

**First Unitarian Church
Board of Directors Meeting
6:30 PM in Church Office
May 21, 2013**

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

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

Absent: Demi, Wofford

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

Administrative agenda—Diem

- A. Board Meeting minutes from April, 2013—Mayo
- B. Treasurer's report April, 2013—Suydam
- C. Financial Update on Building Construction—Suydam/Knoebel
- D. Status of Member Loan Requests—Diem
- E. Core staff report
- F. President's report
- G. DCT Construction report

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

- A. Board Meeting minutes from April, 2013

The minutes were reviewed and accepted with no changes.

- B. Treasurer's report

Suydam reported pledge income for April was \$63,077.10, \$11,819.52 over budget. Non pledge gifts were under budget by \$7,160.90. Rental income is under budget YTD by \$1,686.78. Total YTD income is over budget by \$32,370.44. These numbers are expected to lower but it is clear we are in a good position.

Total expenses for March were \$55,488.08, \$8,745.59 under budget. Total expenses YTD are under budget by \$16,120.18. Utilities are under budget by \$4,318.49. This will change upon occupancy of the new Sanctuary. Staff changes have kept administrative costs under budget by \$1,041.25. We have a YTD budget surplus of \$48,490.62.

Income for the new sanctuary building is \$1,568,687, including, \$90,179.16 for designated projects.

We will be receiving \$9,700 from the endowment fund. This income was not included in the 2013 budget. The Finance Committee recommends these funds be put in the operating reserve for this year, but recognizes this is a Board decision. Endowment funds will be estimated and included in future budgets.

We currently enjoy a \$48,000 budget surplus.

C. Financial Update on Building Construction

We received a bill from the City for \$16,682 to connect water and sewer to the new building. Project savings offset much of that cost, leaving a balance in the construction contingency of \$4,300.

We are in a strong cash flow position. We projected that by April 2013 we would have drawn \$917,000 from the Line of Credit (LOC). To date, we have only drawn \$150,000. This is primarily a result of pledges being paid forward, use of internal funds, member loans (\$78,000) and the timing of construction invoices. As a result, we have reduced our project budget for finance charges by \$35,000. As of April 30, 81% or \$1,452,214 of capital pledges have been paid, leaving \$347,000 to be paid over the next 18 months.

The building project has received \$110,000 in designated funds for special projects. We anticipate receiving LEED certification at the Platinum level. \$39,000 has been budgeted for a NM tax credit to be received one year after completion of construction.

\$78,000 in member loans plus 1% interest will be paid by December 31, 2014.

The Mortgage reserve total was \$71,317 of which \$23,000 was used for the building project. \$36,542 will be used to repay member loans.

There are two unknowns:

- 1. Funds needed to move the mural.*
- 2. Funds needed to repair/replace the Steinway piano.*

An RFP has been issued for the mural move, and a task force has been established to address the piano.

D. Status of Member Loan Requests

Diem reported that one additional member loan has been made, bringing the total as of 5/20 to nine loans. The additional loan is a zero interest loan. Geri Knoebel suggests we could use as many member loans as are offered, so at some point we may open the loan opportunity to the general congregation.

E. Core Staff report

Robinson reported that matters pertaining to the lawsuit took extra time last month. We are awaiting response from the Plaintiff now.

Additionally, she has spent considerable time on the music program as Alan Stringer, Music Director, will be leaving. Wojciek Millewich, the choir pianist, will stay on as the congregation's pianist. A Hiring Committee is working toward hiring a Choir Director for next school year. We'll do without a Music Director for a year, enabling us to give Alan a farewell present and party.

Additionally, the new intern will be here soon and an intern team will soon be formed. He will officially arrive, September 1st.

With La Puerta's assumed move, the RE staff has requested that their offices be in the RE building. The Maintenance Tech would also like his own space in the Parker Lounge. These accommodations will allow us to maintain the existing Social Hall as is, versus carving it up for office space.

Herrera reported that there was an item in need of Board attention; how to bid farewell to La Puerta. She presented a draft letter in which the relationship between 1st UU and La Puerta is acknowledged, our best wishes to them are

extended, and our assistance in their transition to a new location is offered. Additionally, an offer is proffered to use the church campus for LP's annual gala, rent free, through 2016.

McLaughlin moved to approve and deliver the letter to La Puerta. 2nd, Moore. Motion passed.

F. President's report.

Diem reported that her month has been focused on all the changes that will be occurring. She suggested that it might be appropriate to address the changes, and the inherent challenges even positive changes can present, in the Messenger.

The Board agreed that this is a good idea. No motion was required. Additionally, her latest meeting with La Puerta's Board President indicates that they may vacate our campus as early as July 1st.

G. DCT Construction Report

Phillips reported that the oak flooring on the platform is nearing completion. The AV package is complete and will be sent out for negotiated bid within the next several days. Landscaping is in its final phase. A punch list inspection is scheduled for May 28th; this is a prelude to substantial completion of construction.

1. New Business

A. Approve Stewardship Committee Leadership and Charge

Diem reported that Geri Knoebel and Linda Skye will co-chair the 2013 Stewardship Committee. The Stewardship Committee charge is:

- *to design and conduct a campaign to educate the congregation (and other interested people) about the church's funding needs, as determined by the Board of Directors.*
- *to inspire giving.*
- *and to provide a method of accepting their financial commitments.*

The Stewardship Committee is tasked with securing pledges for the 2014 annual operating fund to support the expanded church program. The campaign will include an opportunity to give to the endowment, but to avoid confusion this will not be as emphasized in lieu of annual pledges.

The Stewardship Committee will also provide new members with information about and methods of giving to the Capital Campaign, which kicked off in Fall 2011 and ends in December 2014.

Motion to approve the Stewardship Committee Leadership and Charge as written: Phillips. 2nd; McLaughlin. Motion passed.

B. Fundraising Policy Questions

Diem presented a written proposal by the Fundraising Task Force in which they suggest a charge of 15% of net for each fundraiser be designated to the General fund.

Diem suggested that the difference between a fundraiser and donation will need to be defined.

Robinson pointed out that we have a lot of changes going on right now. Why create a new change now when this can wait?

The Board agreed to table this issue for now.

The Finance Committee will advise the Fundraising Task Force that we will require, at minimum, a definition of fundraising activities versus raising funds for donation.

C. La Puerta Goodbye from First Unitarian

Herrera suggested that while a letter is a good start, more should be done to bid La Puerta farewell after a 40 year relationship.

Suggestions raised during discussion included: a balloon arch, a ritual/ceremony, a children's book, piece of art, a tree or an upgrade of a tree that they plan to plant at their new location.

It was agreed that this subject will be re-visited.

D. Approve Mural Move Provider Contract

Diem met with the SBAT to finalize the decision regarding moving the mural. A pair of contractors, who will work collaboratively, has been selected. They will do the work for \$8,000, and estimate that it will take 6 weeks at 35 hours per week (360 hours) to complete the job.

Phillips moved that the contract go forward. 2nd; Kettle. Motion passed.

E. Building Celebration/Dedication Weekend Planning

Diem reported that the celebration planning is moving forward. A majority of the Board met an hour before the Board meeting and worked on continued planning for the celebration. Work is progressing and will continue.

2. Soft couch discussions

A. Staff Office Moves

Robinson reported that Jay Green, Church Administrator, abruptly resigned on May 19th. While this was unanticipated and unwelcome, it brings some issues to the fore.

- 1. We currently pay \$19 per hour for 35 hours per week for this position.*
- 2. The ministers need a higher level of skill and decision-making from this position—more like an Executive Director.*
- 3. We need coverage for Robinson's and Herrera's upcoming sabbaticals, a \$20,000 per year line item in the 2014 and 2015 budgets.*

Robinson pointed out that increasing the pay of the Church Administrator position commensurate with the needs of a growing church with a current congregation of 800 could address several needs.

A qualified Executive Director would, at minimum, be expected to:

- Supervise and manage administrative staff.*
- Manage the details of the physical campus.*
- Liason with Committees and Task Forces.*

- *Recruit and manage volunteers and volunteer activities.*
- *Oversee and coordinate, as appropriate, fundraising activities.*

Phillips moved that we direct Christine to increase expectations and pay for the new administrative position and that we increase the budget for the position from \$32,000 to no more than \$50,000 per year. The extra funds will come from the Endowment distribution. 2nd; Ketelle. Motion passed.

B. Signatory Authority

Diem reported that signatory authority changes is one thing that was overlooked by the former Church Administrator. Updating signatory authority is an urgent matter and in need of immediate action. The following motion was presented:

SIGNATURE CHANGES- BOARD MEETING- May 21, 2013

Motion:

1. Effective immediately, the following people are authorized to sign on our US Bank checking account #155913698223 and our Raymond James & Associates, Inc., account #15345223:

Linda Suydam, Treasurer
Christine Robinson, Senior Minister
Angela Herrera, Associate Minister

Effective immediately, Kathy Keller, Financial Manager, has the authority to give instructions for the transfer or sale of securities between the Raymond James & Associates, Inc., account #15345223 and our US Bank checking account #155913698223.

James Green, former Administrator, Robert Leland, former Board President, June LeCrone, former Treasurer and Geri Knoebel, former Treasurer should be removed and are no longer authorized

2. Effective immediately, the following people are authorized to manage the Church's MasterCard accounts:

Christine Robinson, Senior Minister
Angela Herrera, Associate Minister

James Green, former Administrator, Robert Leland, former Board President, June LeCrone, former Treasurer and Geri Knoebel, former Treasurer should be removed and are no longer authorized.

3. Effective immediately, the following people are authorized to sign on our safety deposit box at US Bank:

Linda Suydam, Treasurer
Christine Robinson, Senior Minister
Angela Herrera, Associate Minister

James Green, former Administrator, Robert Leland, former Board President, June LeCrone, former Treasurer and Geri Knoebel, former Treasurer should be removed and are no longer authorized.

4. Effective immediately, the following people are authorized to sign on our Wells Fargo checking account #295-9175833:

Linda Suydam, Treasurer
Christine Robinson, Senior Minister
Angela Herrera, Associate Minister

James Green, former Administrator, Robert Leland, former Board President, June LeCrone, former Treasurer and Geri Knoebel, former Treasurer should be removed and are no longer authorized.

5. Effective immediately, the following people are authorized to sign on our New Mexico Educators Federal Credit Union accounts, #387791 0.

Linda Suydam, Treasurer
Christine Robinson, Senior Minister
Angela Herrera, Associate Minister

Effective immediately, Kathy Keller, Financial Manager, has the authority to give instructions for the transfer of funds between our accounts at the New Mexico Educators Federal Credit Union, account #387791 0 and our checking account at US Bank, account #155913698223.

*Suydam moved that we adopt the signatory changes as written. 2nd; Moore.
Motion passed.*

C. Piano for new Sanctuary

McLaughlin reported that a Task Force has been formed to address the issues regarding the Steinway piano. They have contacted several local piano repair and maintenance companies. Using local vendors, the Steinway can be repaired, a quality replacement piano can be rented for 6 months and a new electronic piano can be purchased for the Social Hall; all for \$15,915.00. McLaughlin further suggests that we could “sell” keys for the piano, much like tiles for the murals were sold, as a way to fund this effort.

Discussion:

McLaughlin suggested that money from other sources within the budget, we could minimize the cost of buying piano keys.

The fundraising group will need to advise when we can start fundraising for this effort.

Suydam suggests that we need to do this soon; before the Stewardship Committee swings into action in the Fall.

The Board agreed that we should move forward with this quickly. No motion required.

D. Finance Committee Recommendation regarding 2013 Budget

Suydam reported that the finance committee recommends the 2013 budget continues as is, as there is no longer a budget deficit. However, she pointed out, that we (the Board) stated at the 2013 Congregational Meeting that we would report to the congregation regarding the status of the budget following their approval of a shortfall budget.

Suydam moved that The congregation should be notified that the budget that was submitted to and adopted by the congregation should continue as passed since there is no longer a deficit. 2nd; McLaughlin. Motion passed.

Future agenda items

Review of Insurance Task Force Findings

3. Meeting adjourned 8:35 PM

Respectfully submitted, Chris Mayo, Secretary