

**First Unitarian Church  
Board of Directors Meeting  
6:30 PM in Church Office  
July 16, 2013**

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

Others attending: Herrera (ex-officio), Robinson (ex-officio), Kylin (guest)

**Call to order:** Meeting was called to order at 6:30 PM by President Pat Diem. Chalice lighting by Christopher. Suydam provided a question: “If there was one thing you could change about 1<sup>st</sup> Unitarian, what would it be?”

**Administrative agenda—Diem**

- A. Board Meeting minutes from June, 2013—Mayo
- B. Treasurer’s report May, 2013—Suydam
- C. Financial Update on Capital Campaign—Suydam/Knoebel
- D. Core staff report
- E. President’s report

*Motion by Wofford to approve Administrative agenda. 2<sup>nd</sup> Demi.. Motion passed.*

- A. Board Meeting minutes from June, 2013—Mayo  
*The minutes were reviewed and accepted with no changes.*

- B. Treasurer’s report—Suydam  
*Suydam reported that pledge income for June was \$47,847.97, \$3,382.61 under budget. Non-pledge gifts were over budget by \$1,238.05. Rental income is under budget by \$6,904.72. Total YTD income is over budget by \$8,913.71. These numbers were expected to come down.  
Total expenses for June were \$4,857.40 under budget. Total YTD expenses are under budget by \$26,572.44. Utilities are under budget by \$6,131.71 YTD. This could change with occupation of the new sanctuary. Lower expenses and higher budget have resulted in a budget surplus of 15%, or \$35,846 YTD.  
We have received 84% of our capital pledges. We must collect the remaining pledges before October 2014 when the line of credit will be converted to a mortgage. We have expended \$2,398,058 of our projected budget of \$2,557,680. We have drawn \$450,000 from our line of credit which is significantly less than the \$975,000 we had expected to draw. We have paid \$2712 in interest, and have received \$94,000 in member loans.*

- C. Financial Update on Capital Campaign—Suydam/Knoebel  
*Suydam reported that the work on the Sanctuary is nearly completed. The remaining items to be addressed (“punch list”) are nearly 80% completed. Klinger Construction and Mullen Heller Architects are working on obtaining a permanent Certificate of Occupancy by our July 27, 2013 deadline. Financially, the Sanctuary Project continues to be in a strong condition.*

*So far, we have spent 94% of our project budget and we have 84% of anticipated project income. This amount includes our \$550,000 mortgage which will be activated in October 2014. The \$408,863 balance of project income includes short term capital pledge receivables, our mortgage reserve, and our anticipated NM Tax Credit. We are in a considerably better position than anticipated.*

*We remain in a strong cash flow position, due to members paying forward on the capital pledges. The church has drawn \$450,000 from the line of credit, much lower than the projected \$975,000 we thought would be needed by now. We have paid \$2,712 in interest on the amount drawn*

*We received \$20,251 in capital pledge income in June; considerably higher than the \$7,000 received in May. We need to receive an average of \$20,000 per month through October 2014 in capital income to meet our income projections*

D. Core Staff report—Robinson

*Robinson reported that the past month has been defined by advertising for the new Director of Operations position, culling resumes, and conducting preliminary interviews. Those should be finished soon, after which more extensive interviews will be conducted. Mia is doing a wonderful job at filling the position in an interim basis. It is hoped that final interviews and hiring of a Director of Operations and Choir Director will be done within the next month or so.*

E. President's report—Diem

*Diem acknowledged the achievement of the major milestone of moving into the new Sanctuary; the accompanying excitement amongst the congregation and the upcoming change of La Puerta's planned move in September.*

*She suggested that we allow the remaining work to be done at a manageable pace so that we are thoughtful about how we permanently inhabit the new campus. Tasks that are not critical to our transition should be deferred until we can approach them with the necessary thought and energy to perform them with care.*

## **New Business**

A. Insurance Committee Report—Demi/Kylin

*The following Insurance Taskforce Report was presented:*

### **Insurance Taskforce Report**

**Members:**

Alice Demi (Chair), Charlotte Kylin, Ken Callahan, Angela Herrera (ex-officio)

**Charge:**

To evaluate the insurance protection currently in place to protect First Unitarian assets.

**Current Policy**

We have a three year insurance policy with Church Mutual running from 9/01/12 to 9/01/15. On each renewal, continuation, or anniversary of the effective date of the policy, Church Mutual will compute the premium in accordance rates and rules then in effect. The policy for 9/01/2012 thru 9/01/2013 cost \$8,166.

*Discussion: Last year's building value was \$3,300,011. The new building will add about 2 million to that, likely increasing the insurance premium by 40 to 50 percent.*

#### Comparability of insurance companies

There are two comparable insurance companies that offer church insurance: Church Mutual and Brotherhood Mutual. Both are highly rated. There is a disadvantage in changing insurance companies. If you change companies, someone might make a claim about something that happened two or more years ago and you would be covered only for the year that you are insured with the new insurance company. If you keep the same insurance company, claims made for previous years (that you were insured with them) would be covered.

*Demi: The Committee recommends no change to insurance carrier.*

#### Builder's risk policy

A Builder's Risk policy is held by Klinger (the builder) for the new sanctuary and that policy will terminate when the building is completed and the final Certificate of Occupancy is received... While we don't have the costs to Klinger, we did temporarily (and erroneously) have coverage on the new sanctuary for \$1,850,000 for a premium of \$3988.

The overall cost for the new sanctuary is \$2,557,680; however, some expenses weren't for construction of the building. Geri Knoebel estimates that the cost for the building was \$2,000,000.

#### Changes suggested

Add Employee Benefits Liability (covers the church if an employee does not properly perform his/her duties regarding benefits, such as health care coverage and pension administration).

*Demi: the committee recommends getting a quote for adding this to the policy.*

*Robinson: Employees currently buy their own health insurance with monies that are included in their salaries/wages for that purpose.*

Increase Umbrella Policy from \$1,000,000 to at least \$3,000,000., and preferably \$5,000,000.

*Demi: Increasing the policy to \$3,000,000 would cost about \$1,050. Increasing to 5,000,000 would cost about \$1,750. We should increase it to, at the very least, cover the value of the property.*

Add Valuable papers (\$10,000-\$15,000) under Inland Marine endorsement to cover the cost of replacing lost data.

*Phillips: Does this cover digital data?*

*Kylin: It depends, though there are other ways to insure digital data is backed up off site.*

Add Education wing (La Puerta move earliest Aug. Delete lessors risk when La Puerta move).

Add audio visual equipment in new sanctuary.

*Demi: We need to know the cost/value of AV. This is not known yet.*

Clarification:

Church Mutual cannot (or will not) define meaning of term "Deliberate Acts." The agent said this is based on the act itself and the context of the act.

*Kylin: This generally means an intentional act, though that is a matter of interpretation.*

*Kylin: When someone does something heinous it becomes their responsibility.*

*Robinson: The only reason we're not paying legal fees for the pepper spray incident is the insurance provider ultimately said it was covered. However, it was touch and go for a while, and legal fees would have been in the several thousands.*

Church computers are covered; they do not have to be listed individually.

Rotating Art Exhibits do not have to be listed since exhibitors sign a release of liability form and are notified that they must have their own insurance.

The following questions arose about the new building during our meeting with Celinda Gonzalez, our insurance agent. Church Mutual needs this information to determine rate for the new building. Steve Phillips is working on getting the information.

*Demi: If the new Sanctuary is deemed a separate building, rather than attached to the Social Hall, it will cost less to insure. For that to happen, the doors between the two buildings must remain closed.*

*Phillips: The building was designed as a separate building.*

1. Is there stained glass or colored glass in the tower windows? Steve recalls the builder saying buying additional glass for use in the nichos or replacement of a broken window would be quite expensive. An itemized list of the cost of the glass for each window is needed.
2. Are the roof and its support structures designed to withstand 90 mph winds? If so, Ms. Gonzalez says we should have received a UL90 certificate documenting this feature. . She said documentation of these design features such as a UL90 certificate would lead to a premium reduction.
3. What is the rating of the fire wall between the new and old buildings? We found a rating of 1.5 hours on the double-door.  
*Phillips: The doors are rated at 1.5 hours, the fire-walls at 2.5.*
4. Have the sprinklers been performance tested? We need a copy of the report if the test has been done.

### **Rental Piano**

Details on the rented piano have been submitted. Our piano is covered by, rental agency, value of piano, expected length of time it will be rented.

### **Loss Control Representative**

Church Mutual has recently hired a Loss Control Representative. Our agent suggested we contact him to visit and assess how to reduce risks. If he recommends we do something and we don't do it there would be penalties.

*Robinson: That has been done within the past two years.*

### **Resources for policy holders**

We can obtain various resources from Church Mutual including background checks for \$5 or \$7. We can also obtain DVDs on employment practices and other topics.

### **Church sponsored activities**

The Church should keep a record of all church sponsored activities. If an incident occurs at one of these activities, our insurance covers the incident. However, we must keep track of these events to have coverage.

### **Serving alcohol**

We were told to contact customer support to assess whether our alcohol policies are adequate. Our agent mentioned the possibility of limiting alcohol to 1 drink and to having someone serving the alcohol. I have sent them a copy of our alcohol policy but have not yet received feedback.

## **Suggested revision to alcohol policy typed in capitals**

### **36. Policy on Alcohol Use**

*Approved by the Board, April 22, 2009*

The serving of alcohol on church property is problematic and must be restricted to protect the church, congregants and visitors. Therefore, First Unitarian allows the use of alcohol on the premises by church groups with the following restrictions:

1. Advance notice must be given to the office when alcohol is being served at an event.
2. Attractive alternative beverages must also be served whenever alcohol is served.
3. A donation may be collected, but no alcohol may be sold.
4. If minors are present, special care must be taken to see that they do not consume alcohol.
5. Inebriated persons may not be served alcohol and ~~must be discouraged from driving.~~ AND EVERY EFFORT MADE TO DISCOURAGE THEM FROM DRIVING AND PROVIDING ALTERNATIVE TRANSPORTATION.
6. No alcohol may be stored on the premises, and all empty alcohol containers must be removed for recycling at the end of the event.

A church group is defined as a group in which more than two-thirds of the members belong to First Unitarian.

Renters and other non-church groups may seek permission to serve alcohol only for ritual purposes (communion or one toast at a wedding). This provision is incorporated into the rental

*Discussion:*

*Phillips: We need to change #5 to read "Inebriated persons **shall** not be served alcohol..." and end it at that.*

*Diem: What we do in practice is different from what we do according to policy; clearly we would make every effort to offer a ride to an inebriated person.*

*Robinson: Maybe a monitor when drinking is occurring?*

*Demi: Perhaps we should wait and see what the insurance provider says about our current policy before acting on this.*

## **Mural**

Our agent reported Church Mutual requires that we get an appraisal of the mural. It is currently insured for \$50,000. Sara Friedrich said that her committee has received only one bid for \$2,200 from Peter Eller. I encouraged her to try to get additional bids. I also asked our insurance company to give us a cost estimate if the mural is appraised for \$50,000, \$100,000 and \$250,000: We currently have \$50,000 in coverage. Increasing it to \$100,000 would increase the annual premium by \$305.00. Increasing it to \$250,000 would increase the annual premium to \$1,225.00. In order to increase the value of the *tiles*, an appraisal must be done showing the new value.

*Discussion:*

*Demi: If we insure it, and it is destroyed, we are required to replace it with something of equal value.*

*Phillips: Why insure it if it is irreplaceable?*

*Robinson: Realistically, we would probably just deal with it if the mural was destroyed.*

*Robinson: Is it really responsible to pay for an appraisal when we could be spending on other, more important, things?*

*Demi: We could choose not to insure it.*

*Kylin: It is the Boards' call as to whether to insure it.*

*Wofford is in favor of it being considered a non-insurable item.*

*Phillips: This is a decision we can always reverse or revise later.*

## **Other Art in Church Buildings**

Need to assess whether any of the other art throughout the church buildings needs to be specifically covered.

## **Fire Doors**

Insurance on the new sanctuary would be less expensive if it is considered a separate building. Since the Social Hall/Kitchen is an older building and does not have all the modern safety equipment built in the rate for this building is higher. To be considered a separate building the fire doors must be kept shut.

## **B. Property Committee Report—Mayo**

*The following Property Committee Report was presented:*

## REPORT OF PROPERTY COMMITTEE

### I. Overall Observations

When convened the Committee was told that we were not to be a standing committee but rather more of a task force to evaluate the current facility needs and priorities. We were also not given a “budget” or financial parameters to factor into our considerations. And we were also told that our end product should be a report to the Board. This is that report.

The Committee wishes to offer three up front observations. The first is that with the opening of the new sanctuary there is an urgent need to sort out the uses and needs as regards all the buildings on our campus. Only with this can building projects/priorities be clarified. If, for example, the old Sanctuary is to be reserved for large meetings, concerts, and social events (many of a rental character), then it would make good sense to give high priority to working on the restrooms and kitchen facilities. On the other hand, if it is to be used as meeting room space, priority needs to be given to the required remodeling. The same is true of the old social hall, the RE building, even the Wesson/Arnold room facility. What is needed is a campus facility use plan.

The second observation is that many of the maintenance and repair needs of the existing buildings are of long standing and have been reported to the Board in the past. One of our members also served on the now disbanded Facilities Council and provided us with reports of that body dated 2007 and 2008 that had apparently received little attention. Because of this one of our points of departure in formulating many of the recommendations of this report was the unaddressed recommendations of the old Facilities Council. A copy of the Facilities Council analysis is attached to a hardcopy of this report that I will be sending you--we don't have the last Facilities Council Report itself.

Finally, the Committee believes that it will be exceptionally important for the Church to build a good facilities staff. With the new building our church campus has grown greatly and oversight of the buildings has taken on an even greater importance. Previously staffing has been characterized by substantial turnover and irregular record keeping. Not only do we need good people, we need enough people and good records. Keeping the buildings on our campus, several of which are decades old, in good repair has to be a high priority. We need a strong facilities staff and good funding.

II. Following are the maintenance and repair projects the Committee has identified and discussed:

1. Grafitti window treatments - Given the glass exposure in the new sanctuary and the record of past defacements it makes sense to do this work soon.
2. Repair and replacement as needed of old sanctuary coolers - 3 of the original coolers were replaced but one needs repair. the fourth cooler continues to limp along but will have to be replaced in the near future

3. Roof assessment - the old Social Hall roof may need to be replaced/resloped and the roofs of all the campus buildings may need attention since they are older.
4. Restucco RE and Admin Bldgs - sizeable cracks have opened up and a restuccoing is called for
5. Tile flooring and baseboard repair in RE Bldg - the floors of the re wing have had heavy treatment and need repair
6. Repainting as needed, particularly in RE Bldg - heavy use has taken its toll
7. Address courtyard lighting - Globe lights do not function and safety needs should be evaluated
8. Asphalt South Parking lot and provide walkway to campus buildings - this will be an expensive project but may become more important with opening of new sanctuary
9. Repair brickwork on old sanctuary - areas of foliation need to be addressed but not urgently
10. Carpet cleaning and replacement - carpeting in old social hall is getting a bit worn
11. Replace windows in old sanctuary - old-style single pane windows result in considerable heat loss but in cost/benefit terms this is not high priority

### III. Conclusion

Without a plan for use of the various buildings on the Church campus it is difficult to advise with regard to maintenance and repair priorities at this time. As the congregation moves into the new sanctuary, it makes sense to develop such a plan. With that it will be easier to evaluate the relative importance of repair and upkeep needs, some of long standing and others new. The Committee urges the Board to identify, define and clarify the responsibilities of various staff and committees to that end.

*Discussion:*

*Diem: We really need a list of what each item would cost.*

*Diem: It's more feasible to get something funded if we're specific about what we're going to do.*

*Phillips: The committee should prioritize and rank proposed projects with ballpark costs included.*

*The Board agreed that the Committee should continue working toward prioritizing projects and getting estimates to present to the Board.*

**Corner sign Replacement Info and requirements—McLaughlin**

*McLaughlin presented the preliminary results of her research into replacing the church corner sign on the Northwest corner of Comanche and Carlisle.*

*Revamping the existing sign by removing the top readerboard and replacing with illuminated cabinets designed to match the new building will cost an estimated \$29,000.*

*An upgraded 2-sided sign will cost approximately \$4,900.*

*Another option would be an elevated sign much like a smaller version of an electronic billboard.*



*McLaughlin will continue her research and present more at the next Board Meeting.*

C. Director of Operations—Herrera

Herrera said that there is nothing to add to what Robinson reported on in the Core Staff Report (above, item D in administrative agenda).

D. Building Celebration/Dedication Weekend Planning—Diem

*Diem reported that Steve Phillips has put together a nice slide show that takes the building project from start to finish. We're in good shape; invitations are ready, an MC is in place, catering bids are done. Diem is a little concerned about media but work on that is continuing.*

E. Piano Fundraising Update--McLaughlin

*McLaughlin reported that the fundraising goal for the Steinway has been accomplished: \$16,981.00 raised. That will pay for the repair of the Steinway, piano moving, tuning, rent for the Young Chaing piano, AND allow us to buy a Clavinova electronic piano for the Social Hall.*

*McLaughlin recommends we wait to buy the Clavinova until we know more about usage of the Social Hall and the mural is completely moved.*

F. Corner Sign Replacement—McLaughlin

*McLaughlin reported that she received a third drawing and price from SignArt. The style would look compatible with the architecture of the new Sanctuary. This corner sign would cost \$18,900.00. McLaughlin suggested that if there is no money available in the budget we could embark on a creative fundraising effort, much like the one for the Steinway.*

G. Recognition and Goodbye for Alan Stringer

*Diem: recommended that that piano refurbishment be done in Alan's name.*

*McLaughlin: reported that the choir is going to sing and then offer some touching words before presenting him with a gift.*

*Diem: Suggested a plaque.*

*Diem: Alan's partner suggested that a nice gift would be that if/when New Mexico legalizes same sex marriage, 1<sup>st</sup> UU agree to perform the ceremony.*

*Motion: Phillips moved that we: Create a designation of Music Director Emeritus and give that designation to Alan Stringer for his dedicated service of 19 years. 2<sup>nd</sup>: Suydam. Motion passed.*

H. Revised SBAT Charter and Process:

The following “draft of motion” and “Charge to the SBAT” was reviewed:

Draft of Motion:

...move that the Board create a Sanctuary Building Aesthetics Team charged with considering the place of permanent, temporary and seasonal visual arts, symbols, furnishings, decorations, and nature in the new sanctuary building.

Charge to the Team:

This team will work with representatives of the DCT and other church bodies to ensure that our new sanctuary is beautiful, flexible, graceful, and visually in tune with the needs of worship. This team will prepare for our initial move to the new sanctuary as well as plan the logistics of moving the mural and placing and acquiring art, banners, and paraments.

The Board will appoint the first chair and the team should consist of one of the ministers and, at least initially, representation from Arts and Aesthetics, Worship, and DCT, as well as be open to participation by other members of the congregation. The chair will have the responsibility to form a representative team (5 to 9) from those interested in serving in this capacity.

*The Board reviewed the work of the SBAT and believes they have made exceptional contributions toward the transition from the old Sanctuary to the new one; facilitating the moving of the mural, soliciting and coordinating the placement of art in the Social Hall, and coordinating the arrangement of art in the candle feature. The Board thanks them for their work.*

*At this point, the Board agrees that the arrangement of art and aesthetics of the Sanctuary should be the purview of already established standing committees of the church.*

## **1. Soft couch discussions**

### **A. 2014 Budget and Stewardship Goal—Herrera**

*Herrera reported that the Board should be prepared to discuss, at length, the goal for the 2014 Stewardship drive.*

*We will need a report from the finance committee/Treasurer*

*We will need priorities and estimated costs from the Property Committee.*

## **Future agenda items**

Solar System Proposal

## **2. Meeting adjourned 8:40 PM**

**Respectfully submitted, Chris Mayo, Secretary**