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Foundation Board

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- Matt Preston
Vice-Chair
- Karla Twedt-Ball
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- Cindy Edge
- Ed Holstrom
- Nancy Pink
- Dawn Radack
- Steve Ryon
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- Garr Hintz
Church Business Administrator
- John Brandt
Ministry of Finance Chair

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Jerry Oakland

O: 319-363-2058
C: 712-730-0049

joakland@stpaulsumc.org

1340 Third Ave SE
Cedar Rapids, IA 52403

Foundation Board Moves Investments

By Dave Mahlke, chair of the Board of Directors of St. Paul's UMC Foundation

For over 20 years the Foundation portfolio has been invested by Christine Casey here at Wells Fargo. Recently we started to hear from church members concerned about our relationship with Wells Fargo due to the scandals that have become public over the past few years. Those scandals did not affect us nor did they involve the Wells Fargo division that was managing our investments. The board did decide to reevaluate our investment manager. In the process, we talked to several organizations.



- We found some people that, at least historically, could have provided a slightly better return on our investment.
- We found some people that could continue to make sure our investment was socially responsible by avoiding companies involved with alcohol, tobacco, firearms and others.
- We found some people that would use part of our investment in mission type work, like financing new housing for disabled people here in the Midwest.
- We found some people that are working with Nestle to buy more of their cocoa directly from cocoa farmers and are working with Walmart to improve working conditions at their suppliers.

The great news is all these people work for the same firm, called Wespath. Our pastors are familiar with the name, as Wespath manages the retirement funds for all United Methodist pastors around the world. Wespath is one of the largest faith-based investment managers in the world and is actually part of the United Methodist Church.

The Foundation held a special board meeting in September and unanimously voted to transfer our portfolio over to Wespath. That transfer was completed early in October.

Our expectation is that, potentially, we will have more money available for mission work here at St. Paul's and our investments will do no harm while helping the disadvantaged here in the US and helping farmers and factory workers around the world.



Mission Statement

Foster a vibrant spirit of Christian Stewardship and generosity to create a perpetual source of earnings, which strengthens the financial capabilities of St. Paul's UMC and assists the church in fulfilling its stated mission "St Paul's United Methodist Church: a people GATHERED, FORMED, and SENT by God's Grace."

Wespath Aligns with UMC Mission and Values

By Cindy Edge, member of the Board of Directors of St. Paul's UMC Foundation

One of the factors that excited the Foundation Board of Directors about transitioning to Wespath as our investment firm is their close alignment with the mission and values of the United Methodist Church. Wespath uses a constructive engagement approach with companies related to environmental, social and governance (ESG) issues. This enables Wespath to engage companies to promote sustainable business policies and practices. These ESG priorities include climate change, human rights, and board diversity.

Wespath is preparing for and supporting the transition to a low-carbon economy by identifying and prioritizing where climate change related risk and opportunities are likely to occur across their funds. They are seeking to influence change to improve the lives of those affected by human rights abuses while helping their participants and clients meet their investment goals. Wespath supports diverse boards of directors in the companies they invest in, including the inclusion of women on governing boards.

Key Statistics

Agency

- Managing \$21.9 billion in assets
- 110 years serving The United Methodist Church
- Dedicated team of more than 20 investment professionals
- Trusted fiduciary to over 100,000 participants and over 130 institutional clients

Impact

- Over \$1.2 billion invested in low-carbon solutions
- \$1.1 billion allocated to women and/or minority-owned asset managers
- Over \$2 billion dedicated to Positive Social Purpose investments since 1990

Engagement

- Making our voice heard by voting proxies at nearly 5,000 global companies annually
- Published 9 public policy statements to regulators and lawmakers in 2017 and 2018
- Led 52 corporate engagements in 2017 and 2018
- Participated in over 350 collaborative corporate engagement efforts in 2017 and 2018

Proven Performance

- Flagship Multiple Asset Fund has outperformed 93% of its peer funds since inception in 2002*

Wespath has invested in loans that support affordable housing and community development for the most disadvantaged neighborhoods in the US, including shelter, education and health services to low-income and underserved populations. They also provide “microfinancing” to small business around the world, mostly to people who live on less than \$2 a day.

As you may expect, Wespath has ethical exclusion policies that guide them in avoiding investments in companies that engage in activity related to alcohol, tobacco, adult entertainment, weapons, gambling or privately-owned correctional facilities.

These business strategies, along with a proven rate of return and lower cost, makes Wespath an excellent fit with our Foundation Board priorities and values.

More information can be found at www.wespath.org.

IRA Giving = Tax Savings

If you are 70½ or older and own an IRA, the IRS allows you to avoid taxes when you transfer funds from your IRA directly to a charity. You can transfer up to \$100,000 this year to St. Paul's United Methodist Church. If you wish all or part of your gift to be endowed in the Foundation, indicate that your gift is to be kept in perpetuity. You may specify which of our 27 funds you wish your gift to be placed in.

Thanks to Christine Casey

By Dave Mahlke, chair of the Board of Directors of St. Paul's UMC Foundation

We'd like to recognize Christine Casey for her excellent service over the past twenty years as our portfolio investment manager.

Christine Casey joined Wells Fargo in 1994 and is currently an Investment Strategist with The Private Bank. She manages the assets in discretionary investment portfolios for individuals, endowments, foundations, and charitable trusts. Prior to joining Wells Fargo, Christine worked for several large and regional banks and has been in the financial services industry for over 20 years.



Her Education, Professional & Community affiliations include:

- Executive Board, Hawkeye Area Council of Boy Scouts of America
- Past President, Cedar Rapids Public Library Foundation
- Member of the Development Committee for the Greater Cedar Rapids Community Foundation, and will be joining the Board of Directors in 2020
- Member of the Meth-Wick Community Woodlands Rejuvenate Campaign Steering Committee

Chris has faithfully managed our funds according to our investment policies and has quarterly engaged our board in financial discussions to guide our work. She has worked with us graciously as we have transferred our portfolio to Wespath. Thank you, Chris!

Board Selects Leadership

At the annual meeting of the Board of Directors, Dave Mahlke was elected to serve a second year as chair of the board. Likewise Matt Preston and Karla Twedt-Ball will continue their roles as vice-chair and secretary, respectively. We thanked Dawn Radack and Stephen Ryon as they leave the board. Dannie Keck was nominated to serve a three-year term as a board member. Dannie's nomination was confirmed at the church conference on Oct. 27.

Emergency Fund Grows

Beginning with a concern early in 2020 for helping African Nationals who are part of our congregation when they encounter a grave emergency, several persons have felt called to give our new endowment, the Congregational Emergency Fund. The fund stands at nearly \$24,000. If you would like to help grow this fund, which will provide gifts for distribution every year, simply make your payment payable to St. Paul's UMC Foundation, with the memo: "Congregational Emergency Fund."

Contact your IRA administrator to make the necessary arrangements. Or talk to Jerry Oakland in the Foundation office for more information.

Board Determines Distribution

The board decided to take a 4.2% distribution from the portfolio in December. This compares to the 5% distributed during the past few years – a practice that began during the Forward in Faith capital campaign. The 4.2% rate will mean a grant of \$238,570 to the church for various ministries and \$12,500 for scholarships.

Foundation Distributions Benefit the Church

New carpeting and tile on third floor of the Sullivan Building have been installed using distributions from Foundation endowed funds. The Board of Trustees arranged for new carpet in the third floor hallway as well as in classrooms 317 and 325 and new tile in room 315.

Early in October Dr. Marcia McFee led worship workshops at St. Paul's and then led in worship on Sunday morning. The church council determined this would be a good use of funds distributed for its use.

Another decision of the church council allocated Foundation distributions to be used to supplement giving by the congregation to insure that our 2019 apportionments would be paid in full. This is the second year in a row that apportionments have been paid in full.



It is Time to Review Your Estate Plans

Have you included St. Paul's UMC or St. Paul's UMC Foundation in your estate plans? If yes, have you given clear direction as to whether you want the gift to be available for immediate use as needed or you want the gift endowed (the principal kept in perpetuity with annual distributions made from earnings)? Have you specified how you would like your gift used?

If no, please consider doing so. Beginning with the first gift for an endowment in 1949, many church members have chosen to leave a legacy so that the ministries of St. Paul's will remain vital in years to come. The annual distributions are a blessing to many as they expand the ministries and outreach of the church.

There are various ways to give a gift – through your will, with a revocable or irrevocable trust, or by using a charitable remainder trust. Or you can designate the Foundation as the beneficiary of your IRA, life insurance policy, annuity, or other retirement funds. And many people give stocks or cash.

Jerry Oakland, executive director of the Foundation, is available to meet with you to discuss how to give or leave a gift to fund one of St. Paul's ministries that you are most passionate about.

Plan for Year-end Giving

Are you 70 1/2 or older and still need to take your Required Minimum Distribution from your IRA? Remember you can avoid counting that as income if you give it to a charity such as St. Paul's UMC. Some people pay their 2020 pledge during December to take advantage of tax incentives – others do it just because they are generous and want to further the ministry of the church.

