

**First Unitarian Church
Board of Directors Meeting
6:30 PM in Memorial Hall
November 19, 2013**

Board members attending: Christopher, Demi, Diem, Ketelle, Kwait, Mayo, McLaughlin, Phillips, Suydam.

Others attending: Herrera (ex-officio), Robinson (ex-officio), Browne.
Guests: Knoebel, Skye, Friedrich, Kylin

Call to order: Meeting was called to order at 6:30 PM by President Pat Diem. Chalice lighting by Phillips. Mayo provided a question: “What are you thankful for in your personal life and within the church?”

Administrative agenda—Diem

- A. Board Meeting minutes from October, 2013—Mayo
- B. Treasurer’s report October, 2013—Suydam
- C. Financial Update—Suydam/Knoebel
- D. Core staff report
- E. President’s report—Diem

Motion by McLaughlin to approve Administrative agenda. Demi 2nd. Motion passed.

- A. Board Meeting minutes from October, 2013—Mayo

- B. Treasurer’s Report, October 2013—Suydam

Suydam presented the October Treasurer’s report.

Total income for October was \$60,469.02, #3466.07 under budget.

Contributions were under budget by \$722.33. Rental income is under budget year to date (YTD) by \$8774.05. Total income YTD is \$18,745.09. We expected these numbers to continue to come down without the La Puerta rent but we expect contributions to be up in November and December. Kathy Keller with be adding the endowment income of \$9,700 to the budget in November which should significantly improve the income line.

Total expenses for October were \$70,000.36, over budget by \$6977.77. Total expenses YTD are under budget by \$25,191.49. Utilities are still under budget by \$6,344.35 YTD. We expect expenses to continue to be over budget for the remainder of the year but also believe that we will continue to have a budget surplus with the combined income from the endowment fund and increased contributions in November and December. Our end of year projection is a surplus of about \$10,000 based on previous years’ contributions in November and December.

We received \$19,725 in capital fund pledges in October. This is the highest amount received monthly since June of 2013. In total we have received 86.2% of the 1.8 million in capital pledges. We have drawn \$550,000 from our line of

credit. We now have \$128,000 in member loans. The last bill from Klinger Construction was paid in early November.

Knoebel reported that we may not need to draw additional funds from the line of credit as we have already paid \$52,000 for the completion of AV and we have about \$80,000 in our capital fund.

Board action requested by the Committee: none

C. Financial Update—Suydam, Knoebel

We have about \$5,261 surplus in the project budget and our contingency fund has been expended. The only unpaid, but budgeted, invoice is the \$12,000 retainage that is being held from Klinger Contractors final payment until all the “punch list” items are satisfactorily addressed. The AV budget has been increased to \$109,000 in order to meet our minimal AV needs. There is also approximately \$11,000 in the Board’s Mortgage Reserve.

Income:

To date, we have received 86.2% of the \$1.8M in capital pledges, leaving \$267,049 remaining to be paid by December 2014. In October, we received \$19,725 in capital pledge payments. From July to September, cash received averaged \$11,000. The amount included in our monthly cash flow projections is \$22,000.

There is about \$32,000 in potentially uncollectable pledges. Ministers will be reviewing the list to ascertain what pledges on the list might still be collectable. This uncollectable is in addition to \$15K in pledges needed to make budget and the \$32K additional funding needed for Board-approved AV funding. Action on these items will not be taken until after the stewardship campaign.

No additional draws were made on our line of credit. Our current draw is \$550,000 and has incurred \$12,823 in finance charges. We may need to draw another \$75K to \$100K to cover expenses related to items such as AV.

PNM Rebate:

The PNM application for energy efficiency program rebates has been processed. We are to receive a small amount (\$406) largely because the new sanctuary construction is pretty small (8,925 square feet) compared to most new commercial buildings.

D. Core Staff Report

The staff continues to work on transitions associated with our having become a larger church, as well as the details of managing a more complex campus with the addition of the sanctuary. The A/V contract has been signed, equipment has been ordered, and the hearing loop will soon be installed.

E. President’s Report—Diem

Diem reported that the transitioning of the former sanctuary to the new Social Hall continues to be challenging, yet progress is being made; kitchen cleaned and re-organized, mural wall painted and sound absorbing panels installed. New policies relating to displays, donation tables and solicitation should help with maintaining a sense of stability in the Social Hall.

Planning and discussions are underway for strategic planning to determine the future desires of the congregation for long term plans for ministerial succession and our capital and operating needs.

New Business

A. SBAT Report and Fundraising—Friedrich

Friedrich reported on past and current goals and accomplishments of the Sanctuary Building Aesthetics Team (SBAT), including: the Mural move, candle features, a donor window, Minister and Intern portraits, art donations for nichos, a “welcome wordle” on the curved reception wall, and an idea about an “Earth from Space” stone floor insert in the entry foyer. Additionally, the team has several fundraising ideas for some of these projects.

After Board discussion it was agreed that any new fundraising efforts may be too much too soon after so many recent fundraising efforts to build the Sanctuary building and fund staffing needs. However, these ideas should be revisited in the future.

B. Stewardship Campaign Update and Followup Planning—Suydam, Kettelle, Knoebel.

Through week 7, we have raised \$599,873 from 371 pledges, a 7.6% increase over last year for individual pledges. This is 89.3% of the \$671,000 goal. We are outpacing last year’s results but we need about \$71,000 to reach our goal. There are about 100 outstanding pledges with a 2013 value of \$62,000. New pledges are a significant element to the campaign increases we’ve experienced. There have been 51 pledges totaling \$31,795. These include new members/friends/guests and members who did not pledge in 2013.

24 large donor pledges (over \$5,000) have been received totaling \$182,058 for a 2% increase over last year.

Ten dinner parties (a new approach this year) were hosted by members and attended by 67 persons or 40 pledging units. Pledges from attendees totaled

\$75,000 which is a 13.9% increase over last year. These totals do not include pledges from hosts.

\$2,938.18 of the \$3,000 budget has been spent to date.

Thank you letters will be sent to those who pledged. Letters will be sent to non-donors as a final encouragement to pledge.

C. Liability Insurance Increase—Demi

Demi reported on the current liability policy. Our current umbrella policy of 1 million dollars costs \$350 per year. Raising the coverage from 1 million to 5 million would increase our premium from \$350 to \$1,750. Raising the policy to 3 million would increase the premium to \$1,050.

The Board agreed that a 1 million policy is inadequate, but that 5 million, as voted on in October, may be too much of a cost to bear.

Suydam moved “that we revise our previous motion to carry 5 million dollars of Liability Insurance and approve an increase to a 3 million dollar policy with the objective to eventually carry 5 million dollars of Liability Insurance.” Phillips 2nd. Motion carried.

D. Liquor Liability Policy—Demi

Demi reported that there are certain things we’ll have to do if we want a liquor liability policy; train some trainers, write a new liquor policy, audit liquor sales (if we sell liquor) for example. A liquor liability policy will cost \$2,600 annually. Branches would also be covered under such a policy.

Additional questions have been submitted to the insurance agent:

- *Will a policy cover church activities off of church premises?*
- *If an audit of liquor sales shows lower than anticipated sales would we then be charged less for the coverage?*

After discussion, Diem summarized: We are not yet prepared to go ahead with a liquor liability policy. However, we still want answers to the questions posed to the insurance company. If those answers result in a change of our point of view we will revisit this issue.

The Board agreed that we are not prepared to go forward with a liquor liability policy at this time.

E. Final Approval of Proposed Policies

- a. Displays
- b. Sales
- c. Donations

The following policies were reviewed for final approval:

Social Hall Display Policy

The Purpose of this policy is to balance the needs of church users of the social hall with its community and rental users, as well as create balance among church users of the social hall so that the room is always attractive and welcoming.

Board Level Policy

1. Only church groups may set up displays in the Social Hall for coffee hour.
2. All displays used for coffee hour must be dismantled after coffee hour, leaving only tables for staff to put away, with these exceptions:
 - a. There is always an Art Show on north and south walls.
 - b. Two Movable Partition Walls are used by major programs for visual displays showcasing the churches activities, programs, and outreaches, or for church leaders to get information out to the congregation. One wall is permanently assigned to the Social Justice Council. The second may be reserved for 1-4 weeks by major church programs by contacting the office. These Partition Walls may stay up during the week unless renters or church programs using the social hall ask to have them put away, which the staff will do.
3. All proposals for other semi-permanent displays to be set up in the Social Hall must come to the Board.
4. The board retains the right to have any display removed if, in its judgment, its presence counters the church's overall mission.
5. It is the Board's expectation that the Partition walls will be effectively used and kept up to date.

Staff Policy

1. Church groups desiring to display information must sign up for a table even if their intent is to only use the space the table would occupy (to showcase an item, for instance)

2. There are a limited number of tables permitted at Coffee Hour (currently four center tables). Groups may arrange among themselves to share tables.
3. Groups and individuals must request tables by calling the church office by Wednesday noon before the Sunday that the table will be needed. In situations involving limits the staff will balance requests, taking into account order of request, need for variety, and timeliness. (A group requesting a table for a time-limited cause may be given precedence over a group which reserved a table the previous month or one which has had a table frequently.)
4. It is necessary to request a table every time you will need it.
5. It is also possible for groups to put up displays at patio fairs by reserving space in the office.

Church Sales Policy

The purpose of this policy is to clarify who may sell things at church events and under what conditions. The policy attempts to balance the needs of those wishing to sell things with the church's mission and the needs of others at church events.

The Board Policy

1. The only sales allowed at church events are those in which at least 30% of the proceeds go to the church as a whole or a church group (via line item or a designated fund in the church budget.)
2. There are five exceptions to this policy
 - a. UUSC Coffee and Chocolate Sales, which directly benefit the UUSC and the Sustainable Farming project, and may be sold in the Social Hall.
 - b. The sale of arts and crafts associated with the Art shows on the wall, also conducted in the Social Hall.
 - c. The occasional sales, at the Patio Fairs, by children and youth of items benefitting their activities (girl scout cookies, exchange students, bands, etc.) No contribution to the church is expected from these sales.
 - d. The very occasional permission given to an attractive "good cause" from outside the church to sell items at a special event (Peacecraft Holiday fair, etc.).
 - e. The sales of CD's or books by musicians or presenters in that week's worship service or forum, for which no contribution to the church is expected.
3. All Sunday Morning sales except (a),(b), and (e) above take place at monthly fairs, not the Social Hall

- a. Groups and Individuals wishing to sell things at patio fairs must register with the office and donate 30% of net sales to the church.
4. Sales at events other than Sunday Mornings are controlled by the organizer of the event, however, 30% of those sales are expected to be returned to the church.

Staff Level Procedure for Patio Fairs

1. Patio Fairs will be held the third Sunday of each month. If possible they will be held inside during inclement weather.
2. Persons and groups wishing to participate in the patio fair should sign up for table space by calling the office by Wednesday noon before The Fair. If there is space available they may sign in the morning of the fair.
3. The staff will put out tables and assign table space. The staff will publicize the Patio Fair.
4. Each participant will be given a form on which to report their sales, their 30% contribution, and the budget line item to apply it to. This form and the contribution must be brought to the office by 12:30PM on Sunday morning. Participants may elect on the form to turn in all the money and have a check written for the amount to be returned to them, or they may just turn in the 30% donation.

Staff Level Procedures for Sales at other Events

1. Persons selling items at events other than the Patio Fairs may mark their 30% donation on check or envelope (with their name, a phone number, and the use to which they wish the money put) or use the Sales/Donation form to indicate how they wish their money handled.

Donation Solicitation Policy

The purpose of this group of policies is to clarify who and by what means persons may solicit donations from others at church events. The solicitation of funds for the church itself (stewardship drives, special fund drives and other fund raising approved by the Board) is not a part of this policy.

Board Level Policy

1. The only solicitation of donations from persons at church events will be for charitable causes.
2. Church Groups may solicit donations for charitable causes from the congregation only by reserving a table at Coffee hour, tabling at a patio fair, or at an event planned in conjunction with the Social Justice Council (by invitation of the planners).

3. Church groups and organizations soliciting funds must record and submit any donors (with donation amounts) that the donors wish to appear on contribution statements.
4. Church groups soliciting funds for other good causes (Kenya project, etc.) should report their total collection to the office so the total can be added to the church's record of contributions raised.
5. Church groups wishing to turn in the cash raised and have the office write and/or send a check, or have the total added to a line item in the church budget, should use the standard blue forms available in the office for that purpose.
6. Individual members may solicit donations for their chosen causes and projects (Walk-a-thons etc.) by requesting a table at the monthly Patio Fair. It is necessary to register at the office and follow staff policy.
7. Soliciting donations from people who have not approached your table is not permitted. (No walking around asking folks to donate.)
8. The only announcements of charitable solicitations will be for moneys funneled into UUA and UUSC emergency collections or emergencies at the discretion of the ministers (for earthquake victims, etc.).

Staff Policy

1. There are a limited number of tables (currently four center tables, which may be shared if all parties are agreeable) permitted at Coffee Hour. Those wishing tables should sign up by noon Wednesday the week before. If there is space available at the center tables, persons can use them without advance sign up. No extra tables may be set up or occupied for fund solicitation purposes at coffee hour.
2. During the Winter months, when the patio fair is held indoors, table space is limited. Persons wishing to solicit donations at patio fairs must sign up for a table by the previous Wednesday noon. If there are extra tables, they can sign in on Sunday morning.
3. In over-subscribed situations, the staff will balance prompt requests with the need for variety and timeliness. (A group requesting a table for a time-limited cause may be given precedence over a group which reserved a table the previous month. Groups who have not had table space for some time may be given precedence over those who have had space lately.)
4. It is necessary to request a table every time you will need it.
5. Those desiring to solicit donations must register their intent by calling the church office by noon Wednesday before the Sunday when the table is needed.
6. Donations which are being accounted for through the church accounts must be brought to the office by 12:30 pm on that Sunday morning or during office hours during the week after the event.

7. If donations collected by individuals are being sent directly to the charity, we ask you to tell us your proceeds so that we can periodically update the congregation about the amount of all of its generosity on the form provided.

Here it is simple:

You can only collect for charitable causes.

Church groups can collect at coffee hour and patio fairs, individuals at patio fairs only. You have to request a table and you have to stay behind the table, so make yourself an interesting display!

If you want your money funneled into or through church accounts, you must follow office procedures.

If you want individuals to be credited with their donations in church accounts, you have to turn in names and amounts given.

Diem moved that we approve the three new policies. Suydam 2nd. Motion passed.

F. Budgeting Process—Browne

Browne reported that a budget draft has been discussed with the Finance Committee. It will be gone through in detail and they will make recommendations by December 10th. That will leave a month for the Board to discuss how changes will be implemented. A special Board meeting will be held on January 14, 2014 to approve a budget.

G. Senior Minister—Summary of Performance against Goals—Robinson

Tabled until December Board Meeting.

Meeting adjourned 8:55 PM

Respectfully submitted, Chris Mayo, Secretary