

Present: Paul Bailey, Bill Bittenbender, Bill Carney, Tom Propst, Al Snell, Bryan Wester, Margaret Bearden, Fr. Eric Mills, Deacon Pam Hayes, Rick Pearce, Steve Ammons

Absent: Bob Fuchs, Jim Belvin, Don Halbert

The meeting began at 10:00 with an opening prayer by Bill Carney.

The following items were discussed and/or decided:

The minutes from the April 8, 2025, F&F Board meeting were approved and amended via email.

Rick Pearce was recently appointed Interim Treasurer by the vestry. He is planning to present a treasurer's monthly report to the vestry next week and will provide the Finance and Facilities Board with a copy for our records.

Rick facilitated the audit that was completed over the last several days, with assistance from Lorraine and Karla. The auditor's report, with any recommendations received, will be sent to the diocese as well. With regard to the budget, Rick plans to begin the budget planning somewhat earlier than has been the practice, but does not yet have a calendar created. Ideally, he would like to be able to send a rough draft budget to the Stewardship committee before the pledge campaign begins.

Rick, who also serves as our insurance liaison, discussed the upcoming increases in our property and wind and hail insurance policy premiums; the renewal dates are in June. The property premium of \$39,140 has increased by \$3,200, but the wind and hail premium has not yet been received. The final lightning repair invoice has been received for the replacement of the steeple cross; Rick will research to make sure we received the correct insurance payment for this replacement. There remains an outstanding invoice from Cavinder Elevators that will need to be addressed by insurance. Rick has made some clarifying changes to our policy property descriptions.

Steve Ammons, our new facilities coordinator, will be attending monthly board meetings. He noted that Standard Glass of Wilmington is scheduled to repair the damaged window in the Bell Tower narthex.

Margaret Bearden reviewed the Board Chair and Communicators minutes from earlier this month..

Margaret reported that the Vanguard Balanced Index Fund, as of May 12, is up .73% year-to-date, the FTSE Ex-USA International Fund is up 11.94%, and the Federal Money Market Fund is yielding 4.21%. Margaret also introduced the amended Master Endowment Policy that the Investment Committee and the Endowment Committee developed. **Al Snell moved to approve the amended policy, which includes three income choices for the donor. Margaret seconded the motion, and it was approved unanimously.** (Amended policy is attached to these minutes.) The amended policy will be sent to the Vestry Executive Committee for review and approval

The Outreach Committee's document with three resolutions for the Outreach Endowment was emailed to the board. The motion to approve was deferred and will be submitted via email,\*\* That document is attached to these minutes.

Tom Propst, the Stewardship Chair, had no report for May, but will offer suggestions for budget planning discussions with the treasurer.

The process has begun to refund down payments for a proposed Columbarium. The Columbarium project has been paused until a new rector has been installed. Any remaining funds will be kept in the interim. The Columbarium project had been merged earlier with the Memorial Garden.

Bryan Wester reported the following for Buildings and Grounds, (1) the monthly elevator inspection was completed with no issues; (2) *Mansfield has made efforts to repair the condensate leaks in three of the new HVAC systems\** (3) the cracked Bell Tower narthex glass is scheduled to be replaced by Standard Glass on May 29; (4) Robert Prince Electric has been contacted to quote replacement of the four sanctuary spot lights and replacement of light bulbs in the other pendant lights; 5) Steve Ammons' new office is located on the second floor of the chapel/annex. Steve can be contacted at [steve@stphilipschurch.org](mailto:steve@stphilipschurch.org).

Deacon Pam gave a closing prayer, and the meeting was dismissed at 11:05 am.

The next meeting will be held in Room 202 on June 10 at 10:00 am.

Respectfully submitted,

Margaret Bearden

\*After the meeting, it was discovered that the three HVAC systems were still leaking condensate.

**\*\*After the meeting, the Outreach Committee's resolutions document was approved via email and will be presented to the vestry at its meeting on May 20.**

## ST. PHILIPS OUTREACH ENDOWMENT RESOLUTIONS

April 10, 2025

Resolution #1: The Outreach Endowment Fund will be managed by the foundation of the Diocese of Eastern Carolina in compliance with their investment policies. Annually, the Investment Committee will recommend a distribution of no greater than 5% of the previous twelve (12) quarter rolling average of the value of the Fund. The percentage will be ratified by the Finance & Facilities Board of St. Philips. This amount, net of administrative fees, will be transferred to the Outreach Temporary Restricted Fund on a quarterly basis.

Resolution #2: As designated under the original terms of donation by the Fairley family, the initial Outreach Endowment shall not be invaded for any purpose. The distributions shall be spent for the purposes of outreach or human needs only. The Outreach Board shall expend, on an annual basis, all receipts from the Fund.

Resolution #3: There will no longer be a vestry-appointed representative for the Outreach Endowment Fund on the Outreach Board. This change is in alignment with how the other St. Philips endowments operate.

### **The St. Philip's Church Endowment Fund Policy (amended)**

This policy is created to manage **all** endowment funds given to or created by St. Philip's Episcopal Church (Church).

All named endowments or annual pledge endowments must be established through a signed legal document that codifies the agreement between the Donor and the Church. **(See the attached Endowment Fund Agreement)**. The Finance and Facilities Ministry Board (Board) will provide and manage all endowment agreements. A summary of all endowment agreements will be reported in the Annual Report to the parish.

#### **Endowment Categories**

The following categories of endowments are elements of the Church's Master Endowment Fund (Master Endowment Fund):

**Named Endowments: Gifts of \$50,000 or More**

These funds may be general or specific purpose gifts and, with the approval of the Board, may be named at the donor's direction to honor or memorialize an individual, family, organization, or cause.

**Specific Purpose Endowments:** With the Board's approval the donor may direct that the income or principal (see Distribution of Individual Fund Income) from their endowment be used to support a specific Church expense (e.g., clergy salaries, the Altar Guild or an as yet unsupported function).

**Unrestricted or General Endowments:** Donors may choose to have the income or principal (see Distribution of Individual Fund Income) from their endowment support general fund expenses as determined annually by the Board.

### **Named Annual Pledge Endowments: Gifts of Less than \$50,000**

Parishioners are encouraged to create endowments designed to support their annual pledges in perpetuity. If the annual income/pledge distribution equals or exceeds a minimum of \$1,000 annually, donors are invited to name their annual pledge. An example is the John and Mary Smith Family Annual Pledge.

### **Named Endowments**

Donors of named endowment are encouraged to make lump sum endowment gifts. With the Board's approval, however, a fund can be established with the understanding that gifts will be made over time on an agreed to schedule. Once total gifts reach \$50,000 the donor may then name the endowment as detailed earlier in this document.

All named endowments valued at \$50,000 or more or annual pledge endowments must be established through a signed legal document (Endowment Fund Agreement) that codifies the agreement between the donor and the Church. The Board will provide and manage all endowment agreements.

### **General Unnamed Endowments**

The Church welcomes gifts designated for the support of ongoing Church expenses. These gifts can be designated as follows.

**Existing endowments:** Donors may contribute to existing funds. No naming rights will be conferred unless the amount contributed meets the minimum naming requirement and is gifted to an as yet unnamed fund.

**Special Project Endowments:** From time-to-time the Church may create special project endowments designed to encourage donors to support identified institutional needs. For example, special project endowments might include funds designed to purchase new pews as needed, the creation and support of a columbarium, support for campus maintenance expenses, etc.

### **Additional Gifts**

Any person (whether an individual, corporation, trust, estate, or any other organization or entity) may make a gift to the Church for the purpose of supporting a specified endowment, named or unnamed, by designating that the gift should be added to the designated Fund. The form of the gift, and any conditions associated with the gift, must

be acceptable to the Board. Any funds conveyed and accepted in this manner shall be added to the principal of the Fund. All such gifts, bequests, and devises to the Fund shall be irrevocable.

### **Investment Management**

All gifts to the Master Endowment Fund will immediately become the exclusive property of the Church. Responsibility for the management of the Master Endowment Fund resides exclusively with the Board. To that point, the Board, will create/update, as it deems appropriate, a policy that details an investment strategy to include direction on types of investments and general risk policies that will govern the management of the Master Endowment Fund.

All endowment gifts will be deposited in the Master Endowment Fund. As authorized by the Board and directed by the Church's investment policy, the Board will be responsible for the management of this fund until its value exceeds \$1,000,000. When the fund value exceeds \$1,000,000, the Board will engage a professional investment firm that will manage the fund as directed by the Church's investment policy.

### **Distribution of Individual Fund Income**

As consistent with its Endowment Fund Agreement, investment income will be used annually to support the activity(ies) as originally designated by the donor. For example, annual income from the "Jones Choir Endowment" would be used to support choir expenses as determined by the designated fund manager. As a general rule, income from each endowment will be distributed at the end of each calendar year and expended at the direction of the Board and in accordance with the signed legal agreement between the Donor and the Church. The Board may, however, opt to distribute fund income as the investment year progresses. Exceptions, to include those for Special Project Endowments, must be approved by the Board. Further, with donor approval, the Board will be authorized to expend fund principal as required to support the fund's target purpose. Specific language to this effect must be included in each endowment agreement.

We offer our donors three choices for investing and distributing their endowment gifts. Each has been approved by the Vestry, the Finance and Facilities Board and the Investment Committee:

1. Income from the fund will be distributed annually for the purpose for which the fund has been established.
2. Endowments invested with all income reinvested until they are needed for the purposes for which this fund has been established.
3. In this option the total of the fund over a rolling twelve (12) quarter average would produce income by calculating a percentage of the value of the fund, net of fees paid to the money manager. That percentage would be determined annually by the Investment Committee and ratified by the Finance and Facilities Board no later than October of the

prior year in which the monies will be distributed. In no case shall that percentage exceed 5% or be lower than 3.5%. Distributions will be paid quarterly for the purposes for which the fund has been established

All three options will be explained to the donor and they may elect which choice they prefer. That preference will be indicated in writing on The Endowment Template and/or the Letter of Intent in the cases of future bequests.

## **Gift Recognition**

With donor approval, endowment gifts will be recognized in the following ways.

- All endowment gifts will be recorded in the Church's gift book by donor name and endowment designation
- Gifts of \$10,000 or more will be listed on a plaque by donor name and endowment designation. This plaque will be prominently displayed in the Fellowship Hall. (Parish Hall)
- Gifts of \$25,000 or more will be listed on the above referenced plaque and on a separate plaque to be hung, where possible, close to the area that benefits from the gift (e.g., in the choir room).
- Gifts of \$50,000 or more will create a named endowment and the donor's name and that of the endowment will be listed on the plaque displayed in the Fellowship Hall.
- All endowments that have "active" funds will be listed in the Annual Report to the Parish.

## **Termination**

Each endowment established by and managed by The Board on behalf of The Church shall continue as long as the need therefore exists, adequate funding is available for its purposes, or until the Church is dissolved or is terminated. The Board, in consultation with the Vestry, shall have the authority to determine whether there is a continuing need for an endowment, and whether there is adequate money or property available for its purposes. As specified in each endowment fund agreement, if the Board terminates an endowment, any remaining funds shall be applied in such amounts and for such purposes as the Board in good faith determines to approximate most nearly the original charitable and benevolent purposes of the endowment. If, in the good faith opinion of the Board, the original or charitable and benevolent purposes of this Fund cannot be determined, or are impractical or impossible of fulfillment, then any remaining funds shall be applied in such amounts and for such purposes as the Board, with the consent of the Vestry, determines to be consistent with the general charitable and benevolent purposes of the Church, as set forth in its corporate charter.