

Emmanuel Episcopal
Church

Vestry Meeting
Minutes

September 19th, 2017

Present: Rev. Ellen Ekevag, Rev. David Jackson, Cindy Mottl, Suzanne Jasiak, Mary Pat Anderson, Dorren Gertsen-Briand, Hendrik Noth, Jean Owen, Vicki Roe, (Larry Brongel - Treasurer) Lisa Enright, Bill Hoekwater, Kathleen Valenta, Mike Bolton, Judy Staiano (clerk), Meredith Gebhart,

Also present: Dick Best, Penny Longo, Marc Borge, Marc O'Brien, Dan Mottl,

Scheduled Presentation on the Endowment Policy at 7.30pm by Matt Longo & Marc O'Brien

Owing to Endowment Presentation, shortened Vestry business discussions. Written reports only, unless very urgent. Endowment Presentation attached.

1. . Formation
 - a. Call to Order – 7.01 pm
 - b. Opening Prayer by Vicki Roe

Book Chapters to be read – not during this meeting due to lack of time

2. Information

- a. August minutes – Motion by the vestry to approve August minutes as/if amended. Seconded by the vestry. Motion Carried by all.
- b. Treasurer's Report – Larry Brongel

\$38,000 in operating cash, due to the receipt of the Antique Sale funds and the Garage Sale funds, and a high value stock pledge. A \$5,000 Insurance bill due to be paid. We have not paid any Diocesan Pledge yet this year, will wait to see near the end of the year to assess our cash flow.
- i. Cindy Mottl moved to accept the treasurer's report. Jean Owen seconded. The report was unanimously accepted.

c. Individual Reports

- i. Jean Owen, Following meeting about the Spring Event, of 2018, the committee liked the idea of an Artisan Fare (to replace and update the Antique Show), It would take place on the main floor only, and have more 'modern' crafty booths. An Art Show in the sanctuary in conjunction with the show, and also offer our historic presentation. We could do Face Painting in Rachel's room. Ellen Busch and Stan Jasiak would co-ordinate offering food for the day. It would likely have a 10am start, and would be the the last Saturday in April 2018, the 28th.

- i. Michael Bolton reported that the National Historic Registration Hearing in Springfield, Illinois is scheduled for October 27th. It should take 60-90 minutes. A small party from Emmanuel will go down there for the presentation, which will include, Mike Bolton, Kathy Clark, Sandra Renner??? Then the request is sent to the Federal Government, with hopefully a recommendation for Federal Status.

The Garage Sale raised just over \$10,000

The Ministry fare was a success.

We have a new phone system.

Candidates for the 2017 Diocesan Convention are all the members of our Clergy, Rev. Ellen, Rev. Dave, Deacon Bill, Andy Dolliff, Cindy, Mottl, Dorren Gertsen-Briand, with Sue Jasiak as the alternate.

3. Decision

- a. Motion – The Vestry commits the Church to meet the financial obligations of Phase 1 and 2 , per the pay schedules in the contracts for the Pipe Organ Project, and will seek and secure ways to find the project (outside of the POP campaign also) Kathleen Valenta made a motion to. Lisa Enright seconded the motion. Motion passed unanimously.

- b. Motion 2 – Mary Pat Anderson made the motion to send delegates, listed above, to the 2017 Diocesan Convention and represent Emmanuel Episcopal Church. Lisa Enright seconded the motion, which passed unanimously.

4. Closing Prayer – Rev. Ellen

5. Meeting Adjourned – 9.00pm

Upcoming Meeting/Event Schedule:

Next Vestry Meeting September 19th

Acolyte training October 9th

Vestry retreat October 6th – 8th

Vestry Meeting October 17th

Next Community Night scheduled for November 16th

Upcoming Coffee Hour Schedule:

17 Sep	Jean
24 Sep	Dorren
1 Oct	Sue
8-Oct	Mary Pat
15-Oct	Michael
22-Oct	Vicki Roe
29-Oct	Hendrik
5-Nov	Kathleen
12-Nov	Lisa
19-Nov	Bill H.
26-Nov	Dorren
3-Dec	Jean
10-Dec	Cindy
17-Dec	Sue
24-Dec	Mary Pat
31-Dec	Michael

Minutes submitted by Judy Staiano

EMMANUEL EPISCOPAL CHURCH

Endowment Committee Presentation to Vestry
September 19th, 2017

By Matt Longo

AGENDA

- ✖ Endowment Fund Committee and Responsibilities
- ✖ Memorial Fund Overview
- ✖ David E. Weaver Fund Overview
- ✖ Swetnam Fund Overview
- ✖ Endowment Fund
 - + History, Current Status, Roof Loan
- ✖ Presentation on Restricted Funds – Marc O'Brien
- ✖ Future Management of Fidelity Accounts
- ✖ Open Items for Future Discussion

ENDOWMENT COMMITTEE MEMBERS

- ✖ Matt Longo, Trustee (2015)
 - + Chair (September 2016)
- ✖ Bill Hoekwater, Trustee (2015)
 - + Co-Chair (January 2017)
- ✖ Rob Eckroth - Trustee (2013)
- ✖ Linda Brongel - Trustee (2010)
- ✖ Marc Borge - Trustee (2016)
- ✖ Stan Jasiak - Trustee (2016)

Note: Chair and Co-Chair have full trading privileges at Fidelity

EMMANUEL RESTRICTED FUNDS HELD AT FIDELITY

- ✖ Columbarium Fund (Established April 2017)
- ✖ David E. Weaver Fund (Established 2003)
- ✖ Swetnam Fund (Established 1956)
- ✖ Endowment Fund (Established 1963/1964)
 - + Roof Loan (Established Sept, 2009)

Note: Fidelity is the Broker used by Emmanuel for all stock/bond donations made to the general fund.

ENDOWMENT COMMITTEE TASKS

- ✖ Committee meets quarterly
- ✖ Reports status of funds to Wardens quarterly
- ✖ Maintains Asset Allocation Guidelines for accounts:
 - + 55% Stocks, 45% Bonds, Target 5% to 9% historical return
- ✖ Acts as broker for Emmanuel for parishioners who donate equities to Emmanuel. Sells equities within 3 business days and provides funds electronically to FNBOL.
- ✖ Maintains and makes available records for internal or external auditors to review Endowment Committee Books
- ✖ Actively promotes the Endowment Memorial Fund- provides brochures and other fund raising ideas
- ✖ Creates financial summaries for Annual Reports
- ✖ Responsible for all restricted funds

HISTORY OF MEMORIAL FUND AT EMMANUEL

- ✖ **Referencing Rev. Galaty Rector's Report in 1964 Annual Report**
- ✖ **Creation:** "Back in 1946, the Vestry adopted a policy of completing the Church through a program of memorials. Mr. Harry Mitchel undertook this program of changing of the old choir room and the north side of the chancel into a chapel."
- ✖ "The next step was the development of a planned installation of the windows of the church. Mr. Mitchel has been working on this for the past 15 years. I am happy to report that all the windows have been ordered and will be installed during the current year". (See letter for a detailed description of window locations and themes).
- ✖ "Thus within 20 years, the memorial Gifts to the Church have added much in our life and commemorate those who have gone before us. It is our hope that this fund will continue as a means to beautify the Church"
- ✖ **Legacy** The numerous brass plaques located throughout the Sanctuary are a result of the Memorial Committee's work over the years.

EMMANUEL MEMORIAL FUND AT FIDELITY

- ✦ **Creation** Memorial Fund account at Fidelity was established in April 2017
- ✦ **Funding** Seed money was \$10,000 check from the Memorial Fund Account at FNBOL (previously earning no return). Note: There is a currently a separate memorial account at FNBOL.
- ✦ **Investment** Funds are Invested in Fidelity Puritan (PURX). Assets consist of a mix of stocks and bonds.
- ✦ **Disbursements** Memorial Committee meets and decides where funds are to be allocated.
- ✦ **Current Value** As of Sept 12, 2017, the fund's value was \$10,360

EMMANUEL'S DAVID E. WEAVER FUND

- ✦ **Creation** David E. Weaver Fund was established by vote of the Vestry at the September, 2003 meeting. Excerpts from the Letter from the Senior Warden (Tom Doyle) to Emmanuel Parishioners follows:
- ✦ **Original Funding** "The Vestry voted to rename the Outreach Fund as The David E. Weaver IV Outreach Fund. This renaming serves at least two purposes: (a) it celebrates the life of a remarkable member of our Parish Family , David E. Weaver IV, who died in August 2002; and (b) it reflects the many memorial gifts made in David's name. (\$17,216) ...the investment management of the Fund will be under the supervision of the Parish's Endowment Committee, but the Fund will be kept separate from other funds at Emmanuel.
- ✦ **Disbursements** The David E Weaver Committee will make annual disbursements for Parish outreach projects. With annual recommendations to the Vestry regarding disbursements. All Parish members are welcome to participate in this process. The Junior Warden is the Vestry Representative on this committee.
- ✦ **Annual Funding** An open plate offering in June in which all proceeds are to be deposited in the David E. Weaver IV Fund at Fidelity."

EMMANUEL'S DAVID E. WEAVER FUND

- ✦ David E. Weaver Fund distributes 5% of its YE assets each year to local charities decided by the DEW fund committee.
- ✦ These proceeds are released through the General Fund
- ✦ 2015 distribution \$4,595
- ✦ 2016 distribution \$4,724
- ✦ The current value of the David E. Weaver Fund, as of Sept 12, 2017, is \$105,498

HISTORY OF SWETNAM FUND AT EMMANUEL

- ✦ **Creation:** The 1956 Annual Report references a Theological Scholarship Fund used to help pay the tuition of Rev Richard F. Tombaugh from 1956 to 1958
- ✦ **Funding:** In 1957, 70 shares of GE Stock were donated to Emmanuel, creating the Swetnam Memorial Fund (\$2,041 or \$25,454 in 2017 dollars)
- ✦ **Purpose:** 1963 Annual Report states "Proceeds to provide tuition for a Seminarian from this parish who is attending a theological Seminary. If the fund is not used for this purpose, the income goes to Seabury Western Theological Seminary"
- ✦ **Disbursements:** Stock dividends of the GE Stock were transferred to General Fund and proceeds to Seabury Western from 1959 to 1973.
- ✦ In 1971 Annual Report the 140 shares of GE (stock split in 1971) is rolled into the Endowment Fund valued at \$2,041.91. (Value of 140 shares on 12/22/71 at \$62.63 a share \$8,768.20).

HISTORY OF SWETNAM FUND AT EMMANUEL (CONT.)

- ✦ Swetnam Fund is not referenced in Emmanuel's Annual Reports for 15 years (1973 to 1988)
- ✦ **Summary of Activity 1988**
 - + The Swetnam Memorial Scholarship Fund is listed in the Treasurer's Report and valued at \$6,500
 - + \$800 Disbursement to Seabury Western
 - + GE Stock sold and converted to Ivy Growth Fund
 - + GE stock split in April 1983 and in May 1987 (should be 560 shares)
 - + Value of 560 shares of GE on 12/1/1988 at 48.38 a share (\$27,092)
- ✦ **Summary of Activity 1989**
 - + Paid Dividends to Seabury Western in 1990 of \$0 per Annual Report
- ✦ **Summary of Activity 1990**
 - + Paid Dividends to Seabury Western in 1991 of \$800 per Annual Report

HISTORY OF SWETNAM FUND AT EMMANUEL (CONT.)

- ✦ **Further Disbursements to Seabury Western**
 - + No Dividend disbursements to Seabury Western after 1991
- ✦ **1982 Annual Report Statement Regarding Swetnam Fund**
 - + "Account established on 11/27/87 with provisions that dividends be reinvested". Principle amount of \$6,500 to remain intact
- ✦ **2003, 2004, 2005 Disbursement**
 - + Martha Korienek, Daughter of Muriel Cooper attending Yale Divinity School
 - + \$3500 for three years, \$10,500 total
- ✦ **2016 Disbursement**
 - + Dave Jackson, Northern Baptist Theological, 2 semesters \$3370 total
- ✦ Currently paying a 2% management to the general fund (since 2014)
- ✦ **Current Value** Sept 12, 2017 is \$49,320

REV RICHARD TOMBAUGH MINISTRY

- ✧ **General Board of Examining Chaplains chooses new administrator (2002)**
- ✧ The Rev. Richard Tombaugh of Connecticut has been appointed administrator of the General Board of Examining Chaplains which carries responsibility for preparing the General Ordination Examination used by most dioceses for prospective clergy as part of the overall assessment of a candidate's gifts for the ministry.
- ✧ Rev. Tombaugh is a graduate of Columbia, Princeton and the General Theological Seminary. He has served parishes in Illinois, Missouri (Holy Trinity) and Connecticut (Christ Church) and served as Canon to the Ordinary in Connecticut for 13 years.

The Reverend **Martha S. Korienek**, Associate Rector
(212) 254-2000 ext. 114

Contact Martha



The Rev. Martha S. Korienek joined the staff of Grace Church in September 2016. Previously she has served Michael & All Angels in Corona del Mar, CA, Church of Our Saviour in Chicago, IL, and she came to us from St. in Burlingame, CA (near San Francisco). She earned her M.Div. from Yale Divinity School and a Certificate in Art Studies from the Berkeley Divinity School at Yale in 2006. Before seminary, she was part of the Episcopal Urban Program in Los Angeles, CA, which is one of the Episcopal Service Corps sites. She earned a B.A. from the Univ. of Illinois-Champaign/Urbana, where she double majored in education and French. She is originally from Chicagoland area, and is a Cubs fan, however, she has attended more Yankees games than any other team considers herself a Yankees fan, as well.

HISTORY OF ENDOWMENT FUND AT EMMANUEL

A quote from the Rev. Galaty Rector's Report in the 1964 Annual Report:

- ✧ "The Vestry decided to place the sizable sum left by the death of Mr. Louis Schroeder into an Endowment Fund.
- ✧ The income from this fund now becomes a part of the income of the parish and will be used to meet operating expenses."

A quote from the Sr. Warden's (F. W. Walker) Report in the 1965 Annual Report:

- ✧ "Emmanuel Church Endowment Fund became a reality in June (1965). Contributors to this fund in effect perpetuate their pledges to Emmanuel Church. **It is intended that the principle will never be spent.** The earning will be made available to the Vestry by the Trustees for use at its discretion. The continuation and growth of this fund coupled with the everlasting restraint by future Vestries from changing this policy will have significant effect upon the future of Emmanuel.
- ✧ **Funding** Estate of Louis and Berthe Schroeder \$51,418 (\$409,490 in 2017\$)
Estate of Arthur Lavidge \$5,000 (\$39,300 in 2017 \$)

ENDOWMENT FUND AT EMMANUEL FACTS

- ✧ **See attached Excel Spread Sheet**
- ✧ **Contributions** There have been 160 individuals that have been Memorialized in the Endowment Trust.
- ✧ Individual donations over \$1,000 have been Memorialized in a plaque located at the west entrance of the church and recorded in Emmanuel's Annual Reports.
- ✧ Contributions from 1963 to 2017 total \$742,905 (\$1,466,890 in 2017 \$)
- ✧ **Disbursements**
- ✧ To the General Fund from 1963 to 2017 \$1,044,829 (\$1,792,456 in 2017 \$)
- ✧ Average annual donation to General Fund \$19,348 (\$33,193 in 2017 \$)
- ✧ **Emmanuel Church Income and Expenses**
- ✧ Total cumulative pledge income from 1963 to 2017 is \$8,826,154
- ✧ Endowment Accounts for 11.8% of total pledge income
- ✧ Total cumulative operating income from 1963 to 2017 is \$12,709,748
- ✧ Total operating expenses 1963 to 2017 \$12,665,703

ENDOWMENT FUND AT EMMANUEL FACTS (CONT.)

- ✧ **Emmanuel Church Donations to the Dioceses**
- ✧ Donations to Diocese from 1963 to 2017 \$1,156,706 (\$3,067,957 in 2017\$)
Average annual donation to Diocese \$19,024 (\$56,814 in 2017\$)
- ✧ **Endowment Performance Facts:**
- ✧ Made money 43 years out of the 53 Years in existence (\$1,042,806 total)
- ✧ 2006 gained \$105,535 (11.60%) To General Fund \$29,500
- ✧ 2008 lost \$239,906 (28.60%) To General Fund \$36,420
- ✧ 2009 gained \$61,711 (11.09%) To General Fund \$36,950
- ✧ 2010 gained \$53,739 (9.77%) To General Fund \$35,820
- ✧ 2013 gained \$100,476 (16.03%) To General Fund \$30,908
- ✧ 2016 gained \$65,903 (9.77%) To General Fund \$32,218
- ✧ **Disbursements to General Fund Calculations**
- ✧ 5 year rolling average of 5% value of the fund (including roof loan) on October 31st . Smooth out "Black Swans". Amount used in following year budget

EMMANUEL RECTORY SALE TO ENDOWMENT

- ✧ **Emmanuel Rectory Sale**
- ✧ Emmanuel provided housing to its rector prior to Rev. Weaver
- ✧ The Rectory was purchased for \$54,000 and located at 345 S. 6th Street,
- ✧ The Rectory was funded and maintained in a separate fund call the Rector's Housing Fund
- ✧ Rectory sold in 1987 for \$210,000 (minus expenses net of \$189,130)
- ✧ **Endowment Fund Contribution**
- ✧ In 1997 by vote of the Vestry the Rector's Housing Fund was absorbed into the Endowment Fund.
- ✧ The balance of the Rector's Housing Fund was \$177,000 in 1987

ROOF LOAN AT EMMANUEL FACTS

- ✦ Contract from between Vestry and Endowment Committee -October 2009
- ✦ Cited the economic condition in US during 2008/2009 have been most severe and it is imperative to make capital improvement before additional deterioration before winter
- ✦ Original Loan balance \$80,000 in Nov. 2009 at an interest rate of 5%
- ✦ Loan was due to expire November 1, 2011
- ✦ Loan was extended to 2015 on 11/1/2011 at an interest rate of 3%
- ✦ Balance on 11/1/2011 \$77,994
- ✦ No fund raising provision to pay off loan
- ✦ Loan extended on 01/1/2015 for one year at a interest rate of 3%
- ✦ Balance on 1/01/2015 was \$78,351
- ✦ Balance on 1/01/2017 was \$78,351
- ✦ Payment to roof loan of on 1/20/2017 to reduce balance to \$76,551

MARC O'BRIEN PRESENTATION ON TRUST DOCUMENTS

- ✦ Swetnam Trust Document
 - Original 1956 agreement
 - Current status
- ✦ David E. Weaver Outreach Fund Document
 - Original
 - Current Status
- ✦ Emmanuel Endowment Fund By-Laws
 - Original (1965)
 - Amended (2016)
 - Amended (2017) Added payout restrictions
- + Roof Loan
 - Original (2009)
 - Amended (2015)
 - Current Status

FUTURE MANAGEMENT OF FIDELITY ACCOUNTS

- ✦ Traditionally the Endowment Trust Accounts were handled internally by members of the Endowment Committee
 - Dick Best (Experienced in Investment Field)
 - Published author of "How to Pick Stocks Like Warren Buffett on Your Computer" copyright 1998
 - Authorized Emmanuel Account manager 1987 to 2009
- ✦ Chris Meyer was next Committee Chair
 - Licensed Money Manager
 - Fidelity Accounts were managed in under Chris' company portfolio
 - Authorized Emmanuel Account manager 2009 to 2016
- ✦ Fidelity Accounts Security Sweep in January 2017 had to reset passwords and authorize account managers
 - Chris Meyer and Mike Salisbury the only "authorized users" at Fidelity
 - Fidelity no longer supports church accounts run by individuals
 - All non profit accounts must go through a professional money manager

FUTURE MANAGEMENT OF FIDELITY ACCOUNTS

- ✦ Status of Fidelity Accounts at Emmanuel
 - With much effort, I had myself added to Emmanuel's Accounts at Fidelity
 - Fidelity only uses one social security number on individual accounts, there is no provision for accounts that are non-profits, Emmanuel is a "one-off" for Fidelity
 - Currently Emmanuel's Fidelity Accounts are co-mingled in my personal 401K Account
- ✦ Professional Account Manager for Endowment Funds
 - Emmanuel requires a Licensed Money Manager who is compensated by assets held and not by commission
 - Suggest Endowment Committee interview and present candidates to Vestry for approval.

ITEMS OPEN FOR DISCUSSION

Status of Memorial Fund

Stated purpose and use of funds

Status of Swetnam Fund

Stated purpose and use of funds

5% annual return to General Fund for Education in place of Management Fee

Endowment Fund

Open Plate "Endowment Sunday" to publicize the Endowment Fund

Status of Roof Loan

Fund raising effort or retire Roof Loan

Professional Money Manager

Set up time to Interview

Present candidate to Vestry

Thank You!

RETIRED LONG-TIME COMMITTEE MEMBERS

- ✦ Chris Meyer (Chair from 2009-2016)
Member of committee from (2004 to 2016)
Licensed Professional Money Manager
 - ✦ Bill Kintigh (Committee member from 2002 to 2016)
Also was long-time Chair of Memorial Committee and
the Scholarship Fund
 - ✦ Mike Salisbury (Member from 2010 to 2014)
 - ✦ Dick Best (Committee Chair from 1987 to 2009)
 - ✦ Dick Houck (Member from 1987 to 2010)
- I would like to acknowledge their hard work on this important
Ministry for Emmanuel