

Opening Prayer

Ruling Elder Tamara Williams moderated and convened the meeting at 9:01 am with prayer.

Attendance

Teaching Elder Ted Churn, Ruling Elder Tamara Williams, Teaching Elder Cam Murchison, Ruling Elder David Vaughan and Teaching Elder Jerrod Lowry were present. Presbytery staff present included Teaching Elder Jan Edmiston (CHA). Absent was Teaching Elder Steve Scott (SAL). Synod staff includes Warren Lesane and Tami Scott.

Guests

Wells Fargo David Miller, (CFP – VP Sr. Charitable Administrator), Mike Joyce (Senior VP-Sr. Investment Manager), and Tiffany Scales (Wealth Management Associate).

Approval of Docket

The docket was approved by common consent with the correction of the November 7, 2018 error for approval of the minutes to June 4, 2019.

Approval of the Minutes

The June 4, 2019 Minutes were approved by common consent with the following editorial. New Business bullet one to read: “Minister’s membership transferred to presbyteries outside of North Carolina; do they lose their benefits?”

Wells Fargo Presentation

David Miller introduced Mike Joyce who summarized the Kate B. Reynolds portfolio. Joyce began by stating a goal to meet all of the future needs to support a mission of taking the smallest amount of risk. He gave an overview of Current vs Strategic Allocations highlighting income producing (stable) assets, Bonds being safe money and stocks being most volatile. He noted that movement tends to be seen in stocks in 7-10 year cycles and Bonds in longer cycles. Bonds have been trending downward and have bottomed out; therefore, in the future we must look at the experience in the Bond Market. He commented that the principal will not be blowing wind in our sail but we will have income to offset the bonds coming down. He reviewed a very favorable YTD portfolio performance which totals 13.2% (net of fees) and shared that there is a good feeling about the current portfolio positioning with no plans to make any big changes. Joyce emphasized that we are 10 years into bull market and don’t know when it will end but to anticipate eventual market volatility and a drop. It is expected that the portfolio will continue with a return and meet the payout needs.

David Miller reviewed the Summary of Account Activity. He noted that the account began the 2019 year at \$27,766.660.20 and is calculated off of a 3 year average (years 2016-2018). The ministers’ payout year to date is \$576,725.23 and is expecting a bump in payments next year.

Having managed the KBRTF account for 8 years, it has done well and December 2019 distribution payment to ministers will be \$1,284.54.

List of New Applicants and Presbyteries - (14)

The Certification Committee approval the following list of applicants: **(CCC)** Brown B. Patton; **(NHO)** Mark Davidson, Linda Lampkin Parker, George Brower Spransy Jr., Betty Lynn Stall; **(SAL)** Joseph J. Blankinship, William Hannah, Thomas J. LaBonte; **(WNC)** Miriam Alexander, Charles Davenport, Martin L. Harkey III, Wanda S. Neely, John T. Phillips, and Barbara Ruth White.

Review of Presbytery Lists of Qualified Retired Ministers (New Applicants Inclusive)

The total number of recipients according to presbyteries are: Charlotte – 88; Coastal Carolina - 96; New Hope – 85; Salem - 106; and Western North Carolina - 74; totaling **449**. There was a motion and approval to accept the total of 449 participants.

Certification of Qualified Retired Ministers for the December 2019 Distribution.
Recommendation: That Wells Fargo Bank be authorized on December 11, 2019 to distribute \$576,756.76. This figure represents one-half of four percent of a three year rolling average of the Kate Bitting Reynolds Fund market value, minus administrative fees of the Synod and Presbyteries. The distribution should be made in equal shares of \$1,284.54 to the certified ministers and that Wells Fargo Bank further be instructed to distribute to the ministers the odd cents guaranteeing that the entire \$576,756.76 is disbursed. A motion was made to authorize Wells Fargo to distribute funds to ministers on December 11, 2019 and to make appropriate adjustments if the needed qualified ministers' total changes. Motion approved.

Old Business

1. **Updated Draft KBRT Guidelines** – The KBR Guideline updates were drafted by stated clerks during the January 30, 2019 and June 26, 2019 zoom meetings. These updates were sent to Wells Fargo for their review and were approved.
2. **KBRT Minister Membership** - Charlotte Presbytery's Committee on Ministry has addressed ministers who retire from presbyteries outside of North Carolina, but have met the KBR requisite of 10 years previous work when in a previous call in NC. They want to transfer their members back to Charlotte in order to participate in the fund. Charlotte's COM did not approve request; rationalizing that it is unfair to current participants as it would dwindle the funds for them. Each presbytery agreed to have their COM address this issue and bring back their determination do discuss as the stated clerks meet in January or February 2020. Ted Churn sought an exception for a KBR minister who transferred to another presbytery (for 3 months) without understanding the consequence of losing KBR benefits by terminating NC presbytery membership. The minister now requests to return his membership to New Hope Presbytery and Ted has asked this committee for an exception. The Certification Committee expressed an understanding of this circumstance. It was agreed that the fund was not established to welcome a return in membership for ministers with lengthy membership absences for

the sake of claiming KBR distributions. The Certification Committee will meet in January or February (TBD) after presbytery COMs have met to discuss this matter and updates to the brochure have been made.

3. **Admin Cost Synod/Presbytery Staff** - A formula used for reimbursing presbyteries and synod administrative assistants for hours spent on KBR applications, updates and processes has not changed in a number of years and requires updating. The formula adequately addresses the synod administrator's time, however the presbytery administrator's time allocations are deficient and needs updating. In an effort to bring this time information to scale, presbytery staff were requested to provide annual estimates of hours spent on KBR (processing of applications, address changes, death notifications, notifications mailed to ministers, telephone calls, locating ministers etc.) Using their responses, future discussions will seek to update the formula which was set up years ago. The estimation of Administration costs for 2019 is \$8,787.50.

New Business

- Jerrod Lowry has sought clarification from OGA Offices of Constitutional Services (Laurie Griffith) on how to address a situation involving an honorably retired minister, who is not in good standing with the presbytery, but who has requested KBR participation. CCC Presbytery wants to be clear on this matter before it rules. Laurie's advisement will be shared with the committee when received.

Dates and Deadline

New applications and spreadsheets are due to synod office by Monday, May 18, 2020.

Next Meeting & Adjournment

The Certification Committee adjourned with prayer offered by Ted Churn at 9:51 a.m. The committee will meet June 2, 2020 at 9:00 A.M. Jerrod Lowry will moderate.

Date: November 5, 2019

Signed
Warren J. Lesane, Jr.
Executive and Stated Clerk
Synod of the Mid-Atlantic