott opened the meeting with prayer at 5:35pm and presented the agenda, which was approved. Scott advised that Dick was attending per trustee request. Scott thanked Dick for his research in advance of this meeting; this research encompassed work as early as May 2014 through the most recent *Annual Report*. Dick thanked Scott for moving the church forward with the trustee initiative and thanked the trustees for their service.

Action Item:

Trustees elected Rick laCour as president, Connie Huntington as vice president and Larry Crisafulli as secretary.

Information: The following topics were discussed.

Trustee Role: Scott's stated his intent to "go slow and steady" to ensure trustee understanding of the complexities and challenges ahead. He continued, the purpose of this meeting is to establish a beginning understanding of the purview of the trustees and identify basic challenges in managing and protecting church assets with a long-term view.

General Fund: This fund is exclusively cash reserves held at River Valley Bank; the balance (12/31/14) was \$72,765. In addition, the account labeled "Jumbo Savings" is also exclusively cash reserves held at River Valley Bank; the balance of this fund (12/31/14) was \$74,608. These accounts are earning bank interest at the rate of .005%, less than the rate of inflation. These funds are separate from current operating account, which is funded by pledges. Questions facing trustees: 1) Should the two reserve funds be consolidated for easier financial understanding? 2) What is the right percentage to hold in cash for church emergency or special opportunity funding? 3) What percentage of reserves should be allocated for investment to increase the probability of improved return?

Capital Fund: This fund is set aside for capital improvements to include property maintenance and improvement, plus special project needs such as technology and equipment. The capital reserve balance (12/31/14) was \$71,735. This is the source of funds for expenses associated with the current window, electrical and painting projects. Continuing funding sources are assured through capital campaign gifts pledged through 2016, plus rental income from two church properties. The Memorial Fund was discussed as a possibility for merging into the Capital Fund, making a consolidation of Capital accounts.

Endowment Fund: There was a review of current endowment gifts, some controlled by MPC and others outside of MPC control. Investment returns were discussed as well as the rightful place for the distribution of yield and investment proceeds. Several of the endowment gifts were given with specific investment direction, which are now yielding minimal return. Trustees will explore contacting heirs for permission to modify current investment direction with the hope to achieve greater returns.

Property and Insurance: Scott reported initial conversations with our church insurance agent to review property and casualty coverage; an annual insurance review is a trustee responsibility. Trustees are charged with developing a long-term property maintenance and improvement plan. Trustees assume the priority to maintain rental properties to protect market value.

To Do Tasks:

1. Read Dick's paper, *MPC Vitality Beyond 200*; Dick will distribute.
2. Ensure up to date signature authorities at River Valley Bank.
3. Determine amount of "error and omission" coverage and consider personal umbrella coverage, if any, needed for trustee liability protection.

Next Meeting.

Trustees will meet monthly, the first Monday, at 5:30pm. The next meeting is set for April 6 with Rick laCour as presiding officer. The agenda will include: 1) a discussion on the General Fund, determining appropriate cash and investment balances; 2) consolidation of Jumbo savings into the General Fund; and 3) consider the choice of investment advisors to support General and Endowment Fund growth.

Close:

Dick adjourned the meeting at 6:35pm with prayer.

Minutes are submitted Dick McCracken, guest. When approved, Minutes will be posted on MPC website.