

PRESBYTERIAN MISSION AGENCY BOARD

February 5-7, 2014

Finance Committee

**ITEM A.101
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>					
X	A. Finance		E. Corporate Property, Legal, Finance		J. Board Nominating and Governance Subcommittee
	B. Justice		F. PC(USA), A Corporation		P. Plenary
	C. Leadership		G. Audit		
	D. Worshiping Communities		H. Executive Committee		

Subject: Approval of Minutes

Recommendation:

That the Finance Committee approve the minutes of (attached):

- **September 25-26, 2013**
- **January 23, 2014**

PRESBYTERIAN MISSION AGENCY BOARD

February 5 – 7, 2014

Finance Committee

Item A.101

**Finance Committee
Meeting Minutes
Marriott Hotel East
Louisville, KY 40299
September 25-26, 2013**

Attendance

Present for all or part of the meeting were:

Finance Committee Members:

Clay Antioquia	Thomas Fleming, Jr.	Jack Shelver
Molly Baskin	Chad Herring	Jo Stewart
Bill Capel	Jack Hodges	Kathy Trott
Clark Cowden		

Excused:

Wendy Tajima

Staff:

Terri Bate	Teresa Grant	Andrea McNicol
Sylvia Carter	Denise Hampton	Tim Quinn
Martha Clark	Eric Hoey	Lisa Robbins
Barry Creech	Mike Kirk	Dottie Smith
April Davenport	Joyce Lieberman	Linda Valentine
Roger Dermody	Sam Locke	Jerry VanMarter
Diane Dulaney	Kathy Lyvers	Earline Williams
Brian Frick		

Others:

Steve Bacon, PILP Chair
Arthur Canada, PMAB Vice Chair
Anita Clemons, Presbyterian Foundation
Melissa DeRosia, PMAB, Stony Point Transitional Task Team
Ellen Cason-Pierce, Audit Committee
Debra Hepler, Ghost Ranch
Kears Pollock, PMAB, Stony Point Transitional Task Team
Neal Presa, GA Moderator
Jim Rissler, Presbyterian Investment & Loan Program
Greg Rousos, Presbyterian Foundation
Leslie Scanlon, Presbyterian Outlook
Matthew Schramm, PMAB Chair
Max Senter, Cambridge Associates
Tom Taylor, Presbyterian Foundation
Rick Ufford-Chase, Stony Point Center

September 25, 2013

Opening

Bill Capel opened the meeting with prayer followed by the Finance Committee Dinner.

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Welcome	Bill Capel, Chair, welcomed everyone with introductions.
Call to Order	Bill Capel called the combined meeting of the Finance Committee of the Presbyterian Mission Agency and the Corporate Property, Legal, and Finance Committee of the Presbyterian Church (U.S.A.), A Corporation meeting to order at 7:15 p.m.
Adoption of Meeting Agenda	The revised meeting agenda was approved. (A.100)
Audit Report/Issues	Molly Baskin gave the Audit Report and indicated there were problems on the presentation of the audit; however, a clean opinion was given. The new audit firm will be announced on Friday.
Foundation Update	<p>Bill Capel introduced Tom Taylor, President of the Presbyterian Foundation. Tom then introduced Anita Clemons and Greg Rousos of the Foundation, who in turn introduced Max Senter of Cambridge Associates. The Second Quarter 2013 Investment Performance Report was given. It was requested that we redact the page which lists the managers' names on it from the PCUSA website. (A.210)</p> <p>Anita Clemons gave a report on mutual funds, New Covenant funds, and SEI, the company that manages the New Covenant Funds. She also spoke about the Mission Responsibility through Investment (MRTI), followed by questions and answers.</p>
Budget Process	Bill Capel introduced Denise Hampton, Controller, who gave a PowerPoint presentation of the budget process followed by questions and answers. Copies of the presentation and a flow chart demonstrating the Planning Budget Process 2015-16 were distributed.
Meeting Recessed	Chad Herring offered the closing prayer at 9:20 p.m.
<u>September 26, 2013</u>	
Meeting Reconvened	Bill Capel reconvened the combined meeting of the Finance Committee of the Presbyterian Mission Agency and the Corporate Property, Legal, and Finance Committee of the Presbyterian Church (U.S.A.), A Corporation.
Opening Prayer	Chad Herring offered the opening prayer.
Call to Order	Bill Capel called the meeting to order at 8:16 a.m. with introductions. Members will be acting both as the Finance Committee and the Corporate Property, Legal, and Finance Committee of the Presbyterian Church (U.S.A.), A Corporation, doing business simultaneously.
Approval of Consent Agenda	<p>The Finance Committee of the Presbyterian Mission Agency Board:</p> <p>VOTED to APPROVE the following consent agenda:</p>

PRESBYTERIAN MISSION AGENCY BOARD

February 5 – 7, 2014

Finance Committee

Item A.101

1. Minutes of Finance Committee April 2013 Meeting (**A.101**)
2. Capital Budget Request (**A.102**)

**Order of the Day:
Stony Point Transitional
Task Team Report &
Recommendation for
Incorporation of Stony
Point Center**

VOTED to **APPROVE** that Melissa DeRosia, Kears Pollock, and Rick Ufford-Chase have voice to present the report.

Bill Capel asked that Jo Stewart assume the duties of the Chair for this portion of the meeting. Jo went over the 90 minute timeline allotted for this discussion and presentation.

Martha Clark, General Counsel, gave a PowerPoint presentation on Incorporation Criteria with no questions asked afterwards.

Melissa DeRosia, Rick Ufford-Chase, Kears Pollock, and Kathy Trott gave the Stony Point Presentation. Melissa gave the history of how the Transitional Task Team (TTT) was formed. Kears walked the committee through the work that the TTT has been engaged in over the past year.

Jo opened the floor for questions for the TTT. If questions move to property issues the committee will go to closed session.

A motion was **MOVED** to extend the question and answer session by ten minutes.

After lengthy discussion, the Committee **VOTED** to receive the report of the Stony Point Center Transition Task Team (**A.103**) and recommends referral by the Presbyterian Mission Agency Board as follows: (**A.104 as amended below.**)

1. Refers the Transition Task Team's recommendation for incorporation (See attached Item A.103) to a three-person evaluation committee for review using the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations (approved by the GAC 3/2007)*, with the evaluation committee to be appointed by the Chair of the Presbyterian Mission Agency Board ("Board"), with preference given to individuals with financial, legal and ministry experience who have not served on either the Stony Point Task Force or the Stony Point Transition Task Team or as staff support to either, said evaluation committee to provide a report and recommendation to the Board through the Finance Committee at the February 2014 Board meeting; and
2. Direct the evaluation team to finish its work by December 31, 2013, and to provide educational opportunities about its findings to the PMAB prior to the February 2014 Board Meeting.
3. Direct the evaluation team to consult with the chair of the Transition Task Team prior to making its final recommendations.

**Financial Review &
Financial Task Team
Findings &
Recommendations**

Bill Capel resumed duties as the chair. The committee went over the Financial Review and Financial Task Team findings and Recommendations. The desire of this team is for a review of the financial reports through conference calls in order for the meeting times to be used for more strategic work. The committee will need to take into consideration meetings of the audit committee and audits, along with overlapping functions.

Financial Reports

Bill Capel introduced Denise Hampton, who went over the highlights of the Financial reports, giving a PowerPoint presentation of the July Management Report (A.200) and PMPF Report (A.201). The committee would like an analysis of the reserve requirements, and a history of accumulations and withdrawals over time as topics for future examination. Molly would like to see the previous five years on the memo portion of the Management Report. Jo would like a history of what the funds look like over a certain period of time, including what percent of the overall budget goes in and out.

The following informational financial reports were received:

Management Report – July 31, 2013 (A.200)

PMPF Report – July 31, 2013 (A.201)

Per Capita Report – July 31, 2013 (A.202)

Curriculum Report – July 31, 2013 (A.203)

Stony Point Financials – July 31, 2013 (A.204)

Ghost Ranch Financials – July 31, 2013 (A.205)

Endowments and Gift Report – First & Second Quarters, 2013 (A.206)

Biannual Budget Process

The committee discussed how they would like the Capital Requests and Capital Budget to be presented in the future. Two options were offered:

1. Include as an expense in the budget for tracking purposes and eliminate on the combined financial statements
2. Include the PMPF and Capital Reserve together on one report.

In the future the committee would like to have more time during the meetings so we don't skip over important fiduciary matters.

Molly suggested that a June cut-off date be included on the Glossary document.

Earline then thanked Denise and her team for their work with the Financial Task Team.

Other Reports

The following other informational reports were received:

Banking – Closed Accounts (A.207)

Information Technology Report (A.208)

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Coordinated Loan Program Report (A.209)

There was some concern expressed by the committee that the Director of Information Technology had resigned. Earline assured the committee that a plan is being developed to stay on top of issues as they arise.

**Funds Development
Report**

Bill Capel introduced Terri Bate, who gave the World Mission Funds Development Report (B.208) and Special Offerings Receipts, January – July, 2013. (B.209) She then distributed the Special Offerings Advisory Task Force (SOATF) booklet.

Ghost Ranch Update

Bill Capel introduced Debra Hepler who gave a Power Point Presentation of the Ghost Ranch Update which included the purpose of Strategic Plan and Operational Action plans.

Reflective Thinking

Bill wanted to know what worked well and what did not. There needs to be a clear system or process to track if items have been completed or not. What are the responsibilities of the Board, and responsibilities of the staff?

Adjournment

With no further business the meeting was adjourned at 12:20 p.m. with closing prayer by Jo Stewart.

**Finance Committee
Conference Call Minutes
January 23, 2014**

Attendance

Present for all or part of the meeting were:

Finance Committee Members:

Molly Baskin	Chad Herring	Kathy Trott
Bill Capel	Jack Hodges	Wendy Tajima
Thomas Fleming, Jr.	Jo Stewart	

Excused:

Clay Antioquia	Clark Cowden	Jack Shelver
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Staff:

Sylvia Carter	Denise Hampton	Dottie Smith
Tim Stepp	Earline Williams	

Others:

Ellen Cason-Pierce, Audit Committee
Richard Turpin, Audit Committee

Call to Order

Bill Capel opened with prayer and called the meeting to order at 11 a.m.

Financial Reports

Denise Hampton gave an overview of the following financial reports:

Management Report – November 30, 2013 (**A.200**)

PMPF Report – November 30, 2013 (**A.203**)

Following each portion of the presentation, staff answered all questions and made clarifications, as needed.

Adjournment

With no further business the meeting was adjourned at 12 Noon with prayer.