Quarterly Meeting of the Trinity Endowment

October 30, 2024

Members Present: The Reverend Hannah Atkins Romero, Brad Beers, Saba Blanding, Mary Cloud, Bob Davenport, Larry Dickerson, Sarah Frazier, Mark Goza, Chris Hensman, Steve Lee, The Reverend Rhonda Rogers, Ken Snell, Stan Tubbs

Members Not Present: Randy Goswick, Edgar Marston, Alexander Obregon.

Ex-Officio Members Present: Larry Laubach, Treasurer; Andy Durham, Senior Warden; Teddy Adams, Chancellor

Guests Present: The Reverend Maria Teresa Bautista-Berrios, Curate; Ryan Mire, Parish Administrator; Eric Beam, Junior Warden; and Vestry members John Merullo, Jeanne Sommerfeld, Tony Huffman, and Pam Lawson

Quorum and Opening Prayer: A quorum being present, the meeting was called to order at 12:00 p.m. The opening prayer was given by the Reverend Maria Teresa Bautista-Berrios.

Minutes of the Annual Meeting: A typographical error was noted and corrected in the minutes of the Quarterly Meeting of the Trinity Endowment Board, held on August 13, 2024. Rhonda Rogers moved that the minutes be approved as corrected. The motion was seconded by Mary Cloud. The minutes were approved.

Treasurer's Report: Larry Laubach presented the Treasurer's Report, informing that the current total portfolio value was $14,209,157. Hannah Atkins Romero moved that the Treasurer's Report be accepted, and Bob Davenport seconded the motion. The Treasurer's Report was accepted.

Motion to consider donation for organ repairs: A motion to appoint a committee of three persons, Teddy Adams, Larry Laubach, and Mark Goza to consider the cost of various organ repairs and to report to the Board of Directors on possible financial/entity structures for such gifts and the legal, accounting and administrative ramifications thereof, was made by Hannah Atkins Romero and seconded by Mary Cloud. A friendly amendment was offered by Ken Snell to replace "cost of various organ repairs" with the wording: "structures of the gift to be donated." The amendment was seconded by Rhonda Rogers, and accepted by the mover, Hannah Atkins Romero. The motion was approved.

Motion to restructure investment portfolio: A motion that the Endowment make a loan to Trinity Church for $150,000 in fiscal year 2025, and to henceforth direct its investment manager to structure the Endowment's investment portfolio to produce annual income reasonably expected to be at least $500,000 per annum, beginning for the fiscal year 2026 and continuing, was made by Chris Hensman and seconded by Mary Cloud.

A lengthy discussion of the pros and cons of this motion followed. The favorable arguments presented were that the vestry has identified this as a need in order to continue Trinity's mission activities in the current financial situation. It was pointed out that we have been very good stewards of the Endowment funds, and that this proposed more aggressive equity/income ratio does not have to be forever, but that it is appropriate to use these assets to move the church forward in difficult times. It was further pointed out that this amount represents less than 4% of our total portfolio, and so at current and predicted levels the portfolio will continue to grow despite the increased distribution to the church. It was further pointed out that, although we are a public charity and therefore not bound by this, if we were a private foundation we would be required by law to make a distribution of 5% every year to our supported institution. It was also noted that our Endowment is unusual inasmuch as it excludes capital gains from distributable income.

The arguments against the motion were that that the change would degrade the Endowment's ability to maintain its buying power in line with forecast inflation. An analysis of the decline in pledge income over the years indicates that this is not a short-term problem. There were suggestions that a series of loans would be a more appropriate solution to the problem, rather than a structural change to the investment strategy which would lead to insufficient corpus growth to keep up with inflation.

Larry Dickerson called the question, seconded by Rhonda Rogers. The question being called, a vote was held. The motion was carried with a vote of 8 directors in favor, and 4 against.

Motion to divest from providers of military armaments: A motion was made by Chris Hensman, seconded by Rhonda Rogers, that the Endowment shall not make investments in entities that have historically earned over one-half of their revenue from the sale of military armaments and shall divest itself of investments in such entities. It further resolves that the Endowment's investment advisor may exercise its discretion in determining the entities subject to this restriction and otherwise implementing this resolution. The motion was carried with a vote of 10 directors in favor, and 2 against.

Next Board Meeting: The next quarterly board meeting will be held on February 4, 2025.

Closing Prayer and Adjournment: The Reverend Hannah Atkins Romero offered a closing prayer at 1:31 p.m., and the meeting was adjourned at 1:32 p.m.