

UUCR Board of Trustees Meeting

Monday, June 14, 2021
7:00 - 8:30 pm via Zoom

In Attendance:

Board of Trustees: President Betsy Wilder, Past President Elsa Strong, Vice President Marie Vivas, Treasurer Don Helton, Secretary Myra Remigio-Leonard, Larissa Johnson, Karl Irikura, Reverend Rebekah Savage

Exiting Board: Mary Carvajal, Glenn Griffin

Advisory: Martha Taylor (Finance), Bill Newhouse (Finance)

Absent: Brian Haugen

Opening words - Affirmation of Principles

Check in - Summer State of Mind
Wisdom from exiting board members

Discernment and decisions

Secretary's Report

Minutes for May 2021 were distributed by email by BH.

Electronic approval of minutes - 6/15 motion by MRL; Seconded by LJ. 5 in favor, 2 abstain

Treasurer's Report

Note: high number of action items; no questions to Treasurer from board

Order of business:

1. Closeout of FY21 Budget
 - a. Change amount to UUA from 80% to 85% for current FY
 - I move that the Board approve an upward adjustment of the fiscal year UUA allotment contribution from 80% to 85%, and the associated disbursement of \$2,013 for this purpose.
 - Motion: DH/ Second: EPS; 5 in favor/1 in favor in absentia/ 0 opposed
 - b. Surplus allocation (as discussed in May meeting):
 - I move that the Board approve the movement of any fiscal year-end surplus to the Facilities and Maintenance Fund and the Technology Fund, with the amount split evenly between these funds.
 - Motion: DH/Second: BW; 5 in favor/1 in favor in absentia/ 0 opposed
2. Operating Budget FY22
 - a. Ministerial housing allowance

- I move that the Board approve the housing allowance submitted by Reverend Rebekah.
 - Motion: DH/ Second: BW; 5 in favor/1 in favor in absentia/0 opposed
 - b. FY22 operating budget (must have approval by 6/30)
 - Question: balancing hours between outgoing/incoming music directors; interim + search in Spring 2022
 - I move that the Board approve the proposed operating budget for next fiscal year, as prepared by the Finance team. Motion: DH/ Second: LJ: 5 in favor, 1 in favor in absentia/0 opposed
- 3. Tenants - nursery schools
 - a. Thanks to Norman for chairing committee and building leases that balance tenants' needs and UUCR's financial need; criteria will be examined bimonthly to adjust rent as necessary
 - I move that the Board approve the lease amendments for RCNS and ECC, as recommended by the Rental Chair and as reviewed by the Finance team, and acknowledging the special circumstances presented during the upcoming year due to the continuing effects of the pandemic.
 - Motion: DH/ Second: BW; 5 in favor, 1 in favor in absentia/ 0 opposed
- 4. Landscaping - approve funding package
 - a. Question regarding strategic planning in this area (grounds) to be like 5 year plan for brick and mortar; finance team reviewed current package and recommends approval
 - I move that the Board approve the expenditure of \$2,650 for a contract with Complete Health Care to address azalea issues and an expenditure of \$2,390 with Bartlett to address tree issues, to be disbursed from the Site Beautification Fund, as outlined in the provided request by the UUCR Landscaping Group.
 - Motion: DH/ Second: LJ; 4 in favor, 1 in favor in absentia/ 1 abstention/ 0 opposed

Statement of financial position - Treasurer's Report

Board initiatives and updates

1. Next Normal (MV)
 - Timeline, 6/21 update to congregation
2. Stewardship (EPS)
 - Check in with Rev. Savage about plan for year and then move into 5 year plan
3. Circle of Concern (LJ/ Rev. S)
 - Everyone has books and first meetings
4. Leveraging Communications (KI/MRL)

- Realm - need to start regular communications regarding congregational usage; group setup is priority
- Website - Drupal v. Google Website; move toward Google for peripheral (decentralized) activities; high profile items should be centrally managed

Minister's Update

The Minister's report is attached to these minutes.

Emergent/Current issues

Year-at-a-glance, will rotate through 4 initiatives

Closing words were offered by Betsy Wilder

"Be True, Be Well, Be Loving" by Cynthia Landron

Meeting Adjourned

Attachments:

Minister's Report

Treasurer's Report, June 2021

Proposed 21-22 Operating Budget

Bulleted Changes from Sustain Budget

ECC Lease Agreement 2021-2022

RCNS Lease Agreement 2021-2022

Board Request for Landscaping

Treasurer's Report 5/31/21

Minister's Report for June 2021

June 2021 Minister's Report

Dear Beloved Board of UUCR:

As we come to the end of our congregational year, I've been reflecting on how much we've accomplished and sustained for and with the congregation this past year. While we've celebrated and acknowledged many of the official accomplishments, I've been thinking about the smaller, less public ones, which in aggregate makes UUCR vibrant and full of promise. It's the gestures of kindness and thoughtful care between congregants. It's the unwavering commitment of our teachers, assistants and leaders who show up again and again, giving of their time and talent. It's the visionaries who ask good questions that lead to a broader future for UUCR. It's the flexibility and willingness of people adapting to new platforms and communications. It's the waves of kind notes that congregants send to the staff, in appreciation and gratitude. This year has been one of extreme challenges, from a global pandemic to a fraught election cycle, to a national reckoning of our racist, colonialist past that continues to perpetuate injustice. We are a world in mourning, and we haven't even really felt the full weight of the grief yet. And UUCR has been here through all of it, with timely responses and opportunities for engagement, growth and prophetic witness.

I would also like to express my gratitude to the Exec, the Board as a whole and all of our lay leaders for your warm support of my first year as the called minister of UUCR. I have appreciated with glee how well we worked together and the opportunities to get to know so many of you better through our mutual service. As I look back over this year, I know that this is one for the ages. A testament to the beauty, power and resilience that is possible when a group of committed and inspired people come together to sustain a beloved community while weathering a storm.

And I know that this year has taken a toll on me, and that my vacation and study leave time over the summer will be deeply appreciated. The long hours and long days with juggling virtual school for my children, and responding to and holding so much with UUCR has meant that my internal resilience has been depleted. I hope to model for our leaders what healthy boundaries and self-care can be for your minister and each other. We all need rest in order to arise to the next day, the next challenge, the next chapter of our beloved community. I look forward to returning in August, with my reserves replenished and recharged, excited and energized for our upcoming year together.

As always, I am in awe of your faithful leadership and generous hearts. Thank you for the honor of calling me as your minister.

With heart,
Rev. Rebekah

Treasurer's Report to Board Ahead of the June 2021 Board Meeting

Below are items of relevance for Board **action**, **review for upcoming approval**, or awareness. Attachments are contained in the associated Board meeting folder. All questions can be directed to Don Helton, at treasurer20-23@uucr.org.

1. Regarding the upcoming closeout of the Fiscal '20-'21 budget following the fiscal year end on June 30th, I plan to make the following two motions at the June Board meeting:
 - a. **I move that the Board approve an upward adjustment of the fiscal year UUA allotment contribution from 80% to 85%, and the associated disbursement of \$2,013 for this purpose. This change was discussed at the May meeting.**
 - b. **I move that the Board approve the movement of any fiscal year-end surplus to the Facilities and Maintenance Fund and the Technology Fund, with the amount split evenly between these funds. This action is consistent with the information I've been circulating in recent months regarding the strategy to ensure that these two funds have the needed available funds relative to upcoming needs.**
2. Regarding the approval of the Fiscal '21-'22 budget which starts on July 1st, I plan to make the following two motions at the June Board meeting:
 - a. **I move that the Board approve the housing allowance submitted by Reverend Rebekah. The Board meeting folder includes the current version of this ("1-UUA Housing Allowance...pdf"); we are seeking to clarify one point related to this topic, and if there is a change prior to the June Board meeting, then I will describe that change at the Board meeting.**
 - b. **I move that the Board approve the proposed operating budget for next fiscal year, as prepared by the Finance team.** The proposed budget reflects the culmination of Board discussions on May 11th, a Finance team meeting with some Board members on May 18th, and Finance Committee discussions on May 25th. It is broadly consistent with the Sustain Canvass Budget approved in January, but incorporating various updates since then. As described to the Board previously, and to the Congregation during the May 23rd Spring Meeting, the large change is that updated estimates project much lower proceeds from the two nursery schools due to continued pandemic impacts, which creates a large negative balance (\$27k) in the budget that will be offset by a transfer from General Reserves (which we are in a good position to accommodate). Other adjustments to the prior Canvass budget were smaller, and were offset by changes to the assumptions on investment performance. I am including 4 files in the Board meeting folder in this regard (you need only look at the ones that present the information the way you want to absorb it):
 - i. "2-CLOSE-HOLD-Budget-Inerim-Final-..." Google Sheets file - **This is the complete proposed budget - It contains salary information and must be protected accordingly;**
 - ii. "3-Prop-Op-Budget..." PDF file - This is just the main page of the spreadsheet above;

- iii. "4-Bulleted Changes From..." Google Docs file which provides a text-based explanation of the changes
 - iv. '5-Canvas-to-PropOp...' Google Sheets file which presents just the main sheet delta for the Sustain Canvass budget versus the proposed operating budget
3. Regarding the nursery school leases, by policy these are approved on an annual basis by the Board. This year's lease amendments are more complex than usual due to the need to accommodate uncertain nursery school capacities (and thus lease obligations) against not locking in to rates that will unfairly penalize any parties when circumstances change. Norman Rave has worked at length with both nursery schools to come up with amendments that we believe will best accommodate the varying competing demands, including consideration of UUCR's unique relationship with these two schools. I've included those 2 amendments in the meeting folder as well ("6-ECC..." and "7-RCNS..."). At the June meeting i will make the following motion:
 - a. I move that the Board approve the lease amendments for RCNS and ECC, as recommended by the Rental Chair and as reviewed by the Finance team, and acknowledging the special circumstances presented during the upcoming year due to the continuing effects of the pandemic.
4. Finally, I am including a request related to grounds work to be paid from restricted funds. This item has been reviewed and discussed by the Finance Committee. That discussion led to the conclusion that this request should be approved as presented, while also highlighting the benefit of renewing discussion on strategic planning in this area (building off past discussions), which Finance will pursue with LMC and the Landscaping Group after the new Lay Minister in this area is named. I've included the request and 2 associated proposals in the meeting folder ("8-Board Request...", "9a-Azalea...", and "9b-Bartlett...") and at the Board meeting I plan to make the following motion:
 - a. I move that the Board approve the expenditure of \$2,650 for a contract with Complete Health Care to address azalea issues and an expenditure of \$2,390 with Bartlett to address tree issues, to be disbursed from the Site Beautification Fund, as outlined in the provided request by the UUCR Landscaping Group.

Finally, this month's Statement of Financial Position, prepared by Martha Taylor (and based on all the additional wonderful work of Barbara Harrison, Eric Burch, and JeKaren Olaoya) will be posted as soon as it is available.

**UU Congregation of Rockville
FY 2021-22 Operating Budget**

	FY 18-19		FY 19-20		FY 20-21		FY 21-22	
	Board Final	Actual	Board Final	Actual	Board Final	Actual	Budget	Actual
	<i>COLA</i> <i>1.24%</i>		<i>COLA</i> <i>2.04%</i>		<i>COLA</i> <i>1.28%</i>		<i>COLA</i> <i>1.00%</i>	
Income								
Contributions								
Pledge Total	\$578,867		\$567,709		\$575,770		\$572,881	
Uncollectable	-34,732		-34,063		-46,062		-34,373	
Net Current Pledges	544,135	562,474	533,646	546,861	529,708		538,508	
New Pledges	5,000		5,000		5,000		3,000	
Past Year Pledges	5,000	9,500	6,000	3,880	6,000		6,500	
Collection Plate	12,000	13,308	12,000	10,162	6,000		9,000	
Nonpledge Gifts	16,000	14,158	32,550	42,464	18,000		18,000	
	582,135	599,440	589,196	603,367	564,708	0	575,008	0
Rentals								
Early Childhood Center	42,224	42,224	43,055	37,173	28,780		22,019	
Rockville Coop Nursery	37,321	37,321	38,083	32,370	26,999		29,185	
Capital Rivers Church (MCCofC)					38,433		50,407	
Other Rentals	30,000	19,131	20,000	19,393	10,000		17,000	
	109,545	98,676	101,138	88,936	104,212	0	118,611	0
Special Events								
Action Auction	33,000	39,356	38,000	-30	10,000		30,000	
Fall Fundraiser	8,000	6,553	7,000	7,930	0		5,000	
	41,000	45,909	45,000	7,900	10,000	0	35,000	0
Other Income								
Amazon Sales	1,600	902	1,300	879	500		0	
Art Sales Comissions	900	38	500	49	500		100	
Grocery Coupons/e-Scrip	900	750	900	600	450		500	
Investment Income	16,000	22,909	16,000	15,348	10,000		20,000	
Miscellaneous income				1,850			0	
MC Telework Assistance				1,506			0	
PPP Loan Forgiveness	0	0	0		80,000		0	
	19,400	24,599	18,700	20,232	91,450	0	20,600	0
Transfer from Restricted Funds								
Board Initiatives Fund			648	648			8,000	
Ministry Enhancement Fund							2,000	
General Reserve							27,316	
Other Restricted Funds			3,000	3,000				
	0	0	3,648	3,648	0	0	37,316	0
Total Income	\$752,080	\$768,624	\$757,682	\$724,084	\$770,370	\$0	\$786,535	\$0
Operating Expenses								
Payroll								
Salaries			417,162	420,131	393,763		402,373	
Retirement Plan			36,496	37,853	33,180		34,391	
Professional Expenses			13,500	10,683	14,167		13,750	
Medical Insurance			11,713	11,501	6,186		12,584	
Dental Insurance			493	1,132	1,182		576	

Disability Insurance			4,487	4,317	4,508		4,289	
Life Insurance			404	410	846		840	
Payroll Taxes			18,347	19,103	30,358		30,541	
	490,849	479,983	502,602	505,130	484,190	0	499,344	0
Payroll Service	2,000	2,649	2,000	2,651	2,700		3,000	
Child care services	6,700	2,550	3,500	2,872	2,000		2,000	
Workers Compensation	2,900	3,205	3,100	1,764	3,100		3,600	
Recruitment/Background checks	600	165	600	276	600		400	
	503,049	488,552	511,802	512,692	492,590	0	508,344	0
Loan Principal & Interest								
M&T Mortgage	53,507	53,507	53,507	53,507	53,507		53,507	
SBA PPP Loan					7,963		0	
	53,507	53,507	53,507	53,507	61,470	0	53,507	0
Buildings & Grounds								
Building Maintenance	25,000	16,487	20,000	16,433	20,000		20,000	
Custodial Services	42,000	45,750	42,000	41,785	38,000		38,000	
Custodial Supplies	1,600	2,504	2,000	1,469	2,000		2,000	
Electricity	19,500	19,485	19,165	18,464	15,000		18,000	
Gas	10,450	8,143	10,450	8,709	7,500		8,700	
Grounds Maintenance	15,000	11,011	13,800	12,935	16,340		16,340	
Insurance	5,375	4,891	5,400	5,776	5,400		6,500	
Snow Removal	9,600	12,707	10,000	2,308	7,000		7,000	
Trash Removal	2,200	2,169	2,400	2,184	2,400		2,400	
Water & Sewer	8,100	9,548	11,000	9,252	10,000		10,000	
	138,825	132,695	136,215	119,314	123,640	0	128,940	0
Office								
Equipment Maintenance	500	1,499	650	31	650		650	
Equipment Procurement	2,250	618	3,200	627	2,200		2,200	
Equipment Rentals	2,200	1,851	2,200	1,892	2,200		2,200	
Office Supplies	5,000	3,886	5,000	4,415	3,000		3,200	
Postage	1,800	3,243	1,800	1,789	900		1,000	
Software & Database	3,000	891	2,850	2,903	3,000		3,300	
Telephone/Internet/Website	4,670	5,194	4,670	7,290	5,500		7,712	
	19,420	17,182	20,370	18,946	17,450	0	20,262	0
Committees								
Adult Faith Formation	1,100	501	770	150	700		700	
Aesthetics Committee	100	0	70	0	50		50	
Board of Trustees - General funds	600	596	600	117	2,400		2,400	
Board Leadership/Conf. & Training	1,000	1,225	1,000	41	0		0	
Child & Youth Worship	500	97	0	0	0		0	
Committee on Ministry	500	500	350	0	250		250	
Crafters	100	0	70	0	100		100	
Decorations	200	0	140	0	75		75	
Hospitality	1,600	1,874	1,800	1,440	1,050		1,050	
Lay Ministry Council	600	0	800	299	1,300		1,650	
Membership	2,200	811	1,540	114	2,670		2,200	
Memorial							100	
Music	4,180	4,228	4,500	4,238	5,000		5,600	
Pastoral Care	300	160	210	292	500		500	
Planned Giving	300	0	210	0	100		100	
Pledge Drive (Canvass)	2,250	2,530	1,575	1,831	1,950		1,000	
Publicity	2,000	709	1,400	779	2,430		2,430	

Quilters	275	235	193	123	275		275	
Faith Formation	5,250	4,356	3,675	3,696	4,950		4,950	
Sound System	1,000	705	700	1,165	255		255	
Stewardship	200	0	500	0	0		0	
Worship	2,000	2,240	1,800	2,219	2,100		2,100	
Young Adults Group	100	0	70	0	100		0	
Rental							200	
Estimated committee underrun	-3,000		0	0	0			
	23,355	20,767	21,973	16,505	26,255	0	25,985	0
Social Justice								
Social Justice Committee	12,200	11,903	10,000	7,923	6,050		6,050	
Partner Church	750	750	0		0			
	12,950	12,653	10,000	7,923	6,050	0	6,050	0
Denominational Affairs								
UUA Annual Program Fund	73%		80%		80%		70%	
	28,230	28,230	31,517	31,517	34,080		28,847	
	28,230	28,230	31,517	31,517	34,080	0	28,847	0
Other Expenses								
Bank & merchant service fees	1,750	2,285	2,000	2,426	2,300		3,600	
Congregational celebrations	500	1,639	0	0	0			
Installation of Senior Minister							10,000	
Miscellaneous expenses	0	257	0	1,960	0			
Sr. Minister Search Committee			2,000	0	0			
Music Director Search							1,000	
	2,250	4,181	4,000	4,386	2,300	0	14,600	0
Transfer to Restricted Funds								
Facilities Maintenance Fund					6,535		0	
Technology & Media Fund							0	
	0	0	0	0	6,535	0	0	0
Total Expenses	\$781,586	757,767	\$789,384	\$764,791	\$770,370	\$0	\$786,535	\$0
Income - Expenses	-\$29,506	10,858	-\$31,701	-\$40,707	\$0	\$0	\$0	\$0
To/(From) Gen'l Reserves	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0

Budget Adjustments (relative to the previously-approved Canvass Sustain budget):

Income - Contributions:

- Adjusted for actual Canvass - \$572,881 (locked in on 5/18/21)

Income - Rentals

- **Adjustments based on Norman's estimate for ECC (50% for the entire year) and RCNS (75% for the entire year)**

Income - Other Income

- Investment Income - adjusted to \$20k based on historical data
- Grocery coupon sales revenue set to \$500 based on congregant willingness to lead resumption of this practice

Income - Transfers from Restricted Funds

- **General Reserve transfer of \$27k to offset the deficit from projected lost rental revenue**

Expenses - Payroll:

- COLA adjustments
- UUA Health Plan Premium increases
- *Note: The currently-vacant Sexton position was retained and re-labeled as a Rental Attendant function*
- Minor error corrected in previous tax calculation
- Summer Coordinator position - 6 weeks for 1 intern
- *Note: After much discussion, no changes were made to the payroll to try and anticipate impacts of Sarah's move, or of the potential need to hire a Technology contractor for the purposes of running Sunday services*

Expenses - Buildings and Grounds

- Adjusted for the Insurance premium increase

Expenses - Office

- Postage bumped up based on historical data
- Internet cost increased by ~\$2k due to higher level-of-service associated with hybrid services

Expenses - Committees

- *Note - Committee budgets in the Sustain budget were frozen to last year's values, and are remaining as such unless noted below. There was some outreach to LMC and specific program owners, but for the most part this freeze was taken as a boundary condition.*
 - LMC/Leadership - leadership training carryover item from this year's budget - \$350
 - Membership - reduced to ask, which was lower than freeze
 - Music - set to \$600 over freeze, which is mid-point between the freeze and ask values, based on discussion between the Treasurer and the Director of Music
 - Pledge drive - reduced to ask, which was lower than freeze
 - Sound - left at freeze value, and the expectation is the hardware needs embedded in the much higher ask will be part of the Tech Fund upgrades

Fiscal Year '21-'22 Approval - **As of June 6th, 2021**

Expenses - Other

- \$1k was added as a placeholder for a search related to the Music Program transition activities

AGREEMENT TO AMEND LEASE

In recognition of the long-standing relationship between Early Childhood Center, Inc. (ECC) and the Universalist Congregation of Rockville (UUCR) and the extraordinary circumstances of the coronavirus pandemic that has imposed financial hardship to both the church and school, the Board of Trustees of UUCR and the Board of Directors of ECC have agreed to amend the current lease to (1) provide that, for the 2021-22 school year the lease term will end on June 30, 2022, and (2) provide conditional rent relief for the 2021-22 school year.

Accordingly, the current lease between UUCR and ECC is hereby amended by:

1. adding the following to the end of Paragraph 2: “Notwithstanding the foregoing, for the 2021-2022 school year, the lease term will end at midnight on June 30, 2022.”

2. adding the following to the end of Paragraph 3: “Notwithstanding the foregoing, the monthly rent for the period September 1, 2021 through June 30, 2022, will be as follows:

- (a) On each Determination Date described in the table below, ECC will notify by email the UUCR Church Administrator, UUCR Rental Committee

Chair, and UUCR Assistant Treasurer for Receipts the projected number of classes ECC will be running for the Applicable Period as defined in the table below:

Determination Date	Applicable Period
August 1, 2021	September 2021 – October 2021
October 1, 2021	November 2021 - December 2021
December 1, 2021	January 2022 - February 2022
February 1, 2022	March 2022 – April 2022
April 1, 2022	May 2022 – June 2022

(b) The monthly rent for each Applicable Period will be based on the projected number of classes reported on the corresponding Determination Date as follows:

- if the projected number of classes is 7, the monthly rent is \$4,006.71;
 - if the projected number of classes is 6, the monthly rent is \$3,005.03;
- and
- if the projected number of classes is 5 or fewer, the monthly rent is \$2,003.36.”

Agreed:

Church Administrator, UUCR

President, ECC Board

Date

Date

AGREEMENT TO AMEND LEASE

In recognition of the long-standing relationship between the Rockville Community Nursery School, Inc. (RCNS) and the Universalist Congregation of Rockville (UUCR) and the extraordinary circumstances of the coronavirus pandemic that has imposed financial hardship to both the church and school, the Board of Trustees of UUCR and the Board of Directors of RCNS have agreed to amend the current lease to provide conditional rent relief for the 2021-22 school year.

Accordingly, paragraph 3 of the current lease between UUCR and RCNS is hereby amended by adding the following to the end of it:

“Notwithstanding the foregoing, the monthly rent for the period September 1, 2021 through June 30, 2022, will be as follows:

(a) On each Determination Date described in the table below, RCNS will notify by email the UUCR Church Administrator, UUCR Rental Committee Chair, and UUCR Assistant Treasurer for Receipts whether Maryland Department of Health and Maryland State Department of Education-Office of Child Care regulations will permit the use of in-classroom parent volunteers and the projected percentage of full enrollment for the Applicable Period as defined in the table below

Determination Date	Applicable Period
August 1, 2021	September 2021 – October 2021
October 1, 2021	November 2021 - December 2021
December 1, 2021	January 2022 - February 2022
February 1, 2022	March 2022 – April 2022
April 1, 2022	May 2022 – June 2022

(b) The monthly rent for each Applicable Period will be based on the projected percentage of full enrollment reported on the corresponding Determination Date as follows:

- if either (i) RCNS is permitted to utilize in-classroom volunteers and the projected percentage of full enrollment is greater than or equal to 87 percent or (ii) RCNS is not permitted to utilize in-classroom volunteers and the projected percentage of full enrollment is greater than or equal to 94 percent, the monthly rent is \$3,891.36;

- if either (i) RCNS is permitted to utilize in-classroom volunteers and the projected percentage of full enrollment is greater than or equal to 75 percent and less than 87 percent, or (ii) RCNS is not permitted to utilize in-classroom volunteers and the projected percentage of full enrollment is greater than or equal to 75 percent and less than 94 percent the monthly rent is \$2,918.52; and

- if the projected percentage of full enrollment is less than 75 percent,
the monthly rent is \$1,945.68.

Agreed:

Church Administrator, UUCR

President, RCNS Board

Date

Date

UUCR Board Request

From the UUCR Landscaping Group (Irene Eckstrand, Mary Lanigan, Barbara Harrison, Sue Hedges, and Jaime Chao)

May 2021

Request: Permission to use earnings from the Site Beautification Fund to contract with (1) Complete Plant Health Care, Inc. to remove overgrown azalea bushes and (2) Bartlett Tree Experts to trim three trees.

Background

When the congregation first moved to the current property, UUCR invested in plantings. We all love the woodlands, azaleas, and gardens. However, many of these original plants and more recent additions have not been well maintained. Others are either overgrown or reaching the ends of their natural lives. The Landscaping Group has been working hard to identify and solve problems caused by neglect and senescence over the years. The Board has been generous in supporting these efforts, and it is our hope that doing this “catch-up” work now will save us money in the long run. We are proposing to address two issues for which we need Board approval.

Fortunately, there is a way to accomplish both of the tasks without tapping into the over-stretched UUCR budget. The Site Beautification Fund is an off-budget restricted fund that was created by a donor. Earnings from the fund were intended to provide support for landscape projects. (See later in this memo for more details about this fund).

1. Overgrown Azaleas (\$2,650)

Over the years, the large group of azalea bushes next to the walkway from the lower parking lot and next to Building 3 have become increasingly overgrown, unhealthy, and unmanageable. Some people have noted that the bushes may also be a safety concern by serving as a hiding place. These plants need to be thinned out and pruned so that they are healthy and manageable and contribute to the beauty of the landscape. The job will be substantial because of the thickly-tangled mat of azalea branches and roots.

We propose to contract with Complete Plant Health Care, Inc., a locally-owned company that was awarded the UUCR contract for landscape maintenance (mowing, mulching, leaf blowing, and clean-up) starting July 2021. We also worked with this company in 2020 to remediate the old courtyard, the new courtyard between the sanctuary and Building 4, and the circle garden in front of the sanctuary. We were very satisfied with the quality of work and the regular communication with the owner and the workers.

2. Dead and Dying Trees (\$2,390)

Three trees on the property need attention, based on an assessment by a forester from the City of Rockville. The first is a dead tree near a neighbor’s property and the entry drive. We propose cutting this tree back to about 15 feet to reduce the hazard to our neighbors while continuing to provide habitat for woodland creatures.

The second tree is next to the walkway between Buildings 1 and 2. Several limbs have died, and we propose cutting out the dead wood to reduce the hazard to cars and people.

The third is in the forest easement near the ECC playground. This tree is almost entirely dead and may pose a hazard to the playground. We propose cutting it back to about 20 feet to protect the playground while still providing habitat to woodland creatures.

We propose to contract with Bartlett Tree Experts, a company well-known for its scientific research program and its expertise in tree care. We have worked with Riley Smith, a well-trained Bartlett arborist, to remove trees and tree limbs that pose a hazards to UUCR and our neighbors in the past year. Recently, Bartlett removed three trees in the forest easement that were threatening to fall on a home on Lynch Court. We have been very satisfied with the communications, work quality, and price of Bartlett's work.

Funding Sources for Landscaping

Landscaping at UUCR has two sources of funds. The first is the **grounds maintenance budget** that covers routine maintenance, including mowing, mulching, pruning, leaf blowing, and tree replacement. A second funding source is the **Site Beautification Fund** which was established many years ago with a large stock donation from a member. Expenditures from this fund are restricted by the founding documents signed with the donor. We are only allowed to use earnings from the fund for specified projects for the church grounds (e.g., pathways but not parking lots). Funds cannot be transferred to any other church activities. The chair of the landscaping group has authority to spend up to \$1,000 of earnings from this fund without Board approval, but larger expenditures require prior approval from the Board.

Approval for Use of Site Beautification Fund Earnings

We have discussed these plans with Nancy Klag and have confirmed that over \$10,000 in Site Beautification earnings is available. We propose to use these funds to complete the two jobs. We need Board approval to proceed.

We have also consulted with Kim Mahoney of RCNS, who is looking forward to more sunshine in the building once the azaleas are removed. We will schedule work when the schools are not in session.

The proposals from Complete Plant Health Care, Inc. and Bartlett Tree Experts are attached.

Unitarian Universalist Congregation of Rockville
STATEMENT OF FINANCIAL POSITION
May 31, 2021 and June 30, 2020

	Current Balance 5/31/2021	Prior Year-End 6/30/2020	Increase (Decrease)
ASSETS			
Current Assets			
Cash - Checking Accounts	155,729	195,478	(39,750)
Investments			
Schwab			
Cash & donated stock	47,662	11,695	35,967
SWCGX - General Investment	136,148	136,024	125
SWSSX - Endowment Fund	330,541	205,001	125,539
Total Schwab	514,351	352,720	161,631
Vanguard			
Vanguard MM fund	926	155	771
VDIGX - Endowment Fund	318,141	215,165	102,976
VFTAX - Site Beautification Fund	132,078	111,258	20,820
VWIAX - General Investment	205,311	175,834	29,477
Total Vanguard	656,457	502,412	154,044
Total Investments	1,170,808	855,132	315,676
Other Current Assets			
Giant grocery coupons	540	740	(200)
Prepaid expenses	0	2,114	(2,114)
Total Other Current Assets	540	2,854	(2,314)
Total Current Assets	1,327,076	1,053,464	273,612
Property and Equipment			
Total property and equipment	2,837,605	2,837,605	0
Less accumulated depreciation	(1,351,591)	(1,270,179)	(81,412)
Total Property and Equipment, Net	1,486,014	1,567,426	(81,412)
Other Assets			
Loan refinancing costs, Net of Amort.	5,789	6,566	(777)
TOTAL ASSETS	2,818,880	2,627,456	191,424
LIABILITIES & NET ASSETS			
LIABILITIES			
Current Liabilities			
AP/Credit card payable	0	1,146	(1,146)
Payroll liabilities	0	297	(296)
Accrued expenses	0	2,798	(2,798)
Deferred pledges	36,797	63,915	(27,118)
Rental security deposits	8,660	8,660	0
Pass-through accounts (see Page 6)	11,323	17,524	(6,201)
Total Current Liabilities	56,780	94,340	(37,560)
Loans Payable			
Loan payable - M&T Bank	319,268	354,952	(35,684)
Payroll Protection Program	0	95,800	(95,800)
TOTAL LIABILITIES	376,048	545,091	(169,043)

Unitarian Universalist Congregation of Rockville
STATEMENT OF FINANCIAL POSITION
May 31, 2021 and June 30, 2020

	Current Balance 5/31/2021	Prior Year-End 6/30/2020	Increase (Decrease)
NET ASSETS			
Endowment Funds			
General Endowment Fund			
Principal	386,124	364,629	21,495
Accumulated income	80,503	66,112	14,391
Unrealized gain(loss) - Current year	182,967	0	182,967
Total General Endowment Fund	<u>649,594</u>	<u>430,741</u>	<u>218,853</u>
Site Beautification Fund			
Principal	83,449	83,449	0
Undistributed income (loss)	1,100	10,151	(9,051)
Unrealized gain(loss) - Current year	36,885	0	36,885
Site Beautification - Operating	10,065	10,228	(163)
Total Site Beautification Fund	<u>131,499</u>	<u>103,828</u>	<u>27,671</u>
Total Endowment Funds	<u>781,094</u>	<u>534,569</u>	<u>246,524</u>
Donor Restricted Funds			
Ministry Enhancement Fund	2,752	3,492	(740)
Wright Elementary	2,193	2,193	0
Wright Junior High	468	468	0
Total Donor Restricted Funds	<u>5,413</u>	<u>6,153</u>	<u>(740)</u>
Group Controlled Funds			
Children & Youth Scholarship Fd	9,124	9,124	0
Ethier Music Fund	3,178	5,165	(1,987)
Minister's Discretionary Fund	7,173	5,248	1,925
Rainbow Youth Alliance	49,595	40,376	9,219
Remembrance Fund	7,571	8,161	(590)
Total Group Controlled Funds	<u>76,640</u>	<u>68,074</u>	<u>8,566</u>
Board Controlled Funds			
Aesthetics Fund	0	7,550	(7,550)
Board Initiatives Fund	9,800	10,000	(200)
Facilities Maintenance Fund	30,321	45,211	(14,890)
Miracle Sunday	0	8,396	(8,396)
Technology Fund	15,947	0	15,947
Total Board Controlled Funds	<u>56,067</u>	<u>71,158</u>	<u>(15,090)</u>
Total Restricted Funds	<u>919,215</u>	<u>679,954</u>	<u>239,260</u>
Unrestricted Net Assets			
Investment in property & equipment	1,172,535	1,219,040	(46,505)
General Reserve **	351,082	183,371	167,711
Total Unrestricted Net Assets	<u>1,523,617</u>	<u>1,402,411</u>	<u>121,206</u>
TOTAL NET ASSETS	<u><u>2,442,832</u></u>	<u><u>2,082,365</u></u>	<u><u>360,467</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>2,818,880</u></u>	<u><u>2,627,456</u></u>	<u><u>191,424</u></u>

**** Supplemental information:**

General Reserve as % of annual budget	46%	25%
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Unitarian Universalist Congregation of Rockville
STATEMENT OF ACTIVITIES
Eleven Months Ended May 31, 2021

	YTD Actual 5/31/21	YTD Prior Yr 5/30/20	Over (Under) Prior Yr	% Over (Under) Prior Yr	Annual Budget FY 2021	YTD Budget 5/31/21	% Over (Under) YTD Bdgt
INCOME							
Contributions							
Current pledges	558,806	529,707	29,100	5%	534,708	504,520	11%
Past year pledges	6,655	3,880	2,775	72%	6,000	6,000	11%
Collection plate	0	10,162	(10,162)	(100%)	6,000	5,000	(100%)
Nonpledge gifts	23,604	36,647	(13,043)	(36%)	18,000	16,500	43%
Total contributions	589,065	580,395	8,670	1%	564,708	532,020	11%
Rental Income							
Early Childhood Ctr.	19,832	35,212	(15,380)	(44%)	28,780	25,634	(23%)
Rockville Co-op Nurs.	17,357	26,658	(9,301)	(35%)	26,999	23,785	(27%)
MC Church of Christ	19,388	0	19,388		38,433	38,433	(50%)
Other rental income	0	19,185	(19,185)	(100%)	10,000	8,333	(100%)
Total Rental Income	56,576	81,055	(24,480)	(30%)	104,212	96,185	(41%)
Special Events							
Action Auction	19,825	(30)	19,855		10,000	10,000	98%
Fall fundraiser	0	7,930	(7,930)	(100%)	0	0	
Total Special Events	19,825	7,900	11,925	151%	10,000	10,000	98%
Other Income							
PPP Loan Forgiveness	95,800	0	95,800		80,000	80,000	20%
Amazon bookstore	0	836	(836)	(100%)	500	462	(100%)
Art sales commissions	0	49	(49)	(100%)	500	462	(100%)
Grocery coupons	0	600	(600)	(100%)	450	375	(100%)
Investment income (loss)	13,494	10,121	3,372	33%	10,000	6,000	125%
UUA Intern Scholarship	4,000	0	4,000		0	0	
Miscellaneous income	405	1,850	(1,445)	(78%)	0	0	
Total Other Income	113,699	13,456	100,243	745%	91,450	87,299	30%
Transfers							
Aesthetics Fund	0	3,000	(3,000)	(100%)	0	0	
Board Initiatives Fund	0	648	(648)	(100%)	0	0	
	0	3,648	(3,648)	(100%)	0	0	
Total Income & Transfers	779,165	686,454	92,710	14%	770,370	725,504	7%
EXPENSES							
Payroll							
Wages & Benefits							
Salaries	364,145	385,356	(21,211)	(6%)	402,180	368,522	(1%)
Dental insurance	606	1,006	(400)	(40%)	1,182	1,090	(44%)
Disability insurance	3,566	3,933	(367)	(9%)	4,508	4,135	(14%)
Life insurance	719	373	346	93%	846	773	(7%)
Medical insurance	7,504	11,025	(3,521)	(32%)	6,186	5,687	32%
Payroll taxes	19,593	17,571	2,022	12%	21,941	20,070	(2%)
Retirement plan	30,474	34,671	(4,198)	(12%)	33,180	30,456	0%
Professional expenses	5,822	12,832	(7,010)	(55%)	14,167	13,006	(55%)
Total Wages & Benefits	432,429	466,767	(34,338)	(7%)	484,190	443,739	(3%)

Unitarian Universalist Congregation of Rockville
STATEMENT OF ACTIVITIES
Eleven Months Ended May 31, 2021

	YTD Actual 5/31/21	YTD Prior Yr 5/30/20	Over (Under) Prior Yr	% Over (Under) Prior Yr	Annual Budget FY 2021	YTD Budget 5/31/21	% Over (Under) YTD Bdgt
Other Payroll Expenses							
Payroll service	2,667	2,446	221	9%	2,700	2,475	8%
Child care services	0	2,872	(2,872)	(100%)	2,000	1,665	(100%)
Recruitment	95	276	(181)	(66%)	600	550	(83%)
Workers comp.	5,193	1,764	3,429	194%	3,100	3,100	68%
Total Payroll Expense	440,383	474,125	(33,742)	(7%)	492,590	451,529	(2%)
Loan Payments							
M&T principal reduction	35,684	34,143	1,541	5%	38,973	35,684	0%
M&T interest	13,365	14,905	(1,541)	(10%)	14,534	13,365	0%
SBA PPP loan interest	0	0	0		7,963	7,080	(100%)
Total Principal & Interest	49,048	49,048	0	0%	61,470	56,128	(13%)
Building & Grounds							
Building maintenance	11,323	16,174	(4,851)	(30%)	20,000	18,337	(38%)
Custodial service	11,000	39,785	(28,785)	(72%)	38,000	34,837	(68%)
Custodial supplies	805	1,469	(664)	(45%)	2,000	1,837	(56%)
Electricity	13,269	17,298	(4,029)	(23%)	15,000	13,500	(2%)
Gas	8,540	8,570	(31)	(0%)	7,500	6,400	33%
Grounds maintenance	16,340	10,295	6,045	59%	16,340	15,285	7%
Insurance	6,725	2,978	3,747	126%	5,400	5,400	25%
Snow removal	11,863	2,308	9,555	414%	7,000	7,000	69%
Trash removal	1,820	2,002	(182)	(9%)	2,400	2,200	(17%)
Water & sewer	7,314	8,473	(1,159)	(14%)	10,000	10,000	(27%)
Total Building & Grounds	88,999	109,352	(20,353)	(19%)	123,640	114,796	(22%)
Office							
Equipment maintenance	0	31	(31)	(100%)	650	596	(100%)
Equipment procurement	1,283	627	656	105%	2,200	2,017	(36%)
Equipment rental	1,558	1,738	(180)	(10%)	2,200	2,017	(23%)
Office supplies	1,379	4,149	(2,770)	(67%)	3,000	2,750	(50%)
Postage	571	1,750	(1,180)	(67%)	900	825	(31%)
Software & database	3,073	2,619	454	17%	3,000	2,750	12%
Telephone & internet	6,842	6,615	227	3%	5,500	5,042	36%
Total Office	14,705	17,529	(2,824)	(16%)	17,450	15,996	(8%)
Committees							
Adult Faith Formation	250	0	250		700	642	(61%)
Aesthetics Committee	0	0	0		50	46	(100%)
Board of Trustees	0	158	(158)	(100%)	2,400	2,200	(100%)
Committee on Ministry	0	0	0		250	229	(100%)
Crafters	0	0	0		100	92	(100%)
Decorations	0	0	0		75	69	(100%)
Hospitality	0	1,440	(1,440)	(100%)	1,050	875	(100%)
Lay Ministry Council	550	299	250	84%	1,300	1,192	(54%)

Unitarian Universalist Congregation of Rockville
STATEMENT OF ACTIVITIES
Eleven Months Ended May 31, 2021

	YTD Actual 5/31/21	YTD Prior Yr 5/30/20	Over (Under) Prior Yr	% Over (Under) Prior Yr	Annual Budget FY 2021	YTD Budget 5/31/21	% Over (Under) YTD Bdgt
Membership	0	114	(114)	(100%)	2,670	2,448	(100%)
Music	5,685	4,113	1,572	38%	5,000	4,583	24%
Pastoral Care	232	141	91	65%	500	458	(49%)
Planned Giving	344	0	344		100	92	275%
Pledge Drive	1,006	1,831	(825)	(45%)	1,950	1,788	(44%)
Publicity	381	335	46	14%	2,430	2,228	(83%)
Quilters	(30)	123	(153)	(124%)	275	230	(113%)
Religious Education	2,475	3,515	(1,040)	(30%)	4,950	4,538	(45%)
Sound System	0	1,165	(1,165)	(100%)	255	234	(100%)
Stewardship	0	0	0		0	0	
Worship	2,510	2,219	291	13%	2,100	2,100	20%
Young Adults	0	0	0		100	92	(100%)
Total Committees	13,402	15,453	(2,050)	(13%)	26,255	24,132	(44%)
Social Justice							
Social Justice Comm.	3,016	6,898	(3,882)	(56%)	6,050	5,546	(46%)
Total Social Justice	3,016	6,898	(3,882)	(56%)	6,050	5,546	(46%)
Denominational Affairs							
UUA Annual Prog. Fund	25,560	23,638	1,922	8%	34,080	25,560	0%
Total Denom. Affairs	25,560	23,638	1,922	8%	34,080	25,560	0%
Other Expenses							
Bank & transaction fees	3,371	2,245	1,126	50%	2,300	2,108	60%
Ordination expense	1,693	0	1,693		0	0	
Miscellaneous expense	265	1,960	(1,695)	(86%)	0	0	
Total Other Expenses	5,329	4,205	1,124	27%	2,300	2,108	153%
Transfers							
Facilities Maint. Fund	0	0	0		6,535	0	
Total Transfers	0	0	0	0%	6,535	0	
Total Expenses	640,442	700,248	(59,805)	(9%)	770,370	695,795	(8%)
Net Income per Budget	138,722	(13,793)	152,516	(1,106%)	0	29,709	367%
Unrealized gain (loss)	29,811	2,632					
Loan principal add-back	35,684	34,143					
Depreciation & amort.	(82,188)	(82,188)					
Net Income per Books	122,029	(59,207)					

Supplemental information:	CY	PY
General Reserve	351,082	218,774
Annual budget	770,370	789,384
Reserve as % of budget	46%	28%

Unitarian Universalist Congregation of Rockville
SUPPLEMENTAL REPORT - RESTRICTED FUNDS
& PASS-THROUGH ACTIVITY
Eleven Months Ended May 31, 2021

	Balance 6/30/2020	Inflows	Outflows	Balance 5/31/2021
Endowment Fund				
Principal	364,629	21,495	0	386,124
Accumulated income (loss)	66,112	14,391	0	80,503
Unrealized gain (loss) - Current year	0	182,967	0	182,967
	430,741	218,853	0	649,594
Site Beautification Fund				
Principal	83,449	0	0	83,449
Accumulated income (loss)	10,151	1,100	10,151	1,100
Unrealized gain (loss) - Current year	0	36,885	0	36,885
Site Beautification - Operating	10,228	11,451	11,614	10,065
	103,828	49,436	21,765	131,499
Donor Restricted Funds				
Ministry Enhancement Fund	3,492	0	740	2,752
Wright Elementary	2,193	0	0	2,193
Wright Junior High	468	0	0	468
	6,153	0	740	5,413
Group Controlled Funds				
Children & Youth Scholarship Fd	9,124	0	0	9,124
Ethier Music Fund	5,165	0	1,987	3,178
Minister's Discretionary Fund	5,248	1,975	50	7,173
Rainbow Youth Alliance	40,376	15,316	6,097	49,595
Remembrance Fund	8,161	5,000	5,590	7,571
	68,074	22,291	13,725	76,640
Board Controlled Funds				
Aesthetics Fund	7,550	(7,550)	0	0
Board Initiatives Fund	10,000	0	200	9,800
Facilities Maintenance Fund	45,211	7,356	22,246	30,321
Miracle Sunday 2016	8,396	0	8,396	0
Technology Fund	0	15,947	0	15,947
	71,158	15,752	30,842	56,067
Total Restricted Funds	679,954	306,332	67,072	919,215
Pass-through Accounts				
Share the Plate (multiple charities)	14,527	43,407	51,660	6,275
Arts Connect	694	12,820	10,278	3,236
No Child Goes Hungry grant	1,000	0	0	1,000
Thanksgiving gift cards	170	2,100	2,270	0
Christin Green Ordination contributions	0	2,558	2,558	0
Other pass-through	1,133	3,640	3,960	812
	17,524	64,525	70,726	11,323