

**Irvine United Congregational Church
Administration Board Meeting Minutes
October 19, 2020 via Zoom**

Attendance:

Administration Board:

Church Officers: Daniel Blackburn, Tricia Aynes, Mark Allen, and Laura Palen

Congregational Representatives: Penny Portillo, Dorothy Duncan, and Jonard Ingal

Committee/Task Force Chairs: Keith Boyum, Renae Boyum, and Teri Houston

Staff: Administrative Pastor Steve Swope and Pastor Sarah Halverson-Cano

Visitors: None

1. **Call to Order:** The meeting was called to order at 7:05 p.m. by Chair Daniel Blackburn.
2. **Opening Prayer:** The opening prayer was led by Pastor Sarah Halverson-Cano.
3. **Approval of September 21 Meeting Minutes:** Passed as described and submitted to Board Chairperson.
4. **Treasurer's Report:** Mark Allen submitted verbal written report for the five months ending August 31, 2020. Key points included:

1. In total IUCC, we lost (\$50) thous in cash in Sept. 2020 on top of a (\$49) thous. loss in Aug. or about (\$100) thous. in the last 2 months in total. Cash and investments dropped from \$324 thous. to \$274 thous. in Sept and from \$373 to \$324 thous. in the prior month. ***(See also table 1 below on page 2 and table 3(page5))***
 - a. Note that (\$13) thous. of the general fund Sept. negative cash flow is reduction due to prepaids which is normal this time of year for the general fund (See Endnote #1 for explanation, page 15) , so the excess cash loss is closer to (\$37) thous., which is primarily driven by ECC losses and small use of CIF cash used to pay Cornerstone.
 - b. Overall the general fund is doing better than LY/Budget and is not a cash flow problem per se. However, any un-needed spending even in the general fund needs to be evaluated in light of overall cash and investment reserves and our anticipated cash burn rate going forward.

	Dec-19	May-20	Jun-20	Jul-20	Aug-20	Sep-20	2020	
		5	6	7	8	9		
Cash, ending balance	254.1	257.7	263.5	262.0	233.0	212.7		
Cash and short-term inv	140.6	184.6	148.3	111.5	91.4	61.5		
Cash and short-term inv	394.7	442.3	411.7	373.6	324.4	274.1		% of YE '19
Change by Month		(12.4)	(30.6)	(38.2)	(49.1)	(50.3)	(216.5)	-55%
PPP Funds		96.0	0	0	0	0	96.0	24%
		83.6	(30.6)	(38.2)	(49.1)	(50.3)	(120.5)	-31%
Cum. Chng YE '19		47.6	17.1	(21.1)	(70.2)	(120.5)		

Table 1

2. Cash loss since June 1st till Sept 30th is (\$168) thous. Note: \$96 thous. of PPP funds were received on or about May 6th so not included in the \$168k figure above.
3. Total loss in cash for the year is (\$121) thous. which is (\$216) thous. total cash loss less \$96 thous. in PPP funds. (See table 3, page 5) Total Cash loss is (\$131)k from ECC offset by \$11.3k+ in cash from general fund and CIF.
4. Total cash + investments of \$274 thous. at month-end Sept 2020 down from \$394 thous. at year-end 2019.
5. Total IUCC loss for Sept was (\$35.4) thous. vs. (\$37.6) thous in the prior month and YTD loss is (\$251) thous. These amounts don't include the PPP forgiveness as still waiting for PacWest to do application for forgiveness.
6. General Fund shows contributions at \$313 thous. are 7.4% above budget YTD Sept and 4% above LY; total revenue YTD at \$376 thous are 5.6% above budget and 4% above LY. Expenses are running 5% below budget and cash expenses (ex depreciation) are running below LY.
7. This is 5th month in a row that the ECC has lost at least (\$20) thous. The cash loss is about (\$20) thous. as well but the adjusted figure taking into account all aspects is closer to (\$29) thous. partially due to 2nd half of March revenue refunds and tuition deposit refunds due to fewer kids.
8. The PPP programs continues to be up in the air. We have been waiting since July and have had no real movement that suggests the government will do more for operations such as ours.

Notes: (a) when I use the word "Total" I am always referring to the Church (general fund) + ECC and CIF/PEF. Everything else is either general fund or ECC specific; (b) I am not going to do many budget comparisons or LY comparisons except for the general fund as they are basically meaningless at this point. Limited comparisons to the prior month are somewhat more informative in some situations. The end of this document under Supplemental includes the detailed excel P&Ls from Heidi for ECC and the general fund, full financials and some materials on the virus from Goldman Sachs that I found useful. I changed the format of the financial review as I am trying to make it easier to move between the text and the numbers and make it more clear where the numbers are coming from so I blended the financial schedules into the text instead of putting them at the end. Plus, I think this report will get more scrutiny than normal so I included more explanations to make it more complete and understandable.

Total IUCC - Church + ECC

In Total IUCC, during Sept. we lost (\$35.4) thous. versus (\$37.6) thous. in the prior month (Aug). For net income adj for depreciation (EBITDA) the loss was (\$22.8) thous. versus (\$25) thous. in the prior month. (See table 2, page 4 and table 7, page 8)

For YTD Sept., we have a loss of (\$250.6) thous. versus (\$215.4) thous. in the prior period. Net loss adjs. for depreciation YTD Sept was (\$116.1) thous. versus (\$93.3) thous. in the prior month YTD Aug. (See table 8, page 9)

Keep in mind that we did receive the \$96 thous. in PPP funds from PacWest in May and that this figure is in all our cash amounts that I am reporting, but is not in the income statement as we have not yet been able to apply for forgiveness of the debt with PacWest so net income and net income adjs. for depreciation have to be increased by the \$96 thous. to make the most accurate comparison. However right now cash is probably a more important key figure to be focused on rather than income per se.

Total IUCC revenue for Sept was \$63.9 thous. which is down (40%) vs. LY and down (\$6.3) thous. vs. the prior month. (See table 2, page 4) For Sept vs. Aug., an extra \$5k of ECC revenue from a 2 extra kids and also one-time COVID-19 events was offset by (\$13) thous. less in contributions in the general fund. Overall expenses dropped \$8.5 thous from \$107.8 thous. to \$99.6 thous., primarily as a result of lower building and grounds expenses in the prior month related to the water leaking issue.

5. Bylaws, Policies, and Procedures: Anne Rosses submitted written report. Key points included:

- No action by the Administration Board is requested at this time.
- Potential, Proposed, and Recent Amendments to the IUCB Bylaws
- Pending and 2020 changes to Policies and Procedures.

6. Fund Development/Stewardship Report: Written and verbal reports were submitted by Renae Boyum. Key points include:

- Renae met with the Ministries and Administration Boards to share details of the upcoming stewardship campaign, *New Dimensions*. IUCB received 25 pledges from those leaders. Thus far, the total from the leaders is \$123,000. That represents a little over 9% increase from last year's pledges from elected leaders. In addition, IUCB have received pledges from 5 others totaling \$31,025. Pledges now total over \$155,000.
- Letters were sent to member/friends who have pledged over \$5,000. They were invited to attend a zoom gathering to meet with Pastor Sarah and learn of her goals for the future. The purpose of the event was also to say "thank you" for the generosity of these givers. Those 19 giving units last year gave over \$173,000. Thus far, IUCB has received pledges from 9 giving units that total over \$108,000.
- The "official" stewardship letter will be sent via email to all congregation members and friends on Wednesday, October 21. On the giving statements which were sent out last week there was a printed reminder about the upcoming emails. Reminders were also included in the emails sent out by Pastor Steve twice a week. "Snail mail" letters will also go out to several members who do not have access to the internet.
- The stewardship theme, *New Dimensions*, will be the focus of upcoming worship services on October 25, November 1, November 8, and November 15. The committee hopes members and friends respond enthusiastically to the bold, brave and exciting *New Dimensions* that lie ahead. **QUESTION for the Administration Board -- What is the financial goal for which we are striving??** A number, even a "best guess" would be helpful.
Note: Administration Board recommends a target number of \$475,000.00 with a 6 to 7% increase in giving from each giving unit. One quarter coming from leadership and three quarters coming from the congregation.
- The FDC committee is being very proactive and intentional; will be professionally persistent and respectfully relentless in all efforts.

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

- Enrollments and Finances.
- General Outlook for the Preschool over the Next 18 Months.
- Cindy revised the banner for the IUCB Early Childhood Center Facebook page.
- Cindy planned to investigate buying an ad on Google, and seeking priority when people search for child care in Irvine.
- On the IUCB landing page, we say: *The Child Care Center is open and taking enrollments*. On the preschool tab from the IUCB.org home page, Cindy added photos and videos.
- Outreach to Our Own Clients
- Relationships with Other Irvine Childcare Centers
- Notices and Outreach including NextDoor neighbor advertising, Newsletter, Flyers, Banner along Alton, and Other (4 items)
- An Analysis of Early Childhood Center Enrollments, Tuitions, and Expenses: October 2020 including Previous Licensing Requirements, The Current Constraints: Both Licensing Maximums *and* Square

Feet (Social Distancing) Mandates, Apparent vacancies that could be filled without hiring additional teachers, and Implications (ECC hopes to break even in 6 to 7 months).

MOTION: To approve an outreach to families whose children have “aged out” of preschool, to be a letter from Pastor Sarah that invites donations to the ECC, and that also offers finder’s fees in these amounts, payable when a new client completes 90 days at our ECC: \$400 for a full-time, five-day enrollment; \$200 for part time enrollment. Moved by Tricia Aynes and seconded by Dorothy Duncan. Motion carried unanimously.

MOTION: To approve development and distribution of paper flyer that says the ECC can waive the registration fee with an end date within the next six months to be determined at the discretion by the Child Care Committee. Moved by Mark Allen and seconded by Tricia Aynes. Motion carried.

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

- Completed Projects
- Ongoing Projects
- Future Projects
- South Coast Water District Project
- Directory

10. Building & Grounds Report: Oral report was submitted by Teri Houston. No problems to report at this time. Some new plants were added.

11. Moderator’s Report: Written and verbal reports were submitted by Tricia Aynes. Key points included:

- Met with Pastor Sarah on October 8 to discuss plans and establish goals.
- Has been attending Fund Development and Child Care Committee meetings.
- Requests Admin Board approval of proposed 4 Point Plan for the Future:
 1. Pursue all available options to bring the preschool to a point where its revenues cover operating costs (break-even). This would involve a full press effort to increase enrollment, which we are doing right now. However, we must assume that the preschool will not be able to provide real income to the church for the next 12-18 months, after which we anticipate it will rebound.
 2. Increase congregational giving to bridge the gap, at least partially. Explain that the preschool has been a valued ministry and source of substantial income for decades, but it needs our financial support right now to recover and grow back to its full potential.
 3. Constrain expenses. Look into ways to curtail or delay costs that do not impact day-to-day operations.
 4. Explore a loan to tide us over. Apply for a relatively small loan that is low interest and designed to help businesses affected by COVID-19. It would lessen anxiety and serve as a bridge to tide us over until we can recover. Specifically, explore PPP loan, SBA loan, and Cornerstone loans.

After some discussion, the Admin Board approved this 4 Point Plan by consensus.

12. Pastor’s Report: Written and verbal reports submitted by Pastor Sarah Halverson-Cano. Key points included:

- First four weeks of ministry
- partnering and supporting the work of church staff and leaders.
- Focusing on three main areas:

1. The Missing Demographics: asking how can we be more inclusive of Gen X, Millennials and their children?
2. Our Childcare Center – how can we mine it as a social enterprise? And during this stressful time of the pandemic, how can we ensure its success?
3. To Amplify our Voice in the Community -how can I help to uplift the work that is already being done here at IUCC and ensure that we are not hiding our light under a bushel-but shining for all of OC to see?
 - As other places of worship return, we might begin to prepare with options for what our congregation is interested in.

Pastor Sarah reported that she would like to explore plans and goals for when/how we could re-open and what levels of comfort and safety would be. Daniel felt that every in-person activity should require explicit Admin Board approval until we have a better idea of how things are going. There was some discussion about a survey developed by Interim Pastor Dave Pattee and Admin Pastor Steve Swope that sought congregational input about re-opening. Pastor Sarah will review and update that survey with Steve.

14. Old Business: None

15. New Business:

(A) Record IUCC eVote

10/15/20 per email from Daniel Blackburn:

“I (David Perez) had requested this Sunday 10/25, 4pm-6pm, as a placeholder for trunk or treat a while back and after speaking with Pastor Sarah and conferring with our MYP co-chairs, we would like to proceed. It will be a fun, simple way to have some in-person activity on campus for those who feel safe enough to engage. Here are the guidelines discussed:

- Masks and social distancing will be required
- One person to purchase candy and assemble giveaway bags (see attached photo)
- IUCC folks will be invited to dress up and decorate their car/trunk for photo ops (selfie station/photo booth)
- Giveaway bags would be placed with 6ft distance between trunk person and reasonable distance between individual bags to prevent skin contact between treat or treaters

I know our co-chairs Shanthi and Lauren are planning on decorating their vehicles and helping with the giveaway bags. We’d love to have more join in, if possible.

Any feedback would be much appreciated.”

Jon Ingal added “I did not see it mentioned, but I think hand sanitizer should be available for anyone who wants to use it. Also, a costume mask is not a substitute for a cloth mask (according to the CDC).”

Voting quorum was attained. **Motion passed 5 to 1 per email 10/16/20 from Administration Board Chairperson.**

(B) Communication of Admin Board actions: Daniel and Tricia provided a brief overview of a recent communication failure when a decision made after leaving Executive Session did not reach appropriate parties in a timely fashion. Daniel agreed to be the designated conduit for follow-up on decisions reached during or after Executive Session.

16. Executive Session: The Administration Board entered into Executive Session at 8:35 pm.

17. Return to Regular Session: The Administration Board returned to regular session at 9:55 pm.

MOTION: To bring Roxanna Caetano back as a substitute teacher for the ECC. Moved by Mark Allen and seconded by Tricia Aynes. Motion carried.

MOTION: To approve not giving the days between Christmas and New Years as paid non-duty days for the ECC staff. The Christmas, New Year, Good Friday, and Easter holidays will return to the prior pay schedule. Moved by Mark Allen and seconded by Tricia Aynes.

18. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 10:01 p.m. per motion by Mark Allen and seconded by Penny Portillo. Motion carried.

The next Administration Board meeting will be Monday, November 16, 2020 at 7 pm.

Respectfully Submitted,

Laura Palen, Clerk of the Administration Board