

First United Methodist Church of Palo Alto

2024 Centennial Endowment Fund Grants

History: The Centennial Endowment Funds were established by Church Conference action on Sunday, May 1, 1988. The goal we set was to encourage the Christian stewardship of accumulated, inherited, and appreciated resources. It is understood that such special gifts and bequests would not take the place of faithful stewardship of current income, but would be made to enable the church to accomplish areas of work it might otherwise be unable to undertake. However, the current policy (adopted in 12/2020) has the following provision: “In the event that the Finance Committee, through the Church Treasurer, represents to the Endowment Committee that the church operating budget cannot accommodate expenditures necessary to sustain the church, grants of up to 90% of unrestricted funds may be made for such expenses.”

Background on Grants: An endowment fund is a fund maintained to provide growth and payout in perpetuity, or for a designated term, for general or restricted use by the church. The principal is invested with the intent of preserving its purchasing power (after inflation) over time. Unless otherwise specified by the terms of the gift, a conservative percentage may be spent. First Palo Alto uses a Grant Request process to evaluate and approve grants distributed from the Unrestricted, T/W & Property, and Program/Mission Funds. The distributions from the remaining funds are annual transfers to Special Purpose (SP) accounts, if the funds *qualify*. A fund *qualifies* for a distribution (4% of a 3 yr. rolling average of the fund’s market value) if that distribution would not take the fund BELOW its corpus (inflation adjusted value of its gifts). With this proposal, CEF will have awarded over \$2M in grants.

2024 CEF Fund Distributions

The following endowment funds have *qualified* for grants in 2024:

Unrestricted: Earnings of these funds may be used without restriction for any purpose consistent with the mission of the church.

T/W & Property: Earnings from these funds are to be used only for the maintenance, rehabilitation, remodeling or addition of physical facilities.

Program/Mission: Income from this fund will be used for expansion of staff or program within the local church or the wider mission beyond our local church.

Stuart Fund: This fund's income is to be used for the upkeep, modification and additions to the landscape surrounding our church facility.

Angell Fund: The purpose of this fund's income is "for Special Music Contributions (i.e. Soloists, Instrumentalists, Orchestra, music scores) in church-based concerts involving our musicians, or particularly to special festive Worship services, (such as Easter, Thanksgiving, pre-Christmas)."

Waitte Music: The income of this fund is "to be used specifically in benefit of the Music Department."

Cox Organ Fund: "Earnings from this fund are to be used specifically for the maintenance and improvement of the church organ."

2024 Grants Requests: Sixteen grant requests with a total of \$192,804 were submitted to the CEF committee for review in 2023. A maximum of \$141,450 is available for distribution to these grant requests this year, in addition to \$15,600 for the 4 restricted use endowment grants detailed in the previous section. Fourteen of the grants were proposed for full or partial funding by the Centennial Endowment Funds committee on September 26, and approved by Church Council on Nov 28, 2023. By CEF policy, a Church Conference provides the final approval. Full details on the original grant requests are available in the Church Office or from the Chair of CEF, Jeff King (steepsandstone@gmail.com). The 2024 CEF grant proposal for approval is included at the end of this document.

Summary of Grant Requests:

1. Sanctuary System Upgrades
Lead: Bill Nicholls and Scott Thomas
Sponsoring Church Committee: Technology

FUMCPA's Technology Committee identified a number of improvements that need to be made to the sanctuary AV system, including new speakers, additional spotlight circuits, chandelier microphones, repairs to the projection screen, and new operator chairs.

2. Global Uplift Project: Low Smoke Stoves-Tanzania
Lead: Brenda Birrell
Sponsoring Church Committee: Social Action

Traditionally, Maasai women cook in open fires in unvented mud and stick huts with a thatched roof. This situation creates dangerous levels of smoke and carbon monoxide. This project's focus is installation of specially designed low smoke, high efficiency stoves in Tanzanian Maasai Bomas. This grant will allow for installation of 50 stoves, providing a healthy living environment for at least 250 people.

3. Staff Compensation Support

Lead: Tom Fingar

Sponsoring Church Committee: SPRC

“SPRC has determined that FUMC-PA staffing at the current level is required to continue and increase our service to the church and community. The SPRC proposed budget for 2024 reflects the SPRC commitment to fully fund our staff. This is our goal. However, FUMC-PA income levels in recent years have not yet supported staff compensation solely from the operating budget. CEF grants have greatly contributed to the church's program by funding a part-time administrative/social media position and a part-time Youth and Family Ministries position. These grants were renewable for three years, ending in 2023, but the staff in these positions remain valuable contributors. SPRC does not want to cut staff just when burgeoning program ideas are coming to fruition. If the projected income for 2024 does not fully underwrite the proposed budget, we need additional funds to support staff compensation, cost of living adjustments, and merit raises in this transition period. We hope to see the church progressing toward increasing its income in the coming 1-3 years so that we can fully fund our staff positions from the operating budget after this transition.”

“Approximately \$20,000 will remain from prior CEF funding to carry the Youth and Family Ministries position part way through the 2024 budget cycle. If pledges and other expected income do not sufficiently underwrite the remaining SPRC 2024 proposed budget, we will use the funds in this grant request to support the proposed levels of staff compensation and retain the current staffing level.”

“The amount requested will cover direct compensation and the church's portion of FICA and Medicare that the church pays on compensation as needed to complete payroll payments through December 31, 2024. We have not named a particular position that will not be funded if this request is denied because we believe eliminating staff positions should receive input from the church beyond just SPRC.”

4. Website Redesign

Lead: Pam Cucosky

Sponsoring Church Committee: Communications

“Our church website is a crucial part of our identity and how we present ourselves to the broader community. It is also a major source of information for our congregation, constituents and the community. The COVID pandemic brought home the importance of having a robust website and good electronic communication. This request for \$2,500 comes from the new(ish) Communications Committee, which is charged with improving our communications and marketing our church in a way that highlights its mission and enhances its value to our community. Our website is one of the primary ways we can do this. The general rule of thumb is that websites need a major overhaul about every three years. Our website was last redesigned in 2016-17 by professional web designer Heather Olah in an effort led by Rev. Beth Cadematori. In addition to our desire to have a fresher-looking, easier-to-navigate, and easier-to-update website, we have learned that some of the software used in the previous design is no longer being supported and updated.”

5. FUMC Music Concert Series

Lead: Sandra Wilson

Sponsoring Church Committee: Social Action

This year, CEF sponsored the Anna Lapwood concert, which was a spectacular success. The grant provided the “essential resources that allowed commitments to be made to the performer, to San Francisco City Box Office for sale of reserved tickets, and for publicity, i.e., to underwrite the essential expenses of the concert prior to having any concert revenue.”

For 2024, further funding is being requested to support this concert series.

“CEF support is required to test the financial viability of this plan and other possible concert models, and to minimize the possibility that concert revenue would be less than concert expense, and hence require dipping into the reserve, especially during these early years of the Music Series.”

“. . . it is critical that we gain this broader experience without risking the corpus of the current reserve fund, which will be needed to cover up-front expenses of

future concerts (after CEF funding is no longer be available) and, if we can grow it in the future, could potentially also allow special activities such a commissioning organ compositions to be premiered in the FUMC Concert Series. While it is extremely unlikely that we will be able to replicate the financial success of the Lapwood concert in the immediate future (although Anna has indicated that she would welcome the opportunity to return at some point), and since the minimal criterion for success and continuation of the FUMC Music Series has to be that the concerts break even or nearly so, in this early phase of its development (and before the Music Series has had a chance to become more visible), we believe it is critical to draw on other resources, such as the Centennial Endowment Fund, as we explore a range of possibilities and concert frequency.”

6. Sibling Cities USA, Bridging Regional Divides Program (3rd Request)

Lead: Vicki Veenker

Sponsoring Church Committee: Social Action

This grant is a 3rd year request to support the Sibling Cities organization, founded by Vicki Veenker. We funded this organization at a \$9000 level in 2022 and 2023.

“The purpose of Sibling Cities is to bridge the divides between citizens in our country to knit this country back together again... Sibling Cities bridges divides using Three Pillars of Connection: Community, Commerce, and Civil Discourse. To promote civil discourse and help move our country from polarization to understanding and from stereotypes to friendship and trust, we are convening three Town Halls this fall. Participants will gather in person in each city and connect virtually with the other city.

This grant seeks support for our next and critical phase, moving from pilot to a permanent, replicable program. Funds will be spent to design, launch, and run Sibling Cities’ expansion program. That requires preparation of a toolkit for new city pairs, and fundraising and grant-seeking support. ”

7. Pipe Organ Maintenance

Lead: Bill Nicholls, Diane Keller

Sponsoring Church Committee: Trustees

We have identified a need to repair the leather on the five large air reservoirs that supply most of the air to the pipes. Each is predicted to cost \$5000, and they

have been prioritized. If this request does not cover the repair of all five, they plan to make another CEF grant request next year.

8. Group of Trustees-Sponsored Requests (Grants 8-16)

The following requests were made by Rick Allen and Steve Wood:

- Sanctuary Handicap Door Operators (installation/replacement of door operators between patio and entryway)
- Fellowship Hall Lighting (LED upgrade)
- Fellowship Hall Environmental Cooling (upgrade of system to facilitate cooling at night using outside air)
- Education Building Water Heater (water heater is old and needs upgrade)
- Education Building Office Heat Pump (replace gas heater with heat pump, improving efficiency and adding cooling during summer for offices)
- Greer Parsonage Electric Service Upgrades (upgrade to 200-amp service panel, plus additional circuits)
- Greer Parsonage Double Convection Oven (replace 24" single oven with standard width double convection)
- Greer Parsonage Washer Dryer (upgrade older top loading unit with new front load units)

Alan Cooper submitted the following request:

- Greer Sewer Line Replacement: "The 20 foot section of the sewer line under the Greer Parsonage front lawn needs to be replaced. The old clay pipe is cracking and continually being invaded by tree roots."

Further details of each of these projects is available in the Church Office. Rick Allen communicated the priority of each of these projects during our Grant Review meeting.

**2024 Centennial Endowment Grants by the Church Council November 28, 2023
For Church Conference Consideration**

Grant Request	Leader	Committee	Original Request	Unrestricted		T/W & Property	Program /Mission	Amount Granted	Over (Unfunded)
				Internal	External				
1 Sanctuary System Upgrades	B Nicholls/S Thomas	Technology	10,700	904		4,296		5,200	(5,500)
2 Low Smoke Stoves-Tanzania/ GUP	Brenda Birrell	Social Action	6,000		5,550		450	6,000	0
3 Staff Compensation Support	Tom Fingar	SPRC	50,000	50,000				50,000	0
4 Website Redesign	Pam Cutcosky	Comms	2,500	2,500				2,500	0
5 FUMC Music Concert Series	Sandra Wilson	Social Action	11,750	6,000				6,000	(5,750)
6 Sibling Cities USA	Vicki Veenker	Social Action	12,450		6,000			6,000	(6,450)
7 Pipe Organ Maintenance	B Nicholls/D Keller	Trustees	25,000	16,046				16,046	(8,954)
8 Sanctuary Handicap Door Operators	R Allen/S Wood	Trustees	13,854			13,854		13,854	0
9 Fellowship Hall Lighting	R Allen/S Wood	Trustees	1,560			1,440		1,440	(120)
10 Fellowship Hall Env. Cooling	R Allen/S Wood	Trustees	6,200			6,200		6,200	0
11 Ed Bldg Water Heater	R Allen/S Wood	Trustees	4,450			4,450		4,450	0
12 Ed Bldg Office Heat Pump	R Allen/S Wood	Trustees	21,400			0		0	(21,400)
13 Greer Electric Service Upgrade	R Allen/S Wood	Trustees	11,450			11,450		11,450	0
14 Greer Double Convection Oven	R Allen/S Wood	Trustees	5,310			5,310		5,310	0
15 Greer Washer Dryer	R Allen/S Wood	Trustees	3,180			0		0	(3,180)
16 Greer Sewer Line Replacement	Alan Cooper	Trustees	7,000			7,000		7,000	0
Subtotals and Totals			192,804	75,450	11,550	54,000	450	141,450	(51,354)

Additional Restricted Purpose Annual Funding

17 Cox Organ Fund	CEF	CEF	2,900					2,900	
18 SP Music fund (Waitte)	CEF	CEF	6,800					6,800	
19 Angell Special Music	CEF	CEF	2,300					2,300	
20 Landscaping Stuart fund	CEF	CEF	3,600					3,600	
Totals			15,600					15,600	

Total CEF Grant Funding for Year

157,050