

**Irvine United Congregational Church
Administration Board Meeting Minutes
February 16, 2021 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

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

Visitors: David Schofield

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 December 21 Meeting Minutes: Passed as described and submitted to Board Chairperson.
4. Treasurer's Report: Mark Allen submitted verbal and written reports for the eleven months ending January 31, 2021. Key points included:

Overall Summary

January results overall were generally on plan for Total IUCC. The ECC losses continue but are shrinking as we increased headcount to 38 children in Jan. from 35 children in the prior month; however, we are still losing money, albeit at a slower rate than this fall and early winter. Feb. 2021 ECC revenue is forecast at \$39 thous. for approx. 37 children, so Feb. results will likely be on plan as well, but its not likely we will reach breakeven in the 1Q at the current rate.

Total contributions were below plan and LY but expenses were also better than plan. The 2nd PPP loan was funded at the end of the month by PacWest, but the Cornerstone credit facility will likely take until March to fund as a subordination agreement is required from our neighbor Woodbridge Village Assoc. (i.e., same document as for the 1st credit facility) but it may not be signed until March due to their board meeting schedule. Cash and investments increased to \$463.3 thous. due to the 2nd PPP loan and better performance overall than budget for cash + investments from \$290.7 thous. at year-end 2020.

We also need to remember we have used almost (\$200) thous. in cash since year-end 2019 as of Jan. 31st. We may likely use up to another (\$200) thous. - (\$250) thous. during 2021 and some potential cash loss during 2022, which will have to be offset by the 2nd PPP loan of \$172 thous. and additional borrowing capacity from the new LOC, so we are not out of the woods yet until we reach breakeven for the ECC and regain at least a modest level of profitability to offset the extra expense load in the general fund.

Total IUCC Results

Total IUCC had a loss of (\$27.5) thous. for the month of Jan. 2021 vs. a budgeted loss of (\$26) thous. for the month, producing a (\$1.6) thous. negative variance and vs. a profit LY 2020 of \$10.5 thous., or a variance of (\$38.1) thous. Adjusted net income for depreciation for the month was (\$14.9) thous. vs. a budgeted figure of (\$13.4) thous. Adj. net income LY Jan 2020 of \$34 thous. was impacted favorably by a \$21.5 thous. one-time item.

Total cash went from \$239.6 thous. at year-end 2020 to \$240.2 thous., or a \$0.6 thous. increase vs. a budgeted decrease of (\$41.3) thous., the cash figure vs. budget figure was driven by higher prepayments than anticipated and investments increased by the amount of the 2nd PPP loan/grant of approx. \$172 thous. booked in Jan 2021. The budget was also revised at the annual meeting to account for the increased 2nd PPP amount from \$130 thous. projected to \$172 thous. actual. Total cash + investments increased to \$463.3 thous. from \$290.8 thous. at year-end 2020. Total cash + investments was \$71.2 thous. better than the budgeted amount of \$392.2 thous. due to better prepayments of contributions by approx. \$25.8 thous.

ECC Results

The ECC's loss improved to (\$5.3) thous. from (\$9.8) thous. in December 2020 on a comparable basis without one-time grant money and payroll (i.e., Dec. '20 was a (\$2.0) thous. loss including \$9.8 thous. in grant money and \$2.0 thous. in one-time payroll). (*See Table 6 below*) This is the smallest loss since the beginning of the pandemic. The actual net loss was \$1.0 thous. better than the budgeted figure of (\$6.3) thous. for the month. Adjusted net income for depreciation was (\$3.2) thous. vs. a budgeted figure of (\$4.2) thous. and vs. \$10.1 thous. LY. The prior month adj. net income for depreciation on a comparable basis was a (\$7.7) thous. loss.

Revenue increased from \$35.3 thous. in Dec. 2020 to \$37.2 thous., a 5.4% or \$1.9 thous. increase month over month. Revenue was generally flat to budget or only (1%) down. However, revenue is still down (40%) year over year from Jan. 2020 which was \$63 thous. Payroll at \$37.4 thous. or 99.7% of revenue for Jan. 2021 was generally flat to the budgeted figure of \$36.8 thous. and was \$3.0 thous. better than the prior month of \$40.4 thous. Other non-depreciation at \$3.3 thous. was \$2.0 thous. better than budget.

Net operating cash flow was positive or \$0.7 thous. for the month vs. (\$19.8) thous., a \$20.5 thous. positive variance. Net change in cash flow was also \$0.7 thous. for the month vs. a budgeted figure of (\$22.3) thous. (including \$2.5 thous. in general budgeted capex).

MOTION: To put \$500 into the 2021 budget for the new Diversity & Inclusion Ministry. Moved by Tricia Aynes, seconded by Mark Allen. Motion carried.

5. **Bylaws, Policies, and Procedures:** Anne Rosse submitted a written report. Key points included:

- **Bylaws** Four amendments were approved by the congregation on January 31-
 - a. Creation of the Ministry of Diversity and Inclusion
 - b. Revised Vision Statement
 - c. For the Ministries Board Youth Representative, a Change in Voting Status
 - d. New Indemnification Language
- **Policies & Procedures** There are currently two pending policies and procedures. As a reminder, new and revised policies and procedures require approval by the Admin Board; congregational approval is not necessary.
 - a. Revision of Policy 3.01, Cash Management
 - b. Policy 1.17, Motor Vehicle Safety

6. Fund Development/Stewardship Report: No report submitted. Steve Swope reported that per Fund Development Chair Renae Boyum, we currently have 128 pledges totaling \$428,460.

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

- Classroom Closing Story : At the end of January, the teacher for the two-year-old classroom tested positive for COVID. This was, remarkably, our first instance of that, since we reopened in July. Following protocol and policy, the ECC director sought advice from the Health Department. The Health Department was slow to respond, getting back only after about two days. The Health Department made the expected judgment, that the classroom had to close, and it was closed. Although the Health Department said that, because of our very safe policies – notably, that the ECC does not mix kids and does not mix teachers together; they are in separate rooms – there was no need for other staff to be tested, the ECC director and another took tests. They came back negative. There was also no need for other classes to be closed, and they were not closed. The two-year old classroom reopened on Friday, February 5.
- The Committee proposes changes and new policies for Board consideration. These are related to Waiving Certain Early Childhood Center Charges and Making Certain Refunds, Paying Teachers for Time Spent in Quarantine, Testing for Infection, and Vaccinations.
- Other updates

MOTION: When a parent client requests a refund of a deposit, or the waiver of a tuition charge or deposit that otherwise is due or payable to IUCC, or when the Director of the ECC in consultation with the Senior Pastor determines that it will be wise to make a refund or waiver: The Director of the ECC may recommend to the Senior Pastor that a waiver or refund be made; and if the Senior Pastor agrees, the Senior Pastor shall direct the IUCC bookkeeper to make the refund or waiver. Any such refund or waiver shall be reported to (a) the Chair of the Administration Board, the Moderator, and the Treasurer, at the time of the refund or waiver; and (b) to the Administration Board at the Board's regular monthly meeting. Any refund or waiver accomplished pursuant to this policy shall not exceed \$1,000 or half of the monthly tuition for the most expensive child care program offered by the ECC, whichever is greater. This amount shall be per incident. Approval to include sending to the Bylaws and Policies & Procedures Committee for any necessary clarification. Moved by Tricia Aynes, seconded by Dorothy Duncan. Motion carried.

MOTION: To provide ECC teachers with up to ten days paid leave while they are under quarantine. Motion to include compensating any affected teachers retroactively for time lost since the ECC's reopening in 2020, including possible restoration of sick or vacation days taken since the reopening. This quarantine shall be limited to ten calendar days, which means that normally fewer than ten paid days would be eligible for quarantine pay. Moved by Mark Allen, seconded by Tricia Aynes. Motion carried.

MOTION: Because serious communicable diseases may arise from time to time, and in order to ensure the safety of employees, congregation members, ECC clients and families, and the community, the employer, acting through the Administration Board, may require IUCC employees to receive a test or a vaccine as a condition of continued employment. The Administration Board will specify whether a requirement will apply either to all IUCC employees, or to employees whose assignments are specifically in the ECC, and will apply to all persons in the designated category. Persons unwilling to receive an employer-mandated vaccination or test, may be placed on leave, or may be terminated, in the discretion of the employer. If tests or vaccinations are not mandated by the ECC licensing agency, and if an ECC employee requests an exemption due to a bone fide pre-existing health condition, or due to a sincerely held religious belief, the Board may investigate the request in any reasonable way, including by asking the employee for a letter from a medical doctor, by detailed interview concerning religious beliefs, or by other means. Approval to include sending to the Bylaws and Policies &

Procedures Committee for any necessary clarification and for inclusion in the Employee Handbook. Moved by Tricia Aynes, seconded by Mark Allen. Motion carried.

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

- Completed Projects: None
- Ongoing Projects: The City of Irvine still has not finalized the approval of a permit for the patio-walkway cover; I talked with a Planning Dept. staffer to try to clarify some of their issues and finish the process. A new computer is on order for the Administrator's desk, and the old computer will be set up in the spare office, with the assistance of Masra Tech. All church computers have been upgraded since 2017. Pastor Steve suggests a regular replacement schedule for computer equipment, every 5 years over a 3- to 4-year period, to keep current with new technology and software needs (and a similar schedule for the preschool).
- Future Projects: The carpet cleaning and lightbulb replacement in the sanctuary is on hold, also piano tuning. Pastor Steve will schedule window cleaning once the winter rains have ended. ECC carpets will be cleaned again around Easter.
- SCWD Parking-Lot Project: The project is currently about a month behind schedule, due to parts delays and rain. Completion date will probably be in late April.
- Organic Waste: IUCC has received (free) food-waste containers for the preschool and Plumer Hall kitchens from the City of Irvine. The Green Faith Committee is researching composting and other ways to reduce waste.
- Cub Scout Request: Cub Pack 654 (which includes Ananth Strasma and leader Paul Strasma) would like to use the IUCC parking lot on Saturday, March 13 to hold their Pinewood Derby. Orange County BSA currently encourages packs/troops to follow the OCDPH guidelines for day camps: stable cohorts of youth and leaders (similar to the "pod" or "bubble" approach used in our preschool, where classes do not mix and teachers stay only with one class). Their one-page proposal is available to read.

MOTION: To approve the Feb. 2021 - Pack 654 Pinewood Derby Proposal to allow the Scouts to conduct an outside Pinewood Derby in our parking lot on March 13. Moved by Tricia Aynes, seconded by Dorothy Duncan. Motion carried.

9. Building & Grounds Report: No report was submitted.

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

- The IUCC virtual Winter Congregational Meeting on January 31, 2021 went smoothly: Pastor Sarah presented a State of the Church report; Treasurer Mark Allen presented the 2021 Budget; the Chairs of the Diversity & Inclusion Task Force spoke about the work they have been doing towards becoming IUCC's newest ministry; and four bylaw amendments were passed.
- The IUCC Treasurer announced IUCC's receipt of a second round of government Paycheck Protection Program (PPP) funds in the amount of nearly \$172,000, which was significantly more than had been forecast. Receipt of this PPP funding will help lower the amount of money we need to draw down on our line of credit from Cornerstone, which is very good news.
- The 2021 Budget was passed with two amendments:
 - (1) Delay implementation of employee insurance cost-sharing benefit adjustment from January 1, 2021 to April 1, 2021.
 - (2) Adjust budget numbers to reflect higher PPP figure of \$172,000.
- Delay implementation of employee insurance cost-sharing benefit adjustment from January 1, 2021 to April 1, 2021.

- Adjust budget numbers to reflect higher PPP figure of \$172,000.
- The congregation voted unanimously to welcome the Ministry of Diversity & Inclusion, which is now an official part of IUCC Bylaws.

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

- Focus on MYP Ministry
- Issue raised in December related to intellectual property and tax law.
- Interactions with Child Care committee related to Covid case at ECC.
- Work with Congresswoman Katie Porter's office and First Five to try to secure the vaccine for staff as soon as it becomes available.
- Outreach to those 65 and older in IUCC congregation for covid19 vaccinations.
- Four way covenant with Mary Scifres.
- Adapting the Christmas Eve proposal for an Easter in person service at 8:30am on Easter Sunday.

MOTION: To pursue using the plan developed for last Christmas Eve (but not used) to provide an Easter morning live outside service without communal music. Attendance to be capped at 45 people and considered a one-off (not a general reopening of live services). This decision will be subject to review by the Coordinating Council a week prior to determine if current conditions allow moving forward with it. Moved by Tricia Aynes, seconded by Dorothy Duncan. Motion carried with one "no" vote (Mark Allen).

12. Old Business:

Presentation from David Scofield: Entering into four way covenant with Mary Scifres, Mary Scifres Ministries, IUCC, and the Southern Association of the Southern California Nevada Conference UCC. This is a standard covenant. David Schofield will be liaison between IUCC and the Mary Scifres Ministry.

MOTION: To approve the 4-way covenant between Mary Scifres, Mary Scifres Ministries, IUCC, and the Southern Association of the Southern California Nevada Conference UCC. Moved by Penny Portillo, seconded by Jon Engel. Motion carried.

13. New Business:

(A) Record IUCC eVote to hire substitute teacher:

Per email from Daniel Blackburn 02/04/21:

"Hi everyone,

Pastor Sarah is requesting that we approve the hiring of ____, pending the successful outcome of a second interview with Pastor Sarah, as a substitute teacher at the rate of \$17/hr which is in range with what we're paying our other sub. As some of you likely remember, we had two subs in our pool pre-pandemic so this hire will bring us back to normal.

The timing here is slightly unusual in that usually the Admin Board would not approve of a hiring until all interviews have been completed. In this case, Pastor Sarah would like us to move a bit faster because there is a decent chance that we will need to use this sub next week. Us approving the hiring now means that paperwork for the hiring can be completed a few days earlier. Given that Irma has already interviewed this candidate and feels she is a strong fit, I am ok with deviation from normal procedures.

Additional email from Pastor Sarah to Daniel Blackburn on 02/04/21:

“Hi Daniel,

I'd love for the Admin Board to approve a new substitute teacher for our preschool. When we have our own substitutes we don't pay the high rate that is charged through the agency.

Please approve the hiring of ____, a preschool teacher with 4 years of experience working with ages 2-5 years old, pending my interview with her which will take place before next Tuesday. She has her associates degree and has her certificate in early childhood development. Rate of compensation is \$17 an hour.

Rather than wait for our next board meeting on the 16th we'd appreciate a vote so that we have a second substitute on hand should one be needed. Unfortunately, this can be urgent at times because we only have one substitute and she is scheduled to be out of town next Friday, the 12th and will then have to quarantine before her return and won't be available again until March 4th. “

Voting quorum was attained. **Motion passed per email 02/06/21 from Administration Board Chairperson.**

14. Executive Session: None

15. Return to Regular Session: N/A

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 8:28 p.m. per motion by Laura Palen and seconded by Penny Portillo. Motion carried.

Respectfully Submitted,

Laura Palen,
Clerk of the Administration Board