

**Irvine United Congregational Church
Administration Board Meeting Minutes Draft
June 15, 2020 via Zoom**

Attendance:

Administration Board:

Church Officers: Daniel Blackburn, Renae Boyum, David Caruthers, and Laura Palen
Congregational Representatives: Penny Portillo, Dorothy Duncan, and Apoorva Ghosh

Committee/Task Force Chairs: Keith Boyum, Jenna McCarty, and Matt Mirmak

Staff: Administrative Pastor Steve Swope and Interim Pastor David Pattee

Visitors: Mark Allen

1. **Call to Order:** The meeting was called to order at 7:04 p.m. by Chair Daniel Blackburn.
2. **Opening Prayer:** The opening prayer was led by Rev. David Pattee.
3. **Approval of April 20 and May 18 Meeting Minutes:** Passed as described and submitted to Board Chairperson pending correction to item 6 to read April 30 instead of February 29.
4. **Diversity and Inclusion:** Verbal reports were given by Matt Mirmak and Jenna McCarty. Key points included:
 - Three task force co-chairs: Eduardo Arismendi-Pardi, Jenna McCarty, and Lesli Mitchell
 - Anti-racism training in groups and in church as a whole
 - Sufficient time is needed for sharing and training; small chunks of time is not enough.
 - Ideas for events are welcomed, such as a possible art installation with a range of guest artists included.
 - Matt is working with scouts and will share with other youth. The BSA is offering Diversity and Inclusion Merit Badge. Workshops are being conducted with several leaders and University Methodist Church.
 - Look at the By-Laws to see if changes are needed (ex. terminology).
 - Shift Task Force into a Ministry for long term.

5. **Treasurer's Report:** David Caruthers submitted verbal written report for the five months ending May 31, 2020. Key points included:

SUMMARY NET INCOME (LOSS) FOR YEAR TO DATE (k = \$ thousands)

Operations	IUCCGF	ECC	CIF	PEF	Elim ENTRIES	TOTAL	YTD (5Mo's) BUDGET
Revenues \$	223.6	176.6	0.5	0.0	(27.5)	373.2	488.1
Expenses	<u>267.7</u>	<u>221.3</u>	<u>21.6</u>	<u>0.0</u>	(27.5)	<u>483.1</u>	<u>530.8</u>
Net Inc (Loss) (44.1)	(44.7)	(21.1)	0.0		(109.9)	(42.7)	
Add back depn	<u>52.1</u>	<u>10.4</u>	<u>21.6</u>			<u>84.1</u>	<u>62.3</u>
Adjusted NI (L)	8.0	(34.3)	0.5			(25.8)	19.6

Overview of 2020 Results to date

Key points from 2020 results are as follows:

1. The Church and Child Care Center have basically shuttered their doors from mid March of this year due to the coronavirus pandemic. In response, the following actions have been taken:
 - Church services have continued, but online through YouTube.
 - All 14 church school staff except its Director have been furloughed.

- We hired a new MYP Director at the end of March who is using You Tube and Zoom technology to good advantage.
 - We have applied for and received a forgivable loan under the federal government's CARES Act to assist small business and Not-for-Profit organizations: \$96,000.
 - Cornerstone has allowed us to defer payment on our loan for 2months, April and May 2020.
2. Consolidated adjusted Net Income (Loss) was (\$25.8)k for this period vs. budgeted Net Income of \$19.6k as summarized above.
 3. The net assets of the Capital Improvement Fund (CIF) from our three year expansion of facilities (about \$2 million) were mostly transferred into the General Fund in January to consolidate our physical assets.

General Fund.

Total Income for the General Fund at \$223.6k was \$29.5k better than budget of \$194.1k. Both pledged and non-pledged contributions exceeded budget for this 5 month period, attesting not only to the strong support of our church family, but to the power of quick adaption of the internet to videotape and broadcast professionally executed Sunday services which have regularly attracted upwards of 80 viewers regularly. Contributions are being received electronically as well as by mailed in checks.

Income also includes an unbudgeted amount of \$2.5k received for Family Promise, offsetting a Mission & Service Committee expense to pay for accommodation for needy families in lieu of housing them in our church property during the pandemic. It also includes the expended portion of funds donated by the Boyum family and Yodh Estate for the new pergola, \$21.6k, leaving \$47.3k yet to be spent (see Note 5 of the Balance Sheet's Notes Worksheet).

Total Expenses of \$267.7k were \$19.8k lower than the \$287.4k budgeted for these 5 months. The "savings" result from;

- Ministries expenses \$6.6k below budget with reduced activity due to the shutdown, except for Mission & Service expense for Families Promise (see above).
- Admin Board \$6.3k below budget with little expense to date for the new Pastor Search Committee.
- Utilities \$7.3k below budget with lower spending for electricity and water during the shutdown.

ECC

Total Income for the Early Childhood Center of \$176.6k was little changed from the end of March because of the shutdown. Compared to a 5 month budget of \$321.5k, this is a shortfall in Tuition and Registrations revenue of \$144.8k.

Total Expenses of \$221.3k were \$49.6k lower than the \$270.9k budgeted. This 'positive' variance in expenses is mostly explained by the \$31.9k savings in Personnel costs as a consequence of all teaching staff and the cook being furloughed for April and May. Although the ECC was shut down March 15th, staff to be furloughed were paid through to March 23rd and their health benefits through to April 30th, plus a bonus of \$500 each. The main expenses being incurred currently and for the foreseeable future are for compensation for the school's director and an allocation of IUCC office staff time (\$12.0k total, in May) and the Center's fixed monthly contribution to IUCC for Admin expenses \$5.5k, (i.e. equivalent to a Rent charge).

As noted above, we have received a forgivable ("Payroll Protection Program") federal loan, which, in addition to church staff, is currently funding compensation of the church school director (for May and June).

Capital Improvement Fund

Except to transfer most of the net assets of the CI Fund to the General Fund, the Fund has no activity in the 5 months year to date except late receipt of a pledged donation of \$500, and, depositing/allocating the CARES Act loan funds of \$96.0k to the General Fund and ECC as needed. The Cash balance of \$40.8k on the May 31st balance sheet represents the unexpended balance of the \$96.0 loan.

Plumer Adult Education Endowment Fund

The Fund has a balance of assets at May 31, 2020 of \$15,800, unchanged from year end 2019.

Balance Sheet and Cash Reserves

With the transfer of the CIF's net assets to the GF in January, the Church's GF balance sheet now shows \$2,672.4k in Assets of which \$270.2k are in Cash and Short term Investments. (The balance of Cash and Short term Investments at December 31, 2019 was almost \$100k lower, at \$176.4k.) The balance owing on the

Cornerstone Loan is \$629.8k, little changed from year end 2019. The full \$96.0k of the government loan is shown in Liabilities as at May 31, 2020 and cannot be applied to offset expenses until after June 30th when we apply for and (hopefully) receive full forgiveness of the loan. After deducting Liabilities from Assets, the Net Worth of the General Fund now stands at \$1,656.9k.

The ECC's balance sheet at May 31 shows Assets of \$471.6, down \$46.6k from the December 31st balance of \$518.2k. Cash assets are \$121,4k, down \$52.3k from \$173.7k at last year end.

Looking Ahead

At the time of writing, it is unknown when we will be able to resume in person church services and other meetings on campus, and, open the Childcare Center. When we get to that point, we will likely still be in a social distancing phase which, for the Child Care Center, likely means accepting no more than half of what our operating license permits. This, of course, bears on our ability to generate tuition income, and decisions about staffing needs. It also creates uncertainties for the Church in planning the call for our new senior pastor, and resumption of halted programs and activities. Because of these uncertainties, the 2020 financial Budgets for the balance of this year are no longer a realistic financial gauge of meeting our goals for 2020.

Summation

I shall be stepping down as Treasurer at the end of my current term ending June 30, 2020. It has been a joy and privilege to once again be an active part of our Church's mission, serving on the Admin Board and as your treasurer during this past year. In particular, I want to thank Moderator Renae Boyum and our professional staff, the Reverend Dave Pattee and Reverend Steve Swope for their guidance and support. Of course, I must also recognize the substantial support and help I have had from our ever-patient, capable and hardworking Bookkeeper Heidi Wilcox, as well as our former treasurer Mark Allen.

6. Special Guest: Mark Allen provided updates regarding PPP loan and other steps to provide funding during the past few months. Discussed suggested Bylaw Amendments in Response to a Pandemic Emergency and Consequent Financial and Organizational Stresses.

7. Bylaws, Policies, and Procedures: No reports were submitted

8. Fund Development/Stewardship Report: No reports were submitted.

9. Child Care Committee Report: Written and verbal reports were submitted by Keith Boyum. Key points include:

- The Child Care Center Committee has been focused on re-opening the Early Childhood Center.
- New licensing rules that respond to COVID-19 limit our capacity to 35.
- Survey of Parents / Clients.
- Irma's plans for reopening and procedures to be followed were reviewed by the committee
- Tuition. On June 9, the Committee voted to recommend new tuition levels for Administration Board approval. We would raise tuitions by 9% for full day programs, and by 4% by half day programs.
- Separate 501 c 3. The Committee supports this idea for the Early Childhood Center.
- Review and Update of the Employee Handbook.
- Kudos to Irma, Heidi and Steve.
- Several Resolutions are submitted ; ECC requests that the Administration Board approve these resolutions by motion and vote. The resolutions are as follows:

1. *Resolved*, that the Administration Board authorize a July 6, 2020 reopening of the Early Childhood Center.
2. *Resolved*, that the Administration Board approve the recall of furloughed teachers according to seniority, in line with the policy previously adopted by the Administration Board.
3. *Resolved*, that the Administration Board approve hiring recalled teachers 3 days prior to the July 6 reopening, to do cleaning and sanitizing and setup.
4. *Resolved*, that the Administration Board discontinue payment of health benefits to persons not recalled from furlough. Effective date should be June 30, or if administratively more sensible, July 31.

5. *Resolved*, that the Administration Board approve deferring the 1% COLA for Early Childhood Center staff that was planned for July 1. This may be reconsidered again in September or October.
6. *Resolved*, that the Administration Board approve raising tuitions by 9% for full day programs, and by 4% for half day programs, effective September 1.
7. *Resolved*, that the Administration Board approve asking staff and parent clients to sign a waiver of liability / promise not to sue.

MOTION: To approve Resolutions 1, 2, and 3 as written above. Moved by Renae Boyum and seconded by Penny Portillo. 2 abstentions (Apoorva Ghosh and Laura Palen) and 5 yes votes. Motion carried.

MOTION: To approve Resolution 4 as written above. Moved by Penny Portillo and seconded by Pastor Dave Pattee. Motion carried.

MOTION: To approve Resolution 5 as written above. Moved by Renae Boyum and seconded by David Caruthers. Motion carried.

MOTION: To approve Resolution 6 as written above. Moved by David Caruthers and seconded by Dorothy Duncan. 1 no vote and 6 yes votes. Motion carried.

MOTION: To approve Resolution 6 as written above. Moved by Laura Palen and seconded by Penny Portillo. 1 no vote and 6 yes votes. Motion carried.

10. Administrative Pastor's Report: Written and verbal reports were submitted by Pastor Steve Swope. Key points included:

- **Completed Projects**: Vortex replaced door hardware and adjusted the main entry doors to Plumer Hall. Set in the stabilized "store front" glass, they are now working as they should. Carpets were cleaned and sanitized in the preschool today and in Plumer Hall last month. The property-tax exemption, filed by the Conference, has finally been approved and applied! Our annual property-tax bill will be less than \$5000 for 2019-20.
- **Ongoing Projects**: Our patio-cover contractor sent the City of Irvine updated drawings last Monday. They are waiting approval of the construction permit and will begin as soon as possible. New bid from Larson Lighting to add video cameras in the sanctuary and integrate them into our production system. This would make it possible to combine pre-recorded elements into live worship, now that in-person worship is permitted.
- **Future Projects**: Before we reopen the sanctuary, the carpets will need to be cleaned. Once a reopen date is approved, will schedule that.
- **Reopening IUCC**: Pastor Dave has presented ideas for reopening worship to a limited number, in accordance with state and county guidelines. Once we approve that, we also need to determine when our facilities will be open to outside organizations and under what conditions. I would like to do that as of July 20, conditional on following state and county guidelines. Overall, our facilities are in very good shape, especially given the disuse of the past three months. Because they have been regularly cleaned and inspected, and our offices have been in use, we do not need to do the same amount of work as other facilities which were basically "abandoned" during this period.
- **ECC Separation**: On June 10, I spoke with attorney Cindy Strom Arellano. Would definitely recommend consulting with her and her firm. They have sent a formal Letter of Engagement.

MOTION: To approve the May 28 bid from Larson Lighting and Audio, Inc. for \$6,259.20 to add video cameras in the sanctuary and integrate them into our production system. Moved by David Caruthers and seconded by Penny Portillo. Motion carried.

11. Building & Grounds Report: No reports were submitted.

12. Moderator's Report: Written and verbal reports were submitted by Renae Boyum. Key points included:
- We'll say god speed and farewell tonight to David Carruthers. Thank you for sharing your time and talents with us this past year.
 - We welcome Tricia Aynes as our new moderator and Mark Allen as Treasurer.
 - MARK YOUR CALENDAR -- JUNE 28 at 12:15 p.m. Spring Congregational Meeting (via Zoom). On the agenda are the election of the proposed slate of officers AND the approval of a call to our new pastor. We need 80 members for a quorum.

IUCC Leadership Slate for 2020-21:

Moderator	Tricia Aynes
Admin. Board Chair	Daniel Blackburn
Treasurer	Mark Allen
Admin. Board Clerk	Laura Palen
Congregational Representatives	Dorothy Duncan, Penny Portillo
Ministries Board Chair	Felicity Figueroa
Ministries Board Clerk	Karolyn Fencil
Adult Programs Chair	Eduardo Arismendi-Pardi
Advocates for Peace and Justice	Dave Smith
Communications Chair	Cindy O'Dell
Congregational Care	Lorraine Fox/Cheryl Arismendi
Deacons	Cheryl Trobiani/Craig Tyrl
Fellowship Chair	VACANT
Hospitality Chair	Alex Ingal/Teri Olson
Membership Chair	Randy Romine
Ministry with Young People	Lauren Louie/Shanthi Nataraj
Mission and Service	Steve Goetz/Sharon Lynn
Music Ministry	Pat Sauter
Stephen Ministry	Janet Johnson/Jeanne Maag
Worship	VACANT
Buildings and Grounds	Teri Houston
Human Resources	Dale Vaughan
Bylaws/Policies/Procedures	Anne Rosse
Technology	VACANT
Child Care Center	Keith Boyum
Fund Development	Renae Boyum

- All Administration Board members -- new and returning -- your term of office begins on July 1.
- Tricia will have information about the date and topics for the upcoming Leadership Retreat.

13. Interim Pastor's Report: Verbal report was submitted by Pastor David Pattee. Key points included:
- Information regarding guidance from UCC Conference and the Insurance Company.
 - Vacation 6/19-6/25 and 2 weeks at the end of July.

14. Old Business:

15. New Business:

Legal Representation

MOTION: To enter into agreement re: Representation of Irvine United Congregational Church with the firm of ATKINSON, ANDELSON, LOYA, RUUD & ROMO - A PROFESSIONAL LAW CORPORATION ATTORNEYS AT LAW 12800 CENTER COURT DRIVE SOUTH, SUITE 300

CERRITOS, CALIFORNIA 90703-9364 (562) 653-3200 · (714) 826-5480 and Irvine United Congregational Church to act on legal matters. Re: Letter from ATKINSON, ANDELSON, LOYA, RUUD & ROMO dated June 10, 2020. Moved by Renae Boyum and seconded by Apoorva Ghosh. Motion carried.

16. Executive Session: The Administration Board entered into Executive Session at 9:38 pm.

17. Return to Regular Session: The Administration Board returned to regular session at 10:18 pm.

MOTION: To approve the Senior Pastor Call Agreement between Irvine United Congregational Church and Reverend Sarah Halverson-Cano with the start date as agreed upon between her and the IUCC Pastoral Search Committee. Moved by David Caruthers and seconded by Penny Portillo. Motion carried.

18. Adjournment/Closing Prayer: The meeting was adjourned at 10:20 p.m. per motion by Renae Boyum and seconded by Dorothy Duncan.

The next Administration Board meeting will be Monday, July 20, 2020 at 7 pm.

Respectfully Submitted,

Laura Palen, Clerk of the Administration Board