

**First Unitarian Church
Board of Directors Meeting
6:30 PM in Church Office
June 18, 2013**

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

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

Absent: Ketelle, Moore

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

Administrative agenda—Diem

- A. Board Meeting minutes from May, 2013—Mayo
- B. Treasurer's report May, 2013—Suydam
- C. Financial Update on Building Construction—Suydam/Knoebel
- D. Core staff report
- E. President's report
- F. DCT Construction report
- G. Susan Moore resigning from board.

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

- A. Board Meeting minutes from May, 2013

The minutes were reviewed and accepted with no changes.

- B. Treasurer's report

Suydam reported that pledge income for May was under budget by \$16,697. Non pledge gifts were also under budget by \$1566. Total income year to date is still over budget by \$12,831.93. Expenses continue to be under budget by \$21,715. Therefore total combined income and expenses year to date give us a budget surplus of \$34,546.97.

Capital expenses: We have received 84% of our pledges and have expended \$2,245,031 of our projected budget. Another \$138,000 was expected to be paid to Klinger on June 14.

- C. Financial Update on Building Construction

Suydam reported that construction of the new Sanctuary is nearly complete and we remain in good financial condition. We have received 81% of our capital pledges, leaving \$340,130 in outstanding pledges. Those pledges need to be received by October 2014 when the line of credit converts to a \$550,000 mortgage. To reach that target, \$20,000 must be received each month for the next 17 months. \$7,526 was received in May.

Overall expenses: \$2,245,031 of the \$2,557,680 project budget has been spent, leaving a balance of \$317,100 to be spent. About \$150,000 will be paid to Klinger Construction this month. AV has a \$75,000 yet to be spent, and about

\$41,000 in finance charges remain. There is about \$4,300 remaining in the contingency fund.

Contingency fund: \$400,000 from the available \$975,000 line of credit has been drawn. The cash flow experience is far better than originally anticipated.

Member loans: We have \$84,000 in member loans due by December 31, 2014.

D. Core Staff report

Herrera reported that most of her time this month has been devoted to move-in logistics and working out a staffing plan. A library team has been established to overhaul the church library—a big task.

Robinson reported that she has spent a lot of time on staffing issues during the past month. One is the upcoming departure of the choir director. 3 applications have been received for the position. Lynne McLaughlin has agreed to serve as an interim director until a new director is in place. She has asked that in lieu of a salary, a donation be made to the piano fund.

So far, the response to the advertising for the Director of Operations position has been disappointing with only a few resumes, none of which seem great at first blush.

E. President's report.

Diem stated that one major activity this month requires highlighting as it is extremely important to the long term operations of the church—the hiring of a skilled Director of Operations. The person in this position will assume many of the day to day operational duties necessary to keep the church running smoothly. The position is currently being advertised with an anticipated start date by September.

La Puerta: La Puerta's new projected move date is August 1st at the earliest and mid September at the latest. They are assessing what kitchen, classroom and playground equipment they may offer to 1st UU.

Plans for transformation of space usage: The transition to the new Sanctuary impacts how we will use all the spaces on campus. This is a big transition requiring expanded thinking to make it all a reality.

F. DCT Construction Report

Phillips reported that the new sanctuary is at Substantial Completion.

Following a detailed inspection of the building on May 28 a punch list was sent to Klinger Constructors. Work on addressing the punch list is ongoing.

Work on moving the mural is expected to begin next week following acclimatization of the new backing to the air-conditioned space.

A detailed landscaping inspection was conducted with representatives of Heads Up and sent to Doug Heller for inclusion in the punch list.

Building flush out required by LEED was successfully completed on May 31. The initial energy systems performance testing has been completed. HVAC adjustments are in process.

Training for facilities operation and maintenance are to be completed in the coming weeks. It is recommended that in addition to our facilities technician another member of the staff or church member attend the training. It is also recommended that members of the new facilities Team tour the new sanctuary to familiarize them with the building.

G. Susan Moore resigning from Board

Diem reported that Susan Moore, because of unforeseen new obligations, will no longer be able to serve on the Board. The Leadership Succession Committee has been notified and will begin working to find an appropriate replacement.

New Business

Diem presented the following response from the Board to the Financial Review Committee Audit. The response was issued in September 2012 but not acted upon.

A. Approve Financial Review Committee Audit Response

The Board recognizes and appreciates the hard work and diligence of the Internal Audit Committee and thanks them for their efforts. The Board understands that the audit was comprehensive and inclusive and came up with 4 findings that are completed or in process.

As for the recommendations of the Committee:

1) Since these recommendations were formed, the Congregation has approved a new set of bylaws that rename and define the charge for the Financial Review Committee. The bylaws require that the committee review at least one financial process every year. (this does not mean a full review should be completed every year but could be one of the processes that for example was included in the findings could be reviewed. The bylaws establish the number of members of the committee although the Financial Review Committee could add helpers or experts as it feels it needs for the year's work.

2.) The church policies are in process of being developed, reviewed, edited and updated by the Shared Governance Task Force to reflect the newly adopted bylaws. Once that has taken place, it is the Board's responsibility to see that staff and volunteer leaders implement them. The policies about financial issues and money handling are in the purview of the FRC. Since the financial policies are largely completed, your comments on implementation were considered. The Board agrees that the Committee's charge should not be confusing. If the FRC finds the charge in the newly adopted bylaws is in need of clarification, please provide a recommendation for a bylaw revision at the next Congregational meeting.

Motion to approve and send to the Financial Review Committee the Board and Finance Committee response of September, 2012; Phillips. 2nd; McLaughlin. Motion passed..

B. Approve Request for proposal for new Sanctuary solar installation

Diem presented the following report from Ken Callahan regarding a Solar Photovoltaic System for the new Sanctuary:

Our current 48 kW solar system was built by Mike Mattioli of Premium Power Energy in 2011. We have a 20-year lease with PPE with an option to purchase the system after seven years or any year thereafter. The solar panels are located on the current sanctuary, RE building, social hall, and office roofs. The system provides 73% of our electrical usage. We pay PPE several cents less per KWh for the solar electricity than PNM charges. PPE gets the tax credits and the Renewable Energy Credit (REC) paid by PNM. I estimated that the church saved about \$3500 during the first year of operation with this system. Of course, we also are having a positive environmental impact.

I recently contacted Mike Mattioli about a similar leased system for the new sanctuary. He is interested in building and leasing to the church such a system. He contacted Doug Heller about the roofing details. He concluded that the installation would be easy and the panels would not be visible from the street. He would design the system based on the July 2013 electrical usage. He said that while the price of equipment has gone down, the REC payment from PNM has also dropped (from 14 to 5 cents/kWh generated). He thinks that one will approximately cancel out the other so the lease terms will still reduce the church's electrical costs. In addition, Mike is now working for a solar panel manufacturer and will be able to provide products below dealer pricing. He will provide the Board with a proposal once the July usage data is available.

Since the new sanctuary roof is unobstructed and might well supply more electricity than the sanctuary requires, I thought we could supplement the output of the current solar system. Mike, however, said the system would be on a separate meter and the REC's from one account could not be passed to the other. He thought it would be prudent to just scale the new system to provide 100% of the new sanctuary consumption on an annualized basis.

Motion to request a proposal for solar installation on the new Sanctuary from Premium Power Energy with similar terms as existing solar installation; Suydam. 2nd Phillips. Motion passed.

C. 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.

D. Piano Fundraising Update—McLaughlin

McLaughlin reported that 65 Steinway keys have been adopted for a total of \$12,220. Many smaller donations have also been received. The need for additional monies will continue to be mentioned in the e-Broadsheet for the next two weeks and McLaughlin will donate her salary as interim Choir Director to the fund.

E. Rename existing Social Hall to Memorial Hall

Robinson pointed out that, at some point, we have to stop calling the old Sanctuary the "New Social Hall" and the existing Social Hall the "Old Social Hall." She suggests changing the name of the existing Social Hall to the "Memorial Hall."

Motion to rename the existing Social Hall to the Memorial Hall and put the new name prominently on the East side of the building above the doors; Phillips. 2nd; Suydam. Motion passed.

- F. **Building Celebration/Dedication Weekend Update Planning—Diem**
Diem reported that planning for the Building Celebration/Dedication is progressing well. Invitations should go out one month in advance and the invitation list is nearing completion. An MC has been identified and agreed to attend. The Penguin extended family has agreed to help with the social hour before the formal Dedication Ceremony. Publicity work is ongoing. McLaughlin presented quotes for invitations:

- *Celadon cover and 4 white inside pages with 4 color pictures: \$722.54*
- *Celadon cover and 4 white inside pages with 4 black & white pictures: 337.54*
- *Celadon cover and 4 celadon inside pages with black & white pictures: \$351.76*

The invitations would be celadon and the envelopes white. Celadon envelopes have to be ordered in lots of 3,000 which would be far too many.

McLaughlin further stated that these quotes are based on the assumption that camera ready art and text will be produced in house.

1. Soft couch discussions

- A. **Wish List—Herrera**
*Herrera is compiling a list having to do with loose ends in the new Sanctuary. Examples of loose ends include things like; window shades, the new corner sign, a new campus directory, flat screen television for the alternate room, more Sanctuary chairs, new chalice, etc. The list is a compilation of input from members and staff, as well as those items that are simply obvious. A warning to not arbitrarily buy things will be included with the list.
Discussion: Diem; We need to make it clear that this list is a result of input from congregants.*
- B. **Staff Stipend Position discussion—Robinson**
*Robinson has been considering a new category of volunteer staff—paid positions if possible and managed like regular staff positions. New pastoral associates are a good example of the type of volunteer positions that fit this bill.
Discussion: Diem; we, as a Board, need to be prepared to address why salaries, expenses and new campus costs result in a higher budget.
Kwait: We have essentially set a precedent when we asked for a budget supplement fund drive this year.
Diem: This class of volunteers should be under the purview of the Personnel Committee.*
- C. **Preliminary Insurance Task Force Discussion—Demi**
Demi presented a preliminary report on the Insurance Task Force. An insurance agent will be meeting with Task Force members to look at the new building and other potential concerns.

Discussion: McLaughlin; Will the rental piano be covered?

Diem; How much should the mural be insured for? It is currently insured for \$50,000.

Demi; we need to come up with a value for the new building. That's part of what the insurance agent will be doing.

Diem; Do we have enough liability? Lawsuit coverage?

Kwait; Maybe an additional umbrella policy would be appropriate. Can we find out what that will cost?

Demi will report further at the July 16th Board Meeting.

Future agenda items

Review of Insurance Task Force Findings

2. Meeting adjourned 8:40 PM

Respectfully submitted, Chris Mayo, Secretary