



CIT Advisory Board Meeting Minutes Tuesday, October 16, 2023 @ 3:00 pm CDT

Present: Dick Davis, Varn Philbrook, Jeff Dillon, Jim Walsh, Steve Russ, Tom Van Tassell, Matt McClendon, Cheryl Milnes, Ashley Cleere, Patrick Stewart, Jodee Lord, Andrea McCall.

Meeting called to order by Varn P @ 3:06 CDT.

Opening Prayer by **Ashley C.**

Varn: Motion to accept minutes from last meeting as presented, Dick and Jeff in favor.

Recap of August 7 notes: How you receive funds, switching to automatic withdrawal. Jim Walsh is staying on the Committee.

Cheryl: Trust documents were sent out. Proposing the following changes:

1. ADD Sent via email to the corporation...Suggested: Dick: electronically?
2. If a greater than 50% withdrawal of total deposit is requested, last of the month
3. The greater than 50% withdrawn funds...
4. Withdrawal requests less than 50% of the total deposit...within (5) *business* (add) days of the request.

A discussion followed if withdrawals apply to each account rather than the individual church (**Jim Walsh**).

Will inquire if bank w/attorney can make changes.

Ashley: A lawyer can review this. This would be presented to all member churches before it gets voted on at the annual CIT meeting in February.

Varn: Suggested to call presented document with changes a draft. Will work with Cheryl to prepare a summary of what the CIT is recommending and send it to all CIT churches. To be presented as a benefit for churches to expedite withdrawal of funds. Will draw up email message to CIT participating churches to send out asap.

Ashley/Cheryl: Suggested to have a lawyer review it before we circulate it.

Ashley: Do we include a proxy vote for those unable to attend? Cheryl: yes

Varn closes discussion.

Tom: Asking for suggestions of names to fill a spot on the BoD Finance Committee / At Large Member Position.

Matt: **Vanguard Results presentation**

Q3 – Shift in momentum, picking up August, and September. Market grappled with idea of higher interest, inflation continues, US equity and non-US investments 3% decline. Big

contributors are the magnificent 7: NVIDIA, Apple, Microsoft, Alphabet, Meta, Amazon, Tesla. Growth is dominant factor over value. This is why we diversify globally.

Interest high is expected to last longer. Although there are negative returns the CIT is still up over the course of the year. Showed weakness over last three months. Markets don't like uncertainty; geopolitical environment is contributing.

Economy has been resilient. Consumers continue spending. Labor market has been resilient, higher than anticipated.

Rate hiking cycle is done. Borrowing rates will be higher for longer...market has come to realization that rates are staying high. Stronger equity market. Expecting bonds to receive higher yields.

Discussing effect of drawdown. Currently 63/35 portfolio. The more you spend the more impact on value. Do we want to take on more equity market risk? Cautioning against. Not seeing upside...more risk. After some discussion it was decided to keep the current ratio.

Are we looking for recommendation BoD and BoG...for drawdown rate...maintain 4% or adjust it? What do we do? Reduce drawdown rate to maintain value.

Jim W: We are plugging the drawdown rate into the budget. Leaving 4% makes sense.

Dick D: Maintain value...would be mistake to lower it..

Ashley: Plan for 4% would like to maintain...AND maintain value of portfolio over time. A comparison with similar organizations shows that 4% is appropriate.

Varn: From an operational standpoint we see a positive impact, increased interest in churches, CIT is growing from the interest from our churches, we should maintain this. No other questions. Entertaining a motion to establish a drawdown based on what we've seen. Remain a 4%: Dick Davis, Tom Van Tassell made the motion. All in favor. No abstained or opposed. Will notify boards of recommendation so they can start the next step of the budget.

Date for CIT Annual meeting: 2pm Friday February 9, 2024

Varn closed the meeting with a Benediction.

Respectfully submitted,

Andrea McCall