

## Endowment Committee Minutes

January 24, 2019

Attending: Elaine Gustafson, Chair; Salem Bullard; David Goltare; Joy Kronenfeld; Donna Moffitt; Kathie Tiedeman, and Pastor Charlie Lee and Libby Wilson (Staff)

Excused: Mitchell Hunt; Frank McClanahan; and BJ Pearce

- Opening Prayer: Pastor Charlie
- Libby stated that the 2019 distribution from the Endowment Funds to the church's operating budget was \$70,973. Libby made the distribution on January 23<sup>rd</sup> and re-balanced the Vanguard portfolio for 80% stocks and 20% bonds at that time.
- Libby reviewed the quarterly activity of the Permanently Restricted Endowment Funds as of December 31, 2018. Although the quarterly earnings for Sept.-Dec was \$5,805.72, changes in the market in December caused an unrealized loss of \$130,977.21, which basically wiped out positive returns from the other quarters. The current market value of all the funds is now \$983,513.43, with 78.54% in stocks and 21.46% in bonds. The Year-to-Date total investment return for calendar year 2018 is -3.91%.
- Libby stated that Session's January 2018 allocation of \$110,000 from Lillian Steele monies to support the church's 2018 budget had been reduced to \$71,000, with the \$39,000 remaining unspent in the Lillian Steele fund.
- Libby informed the group that Session voted to use \$90,000 from the Lillian Steele gift to fund 2019's operating budget. (SPC gets \$30,000 in revenue from yearly Exxon distributions, so the Lillian Steele gift technically would be reduced by just \$60,000.)
- Libby informed the committee that Exxon is currently trading in the \$70s. She reiterated that we have placed an order to sell 1,000 Exxon shares when the stock reaches \$90, the value when the gift first came to Starmount. It would be a quick turnaround to sell shares, with the money available in approximately 2 days. SPC, however, has enough cash to cover all of FY 2019 and half of 2020. If the Exxon stock does not climb back up, SPC would take a loss when it sold more stock.

- Salem mentioned that there were several other stocks we might want to consider investing in when we divest from Exxon.
- Under Old Business, Elaine reviewed the accomplishments we achieved in our 4 meetings last year: primarily updating and revising the Declarations, forming an ad hoc committee to review the Lillian Steele gift, and determining the distribution % for 2019's budget. Well done, folks! Elaine hoped that the committee could "coast" this year.
- Under New Business, Charlie and Kathie mentioned that the Administration Committee was discussing holding a workshop after April 2019 on tax reform and QCD (qualified charitable donation) opportunities. Kathie has already had a positive response from Fidelity about participating. Elaine mentioned that Jim Fisher would be hosting a church workshop where he would explain tax software available to folks to assist with tax preparation and that Endowment had hosted Cheryl David in the past to speak on Estate Planning. Charlie stated that Stewardship and Endowment's Carpenter Legacy Society would need to be included in any presentation.
- The committee's next quarterly meeting will be on **April 18 at 8:00am**. The remaining meetings will be on **July 18** and **Oct. 17**.
- Closing Prayer: Elaine Gustafson