

**First Unitarian Church
Board of Directors Meeting
6:30 PM in Memorial Hall
January 21, 2014**

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

Others attending: Herrera (ex-officio), Robinson (ex-officio), Elwood.

Guests: Susan Moore (East Mountain Representative), John Ellig (Social Justice Representative).

Call to order: Meeting was called to order at 6:30 PM by President Pat Diem. Chalice lighting by Diem. Diem provided a question.

Administrative agenda—Diem

- A. Board Meeting minutes from December 2013 and January 7, 2014—Mayo
- B. Treasurer's Report for January 2014—Suydam
- C. End of Year Financial Update—Suydam/Knoebel
- D. Core Staff Report
- E. President's Report—Diem

Motion by Ketelle to approve Administrative agenda. Suydam 2nd. Motion passed.

- A. Board Meeting minutes from December 2013 and January 7, 2013—Mayo
Both copies of minutes were reviewed and approved.
- B. Treasurer's Report, December 2013—Suydam
Suydam presented the October Treasurer's report:

Total income for December was \$67,956.35 which was \$4021.34. Contributions were over budget by \$9,329. Total income for 2013 was \$754,621.00. Rental income is under budget for the year by \$17538.35. Total income for the year to date is under budget by \$12,599.66 but this is not unexpected since La Puerta income was budgeted through December but ended in Sept. As we expected income for December was up which reduced our income shortfall by over \$4000.

Total expenses for December were \$71,952.21 which is over budget by \$328.02. Total expenses for the year to date were under budget by \$15,494.11. Utilities are under budget by \$6,333.03 for the year. We finished 2013 with a budget surplus of \$2,894.45. Half of this will go into capital reserves and half will be added to the 2014 operating budget.

In 2013 we received \$274,550.94 in capital fund pledge payments. In total we have received \$1,563,966.59 of the \$1.8M in capital pledges. We have drawn \$550,000 from our line of credit and may need to draw an additional \$75,000 to \$100,000 for expenses related to AV and other miscellaneous items. We now

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

C. Financial Update—Suydam, Knoebel

As of week 10 in the campaign, 398 pledges have been received totaling \$621,818 which is an 8.1% increase over the last year for the same individuals. This is 92.7% of our \$671,000 goal.

Nearly 300 follow-up letters were sent out Friday to those who had not pledged as well as friends and guests. Of the 12 pledges that we received in the past week, five resulted from the mailing.

Thank you letters were sent out last week to those who have pledged. We will continue this through the balance of the year. This was an opportunity to express our appreciation for their support but also to confirm the amount of their 2014 pledges.

D. Core Staff Report

Robinson reported that worship attendance in December was up 15% over 2012. The Christmas Eve services were firsts in the new building. She and Herrera have worked out their sabbatical dates: Herrera from July through October of 2014, Robinson from March through June of 2015.

Herrera reported that she has been working with Candy Lindquist regarding the RE Admin position. Interviews begin soon. 4 new members were recruited to the Social Justice Council: Lisa Goldman, George Bakula, Tom Wofford, and Nancy Kilpatrick (Chair).

Browne reported that the proposed operating budget has been reviewed with the Board and a version has been prepared for presentation at the Congregational Meeting. An opportunity arose for 1st Unitarian to acquire and operate the church building where our East Mountain Branch meets. Analysis and discussion of this opportunity has taken place with the Board.

Lindquist reported that RE has been seeing record turnout lately. The RE building task force will resume their activities this month, continuing to enhance the RE building. A new program under development in RE will tie First Unitarian's Wildlife Habitat closely to children. There have been 30 applicants for the half-time RE Admin Assistant.

Ellwood reported that he and Herrera, with three volunteers, have launched a prison ministry at Metropolitan Detention Center. They will be meeting with inmates twice per month. Ellwood is also increasing his involvement with Albuquerque Interfaith, participating in leadership training about the upcoming legislative agenda.

E. President's Report—Diem

Diem reported that planning for the January 26 Congregational Meeting has been her main focus this month.

The Edgewood property purchase opportunity appeared quickly and required data gathering to determine if it was feasible and desirable to recommend it to the congregation.

Expenses already incurred for AV and other sanctuary needs and deferred roof improvements on the RE wing and Social Hall require over \$165,000 in

additional capital funding in the near term. These funds can be raised through debt if the congregation approves an increase in the mortgage.

New Business

A. Social Justice Request—Ellig

As a representative of the Social Justice Council, Ellig proposed to the Board that a more permanent display of Social Justice materials and information be established in the Social Hall. He iterated that even though the Social Hall will be rented by non UU groups from time to time, a permanent display is representative of our Unitarian values and a strong example of our principles. Ideas include a permanent wall display, a freestanding sandwich board type display, and a rolling table.

After discussion, Diem observed that there is unanimous Board support for a SJC presence, and that it can be broader than just a table on which materials and information are placed. It is probably not, however, the Board's responsibility to define how an increased presence will be accomplished. The SJC should figure out how to propose the increased presence with a mission statement and plans for funding and staffing it.

B. Congregational Meeting Preparation—Diem

Board member roles during the Congregational Meeting were discussed and agreed upon. Large issues to be discussed will be the raising of the mortgage as well as the potential purchase of the Edgewood property. Diem suggested that raising the mortgage be discussed and tabled until after the Edgewood purchase opportunity is discussed. We will then return to the mortgage increase and vote on raising it to either \$700,000 or \$750,000. Diem provided a list of prioritized needs for funding, including items that must be funded in 2014 (roof repair, AV, etc.), items that we would like to fund soon (Sanctuary chairs, security etc.) and items that should eventually be funded (parking lot paving, corner sign, etc.).

C. Edgewood Conditions for Purchase—Robinson

Robinson reported that an inspection of the Edgewood property has been completed and resulted in a positive oral assessment. Browne believes that for the purposes of our due diligence process, the inspection has been completed successfully. No structural issues were found, though the absence of tie-downs (which provide additional tying of the building to the foundation) was noted. This is not a significant problem, but might be an issue if a new lender were to require a foundation certification. All major systems are operating as expected.

*Robinson proposed the following “**Criteria for Buying and Keeping the Edgewood Property:**”*

1. It is found to be and continues to be a safe investment.
2. The congregation can take on this project with minimal effect on its current budget and programs.
 - It is possible to get more favorable financing terms.

- Edgewood group can find and manage tenants.
 - Edgewood group forms a plan to care for the property and can do so without draining energy from their primary tasks of forming religious community.
3. The Edgewood Branch is willing and able to thrive and grow.
- They are willing to tighten up their worship procedures to get a smoother, more comfortable result.
 - They are willing to reach out to UU's in the East Mountains who come into town to find out what activities they might attend in that building.
 - They are willing to learn about growth in small congregations and do what it takes to welcome and sustain new members.
 - Their group grows sufficiently that they are able to manage the property and program without burnout.
 - Their contributions to the church as a whole increase.
 -

Moore, representing the Edgewood branch, pointed out that Unity Church (the current owners of the building) deserves an initial break from rent as the reason they are proposing selling the building is financial hardship. However, a contract should exist, spelling out the period of non-rent payments and at what point rent will be expected.

Assuming we buy the building, the Board agreed that a two-year assessment of whether things are going well, or not, would be in order.

The Board agreed that we should move forward with the due diligence process, assuming Congregational approval.

D. Capital Needs Categorization—Diem

Diem proposed the following motion:

Motion to authorize use of Capital Reserve for Roof/Repair Replacement.

Diem pointed out that we don't have enough in the Capital Reserve to fund all of the repairs.

To date, there is one bid on the repairs. The Board agreed that a minimum of three bids with a breakdown of repairs and costs is needed.

The motion was tabled until more bids can be collected.

E. Solar System Proposal—Robinson

Robinson reported that the same contractor who installed the solar panels on the Social Hall has proposed installing solar panels on the Sanctuary. This was a good deal on the Social Hall as it is a virtually cost-free enterprise for the congregation. Additionally, we will have the option to purchase the Solar System after four years. The worst case scenario would be that we are unable to purchase the Solar System because of finances, in which case the original agreement would simply continue. Ken Callahan has agreed to draw up a contract.

Motion to authorize drafting a contract for Sanctuary Solar System—Suydam 2nd, Phillips. Motion passed.

F. Announcement of Training—Diem

Diem announced that existing and new Board members are invited to attend a workshop with Stefan Johansen from 3:00 pm to 6:00 pm on Friday, February 7th. The subject will be Leadership Succession. The Retreat will continue on Saturday to discuss Strategic Planning.

Meeting adjourned 8:35 PM

Respectfully submitted, Chris Mayo, Secretary