

**First Unitarian Church
Annual Congregational Meeting
2:30 PM in the Sanctuary
January 26, 2014**

Call to order: Meeting was called to order at 2:35 PM by Moderator Michael McDonald.

Review of Rules of Debate—McDonald

Change to Agenda—McDonald

A motion was made and seconded to switch items 11 (Increasing Indebtedness) and 12 (East Mountain Meeting Location Purchase Opportunity). Motion passed.

Chalice Lighting and Opening Words: Ketelle.

Volunteer Recognition—Diem

Board President, Pat Diem, reviewed the integral roles that Linda Skye and Stephen Phillips played in the sanctuary building project. Both were recognized by the Board and Congregation as outstanding volunteers for 2013.

Confirmation of Quorum: Moderator, Michael McDonald announced that the requirement of a quorum of at least 10% of the congregation was met.

Report/Nominations—Leadership Succession Committee: Gullerud

Gullerud reviewed the role of the Leadership Succession Committee and pointed out that we are blessed with a wide range of passionate, gifted individuals to fill these positions. Since such individuals often have their plates full with other activities, it is challenging to fill all the slots. He introduced the members of the Committee: Nissane Capps, Roger Hartz, Geri Knoebel, Sally New, Marian Schreyer, and Benita Terrell.

Introduction and Election of 2014 Leadership: Gullerud

Gullerud presented the slate of nominees for 2014:

Board of Directors (two-year terms, renewable once):

Pat Diem, was president for 2013, and has offered to serve an additional year as a board member

Chris Mayo, has just completed his first two-year term on the board

Stephen Phillips, has just completed his first two-year term on the board

Larry Alei, new member

Dimitri Kapelianis, new member

Diane Flynn, new member

Endowment Committee (two-year terms, renewable once):

Dorothy Reynolds, served on the committee last year as an appointed interim member

Sandra McCardell, served on the committee last year as an appointed interim member

Jake Barkdoll, a new member

Leadership Succession Committee (two-year terms, renewable once):

Geri Knoebel, has just completed her first two-year term on the committee

Andie Rigler, a new member

Jonathan Eldredge, a new member

Moderator (one-year term, no term limits):

Michael McDonald

There were no additional nominations from the floor.

Motion made and seconded to approve the list of candidates by affirmation: Motion passed.

Treasurer's Report: Suydam

Treasurer, Linda Suydam presented the Treasurer's Report:

Summary of Revenue/Expenses

The actual income for the year was \$754,621, which was \$12,600 less than budgeted. Expenses for the year totaled \$751,727, which was \$15,494 less than budgeted. The year ended with a surplus of \$2,894. This surplus will be split between the Capital Reserve and the 2014 operating budget income. Pledge income was at 98.4% of pledges.

Financial Accomplishments in 2013

- *Held a re-pledge drive and were able to balance the 2013 budget*
- *Early payments of Capital Fund pledges and member loans helped us avoid thousands of dollars in interest payments*
- *The new sanctuary was completed and the building contractor paid in full*
- *The sanctuary was certified LEED Platinum—we will receive significant funds from sale of the associated tax credits*
- *Additional funds were allocated to cover AV costs for the new sanctuary*
- *Handled the exodus of La Puerta and associated loss of \$51,000 in income*
- *Endowment Fund income of \$9,705 was used to help hire Paul Browne, Director of Operations*
- *Hired Bryan Ellwood, Intern Minister, with designated funds*
- *We paid our fair share to the UUA and Mountain Desert District*
- *New procedures for handling funds from fund-raisers were developed*

Expenses in 2013

Additional expenses were incurred due to the addition of the new sanctuary and income was lost with the exit of La Puerta but this was partially offset by lower utilities usage. Personnel changes resulted in fluctuating expenses.

Capital Campaign

Total income for the capital campaign is \$1,716,108, with \$275,071 received in 2013. Total expenses at the end of December 2013 were \$2,510,209. The line of credit is at \$550,000 and member loans are \$128,000.

Summary

2013 was a year of change. We moved into our new Sanctuary but still have additional items to complete. Capital pledge income was less than budgeted for 2013. La Puerta moved from our campus. The RE program now has dedicated space to fulfill its mission. Much remains to be done. The Congregation's generous support continues to be essential for the continued wellbeing of this congregation. Thank you for your pledges and other program support.

Presentation of the Proposed 2014 Budget—Schubert, Browne

Finance Committee Chair, Janice Schubert, and Director of Operations, Paul Browne, presented the following proposed budget for 2014:

	A	B	C	D	E	F	G	H
				2013 Budget	2013 Actual	Proposed 2014 Budget	Amount of Change	% Change
1								
2			INCOME					
3			CONTRIBUTIONS	683,091	680,936	736,000	52,909	7.7%
4			PLEDGES	615,091	605,230	671,000	55,909	9.1%
5			NON-PLEDGE GIFTS	68,000	75,705	65,000	-3,000	-4.4%
6			RENTALS	64,430	46,892	24,000	-40,430	-62.8%
7			LA PUERTA RENT	51,230	37,142	0	-51,230	-100.0%
8			OTHER RENT	13,200	9,750	24,000	10,800	81.8%
9			MISCELLANEOUS	6,200	5,089	4,650	-1,550	-25.0%
10			FUNDRAISING	200	40	50	-150	-75.0%
11			INTEREST	200	169	100	-100	-50.0%
12			OTHER	5,800	4,880	4,500	-1,300	-22.4%
16			INTERN FUND	13,500	12,000	15,000	1,500	n/a
17			ENDOWMENT FUND INCOME	0	9,705	10,400	10,400	n/a
18			SURPLUS	0	0	1,458	1,458	n/a
19								
20			TOTAL INCOME	767,221	754,621	791,508	24,287	3.2%
21								
22			EXPENSES					
23			STAFF COMPENSATION	525,200	526,281	555,033	29,833	5.7%
24			PROGRAM STAFF	245,921	242,768	251,778	5,857	2.4%
32			ADMINISTRATIVE STAFF	115,964	128,170	148,895	32,931	28.4%
40			CUSTODIAL STAFF	26,063	23,476	15,438	-10,625	-40.8%
45			RE AIDES	23,709	16,450	23,192	-517	-2.2%
50			CHILDCARE	8,483	8,485	6,600	-1,883	-22.2%
52			OTHER EMPLOYER COSTS	105,060	106,932	109,130	4,070	3.9%
61			PROGRAM DIRECTOR'S EXPENSES	15,045	12,176	15,495	450	3.0%
68								
69			OPERATIONS	93,250	91,623	85,662	-7,588	-8.1%
70			OFFICE EXPENSES	25,400	28,745	25,460	60	0.2%
71			UTILITIES	43,450	37,117	36,202	-7,248	-16.7%
72			PHYSICAL PLANT	24,400	25,761	24,000	-400	-1.6%
73								
74			RELIGIOUS EDUCATION	5,850	4,818	7,050	1,200	20.5%
78								
79			SUNDAY SERVICES	17,200	14,524	16,180	-1,020	-5.9%
88			COUNCILS & COMMITTEES	6,050	4,455	5,950	-100	-1.7%
99			BRANCHES	11,295	7,920	10,260	-1,035	-9.2%
104								
105			MISCELLANEOUS	15,950	12,527	14,450	-1,500	-9.4%
110			MORTGAGE PAYMENTS	30,000	30,000	33,048	3,048	10.2%
111								
112			TOTAL OPERATING EXPENSES	719,841	704,326	743,128	23,288	3.2%
113								
114			DENOMINATIONAL STEWARDSHIP EXP	47,380	47,380	48,380	1,000	2.1%
115			Albuquerque Interfaith	0	0	1,000	1,000	NEW
116			UUA	28,420	28,420	28,420	0	0.0%
117			MDD	18,960	18,960	18,960	0	0.0%
118			TOTAL EXPENSES	767,221	751,706	791,508	24,287	3.2%
119								
120			Net Balance (Income less Expenses)	0	2,915	0	0	Prepared 1/8/2014

Discussion included the following questions and responses:

Q—Does this budget include the proposed increase indebtedness and proposed purchase of Edgewood property?

Browne explained that this is our proposed operating budget and that those items would be a part of our balance sheet, i.e., separate from budget items.

Q—How did you arrive at this budget?

Browne—*“With the finance committee, we did a detailed analysis on each line item.”*

Q—*Is the rental income line item realistic?*

Browne—*“It is very ambitious, and we are basing it on an assumption we made based on our rental history. In the past we have not aggressively promoted our spaces as rental possibilities to the community at large. The assumption that we’re making is that if we are to ambitiously solicit rentals the rental income will increase significantly.”*

A motion to accept the budget as proposed was made and seconded. Motion passed.

Annual Report—Diem

Board President, Pat Diem, synopsised the past year in the annual report: The most visible achievement has been the completion and move into the new sanctuary. The transition presented challenges but we managed without major disruptions.

We continue to be living with changes that come with a new addition. The AV system will be finished in the next few weeks and we’ll be drafting a contract for solar panels on the building. We achieved LEED platinum on the sanctuary—truly living our values to protect the planet. We are managing the few surprises and things that were unanticipated gracefully.

The congregation has been and continues to be very generous, donating funds in a truly miraculous way whenever move-related projects like the mural move, or refurbishing the piano have come up. This generosity was in addition to support for an operating fund that ended the year with a small surplus.

On the whole, people have expressed a high degree of satisfaction with all the newness and are enjoying worship in the new Sanctuary. Attendance has been strong such that we are already in need of the \$20,000 it will cost for an additional 100 chairs.

The new sanctuary created changes to the entire campus as we began using existing spaces in new ways—the former sanctuary became our new Social Hall, the former Social Hall became a Memorial Hall and the RE wing was reclaimed with the departure of La Puerta.

There are several obligations already incurred related to our new building and repairs needed on existing buildings: Roof repair and replacement, space heaters, project overage, additional AV expense, pledge shortfall and mortgage closing costs are expenses that cannot be avoided. We have no choice but to fund these items. The Board felt the best option to fund these items is increase our debt rather than conduct another capital campaign so soon after the most recent one. Increasing the debt will require approval by the congregation.

Several other items will be needed soon to complete the Sanctuary: more Sanctuary chairs, security for Sanctuary art, exterior Sanctuary security, Sanctuary platform furniture and a TV for the Sanctuary foyer. Funding for these improvements will have to be deferred.

There were several other ongoing mission-related activities going on throughout the year. First UU was active in supporting the Respect ABQ Women initiative, using our church as a base camp for advocates. Wide ranging Social Justice projects such as Kenya Scholarships, the Food Pantry, Change for the Future partners, UUSC Fair Trade Fund, After School Tutoring and ESL, Phillipine Crisis Fund, Guest at Your Table, Project Share and Landscaping and Wildlife Habitat, resulted in almost \$50,000 in

outreach activities over and above our operating budget. Almost 3,500 volunteer hours were logged in serving many deserving people in our community, our country, and around the world.

Our religious Education program had a strong year in both adult and youth offerings. Forum sessions were well attended to add to the education of our congregation. \$990 in scholarships sent many kids to UU Kids Camp.

With La Puerta's move, we were left with empty rooms and a major refurbishment project in the RE wing. Thanks to many hours of volunteer labor, painting and cleaning, generous donations of furniture we have reclaimed the building. Work continues to improve the Wesson, Arnold and La Amikoj meeting spaces. Despite La Puerta's departure, we have been able to hold our expenses to less than our income.

With substantial staff turnover during the year, Christine wisely suggested that we needed a Director of Operations to bring more organizational expertise to our work environment. Funds from our Endowment growth helped us to make this possible. We are very fortunate to have enticed church member Paul Browne to assume this role and are already seeing substantial improvement in operational effectiveness.

Late in the year an Edgewood meeting space purchase opportunity appeared. We will need congregational approval to move forward with the exploration of this.

Many in the congregation have brought the need for more campus improvements that need to be considered in the future. So that they are captured for future consideration they are included in this report:

- Pave the South parking lot.*
- Replace the church website.*
- Replace the corner sign*
- Purchase solar systems*
- Refurbish/replace Wesson and Arnold wing*
- Convert Memorial Hall to a Chapel*
- Complete a building plan for Chapel and Choir room*
- Remove Mural wall and platform in Social Hall*
- Social Hall improvements*
- Install Social Hall AV system*
- Replace Social Hall East windows*
- Upgrade Social Hall bathrooms*
- Upgrade Social Hall lighting*
- Install Social Hall sound*
- Upgrade Social Hall kitchen*

We have the benefit of being guided by a very talented and dedicated ministerial staff, Board of Directors and other leaders who stayed focused on maintaining a positive direction during this very busy year. We rely heavily on volunteers for many operational activities. Without those volunteers our operating budget would be much higher than what it is.

The Board set the following goals early in the year:

- 1. Ensure policies are developed to support building moves/changes (including fundraising policy).*
- 2. Celebrate Endings and New Beginnings—Sanctuary, Social Hall and La Puerta.*
- 3. Support enhanced work with branches to assure more robust branches.*

4. *Be intentional in welcoming new people for further development of membership.*
5. *Establish a process for long-range strategic planning.*

I believe we did an admirable job on the first two goals, and modest work with much help from Gwen Sawyer and George Bakula on supporting the branches, with more work to do in welcoming new people and working on long range planning. Our next Board retreat in February will focus on strategic long-range planning.

Due to personal obligations and circumstances, we experienced two resignations from the Board during the year without replacements resulting in the nine remaining Board members handling a heavier load in church leadership. Even under these circumstances they have done a commendable job.

I am very nurtured by my membership in this church family. It has been an honor and I have enjoyed being your President.

State of the Church—Robinson

Senior Minister, Christine Robinson provided her annual report:

Last year at this time, we were pregnant with a new building and pretty excited about it. The skeleton was build out and we'd had a tour. This platform looked like a football field and the floor like a city park. I worried that we'd never get comfortable in such an enormous space, but I kept my worries to myself. I learned during the 1999 building program that I'm not a very good judge of empty space.

Our baby was born in June and we've spent a lot of energy in the past 6 months...like all new parents do...adjusting to our wonderful and new but stressful situation. You know...the expense of it all, the schedule disruptions, how everything in the house has changed, and all the unexpected consequences that make people cranky. One of the things I especially cherish as I look back on the year was how many people there were helping soothe and problem solve and keep things going during that stressful time. Angela, Pat Diem...you had such an able president last year, Paul Browne, Steve Phillips, among many others helped us manage all this change. Turns out the baby was just the right size, though we could use another 100 chairs...40 just for our suddenly very large choir!

And you know, we're like one of those courageous and can-do families that doesn't let a mere new baby slow them down but goes ahead and renovates the house, takes new jobs, and volunteers in the neighborhood.

- *We renovated and furnished the RE building and worked on our disturbed landscape.*
- *We tutored kids at their school work and our neighbors in their new language. We handed out ever more sacks of food to our hungry neighbors and we opened our doors to Respect Albuquerque Women in the week before the abortion rights vote last Fall.*
- *We hosted an interfaith Thanksgiving service,*
- *and through it all, our groups met...covenant groups, support groups, meditation groups, discussion groups, kids groups.*
- *We were even the stars of a TV show done by KNME that featured our mural and its artist, Alexander Girard.*

- *We bid Alan a fond farewell when he retired and re-worked our music program staff, and we staffed up our administrative side with Paul Browne and Mia Noren and that's allowed Angela and myself to put more of our energy into programs and services.*

Really, it has been an extraordinarily productive year.

It was a year of weddings.... It's not every congregation that gets to enjoy lots of weddings, because their demographic is all people over 60. We enjoy a robust age diversity. And of course, once it became legal, we...mostly Bryan, our ministerial intern, did a number of very touching ceremonies for gay couples who had and loved and cared for each other for half their lifetimes and came long distances to celebrate their legal marriage.

It was a year of Bryan's internship, which will continue for another half year. Bryan will be our last intern for a while; He and his four predecessors have been paid from a fund created by one generous and dedicated church family so that we could enjoy and train five interns. If we want to do this again, we have to raise more money.

During this year, I passed a big milestone: 25 years as the minister of this church. It couldn't have come during a more exciting year, not only because we had this new building, but because this building was the last bit of a long range planning dream we'd held for 10 years. We've done a lot of the things we envisioned on that plan: had 5 interns, built a building, nurtured three branches of our congregation, come to a unique and so far functional governance system and implemented it, deepened our social justice presence in the community, and, while it was not a goal, the fact is that we have grown considerably, from about 600 to about 800 members. We also didn't intend to become famous, but, in our own little denominational pond, we are looked to as a font of innovation and inspiration.

We didn't do everything we thought we wanted to, but we did so much that it's time to start planning again. Next month's board retreat is the first step in that process. You'll hear more about that over the next year. Next year will also bring a well-deserved sabbatical for Angela, can you believe she's been her almost 4 years? And next year, like every year, we will worship together, grow in spirit, share our values and faith with our children, discuss things near to death, support those going through a hard time, create and sustain dozens of caring communities, teach the skills of democracy, and work together to make the world a better place. You guys are so good! It is such a privilege to be your minister!

East Mountain Meeting Location Purchase Opportunity—Diem

Our UU branch in Edgewood rents space from the Edgewood Unity congregation, which owns a piece of property just off US I-40 west of Edgewood along Dinkle Road. The property consists of a very functional double wide manufactured building on 2.5 acres of land which has been fixed up as a sanctuary, kitchen, RE room, and meeting room. We pay them \$250 a month for our branch to meet there. There is one other tenant, an AA group that pays about \$65 a month. The Unity church has offered to sell the property to us if we take over the re-remaining \$53K balance on the mortgage. The transaction might be possible for us without hurting other church programs or taking much risk if:

- (1) we re-financed at better terms (current interest rate is 8.5%)*
- (2) we determine that the property is in acceptably good condition based on an inspection*
- (3) the Edgewood UU's agree to take on managing it for us and help find other tenants*
- (4) we redirect what we are currently paying in monthly rent to the mortgage, as we would then own the property, and*
- (5) we have established a viable exit strategy if, in the future, the venture proves to be untenable.*

Given the timing of the opportunity, the Board recommends that the congregation consider authorizing the purchase of this property if, and only if, a thorough due diligence process shows to the Board's satisfaction that the transaction is financially and operationally sound, and that all known risk can be prudently mitigated.

After discussion the following motion was made and seconded:

Move to authorize the Board to purchase the Edgewood property if it will not negatively impact the Church's budget or programs.

Motion passed.

Increasing Level of Indebtedness—Diem

A few projects associated with the campus infrastructure require capital expenditures beyond funding that is currently available or projected for 2014. Some of the items that require funding are:

- expenditures for the sanctuary AV system and other smaller projects that exceeded project estimates*
- unpaid pledges*
- roof repair and/or replacement on the RE wing and Social Hall*

We have consulted with NM Educators Federal Credit Union to determine that an increase in our mortgage amount is possible as a source of funding for these projects but need congregational authorization to use this funding source for these improvements. The other alternative that the Board considered was another capital campaign to raise funds but felt that the congregation would prefer not to have another capital campaign this soon after our sanctuary building project. In the event that our due diligence leads to the purchase of the Edgewood building, we would also roll that into our existing mortgage.

The following motion was made and seconded:

Motion that the congregation approve an increase in debt to \$750,000.

Motion passed after discussion.

Social Justice Selection of Change for the future recipients—Nancy Carillo

Carillo reported that the following organizations have been nominated as “Change for the Future” candidates:

- Animal Protection of NM
- APS - Title 1 Homeless Project
- Erda Gardens and Learning Center
- Project Share
- Working Classroom

Each participant in the Congregational Meeting received a ballot when they signed in and asked to vote for their top three candidates. Results to be announced at the end of the meeting.

Endowment Committee Report—Nell Graham Sale

At the end of 2013, our Endowment Fund held assets valued at \$318,609. This was an increase from the end of 2012 when the balance was \$296,954. Most importantly, the Endowment Fund was able to contribute \$11,000 plus to the church in 2013, and we are expecting that it will be able to make another contribution in 2014.

The good performance of the Endowment Fund is almost entirely the result of the stock market. We know that relying entirely on the stock market is not a good strategy. During the recent recession, the Endowment Fund lost value, and for a few years it was not able to make any contributions to the church. What does this mean? It means that for the Endowment Fund to realize its true purpose, we must keep funding it regularly with gifts from our members. And in the case of this Fund, the primary source of those gifts is what we call “planned gifts.” Planned gifts are those that are designated in the estate plans of our members, so they take planning. About 50 of our church members have informed the Endowment Fund Committee that they have named the church in one form or another in their estate plans. These folks are members of what we call Keepers of the Flame. This year, the Keepers of the Flame gathered before Thanksgiving at the main offices of the Albuquerque Community Foundation downtown to learn about the work of that foundation and to review ideas about how to make the Endowment Fund grow. If you would like to become a Keeper, please contact a member of the Endowment Fund Committee.

The Committee this year also revised the policies of the Endowment Fund Committee at the request of the Board, and continued its tradition of staying in contact with Keepers of the Flame with annual birthday cards. We want to keep the Endowment Fund in the minds of our members by regular Messenger articles, tables during Sign Up Sundays, and pulpit editorials.

The current members of the Endowment Fund Committee are Nell Graham Sale, chair, Steve Moskel, Dorothy Reynolds and Sandra McCardell. At this meeting, we hope you will vote to add Jake Barkdoll, and to renew the term of Dorothy Reynolds, who was appointed to complete a term.

Election Results—Arne Gullerud and Nancy Carrillo

The 3 organizations that will be our 2014 “Change for the Future” recipients are:

- *APS Title 1 Homeless Project*
- *Project Share*
- *Animal Protection of New Mexico*

Meeting Adjourned at 4:20 PM

Respectfully Submitted: Chris Mayo, Secretary