

UNITARIAN UNIVERSALIST CHURCH OF ARLINGTON, VA
BOARD OF TRUSTEES ANNUAL REPORT TO THE CONGREGATION JUNE 2022
EXECUTIVE SUMMARY

The story of this era in the history of UUCA will be told as being one of extraordinary efforts to remain in community together as the world around us fell in and out of COVID-19 threats. In the face of unrelenting uncertainty, the church's leadership made important decisions to move forward with initiatives that would:

- strengthen our bonds with each other,
- protect our congregation from unnecessary disease risks,
- rise to the challenge to pay off our mortgage,
- strengthen our financial management and information system,
- rebuild our religious education and youth ministries,
- move our social justice mission into our next phase.

This report summarizes the activities of the Board of Trustees and its committees during this second full year of disruption. To navigate these waters, the Board and Rev. Amanda began the year by stating a set of Values and Priorities we'd keep as a guide during the year. A brief overview of the Board's work is included in this summary, under each of the Priority statements. More complete reports on the work of the Board Finance and Audit Committee, the Ministry Assessment Committee, the Governance Committee, and the Campus Reopening Task Force are in the sections to follow.

It has been a challenging and rewarding year for the Board, and we conclude with a real feeling of accomplishment in terms of our actions and results, but also in the sense that our church community can do hard things when we pull together and focus on what is important. We are grateful for the support the congregation has granted to the Board this year; it has made our work very satisfying.

In Faith and Community,

Linda Battaglini, President and Board Chair 2019-2022

Burke Kappler, Board Vice Chair 2021-22, and Chair Elect for 2022-23, Chair Governance Committee

Amy Cocuzza

Gail Curran

Christine Hauser

Chris Johnson, Treasurer

Lisa Lerman, Chair Ministry Assessment Committee

Elizabeth Vander Putten, Chair Board Finance and Audit Committee

Amy Stock and Tommy Lo, Co-Secretaries

2021-22 Board Goals

Values

In this time of endemic uncertainty and constantly changing circumstances, we seek to model adaptability and resilience and to hold these values as we navigate the decisions we'll face as a community:

- 1. Caring for our staff: Demands on staff are high; we pledge to be sensitive and anticipate the realistic capacities of our staff as conditions unfold in order to maintain our precious staff's health and life balance.*
- 2. Encouraging leadership development throughout our church's leadership roles. This includes offering skills development and leadership training to build our core, and to invite more and a broader range of people into leadership roles.*
- 3. Positive behaviors to be modeled by Board:
 - a. Leadership: Board must be steady, self-differentiated, and open with congregation and each other, to provide clarity and a sense of common purpose.*
 - b. Focus on how to help congregation in difficult times -- communicate status, model calmness, and model appropriate responses to unexpected developments.*
 - c. Board must model behavior motivated by love, not fear, and practice radical hospitality. This includes engaging people individually to foster connection to UUCA.**

Priorities for Action in 2021-22:

- 1. Continue to promote and build trust with the congregation through increased Board visibility/participation/involvement in UUCA activities, modeling positive behaviors for congregation.*

Board members maintained active roles in many areas of the church in addition to their board work. We steadfastly did the weekly Board Welcome to Sunday Services, as well as monthly invitations to the Board's meetings in Connections, appearances on Rev. Amanda's Facebook Live casts, as well as regular updates including reports on financial status, COVID policies, and stewardship in special letters and messages.

- 2. Provide leadership to support congregational efforts toward racial justice, antiracism work, and the 8th Principle. Begin a study process focusing on how the Board could incorporate principles of racial justice into Board work. Consider how our anti-racism commitment is connected to our hopes for a more multiracial, multi-cultural congregation.*

In our August Board Retreat we decided to engage each month in a discussion of key questions from the UUA's Widening the Circle of Concern report. Discussions at the beginning of each Board meeting have made us more aware of how much we have to learn. And they have set the stage for engaging with the congregation about investing our efforts to create a culture/environment in our community that is more hospitable to a multiracial, multicultural community of seekers.

3. *Make progress on governance development through board committees in order to make church governance transparent to all congregants:*
 - a. *Governance Committee will continue to make progress on the Governance Task Force recommendations including:*
 - *Updating the bylaws.*
 - *Reviewing policies and procedures to ensure equity, inclusion, accessibility, and diversity (i.e., promoting antiracism and identifying negative markers of white supremacy culture).*

Governance Committee (GC) did a thorough review of the bylaws and is proposing the Congregation approve changes that streamline, update and modernize our bylaws. This included adding language that reaffirms our commitment to becoming an inclusive community. The proposed changes take us up to date, with the understanding that as we learn more about how to change our structures and language, we expect to reflect that growth in the bylaws with future amendments.

GC has also developed, in conjunction with the Board Finance and Audit Committee, the following policy statements for the church:

Financial Policies:

- Contract, Signature, and Spending policy.
- Use of Funds Policy.
- Income Policy (revised).

COVID-Related Policies:

- COVID-19 Vaccination Policy.
- Campus Reopening Task Force Charge (revised).

Other Policies:

- Public Statement Policy.

GC posted the approved policies to the Governance section of the website so the specifics of each policy are transparent and accessible to anyone in our congregation. As we developed these policies we engaged with groups affected by them in multiple instances. This is part of fulfilling the Board's commitment to making the church's

decision-making processes open to all and reflective of the dialogue and feedback from the congregation.

b. Continuing to develop and work through minister (and board evaluation?) processes. (MAC).

The Ministry Assessment Committee (MAC) carried forward the approach developed last year to stay in productive communication with our Senior Minister and to maintain a dialogue with her based on her goals and on the need for a two-way conversation about performance and our mutual collaboration.

The Board instituted a monthly Board Huddle after each meeting to take the time to evaluate how things are going in our meetings and in our board work overall. We made a number of changes in our meeting format and content based on this feedback.

c. Board Finance and Audit Committee (BFAC) will develop key financial policies, improve reporting to the Board and the congregation and update the structure of the Treasurer's role.

BFAC worked closely with the Governance Committee and staff to add a number of new financial policies. It refined the monthly reporting to the Board to improve the clarity of the information and make it more reconcilable with the audit report. The Treasurer also shared the December year to date financial position with the congregation.

This was the first year the Treasurer was also a Board member. This represents a move toward the Treasurer being in an oversight role rather than part of financial operations. We updated a position description for that role and updated the bylaws to reflect that new structure.

BFAC continues its primary work of reviewing the budget, analyzing expenditures and income monthly, and monitoring investment performance and cash management.

UUCA Board and BFAC reviewed and accepted a comprehensive external audit. Following some of our auditors' recommendations, and working with staff, BFAC continued to make recommendations to enhance the clarity of the reports, combining some line items, changing line-item tags, and making sure income and expenditures are appropriately labeled. BFAC completed the transition of endowment funds to the Unitarian Universalist Common Endowment Fund in September. BFAC also worked with the senior Minister to develop the 2022-23 budget.

4. Continue to support Church Reopening Task Force (CRTF) and help sort through the changing landscape with special focus on:

a. Getting people in the building safely.

b. Thinking about what services and the community will look like in the reality of chronic COVID.

While our local communities have almost fully reopened, UUCA continues to hold our congregation to a different standard – one that promotes full inclusivity, equity, and safety for all. UUCA will continue updating our policies to reflect the best understanding of scientists, public health officials, and congregational leaders--so that our regathering can be as safe and inclusive as possible. CRTF conducted 4 surveys this year to check in on the pulse of the congregation and to make sure we were reflecting their appetite for protection/risk of contagion. We issued multiple reports on the results of these surveys and to update the congregation on the thinking behind our evolving policies as conditions changed through the year.

While the number of in-person attendees on Sundays and at other events continues to increase, CRTF will continue to monitor available COVID data and periodically assess congregational perspectives on the precautions in place. The Task Force has gone from meeting weekly to meeting monthly starting in March 2022. CRTF greatly appreciates the congregation's understanding of our need for extra thoughtfulness when we gather as the whole UUCA community and clearly illustrates who UUCA is – a congregation that honors every single member of our community and works together to create a safe and inclusive environment for all.

5. Support the Capital Campaign Team and the Campaign's goal to raise the funds needed to pay off the mortgage in April 2022. Use this as a way to help reconnect and build community.

The Board supported the Capital Campaign through its 100% participation as well as a number of board members doing visits, promoting participation and serving on the committee. This was a major effort that raised over \$3 million in pledges that, combined with some funds from the endowment and the monthly mortgage payments was enough to pay off the church's mortgage. For the first time in decades, UUCA is debt-free. Even more, as we collect on the remaining pledges, we expect to be able to rebuild the Endowment Savings Fund up to over \$1 million. This is a major accomplishment for the congregation.

*6. Monitor and support staff initiatives on high priority issues:
a. Mortgage refinancing planning in January-February 2022 if needed.*

The major achievements this year included working with staff to develop a plan to pay off the mortgage on April 18, 2022 instead of refinancing the outstanding balance. Using the funds raised in the Capital Campaign and some supplemental funds from our Endowment Savings we're on the other side of that challenge and it is so satisfying to have achieved this milestone.

- 7. Support the Lifespan Religious Education program with particular focus on how the church can support the needs of young families.*

The Board and CRTF spent considerable effort to sort through the issues surrounding the COVID restrictions over this year. With support from key staff and based on the results of surveys of teachers and families, CRTF shaped plans to very carefully restart in-person religious education and youth activities. There is still much to be done to reengage youth and families, as we all emerge from the pandemic restrictions.

COMMITTEE AND TASK FORCE REPORTS

Board Finance and Audit Committee (BFAC)

Chair: Elizabeth VanderPutten

Board Members: Burke Kappler, Chris Johnson, Linda Battaglini

Staff Members: Rev. Amanda Poppei, Nikki Steele (Administrator), Eric Hertting (Dir. of Finance)

This was a year for BFAC to build on and consolidate the achievements of the previous year., BFAC continued to devote considerable attention to fulfilling its responsibilities to oversee UUCAs financial status by analyzing monthly, quarterly, and annual reports of expenditures and income. Working with the Senior Minister and with staff, BFAC recommended and approved changes in reports to enhance transparency and oversight. These included among other actions consolidation of some line items in the budgets, changes in item labels and clarity in how pledges from prior years are recorded. BFAC will continue to identify additional ways to enhance this transparency.

BFAC spent considerable time reviewing and working with Eric and Nikki as they provided the Auditors with all required documents. The process was difficult for a number of reasons including the fact that the new system, Shelby, does not produce reports in the same format as the Audit.

A second significant issue this year was the need to identify issues and solutions around paying back the mortgage. The first issue came when the bank insisted on charging a high fee for early payment in June 2021. With advice from Eric H, the board determined that the saving in interest from partial repayment did not offset the cost and that we'd hold onto the cash until the April 2022 mortgage payoff date

In February 2022, when it became clear that receipts from pledges would not be sufficient to totally cover the mortgage payment, BFAC had extensive discussions on two possible approaches. One would be to negotiate a new mortgage. The other would be to use funds from the Endowment as a kind of internal mortgage. With rising interest rates, a bank financed mortgage would probably be an adjustable-rate vehicle and payments would rise over time. At the same time, the increasing volatility in the market created risk that we could lose value in the Endowment Savings Fund. This has proven rather prescient, as both of those risk assumptions have materialized since the March decision. Finally, we knew that we had in hand sufficient outstanding pledges to pay back the amount used from the Endowment Savings Fund. Funds will

come in over the next 2 to 3 years to replenish the Endowment, and that will allow us to reinvest gradually in order to smooth some of the market volatility.

BFAC also monitored regular reports regarding the investment performance of the UU Common Endowment Fund. UUCA transferred its \$915,000 Endowment Savings Fund into the UUCEF as of September 30, 2021 and withdrew \$500,000 as of March 31, 2022 to hold for the mortgage payoff on April 18, 2022, leaving a balance of \$372,000. Given the volatility of the market following that withdrawal, BFAC has concluded that the decision to use our savings was a fortunate one and made good use of the balance that had built up through March. The Capital Campaign paid back \$50,000 to the Endowment on May 1, 2022. This is the beginning of the flow of cash back into the Endowment Savings Fund that will continue as pledges are paid.

BFAC worked closely with the Governance Committee on policies about authorization for signing of checks and for establishing thresholds for BFAC or Board approval of contracts and purchases. The goal was to balance the need for financial oversight with the flexibility needed to efficiently operate UUCA.

BFAC worked closely with the Senior Minister in developing the new budget. BFAC worked with the Sr. Minister to align the budget with the values of UUCA. With very limited rentals and pledges that were not as high as hoped, difficult decisions needed to be discussed. BFAC discussed what would be a reasonable estimate for rentals, given the continuing complexities of the COVID vaccine and the changing use of buildings not just in UUCA but in most churches and organizations.

Ministry Assessment Committee (MAC)

Chair: Lisa Lerman

Members: Gail Curran, Linda Battaglini (ex officio)

Staff Members: Rev. Amanda Poppei

The MAC was established in 2019 to develop and implement a framework for the board's evaluation and oversight of UUCA's ministry, focusing on the senior minister. (The senior minister evaluates other UUCA staff.) The committee produced a report in June 2020 that summarized information about Ministry assessment gathered from other congregations and from UUCA staff, listed resources that could be used to inform our assessment processes, made recommendations of best practices, and outlined a preliminary assessment process for our senior minister.

During 2020-2021, Lisa Lerman chaired the committee. Lila Vizzard and Irv Lachow were members of the committee; Linda Battaglini was ex officio. With Rev. Amanda's help, we worked out a transparent, informal process for Ministry evaluation. Reverend Amanda drafted a previously non-existent job description, and the committee reviewed and commented on it, which led to some revisions. The job description then became the basis for the evaluation.

This year, 2021-22, the composition of the committee changed, because previous members Lila Vizzard and Irv Lachow rotated off the board. Lisa Lerman continued to chair the committee, and Gail Curran joined it. Linda Battaglini continued ex officio. As during the previous year, we held check-in meetings in November and March. Rev. Amanda continued to submit terrific reports to

the board every month, so there were no surprises during our check-in meetings. Instead, they offered opportunities to reflect on and discuss some of the challenges of the senior minister's position. In April 2022, Rev. Amanda submitted a self-evaluation, and the board read and discussed it. We will prepare the Board annual evaluation of Rev. Amanda, drawing on and reacting to the self-evaluation, and then we will meet with Rev. Amanda to discuss.

This work has been "a piece of cake." Rev. Amanda's performance and productivity has been nothing short of astonishing, especially given the many challenges presented by the pandemic. Also, she's at ease with being evaluated, and has expertise on this process far beyond the others who have served on the committee. Having the process in place is very important to create an accountability structure that would be helpful in a problematic situation, but we have been blessed with no such problems.

It seems we have established a good and workable process. With the monthly board meetings and the MAC committee check-in meetings, we have had very open lines of communication and have been very much "on the same page." Our process has been collaborative, open, and flexible, and facilitates shared vision and mutual accountability.

Governance Committee (GC)

Chair: Burke Kappler

Members: Amy Cocuzza, Christine Hauser, Linda Battaglini

Staff Members: Rev. Amanda Poppei

UUCA established GC in early 2020 following the recommendation of the 2019 Governance Task Force. In the 2021-2022 church year, GC has continued to pursue the mission laid out in its charter, namely to "develop a governance system and policy structure for UUCA that are collaborative, adaptable, and clear." The charter also called for GC to establish distinctions between the board, minister, and staff and to provide accountability and participation structures--meaning ways of overseeing and becoming involved--for the congregation, staff, ministers, and Board. Finally, the charter required GC to develop an annual work plan identifying its priorities.

In its work plans for 2020-2021, GC identified three key priorities:

1. developing financial management policies to assist the Senior Minister and staff in managing the church's resources and to enable the Board to oversee their efforts;
2. improving transparency by revamping the Governance portion of the church website to display the church's policies in a more user-friendly way. We also aimed to develop a policy for managing the Church's governance documents and we intended to develop an approach that would reorganize the current Policy Manual into a more modular, accessible, and transparent structure; and
3. amending the Bylaws consistent with the work of the Governance Task Force and our own understanding of current church operations.

GC's work plan also allowed the committee to develop other policies as necessary or feasible. GC has been remarkably productive since the start of the church year. The Board has adopted the following UUCA policies this year:

Financial Policies:

- Contract, Signature, and Spending policy. This policy provides direction and sets limits on spending and contracting by the Senior Minister and church staff;
- Use of Funds Policy. This policy provided additional financial transparency by categorizing and classifying funds and expenses and describing how they may be used.
- Income Policy (revised). Consistent with the Use of Funds Policy, we revised this policy to more clearly define how gifts and income received by the church may be categorized and to specify how they may be used.

COVID-Related Policies:

- COVID-19 Vaccination Policy. Working closely with CRTF, we passed a vaccination policy that originally applied to church staff and volunteers and then was expanded to all persons attending the church (where medically possible).
- Campus Reopening Task Force Charge (revised). We updated the charge to CRTF to clarify and revise CRTF's authority and mission.

Other Policies:

- Public Statement Policy. After consultation with the Social Justice Ministries Team and various representatives of social justice action groups at UUCA, we developed a policy to guide when congregation members may make public statements on behalf of UUCA as a whole.

GC's work to amend the Bylaws proved a major effort in the second part of the church year. This work built on a foundation laid by the Governance Task Force and an outside UUA consultant in 2019 and 2020 to update and freshen the Bylaws. With those changes in hand, we identified other ways the Bylaws language could be updated, streamlined, and made more consistent with our understanding of the Church's operations as well as our view of the Board's authority. These changes involved further consultation with our regional UUA staff and many discussions at GC meetings.

After preparing a draft of the changes, GC then undertook four listening sessions in April 2022 to present and explain the recommended changes and to hear the Congregation's feedback. Based on those sessions, GC recommended further changes to the Bylaws. Those changes were approved by the Board in April for a vote by the Congregation at the Annual Meeting on June 5, 2022.

Future work for GC includes a continued focus on improving transparency and making the Board's policy structure easily accessible and understandable to all congregants.

Campus Reopening Task Force (CRTF)

Chair: Lila Herndon Vizzard

Lay Members: Donna Brown, Barbara Buzzell, Christoph Schoer

Board Members: Linda Battaglini

Staff Members: Paul Kearney, Annie Parker; Nikki Steele, Rev. Amanda Poppei

The Board created the CRTF in June 2020 to study the science, public health guidance, and the evolving circumstances in our communities and to make recommendations about reopening. Specifically, the CRTF was tasked with the following scope of work:

1. Review and assess UUA, federal, state, and local guidance, available COVID-19 data, and other relevant information. In addition, review the strategies being employed by other congregations in order to identify best practices.
2. Seek input from the UUCA congregation on their needs and priorities for opening the campus.
3. Draft recommendations for reopening the UUCA campus. Recommendations will address considerations for any reopening phases, administrative and environmental controls needed, behavioral practices to be followed, and any triggers for returning to virtual operations.
4. Meet with the Board Finance and Audit Committee to discuss any budgetary or financial implications or considerations of reopening recommendations.
5. Based on board approval, support and participate in the dissemination of the Board-approved strategies to the congregation and staff.
6. Evaluate staff updates on the implementation of reopening recommendations. As needed, provide periodic status updates to the Board and recommend additional reviews as circumstances warrant.

UUCA Values Guiding the CRTF Work: Who are we called to be in this time – for each other, for our staff and ministers, for those who use our space, and for our larger community partners?

We seek to **stay in covenant** with all our members and friends, staff and ministers; finding ways to maintain the inclusivity that virtual communication has enabled.

We commit to the **safety of our staff and participants** in all activities/services of our congregation whether or not held in our building and grounds.

We pledge to stay close to the facts of the moment. **Science-based public health guidance** will inform all we do.

We pledge **transparency and open dialogue** regarding our findings, our decision-making, and our evolving learning from experience through the implementation process.

During the past fiscal year, the CRTF met weekly through March 2022 (when the team switched to a monthly meeting schedule) to maintain up-to-date awareness across a range of COVID-19 case metrics as well as current state and local guidance on mitigation strategies and gathering restrictions. The CRTF has worked closely with the Board throughout the pandemic, keeping Board members and the congregation up-to-date on approved campus use policies, personal mitigation and building safety measures implemented, processes for requesting building and grounds use, and feedback solicited from the community to inform next steps in the work.

Highlights of the CRTF's work during the 2021-2022 year include:

- A second congregation survey was conducted in June 2021 to gauge members' and friends' comfort with and readiness for more in-person activities on campus. As COVID case counts decreased, more of the congregation were ready for some easing of restrictions, resulting in our first, planned reopening for ingathering in September with masking and reservations required to maintain social distancing and safety. In addition, all worship leaders, Sunday ambassadors, and RE teachers were required to be vaccinated. Virtual streaming of services and virtual coffee hours continued.
- Progressive expansion of indoor opportunities for worship, fellowship, education, and social justice action on campus based on COVID-19 case, hospitalization, transmission, and vaccination rates supporting some safer gathering. With the Omicron variant leading to higher case rates in the late fall, virtual programming returned over the holidays and into the new year. A third congregational survey on reopening was conducted in January 2022 to assess the extent to which we might be able to plan for increased in-person engagement during the Spring when transmission rates again receded.
- In February, the Board updated the CRTF's charge to clarify roles and decision-making responsibility, shifting more of the administrative decisions to the Senior Minister and staff as in-person attendance increased.
- The fourth reopening survey was conducted in April 2022 with a follow up report being issued to the board and congregation in the middle of May. This most recent survey validated the current protections and policies in place.
- UUCA continued to maintain the COVID-19 page on the website which provides a "one-stop shop" for congregants, groups, and visitors looking for information about UUCA procedures, State and county resources, vaccination registration, and other useful COVID-19 resources.

While our local communities have almost fully reopened, UUCA continues to hold our congregation to a different standard – one that promotes full inclusivity, equity, and safety for all. UUCA will be updating our policies to reflect the best understanding of scientists, public health officials, and the congregation--so that our regathering can be as safe and inclusive as possible.

We have seen the number of in-person attendees on Sundays and at other events continues to increase. Accordingly, CRTF will continue to monitor available COVID data and periodically assess congregational perspectives on the precautions in place. The CRTF greatly appreciates the congregation's understanding of our need for extra thoughtfulness when we gather as the whole UUCA community and clearly illustrates who UUCA is – a congregation that honors every single member of our community and works together to create a safe and inclusive environment for all.