

**Minutes**  
**CHURCH OF GOD BENEFITS BOARD, INC.**  
**Cleveland, Tennessee**

**Wednesday, November 20, 2019**  
**9:30 a.m. – 2:00 p.m.**

The meeting was called to order by Chairman Mark Walker at 9:30 a.m. with the following directors, officers and staff in attendance:

**Directors:**

Mark L. Walker  
Kirk Walters  
J. Dudley Pyeatt  
Kevin McGlamery  
Dennis Watkins  
Yvette Santana  
John D. Childers (joined meeting at 9:40 a.m.)

Chris Coomer was unable to attend the meeting due to his judicial duties.

**Officers:**

Art Rhodes, President and CEO, Church of God Benefits Board, Inc.  
Gayla Iles, Vice President/Corporate Secretary, Church of God Benefits Board, Inc.

Prayer for the meeting was offered by Yvette Santana.

Following the presentation of the May 23, 2019 *Minutes* by Gayla Iles, a motion was made

**“to accept the May 23, 2019 *Minutes* as presented.”**

The motion was seconded and carried.

Nominations were made by secret written ballot and elections were held by a secret written vote for the two candidates nominated. Mark L. Walker was elected for the office of Chairman.

Then nominations were made by secret written ballots and by a secret written vote, Kirk Walters was elected as Vice-Chairman.

Finally, nominations and elections were done by a secret written ballot for the offices of President and CEO and Vice President/Corporate Secretary. Arthur D. Rhodes and Gayla Iles were both re-elected to their previous positions by a unanimous vote.

**OPENING**

**PRAYER**

**MINUTES:  
MAY 23, 2019**

**ELECTION  
OF  
OFFICERS**

Chairman Mark Walker then made appointments to the committees of the Board. Those appointed are as follows:

**Executive Committee**

Chairman	Mark Walker (Board Chairman)
Member	Kirk Walters (Board Vice Chairman)
Member	Dennis Watkins

**Investment Committee**

Chairman	Kirk Walters
Member	Chris Coomer
Member	Kevin McGlamery

**Audit Committee**

Chairman	Dudley Pyeatt
Member	John D. Childers (Secretary General)
Member	Yvette Santana

Art Rhodes presented the State of the Benefits Board Report. He began by presenting the following charts:

- The Historical Market History over the past 41 years
- The United States Budget Deficit from 2007-2019
- The demographic shifts and how they could affect participants as well as our assets

Following discussion concerning the charts presented, as well as an economic review, Art Rhodes presented statistical information concerning the Retirement Plan for 2019.

Next, Art Rhodes explained several regulatory, legislative and legal challenges which included:

- QCCOs and Non-QCCOs
- Ministerial Housing Allowance
- Form 990 Exemption
- New Overtime Rules

Art Rhodes then explained the success of the New Member Joining Incentive Bonus, mentioning that the Joining Bonus amount has now been added to the annual budget.

Art Rhodes presented the Housing Allowance Resolution. A motion was made

**“to approve the Housing Allowance Resolution as presented.”**

**COMMITTEE  
APPOINTMENTS**

**PRESIDENT'S  
REPORT**

**HOUSING  
ALLOWANCE**

The motion was seconded and carried.

A break was taken from 11:00 a.m. to 11:10 a.m.

Chappy Hollis, our UBS consultant, joined the meeting at 11:10 a.m. and gave a review of all managers' year-to-date performance. He then spoke about the economy and how it affects our investment holdings. Chappy Hollis also made some recommendations concerning the rebalancing of some of our bond accounts as well as cash available in the UBS money market account caused by the maturing or calling of structured notes due to the current interest rate climate. Following some discussion, a motion was made

**“to move \$5 million from Wells Capital Management to Delaware Investors and to move \$5 million from Structured Notes to Delaware Investors in order to rebalance, due to low interest rates and the potential of greater loss in the longer duration portfolios.”**

The motion was seconded and carried.

In addition, there was discussion that the 'up to \$10 million' that was approved for Timberland/Farmland opportunities at the May 23, 2019 meeting could begin funding as early as the middle of 2020.

At 12:05-12:10 p.m., a short break was taken and Chappy Hollis was excused from the meeting.

Following the break, Vanessa Vowell and Angie Conine joined the meeting.

Vanessa Vowell gave a report on the successes of the Member Loan Fund. She presented charts and graphs to show the impact of the program. She also outlined improvements that have been made to our website, as well as our internal systems.

Angie Conine, Chief Operating Officer of the Church Loan Fund, presented a year-to-date performance report for the Church Loan Fund. She also mentioned a couple of promising future opportunities for Church Loan Fund investments.

Following their reports, Vanessa Vowell and Angie Conine were excused from the meeting.

At 12:30 p.m. lunch was served in the corporate offices.

The meeting reconvened at 1:00 p.m.

## RESOLUTION

## SPECIAL ORDER OF THE DAY UBS CONSULTANT

## FUND REBALANCING

## MEMBER LOAN/ COMPLIANCE REPORT

## CHURCH LOAN FUND REPORT

## LUNCH

Next, Art Rhodes led discussion regarding those providing outside professional services, as well as fees paid to them. This included the following attorneys retained as needed:

- Pension: Connor and Winters, Washington, DC
- Securities: Tim Horner, Grand Rapids, MI
- Real Estate: Gibson, Dunn & Crutcher

## LEGAL COUNSEL

A discussion was held regarding the fees paid to managers and the contract with our UBS consultants. Art Rhodes made the recommendation to continue the current relationship with Chappy Hollis and Stewart Anderson of UBS. The motion was made

**“to retain the services of Chappy Hollis and Stewart Anderson of UBS as consultants to the Board.”**

## CONSULTANTS

The motion was seconded and carried.

Art Rhodes discussed the services of Henderson, Hutcherson and McCullough as our auditors for the year ending 12/31/2019. A motion was made

**“to retain Henderson, Hutcherson and McCullough.”**

## AUDITORS

The motion was seconded and carried.

Gayla Iles presented the Endowment Report. The receipts and disbursements were outlined. She also mentioned funds that were contributed for a chairlift for our former janitor of 20 years, Janice Gregg. She also showed pictures of the walk-in refrigerator that Endowment funds helped to purchase following the Paradise, California fire last year.

## ENDOWMENT REPORT

She further explained that the final distribution was made to the nieces of Rosemary Parker which made the Hominy Ridge gift and related transactions complete.

## HOMINY RIDGE GIFT FINALIZED

Next, Art Rhodes outlined the 2020 Budget, giving justification for the revenue and expenditure amounts in the 2020 Proposed Budget.

## 2020 PROPOSED BUDGET

After discussion by the board members concerning the interest rate currently paid to participants, a motion was made

**“to approve the 2020 Budget as presented and to maintain the interest paid to participants in the Trustees Fund at 4%.”**

## INTEREST RATE

The motion was seconded and carried.

Art Rhodes presented the October 31, 2019 year-to-date Financial Trends and Cash Flow Reports. He led discussion concerning the current excess equity amount, explaining that it is well above the 4% reserve set by the Board. Following Art's suggestion of an additional interest payment to participants in the Trustees' Fund, a motion was made

**“that the excess equity be observed on December 17, 2019 and one-half of the excess equity on that day be allocated to participants invested in the Trustees' Fund and noted as “additional interest” for 2019. Should the excess equity drop below \$3 million, no additional interest payment will be made.”**

The motion was seconded and carried unanimously.

The next scheduled meeting is Thursday, May 14, 2020. The fall meeting was scheduled for Tuesday, November 17, 2020.

The staff was excused from the meeting during the Executive Session.

Following the Executive Session, the staff rejoined the meeting. A motion was made

**“to ratify all that occurred in the Executive Session.”**

The motion was seconded and carried.

The meeting was adjourned at 1:55 p.m.

Gayla Iles  
Secretary

## **MONTHLY TRENDS REPORT**

## **ADDITIONAL INTEREST PAYMENT**

## **NEXT MEETINGS**

## **EXECUTIVE SESSION**

## **ADJOURNMENT**

**Minutes**  
**CHURCH OF GOD RETIREMENT PLAN TRUST**  
**Cleveland, Tennessee**

**Wednesday, November 20, 2019**  
**1:55 p.m.**

The meeting was called to order at 1:55 p.m. by Chairman Mark Walker with the following trustees present:

Trustees:

Mark L. Walker  
Dennis Watkins  
Kirk Walters

Others present, but not participating:

J. Dudley Pyeatt  
John D. Childers  
Kevin McGlamery  
Yvette Santana  
Art Rhodes  
Gayla Iles

The motion was made

**“to adopt and ratify the investment and business decisions made today by the Board of Directors of the Church of God Benefits Board, Inc., as well as to ratifying the 4% interest rate paid to participants in the Trustees’ Fund.”**

The motion was seconded and carried.

The meeting of the Trustees was adjourned by Chairman Walker at 2:00 p.m.

Gayla Iles  
Secretary

**OPENING**

**ADOPTION OF  
BENEFITS BOARD  
DECISIONS**

**ADJOURNMENT**