

**Irvine United Congregational Church  
Administration Board Meeting Minutes  
May 17, 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, Anne Rosse

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 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 April 30, 2021. Key points included:

**Overall Total IUCC Summary**

Total IUCC 2021 April results were a net loss of (\$13.2) thous. vs. a loss of (\$5.7) thous. in March and a Feb. loss of (\$13.7) thous. (see chart 1). Results were also better than the Apr. budget of (\$25.0) thous. by \$11.5 thous. as total revenue was \$80.5 thous. or 2.5% or \$2.0 thous. better than budget and expenses at \$98.7 thous. were 10% better or \$9.8 thous. better, primarily positive payroll, committees and admin. had positive variances.

The ECC shifted to a loss of (\$2.2) thous. vs. its first profit at \$2.4 thous. for the month of March and the general fund had a loss of (\$10.9) thous. in April.

Net income adj. for depreciation was (\$0.5) in April vs. a budgeted figure of (\$12.3) thous. and poorer than the prior month of \$6.9 thous.

Total change in cash + investments for the month was (\$20) thous. which is poorer than the previous month of \$5 thous. . The change was \$16.6 thous. better than the budget of (\$36.6) thous. and was (\$25.0) thous. poorer than the prior month. Total cash + investments dropped from \$464.4 thous. to \$444.6 at month-end April.

The increase in Jan. was due to the 2<sup>nd</sup> PPP loan/grant of almost \$172 thous.

We also need to remember we have used almost (\$218) thous. in cash since year-end 2019 as of Apr. 30th. We may likely use up to another (\$150) thous. - (\$200) thous. during 2021 and the early part of 2022, which will have to be offset by the 2<sup>nd</sup> 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.

The Total IUCC YTD loss is (\$60.1) thous. (table 3) vs. a budgeted figure of (\$102.3) thous. producing a positive variance of \$42.2 thous. YTD April. Revenue is (\$3.5) thous. under budget or (1.1%) and expenses are \$45.7 thous. or 11.1% better than budget, comprised of personnel, committees and administrative expenses positive variances.

General fund YTD contributions at \$137.7 thous. were (\$4.6) thous. poorer or (3%) poorer than budget and were 5.9% better than LY YTD of \$130.0 thous. Total income at \$160.0 thous. was (1.7%) or (\$2.8) thous. poorer than budget, but was (\$22.8) thous. poorer than LY of \$182.8 thous. LY included approx. \$20 thous. in one-time non-operating gains to income in January 2020. Absent these one-time gains the variance would have been approx. (\$5.0) thous. vs. LY YTD.

For Total IUCC, cash and investments decreased from \$463.3 thous. in January to \$459.8 thous. at month end February to \$464.4 thous. in March 2021, a small increase of \$4.9 thous. for cash + investments for the month from \$290.7 thous. at year-end 2020. The increase in Jan. was due to the 2<sup>nd</sup> PPP loan/grant of almost \$172 thous. Budgeted cash + investments at month-end April was \$326.3 thous.

We also need to remember we have used almost (\$218) thous. in cash since year-end 2019 as of Apr. 30th. We may likely use up to another (\$150) thous. - (\$200) thous. during 2021 and the early part of 2022, which will have to be offset by the 2<sup>nd</sup> 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.

### **ECC Results**

The ECC's results dipped slightly to a (\$2.2) thous. loss for April vs. a \$2.4 thous. profit in March, a (\$0.9) loss in Feb. and a (\$5.3) thous. loss in Jan. Revenue was up by \$0.9 thous. vs. the prior month but personnel costs were also up to \$36.5 thous., a \$5.6 thous increase vs the prior month, see the reasons below. Building rent increased from \$750 to \$1,250 as planned and janitorial costs increased by \$195 for the month.

Networking days decreased from 23 days in March to 22 days in April, which is slightly higher than average of 21.75 so the increased payroll is a bit perplexing. We ran an extra 229 hours in April than March despite fewer work days. Total comp as a % of revenue increased to 90.21% from 78.23% in the prior month (see table below) We had about 119 hours for personnel taking off time related to the vaccine and sickness. Substitute hours totaled 108 hours and there were 33 hours of vacation. It's a little difficult to determine a base amount of hours but obviously a good portion of the hours in April were one-time events related to sickness/vaccine, but there is always some amount of sickness, vacation and sub hours in any given month but it does vary.



Revenue was about on budget at \$40.5 thous. or a 4% increase versus the budgeted figure of \$38.9 thous. Revenue increased from \$39.5 thous in March, \$37.1 thous. in Feb. and \$37.5 thous. in January. Revenue has generally been on a slow trajectory upward since the fall (excluding one-time items in Dec. 2020).

Children decreased from 39 in March to 39 in April (See figure 1 below) and are projected to be 38-39 in May with est. revenue of \$40.0 thous., so basically flat to April. Avg. revenue per child increased slightly to \$1,065 from \$1,015 in March; and \$1,002 and \$988 in the prior two months of Feb. and January 2021, respectively.

Other, non-depreciation/non-payroll expenses at \$4.1 thous. were \$1.9 thous. better than budget and almost even to the prior month.

Total change in cash + investments was (\$9.5) thous. vs. \$7.1 thous. in the prior month and vs. a budgeted figure of (\$7.9) thous., producing a variance of (\$1.6) thous. against the budget.

### **ECC Results YTD April 2021**

The loss YTD Apr. was (\$6.0) thous. vs. a budgeted figure of (\$21.9) thous. or a positive variance of \$16.0 thous. and was \$5.8 thous. better than YTD LY of (\$23.8) thous. While revenue was \$154.2 thous. YTD and was (\$0.7) thous. poorer or (1%) than budget and (\$22) thous. poorer than LY YTD. Expenses were \$16.6 thous. better than budget, including payroll that was \$9.1 thous. better and non-payroll that was \$7.5 thous. better. Net income adj. for depreciation was a profit of \$2.5 thous. and was \$15.9 thous. better than budget of a loss of (\$21.9) thous.

Net operating cash flow (“NOCF”) YTD Apr. was (\$3.4) thous. vs. a budgeted figure of (\$30.0) thous. The larger budgeted loss in cash in NOCF was due to the assumption that deferred tuition due to the pandemic in March 2020 would be refunded faster or recognized as revenue faster than it has actually been refunded in the actual results. Total change in cash and investments YTD April was \$6.4 thous. vs. a budgeted figure of (\$31.5) thous., producing a positive variance of \$31.6 thous. ECC cash + investments balance was \$25.4 thous. vs. a budgeted figure of (\$6.2) thous. and a LY figure of \$136.0 thous., producing a negative variance vs. LY of (\$110.7) thous.

5. Bylaws, Policies, and Procedures: Anne Rosse submitted a written report. No action is needed. Key points include:

- The committee recently has been asked to take up two issues:
  1. From a desire to demonstrate our commitment to empowering youth, looking at how non-corporate members (who are under the age of 18) could serve in leadership roles. This would likely entail a bylaw amendment.
  2. Use of church media to promote such matters as a staff member’s wedding registry. This would likely entail a new policy and procedure.
- The committee also has the following additional topics to be addressed:
  1. Working with Treasurer Mark Allen to revise Policy 3.01, Cash Management;
  2. Supporting the new Diversity and Inclusion Ministry’s expressed desire to review our bylaw language for inclusivity when they are ready to undertake that project; and
  3. As needed, additional policy and procedure work that may arise from our lived experiences during a pandemic.

6. Fund Development/Stewardship Report: Written and verbal reports were submitted by Renae Boyum. No action is needed. Key points include:

- Committee is discussing ways to expand the "giving salons" to all those who made financial pledges in 2021. Salons scheduled for May, June and July. The purpose is to check in with members and give them a chance to share their hopes and dreams for the future of IUCC.
- The FDC committee continues to meet and is focusing on "planned giving" programs and opportunities for the future financial health of IUCC. The committee is exploring ways to give more information to IUCC members/friends about ways to give for the future beyond the yearly pledge. The committee has examined various web sites of other churches and has been in contact with the UCC as well as United Church fund. At the next meeting the committee will be discussing a draft proposal on how to move forward systematically and thoughtfully with planned giving. The committee will present a proposal to the Administration Board in the near future.

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

- Tuition rates for Fall 2021. The Committee requests that the Board adopt the tuition schedule for IUCC that is shown in Column H on page 2 of the ECC committee report, which shows a 6% increase.
- Teacher Salaries.
- Covid in the Two Year Old Classroom. Following policy ECC reimbursed the tuition of five children for the nine days of closure, but the family of the child who was sick from Covid was not reimbursed: we have a standing policy that a child's illness does not trigger a tuition refund.
- Teacher Appreciation.
- Governor's Proposed Transitional Kindergarten. The report includes an excerpt from the State Department of Finance overview of Governor Newsom's proposal to move to universal transitional kindergarten. This may be consequential for IUCC as we anticipate future enrollments in our Child Care Center.

**MOTION: To approve an IUCC Child Care Center tuition rate increase of 6% to take effect in October 2021. Moved by Mark Allen and seconded by Jon Ingal. Motion carried.**

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

- Completed Projects: Carpet cleaning is scheduled.
- Ongoing Projects: Furnace filters will be replaced; patio cover permit is still in process. The SCWD project should be done by early June, restoring use of our full parking lot to both us and Woodbridge.
- Future Projects: Once the new/relocated dumpster enclosure can be used, Pastor Steve will install the trash dumpster and replace the lock on the enclosure door. In late August a green-waste dumpster will be ordered to begin recycling organic waste, and the current trash dumpster downsized. Later this summer the preschool will begin shifting its food-waste practices to prepare for recycling in September.
- Re-Opening IUCC. Reservations are being taken for the first indoor worship service on May 23. Pastor Steve has contacted the approved groups regarding coming back to IUCC facilities. The Seekers jumped right in; the Buddhist study group is holding off until 2022. Others have been slow to make plans.

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

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

- Spring Congregational Meeting via Zoom on Sunday, May 16. Members voted to ratify the Nominating Committee's list of recommended leaders, received written reports from our ministry and committee chairs, and heard the treasurer's report. There were a few positions that we found challenging to fill, the most critical of which is Deacons Chair. We had hoped for nominations from the floor at the congregational meeting, but that did not happen. While there is someone willing to cover the basics of the job for the short term, he already has solo chair responsibilities for another ministry. Please keep **your** eyes and ears open for a possible candidate who is willing and able to serve in this very important capacity.
- I continue to be an active participant on the Child Care Committee and the Fund Development Committee. The Child Care Committee has been focused on the emotional well-being of our preschool staff as well, celebrating Teacher Appreciation Week with small gifts, posters, and a nice dinner for the ECC teachers. We owe special thanks to committee members Linda Heath, Sandy Sudweeks, and Pastor Sarah for these efforts.
- Leadership Retreat (usually held mid-July) and installation. Suggested date is July 17, 2021 (later rescheduled to July 24).

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

- Ministry with Young People status.
- Work with the Fund Development committee.
- Work with the ECC and the Child Care Committee.

12. Old Business: None

13. New Business: None

14. Executive Session: The Administration Board entered into Executive Session at 7:46 pm.

15. Return to Regular Session: The Administration Board returned to regular session at 8:28 pm.

**MOTION: To terminate the current IUCC technician and hire a contractor for this position on a temporary basis. The open position will be posted. Moved by Tricia Aynes and seconded by Dorothy Duncan. Motion carried.**

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 8:32 p.m. per motion by Mark Allen and seconded by Penny Portillo. Motion carried.

Respectfully Submitted,

Laura Palen,  
Clerk of the Administration Board