

## Church Council Meeting Minutes

The regular meeting of the church council of Zion Lutheran Church was held December 11, 2023, at 6:30 PM in the social room of the church, the President being in the chair and the Secretary being present. Members present were Donna Huffer, Meghan Gunsallus, Pastor Diane, Doug Davis, Bob Hetrick, Bruce McIntosh, Shelly Gladhill, Jeff Derr, Carolyn Milauskas, (secretary) Bob Rockwell, (president) Linda Kinna-Engel, (vice president) Deb Reicheht, Cindy Unangst. Members present via zoom were Pastor Matt and Alexa Masser. A quorum was met with 13 of 13 members present at the meeting. Ann Pond and Gary Shaffer were present as guests.

Devotions were led by Bob Hetrick

**2023-12-1 A motion was made for council to give permission to the Middletown Valley Food Bank to give a presentation about the food bank facility to be built on the 101 Green St. property at the next congregation meeting, and to make presentations at the town hall meetings prior to the congregation meeting regarding the food bank facility.**

The motion was seconded, and a voice vote was taken, and the vote was unanimous.

**2023-12-2 A motion was made to amend motion 2023-12-1 to Request the Middletown Valley Food Bank make a presentation at the Town Hall Meetings and Annual Meeting to educate the congregation on the mission of the Food Bank and then have the congregation vote at the Annual Meeting to allow the Middle Valley Food Bank to build a facility on the 101 Green St property in the form of a lease.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

**2023-12-3 A motion was made to accept the November Church Council meeting minutes.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

The Treasurer's report was received (see enclosed report). A few questions were asked, and Deb answered the questions.

Committee reports: Linda Kinna-Engel provided an oral update on the Property Committee.

Staff reports: No questions

Nomination Committee: The nomination committee reported back to council the nominee's presented and elected by the council in the October meeting, only 2 responded with a yes to serve on council. A brief discussion by council and 5 more names were presented to the nomination committee to contact to request if they would serve.

Youth and Family Fund Resolution: A statement was made.

### **Use of Zion's Supplemental Youth Activities Trust Fund, and Other Investments**

I had originally prepared a resolution to be presented at the November Council meeting but, due to time constraints, I suggested that we table the action until the December meeting. While reviewing this document in preparation for today's meeting I decided that a resolution would be redundant since this action had already been accepted by the council 40 years ago. However, it occurred to me that it would be helpful to our current

Treasurer and council members if we had clear instructions for the distribution of all the funds that we currently have in our designated accounts.

The document that I am referring to is Zion's Supplemental Youth Activities Trust Fund adopted by Zion's Church Council at a council meeting held on March 3, 1981, with an initial gift, valued at \$3500.00, to be operated as follows:

1. The interest from the fund is to be used as a supplement to the Church's budgetary item for Youth Work, and not as a substitute.
2. The Church Council is to oversee and supervise the proper use of this fund.
3. The Church Treasurer is to be the responsible officer for securing the Fund's assets and to make proper distribution of the income from the fund.
4. The income from the Fund is to be used in support of the ongoing Youth Program.
5. For each dollar earned through youth projects, the Fund is to appropriate a matching dollar.
6. The administrator of the Fund is to establish an annual formula for the distribution of income.
7. The use and administrative principles are to be evaluated each year by the Church Council.
8. The Fund is to accumulate each entire year and settlement is to be made to the Church and Youth Program treasuries at year's end and;
9. The church is to encourage the members of Zion to make additional outright or bequest gifts to the Trust Fund.

I am concerned that; current Council members are unaware of the original intent of the Trust Fund; operating procedures for the fund were lost or forgotten over the past 40 years; authority for the use of the Trust Fund was never delegated to an administrator; and an annual formula for the distribution of the interest generated by the initial gift and additional gifts to the fund were never established.

The Council-Designated Operating Reserve Fund (Fund 2) is a group of investments set aside by action of the Church Council for specific use. The Supplemental Youth Activities Trust Fund is only one of several investments designed to supplement Zion's budgetary items. The Monthly Summary – Fund 2 report that Deb Reichelt distributes to council members each month lists the various types of investment accounts that Zion owns. These accounts can be grouped into different types of funds. The first type of fund into which the Youth Trust fund falls is *permanently restricted funds*. A permanently restricted fund is typically a gift for which the donor has stipulated that the principal is to be maintained in perpetuity. The donor may also stipulate that the income from the investment activity may be expended for specific purposes. Endowment funds are a notable example of permanently restricted funds.

Another type of fund is *Other Designated Funds*, also called quasi-endowments. These are council-designated funds which the council, rather than the donor, has determined are to be retained and invested. The council has the right to decide at any time to expend the principal of these funds. For financial reporting purposes, these funds are classified as unrestricted net assets. Our *Flexible Premium Deposit Agreements* fall into this category. The settlement option selected in each of these agreements is: *to accumulate all interest*. This is the typically recommended option when beneficiaries have not yet decided what to do with the investment. Zion's stocks, mutual funds and CDs would be other examples of these types of funds.

A third type of fund is *Temporarily restricted funds* These are funds that come from donors with the specification that the gift be used for a particular purpose or there is a time restriction on them. An individual

makes a gift expecting it to be used for a specific item or program. These restricted funds are temporarily restricted until the intended purpose, or the time restriction has been met, after which they are released from restriction. We have a *Single Premium Whole Life Insurance Policy* (Considered a Modified Endowment Contract) that falls within this category.

The Church Council is obligated to ensure that its fiduciary responsibilities concerning the proper management of Zion's funds are fulfilled consistent with all policies and procedures. However, Zion has no such written policies or procedures. The Treasurer is authorized to monitor all funds but does not have authority to manage the funds. This must be directed by Council or via an established policy. (The responsibilities of the Zion's treasurer are listed in Zion's bylaws Article II Section 7 and in the Treasurer's job description) Our By-Laws identify the Finance Committee as the committee responsible for the development and/or proposal of policy recommendations to the Council regarding the management of all institutional funds. I would urge the Executive Committee to place this action at the top of its agenda in the upcoming fiscal year.

No further action needed for the Youth and Family Fund Resolution

2023-12-4 **A motion was made to accept the proposal from Adams Transport & Welding LLC for snow removal with the recommendation from the property committee to accept this proposal.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

2023-12-5 **A motion was made to accept the proposal for the 12-month plan for grass cutting from Dixie L Eichelberger.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

2023-12-6 **A motion was made to accept the increase of price for a cemetery cremation burial of \$400.00 w/o vault and \$500.00 with vault from the cemetery board.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

Appointing an Audit Committee for 2023 and for an external audit: Three people were appointed to perform an audit and to find a company to perform an external audit for 2024.

SOP# 13 Orientation Manual for Council Members: Tabled until January's meeting.

Appointment of task force to prepare for the Annual Meeting: Three people were appointed to prepare for the Annual Meeting.

2023-12-7 **A motion was made to accept the Resolution of Gratitude version 2.0 and for it to be read at all three services.** The motion was seconded, and a voice vote was taken, and the vote was unanimous.

Announcements: Volunteers are needed for Worship Leaders and Assistants at the Christmas Eve services, and Volunteers needed for the Database table before and after the Christmas Eve services.

The meeting was adjourned at 8:34 PM with the Lord's prayer.

Carolyn Milauskas, Council Secretary