

**National Association of Congregational Christian Churches**  
**CIT Meeting Minutes**  
**Thursday, January 18, 2pm**

**Present:** Varn Philbrook, Jodee Lord, Steve Russ, Matt McClendon, Ruth Lund, Ashley Cleere, Jodee Lord, Andrea McCall

**Absent:** Tom VanTassell, Jeff Dillon, Jim Walsh

Discussion about change of procedure to Direct Deposit.

Ruth: Authorization process does not change, the option for direct deposit will change. Consolidation information on one withdrawal form. For account validation require a voided check, banking information. The contact person at churches often changes. Forms only with signature change are therefore not acceptable. To protect churches other verification is necessary. Banking information can be kept on file. Banks are usually not switched often.

Varn: (Ruth) will change NOTICE OF WITHDRAWAL form to add language to reflect new terms under section 7, the date, and amendment of trust document.

Dick: Could the acceptance of checks as verification be a risk? Ruth: Their team at Community Bank sends a pre-notification test to the bank to make sure it is a valid account number. The church must issue a signer's form. This is screened and submitted by Cheryl. Cheryl checks signatures.

Varn: We will send this out as a packet to member churches, notifying regarding Annual Meeting, take a vote of simple majority. Asking if members present approve the process.

Dick approves process, Jodee seconds. Voting members present are: Varn, Dick, Jodee, Steve. Tom and Jeff are not present.

Varn: We have majority, all voting members said ay. We will take Ann's letter, adjust it, and send it out.

Matt: Topic: Investment Advisor changes that Vanguard is making. The continuity of service is indicated with the continuation agreement. All support staff from Vanguard is transitioning to Mercer. Advisory fee schedule will remain the same. Expecting that 12-18 months will be business as usual. Likely that some info will remain on Vanguard system for a period of time. No need to change the portfolio structure. This change would be effective on or before March 1, 2024. The document stated March 15, other

logistics to follow in the background. NACCC can terminate relationship at any time. We are not signing a new contract, just taking over assignment of that contract.

Varn: If we don't do anything before the 15<sup>th</sup> we become self-directed. We lose our investment advisor service.

Matt: There is no downside to signing this. The existing contract gets signed over to Mercer, we are getting more resources, fees and basic structure stay the same.

Dick: Vanguard's philosophy was not picking individual stocks, but purchase by index. Are there other viewpoints / possibilities?

Matt: Why Mercer? They are comfortable with the portfolio construction, don't see a need to change. We will have more tools available. We might be able to negotiate better pricing with another index provider. We will have more information once the deal closes. This will feel like Vanguard for the time being.

Dick: What portion of MERCER are our Vanguard assets going to be?

Matt: Mercer manages \$300 billion, benefit plans, endowments; \$16 billion would be added. For non-profit entities, we would be doubling their assets. They see an opportunity for growth in the non-profit space.

Varn: We will lose name recognition of Vanguard. Has Matt experienced pushback from other clients?

Matt: If you have worked in this field you are familiar with Mercer. Vast majority of feedback is positive. They have brand recognition in investment space...vs. retail space (churches)

Ashley: We see this as a positive decision, we will update our printed brochure, add quotes from Dick and Steve to strengthen the connection.

Matt: Until the deal closes Vanguard and Mercer cannot work together, they are two separate entities. Will help with wording for mentioned brochure, help add credentials to Mercer. They have been in the business of consulting over 40 years.

Steve: Will we be able to communicate full capability of the new system? Passive management or a combination of passive and active? Could Matt represent the solution?

Matt: Once we get in the Mercer house we can get more of an understanding regarding an open architecture approach; passive, cheaper index, active management.

Varn: Will make a recommendation. Who signs it? Ashley and Varn, Chair of the Board.

Matt: Had sent a blank template on December 6. Will resend DocuSign document to both, Ashley and Varn. Once both have signed, Matt will get notified.

Dick: Made a motion, Jodee seconded, all agreed. Tomorrow, this will be signed.

Varn: We will meet again on February 9 at the CIT Annual Meeting. Matt and Ruth are released from the meeting.

Ashley: Ruth / Community Bank has offered to become the investment manager. We currently pay two fee structures.

Dick: No reason to 'jump ship'. MERCER is a more familiar name than Nottingham.

Cheryl: Looking at our current fees, her son, a portfolio manager, stated that we have a good fee structure. Reached out to Matt if Mercer would be able to do both? Looking at that option.

Steve: Mentioned case when his church was looking into other banking options (BMO was sold); an opportunity to look at other quotes. In his case Baird was a the best choice. Recommendation to give this consideration.

Varn: We are doing our due diligence; we will send out information to the participating church, asking for input. Will send an abbreviated version of Ann Rieger's letter (Electronic transfer information) to Andrea for CIT mailing to go out on Friday, January 19.

Cheryl: Will send out new withdrawal forms.

CIT Annual Meeting is on **Friday, February 9 at 2pm**. Varn will send agenda.

Respectfully submitted,

Andrea McCall