

**Jubilate Alumni Association
Board of Directors Meeting
September 20, 2014
Minutes**

The Jubilate Alumni Association (JAA) Board of Directors met on Saturday, September 20, 2014, from 11:00 a.m. – 3:30 p.m. at University Baptist Church in Charlottesville, VA. The meeting was called to order by Chuck Starkey, President.

JAA Board members in attendance: Katherine Asbury, Charlotte Dillon Hubbard, Robbie Jones, Sara Catherine Marshall (Secretary), Diane Weber Mundell (Treasurer), Ric Scott, Chuck Starkey (President), Melissa Stoner, Garry Walton, Alba Beasley (Jubilate Director) and UBC members Nancy Gaines and Larry Martin (UBC Trustee Committee member).

Members participating via telephone: Dan Pinkham and Sam Nicolai

Members absent: Ed Fontaine

1. **Welcome**
2. **Devotional** – Garry Walton shared the devotional
3. **Procedural Items**

The March 2014 minutes had been previously circulated by email and approved.

4. Treasurer’s Report

Diane Mundell presented the treasurer’s report. An excerpt is summarized below and the full report is an attachment to these minutes.

	1301	1302	1305	1306	1307	Endowment				
8/31/2014	Operating Fund	Annual Alumni Fund	General Endowment	Reunion Fund	Alumni Assoc.	Bixenman	Veasey	General	Pledges	Total
Contributions 2014	\$ 5,985.00	\$ 2,025.00	\$ -	\$ -	\$ -	\$ -	\$ 480.00	\$ 725.00	\$ 651.40	\$ 9,866.40
Contributions 2013	8,309.02	2,298.00	-	1,633.00	-	-	300.00	150.00		12,690.02
Balance (8/31/14)	1,847.29	1,533.50	650.00	1,546.29	-	80,805.11	30,924.86	27,635.59		139,365.56
Balance (2/28/14)	(2,636.95)	2,533.50	300.00	1,546.29	-	71,172.03	26,848.35	24,341.05		122,361.43

At our March 2014 meeting, the JAA Board had committed to fund a Fall 2014 dues offset of \$100 per member, up to a maximum of \$4,500. As of this meeting, there are 27 members, as well as 2 definite prospects and 2 hopeful prospects. The estimated required transfer to the Operating Fund is \$3,000 based on 30 members. The Alumni Fund has a balance of \$1,847.29. In addition, there were \$195 of contributions received in September 2014 (as of 9/20/14). Without further contributions, the Alumni Fund will not have sufficient funds to make the transfer.

Diane reported that our August fundraising letters resulted in contributions of approximately \$2,000 of which \$1,100 was designated for the Alumni Fund and \$900 for the endowment funds. The topics of fundraising and endowment funds were discussed further later in the meeting.

The Treasurer's Report was duly approved as presented.

5. Endowment Funds Overview

Larry Martin, member of the UBC trustee committee, was invited to the Board meeting to provide an overview of endowment funds (specifically Jubilate's funds), as well as present options for the future use of the endowment funds.

The Bixenman Fund was established in memory of Robyn Teates Bixenman. There is no signed fund agreement; the draft agreement established the purpose of fund as "to support Jubilate and general expenses with use of the funds to be determined by Jubilate leadership." It is generally understood that the JAA Board represents Jubilate leadership (although the agreement provides no defined meaning) with the power to determine use of the funds, including when and for what purposes. The draft agreement included a \$60,000 - \$65,000 balance restriction such that income from the fund could only be used after the balance reached the restriction threshold. The Board's goal has been to follow the restriction "in spirit" since the agreement was never formalized. The balance in the Bixenman Fund surpassed \$65,000 during 2012 and has a balance of \$80,805 as of 8/31/14.

The Veasey Fund was established in memory of David Veasey. This fund follows the same general principles as the Bixenman Fund. As with the Bixenman Fund, there is no signed endowment agreement.

The General Fund has no specific designation and no written governing document. The General Fund is intended to be an endowment with a portion of the income being spent and a portion reinvested in fund in perpetuity.

Larry explained that with endowments the income earned on the fund, but not the principal fund balance, is spent. General best practice is to spend less than the total return on fund (interest, dividends, and market appreciation) in order to compensate for inflation. Typical spending policies use a 4.5% average spend (or "burn") rate based upon a 3-year moving average of account ending balance. Private foundations (family, etc) have a government mandated 5% burn rate.

All three Jubilate endowments have seen strong performance in the current year with YTD total return of approx 12%. The endowments have made a full recovery following the market decline in 2007. No endowment income has been spent to date. There was general consensus amongst the Board members that if a spending policy is adopted, the same policy should apply to all three endowments.

Larry provided an overview of the management of the endowment funds. UBC's endowments total approximately \$950k (including Jubilate's endowments of \$140k). UBC's fund is a quasi-endowment (the church decided to make donated funds an endowment, and it has power to un-endow the money at any time). All of the funds are Units of Participation (similar to a mutual fund) such that every dollar gets the same rate of return. All funds are held in TD Ameritrade institutional accounts, which are managed by A.N. Culbertson (specifically George Payne, UBC member) for no fee. The target mix of the accounts is 75/25 equities/fixed income. There are no restricted industries/stocks or investment guidelines (investment decisions are left to the discretion of the fund managers). The accounts currently hold primarily Exchange Traded Funds (ETFs) and mutual funds and a few specific stock investments (Fortune 500, large cap only).

The following questions / opportunities were raised by various members:

- Given the current size of the Jubilate funds, should the JAA Board recommend that income from the funds be spent. If so, what percentage?
- Every dollar not spent continues to grow. However, the endowments were created with the expectation to use funds for the intended purpose (not just accumulate funds).
- Should the Board authorize the spending of funds, if necessary, but not mandated spending?
- The spending policy will depend on the Board's long term financial goals for the operating account, alumni fund, etc. Should the funds have a spend policy of up to 4.5% (approx \$7k) but anything not spent will remain in the account? Or set the burn rate based on forecasted need? (This option was not recommended by Larry).
- Do unspent funds roll into the next year's income fund or go back as principal so each year stands on its own? UBC's policy is to carry over unspent funds to the following year with income designation.
- Annual vs. bi-annual draw? Calendar year vs. academic year? There was a recommendation to follow the calendar year but maintain flexibility to use funds in spring and fall, particularly with carryover of income fund.
- Request burn rate for 2014 or wait and make first request for 2015?
- Impact of use of endowment funds on annual alumni giving? Should there be a movement towards all alumni giving going to endowment funds? Are alumni more likely to give for current needs or long-term view?

The next steps will be for the Board to provide a board decision/proposal to the UBC endowment trustee committee for approval; the proposal will then go to church council for final sign-off. This was discussed later in the meeting.

6. Director's Report

Alba reported that the choir now has 27 members, 4 of which are male. Alba indicated that he had 4 to 6 potential auditions. His goal is to have 30 members by the end of the year. There were 26 members at the end of the 2013-2014 school year; 4 members graduated and 5 did not return for various reasons. Alba requested prayer for Annie Valentine, a member that had to leave school because of illness. Alba plans to recruit through Variety Show (Friday, September 26 and Sunday, September 28) for members to sing in Lessons & Carols. At the Fall Activities Fair, the group handed out cups, pencils and single page flyers. Forty people expressed interest in Jubilate, which resulted in 7 new members.

The 2014 Variety Show's theme is "Happy." At the Friday night show, they request a minimum donation of \$5. At the Sunday show, they ask for any donation (no minimum). The Variety Show generally raises \$2,500.

The current Jubilate Steering Committee president is Molly. She is proving to be hard-working, particularly when it comes to recruiting new members. Sarah L., another Jubilate member, has started a bible study time primarily for Jubilate but open to all. The goal of the bible study is the spiritual growth for current Jubilate members, but Alba hopes that it could be a good recruitment tool as well. At least two girls in the group are not Christians (including one of the Steering Committee members).

Jubilate continues to rehearse on Sunday evenings from 6:30 to 8:30 with supper beforehand and sectionals from 8 – 8:30. They have started having the devotional time in the rehearsal room (separate from the meal) which has worked very well. The group has an online prayer request list, and they are tracking answered prayer.

For the spring 2015 tour, the group will be heading north towards OH, PA and possibly as far north as Toronto. The final destination will be New York City.

Alba affirmed that the JAA's contribution towards dues was good for recruiting. There was a suggestion of offering gifts (pencils, t-shirts) for different levels of giving in the next letter.

Lunch

The Board broke for a delicious lunch provided by Alba and University Baptist Church.

7. Student Costs

At the March 2014 meeting, the Board agreed to fund \$100 per student up to max of \$4,500 for the fall semester. The total dues for each student are \$150/semester. The Board intends to use money from the Alumni fund to meet this commitment. Diane will review the account balance in November and assess the need to use endowment

funds. The committed funds are generally transferred in late December or early January after Diane receives the final student count from Alba.

The dues collected from the students / JAA cover about half of tour costs. Jubilate relies on regular contributors from UBC and fundraising to cover the remainder. The main fundraising endeavors are the Variety Show (\$2,500), potato bars / pancake breakfasts, and donations from tours. Expenses incurred by Jubilate outside of tour include t-shirts and end of year banquet. The group has discussed assisting with the cost of Sunday night dinners (currently provided by UBC). On tour, the largest expense is the tour bus, which generally costs \$10-11k.

Alba indicated that the current members have expressed no problem with the increase to the student portion of dues (\$25 last year v \$50 this semester). Students are aware that additional assistance is available as necessary.

The Board discussed whether to keep funding at \$100 or reduce or increase for next semester. A motion was made to fund up to \$100 per student for Spring 2015, up to a maximum of \$4,500 depending on group size. The motion was seconded and approved unanimously.

8. Endowment Fund (part II)

Discussion returned to the topic of the endowment funds and their potential use. There was general consensus that the Board wants to establish an agreement to be able to use funds; the question for discussion was how much and when to spend. Prior hesitations to spending the endowment income included wanting to let endowment grow, the expectation of bigger needs to fund in future, the desire to not rely on endowment at the expense of losing alumni donations, avoiding use of the funds as a crutch, and growing the endowment to the \$60k goal before using (discussed earlier).

It was generally felt that the point of the endowment funds was to use the income to support Jubilate and that it's time to start using the income. Individuals gave money to the endowments with the intent for it to be utilized; they may be disappointed to know that the funds are "sitting there" with no goal or plan for use.

The following questions / points were among the topics raised and discussed:

- There currently are not enough funds in the Alumni Fund, our JAA current operating fund, to cover everything the Board has already agreed to cover (100% of dues) for this semester.
- The Board wants alumni to build the endowment funds, but the choir also needs alumni contributions for current operations.
- How do we communicate fundraising goals to alumni? It was suggested that the next fundraising letter include projected needs, as well as sources of revenue. What are the Board's long-term fundraising goals?

- If JAA doesn't start using the endowment funds, the Board should consider setting a formal goal or target for use.
- The endowment funds could be used for specific needs (dues matching, bus expense, etc), and current alumni giving could cover the remainder.

If a certain percentage of the endowment fund were to be authorized for use annually, the options for use of the endowment fund income are 1) draw the entire allotted amount each year regardless of whether there are direct expenses to be paid, 2) draw the projected need amount up to \$x with use it or lose it (unused portion becomes principal and would not be available as additional draws the following year), or 3) set up an "income fund" within the invested endowment fund where each year's available \$x would be added. If the funds are needed to support JAA expenses they would be drawn, otherwise they would remain in the "Income Fund" within the endowment funds for future years' use. Funds in the Income Fund would continue to appreciate along with the rest of the endowment fund and such earnings would be added to endowment principal and not increase the balance of the Income Fund.

If this were approved, there was discussion as to whether to wait until early 2015 to make the first draw or make the first draw in 2014. In either case, the Board would continue a similar pattern of reviewing of balances after year-end and determining the appropriate draw amount.

The Board agreed to communicate to alumni the intention to move forward with use of the endowment funds but identify current need for operating budget. The Board currently sends out communications 3 times per year: early fall, end of calendar year, tour time — future letters should provide specifics of costs, needs, etc. Potential ideas for the communications could highlight giving to endowment fund with goals (i.e., \$25,000 in endowment = additional \$1000 per year for spending). A "close the gap" campaign was recommended in which, unless otherwise indicated, giving will first be used to close current budget gap and then added to endowment funds.

There was unanimous consensus to establish a policy to provide the ability to start using the endowment income. There was general consensus to use the 3rd approach noted above (establishment of "income fund" with cash draw as necessary), as well as general consensus to use an income draw rate between 4 and 5% (with ability to change as necessary).

A motion was made to establish an endowment fund policy in which, on annual basis, 4.5% of the 3 year rolling average calendar year end fund balances for the Jubilate Alumni Association ("JAA") will be earmarked into the endowment "income fund" to be available to be drawn upon by a the vote of the JAA Board for its program spending as deemed necessary. The annual income drawing will be calculated based on 4.5% of the average ending fund balances for the prior three years. The initial allocation of \$4,861.42 will be for calendar year 2014 based upon the average of the year-end

balances for 2011, 2012 and 2013 (3 year average = \$108,031.48; 4.5% = \$4,861.42). Any undrawn funds remaining in the endowment “income fund” at the end of each calendar year will be rolled forward for the following year. The motion was seconded and approved unanimously. A Board resolution (attached) will be prepared to document this decision.

The next step will be to present this JAA Board resolution to the UBC Trustees for their review and approval. Diane Mundell, JAA Treasurer, will present this to the Trustees.

9. Fall Newsletter

Mary Sproles has agreed to take over newsletter responsibilities from David Alls. The goal is to send out the next newsletter in October using the same format at last time. The newsletter will include current pictures (to be provided by Alba), a message from Alba, a message from Michael Cheuk to talk about changes at UBC, a message from the Steering Committee, a message from Diane Mundell (JAA Treasurer), the final version of Jubilate’s mission statement/values, and alumni news.

The next fundraising letter will be sent in mid-November. Online giving is available for UBC but not convenient for use by Jubilate. Diane wants to get the system fixed before notifying alumni. Alumni are still able to give online through UVA (Jubilate loses a small portion for a fee). At the next meeting, the Board will draft a fundraising letter to alumni presenting changes to endowment fund policy

10. Directors Task Force

Chuck Starkey presented a summary (attached to these minutes) created by Jeanette Martino, DTF Facilitator, of the Director’s Task Force (DTF) meeting which was held on June 27-28, 2014 at UBC in Charlottesville.

At the June meeting, the DTF finalized the Jubilate Mission, Vision and Values:

Mission	Vision		Values
Sharing God’s love through musical excellence and enduring community	Premier choral group of UVA students sharing God’s love		<ul style="list-style-type: none"> • Commitment • Musical excellence • Community/family • Open and welcoming • Celebrating diversity • Ministry • Praise • Alumni engagement • Reunions • Partnership with University Baptist Church
	<i>Through excellence in music</i> --Superior performance of highest quality choral music --Broad impact on the Grounds and beyond (national and international)	<i>Through enduring community</i> --Dynamic partnerships with University Baptist Church, Jubilate Alumni Association, and University of Virginia --Fully engaged and supportive alumni body	

	Honoring our values, our history, and embracing the future		
			<i>Final – June 2014</i>

Diane Mundell shared with the Board that at the time of the DTF meeting there was uncertainty at UBC in terms of programs. UBC was facing a severe budget crunch, and there was discussion as to whether the church needed to refocus its program areas (outreach to hospital, alternative worship service). Since the meeting in June, the church has become more focused. The DTF meeting occurred in the middle of the process.

UBC has moved forward with its ministry resident program (intended to be similar to a medical residency), and has hired Will Brown, Jubilate alumni, as ministry resident for next 2 years.

The administrative support for Jubilate has been Alba’s responsibility to date; UBC is looking to hire a part-time administrative assistant, a portion of whose responsibility would include support of Jubilate. The position’s job description was passed out to the Board.

The long term vision is getting the alumni more involved, but Jubilate will still need a strong base at church. Before the Board can start a long capital campaign, a pattern of regular giving from alumni must be established.

11. New Board Members

It is the responsibility of current Board members to find replacements. Those members rolling off of the Board will have an offline discussion with Chuck Starkey and recruit candidates for election to new three year terms which will begin June 1, 2015. Elections will occur electronically in February 2015.

12. Next Meeting

The Spring 2015 meeting will be held on Saturday, March 21, 2015, from 11:00 a.m. to 3:00 p.m. in Charlottesville at University Baptist Church.

13. Adjournment

The meeting was adjourned at 3:30 p.m. with a prayer from Alba Beasley

Respectfully submitted by Sara Catherine Marshall, Secretary