

# MINUTES

## BOARD OF DIRECTORS

October 29, 2009

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### ATTENDANCE

PRESENT: Joy Haning - President; William Schaeffe – Vice President; Robert Phillips; James Mann; Ginger Merkel; Vince Catania; Joellen Hosler; Marylynn Boatright; Dave Crittenden, staff; James Rissler, Presbyterian Investment and Loan Program

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The meeting of the Board of Directors was convened with prayer and devotions by Joy Haning, at 10:00 A.M. on October 29, 2009 at First PC – Urbana, Illinois.

1. The agenda was reviewed and two additional items of new business were added before it was adopted.
2. **ACTION:** The Board approved the October 29, 2009 minutes as distributed and the September 14, 2009 Conference Call minutes with the addition of those absent being recorded.
3. Jim Rissler reported on the state of the transfer of the Synod's Capital Improvement Program. He brought the following recommendation to the Board of Directors regarding our loan to Pullman Presbyterian Church, Chicago, Illinois:

"That the term of this loan be extended back to the original 20 years, so when the transfer to the Church Loan Program occurs payments can be significantly lowered. This action will drop the debt service on this loan from \$3,689/month to \$2,970/month."

**ACTION:** The Board approved the recommendation from the Staff Loan Committee.

Jim reported as of October 15 there were 5 loans left to transfer totaling \$1,529,551.49 and Participation Certificates totaling \$2,157,190.61. All of the loans should be transferred by the end of the calendar year and most if not all of the certificates redeemed. Available cash and the remaining loans will more than cover the redemptions.

The Board reviewed the letter that will be sent to the certificate holders asked to redeem their certificates early. The letter reflects the previous action of the Board to offer to pay half of the difference between the rate on their certificate and the current Presbyterian Investment and Loan Rate. The cost of this offer is estimated to be \$11,800.

4. The Consolidated Financial reports were reviewed. The question of who approves the consolidated budget was asked. This has not been done in the past because the Board has never looked at a consolidated report. It was decided that the Board should approve this budget annually. The current report reflects a budget that may not have solid figures, Dave will consult with Jay Wilkinson to get figures for those line items that are not included in the Fund 10 budget currently approved by the Synod. The Board will review the revised report by conference call in November.
5. Dave reported on plans to have Whitewater Valley Presbytery provide financial services to the Synod. Dave has agreed to give the Synod of Lakes and Prairies ninety days notice before a transfer of this service would begin. This will not begin before the Board approves an agreement between the presbytery and the Synod.

6. Dave presented the following projected capital expenditures report:  
The Synod has the following assets:

*Furniture and fixtures*

- 2 Workstations purchased in 2005 for \$1,998.00 with 10 year depreciation
- 1 Copier/printer purchased in 2006 for \$9,980.00 with 5 year depreciation

*Computer Equipment*

- 1 server purchased in 2007 for \$855.00 with 3 year depreciation
- 2 Desktop computers purchased in 2007 for \$1,310.00 with 3 year depreciation
- 2 Laptop computers purchased in 2007 for \$2,220.00 with 3 year depreciation
- 1 Laptop computer purchased in 2009 for \$1,499.00 with 3 year depreciation

*Leasehold improvements*

- Carpet purchased in 2009 with a projected cost of no more than \$2700.00 with 10 year depreciation
- Construction purchased in 2009 with a projected cost of no more than \$1,700.00 with 15 year depreciation

The Synod will begin sharing office space and eventually staff and equipment with Whitewater Valley Presbytery on January 1, 2010. It is anticipated all of the above mentioned assets will be put to good use and will serve us well through their respective scheduled depreciation. During the first year to 18 months the two governing bodies will explore ways to share equipment in much the same way rent and leasehold improvements are being shared at the outset.

There are no projected needs for 2010. It appears that an assessment of needs at the October 2010 meeting of the Synod of Lincoln Trails Board of Directors would allow a more accurate projection of needs three to five years in the future.

**ACTION:** That the Board of Directors consider capital needs and projected expenditures for 2011-2015 at their October 2010 meeting.

7. Katherine McAfee Parker and Albert G. Parker III left the beneficial interest of the pooled income account with the Presbyterian Foundation to the Synod of Lincoln Trails. The amount the Synod has received is \$12,696.09. This money is to be used for Christian Ministry to children and elderly persons within the boundaries of the Synod with first preference given to this work in Ohio Valley Presbytery.

**ACTION:** That this gift be given to Pyoca Camp and Conference Center since they are located within the bounds of the Synod and Ohio Valley Presbytery and carry on this kind of ministry.

8. The Cora J Pope Home was discussed. The long awaited ruling from the legal department of the General Assembly Mission Council regarding the 501(c)(3) status of the Cora J. Pope Home Trust noted the Home meets the requirements for inclusion in the Presbyterian Church (U.S.A.) group ruling exemption. They have been using the Synod's exemption and not using their tax number. This has been changed.

**ACTION:** That the Board of Directors recommend the Synod of Lincoln Trails initiate conversations with Blackhawk Presbytery regarding their becoming the successor trustee for Cora J Pope Home Trust so that the Synod may resign as trustee.

9. In 2006 the Synod made a request to the Presbyterian Foundation to have Southeastern Illinois Presbytery, who is the named successor receiving site, be designated as the legal

recipient of the for the shared mission dollars received from the Maude Evans Memorial Fund to be distributed according to the shared mission dollar distribution for Southeastern Illinois. It has recently been agreed that the Presbyterian Foundation will distribute the income according to the shared mission dollar distribution to the Presbytery of Southeastern Illinois, the Synod of Lincoln Trails and the General Assembly. Under this agreement the dollar distribution formula will be reported to the Foundation by the General Assembly Council annually.

10. Ginger Merkel gave the following report regarding investments. Ginger presented the following to do list which was adopted by the Board:

1. Prepare a restricted gift summary for each of our funds to be reviewed and updated annually
2. Determine which gifts are under UMIFA and which are under UPMIFA
3. Develop a spending policy for our portfolio
4. Determine if funds are being distributed within the donor restrictions
5. Review and revise the Investment Policy with attention to benchmarks, asset allocation and a review process
6. Review trust and distribution rates from J.P. Morgan regarding the Yandes Trust.

11. A request for assistance with legal fees from Wabash Valley Presbytery was reviewed. The Board would like to make a gift showing our partnership with the Presbytery a decision will be made after the consolidated budget is reviewed during the November conference call.

12. The Board voted to affirm the hiring of the law firm of Grippo & Elden to defend the law suit filed against us by Donald A Metzger for legal fees incurred by Canaan Presbyterian Church of Glenview, Illinois. The Presbyterian Church (U.S.A.) is also named in the suit and will be sharing one half the costs with the Synod. The first invoice received October 22 for services through September 30 totals \$17,593.13.

13. The Board received for information the 2010 Budget for Fund 10 that the Synod will be considering at its meeting October 30, 2009.

14. The Audit Committee reviewed their activities resulting from their meeting on May 28 and July 20, 2009. They recommended that Dave sign the engagement letter from Capin and Crouse for a review of 2009. The Board will do a full audit for 2010 seeking bids from at least one other auditor.

15. The next meeting will be January 22, 2010 in Urbana, Illinois.

16. The Board rejected a request from Dakota Salts, LLC to lease salt and related mineral interests on land we have an undivided interest in and are currently part of a lease for gas and oil. The Board would like to explore possibilities of getting out of our small interests.

17. Dave reported on an October 28, 2009 meeting with University Church, West Lafayette, Indiana and a team from Wabash Valley Presbytery. The Board may be receiving a request to transfer this property to Wabash Valley Presbytery or this church within the next year.

18. The meeting was adjourned with a devotional thought and prayer.