

**Irvine United Congregational Church
Administration Board Meeting Minutes
July 19, 2021 via Zoom**

Attendance:

Administration Board:

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

Congregational Representatives: Shanthi Nataraj, Chuck Heath, and Jonard Ingal

Committee/Task Force Chairs: Keith Boyum, Renae 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 7:10 p.m. by Chair Daniel Blackburn.
2. Opening Prayer: The opening prayer was led by Pastor Sarah Halverson-Cano.
3. Approval of June 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 June 30, 2021. Key points included:

From: Mark Allen, Treasurer IUCC
(madallen@msn.com/612-868-1939)

Re: IUCC June 2021 Financial Statements & Adjs to May FS

Overall Total IUCC Summary for June

Total IUCC June 2021 loss was (\$32.4) thous. vs. budget of (\$24.0) thous. or a negative variance of (\$8.4) thous. for the month vs. budget and vs. an adjusted May loss of (\$19.2) thous. in the prior month and a loss LY of (\$29.5) for June 2020. The general fund loss was (\$24.3) thous. and the ECC loss was (\$8.1) thous. for the month. Total revenue was \$66 thous. or (\$19.9) thous. or (23.1%) less than budget but only (\$5.9) thous. less than the prior month of May. Total expenses at \$98.5 thous. were \$11.5 thous. better than budget \$ and were (\$7.5) thous. poorer than the prior month of \$91 thous. Personnel costs at \$65.8 thous. were 7% better than budget. Payroll% was 99.6% for June vs. 82.4% budget or (17.2%) poorer and 80.2% in May '21. Personnel costs increased from \$57.7 thous. in May 2021 to \$67.8 thous., primarily due to the ECC personnel costs increasing \$2 thous. as June had one additional working day worth about \$2 thous. and pandemic related expenditures to 2 employees of about \$5.4 thous.

Adjs. net income for depr. (chart 1) was in June (\$19.8) thous. and budget was (\$11.4) thous., producing a negative variance of (\$8.4) thous. Total change in cash + investments was (\$35.7) thous. vs. (\$3.5) thous. budgeted and vs. (\$13.2) thous. in the prior month. This is our 3rd consecutive month of negative cash flow. Total cash and investments dropped from \$463 thous. (after \$171k in PPP in January 2021) to \$396 thous.

Adjustment to May 2021 Results

Total IUCC 2021 May results were a net loss of (\$25.8) thous. however, after the fact we realized that hadn't fully recognized the portion of prepaid contributions for the month so we needed to adj. the May results by a positive \$7 thous. (see table 1 below) so that the adjusted results were (\$19.1) thous for Total IUCC net income. Rather than adjust June, we just went back and adjusted May 2021 as it should have been.

Total contributions were (40.9%) down or (\$17.4) thous. poorer this was composed of a (\$15.2) thous negative variance for pledged contributions and a (\$2.2) thous. negative variance for non-pledge.

ERTC Status

The above calculation (table 3) for the ERTC shows that we were eligible in 2020 Q2, Q3 and Q4. That means we were less than 50% of revenue in Q2 or (61.7%) and we were less than (20%) in Q3 and Q4. In addition we were eligible in 1Q 2021 at (29.0%) and currently based **on June actuals we are eligible for the ERTC at (28.9%) for 2Q 2021 revenue vs. 2019 2Q with a \$27.3 thous. cushion.**

Revenue in April was just below (20.5%) vs. 2019 and was much lower in May at (23.9%) and for June is at (40.7%). June revenue is budgeted at \$85.9 thous. and came in at \$66.0 thous.

Current forecast shows (all else equal) we will not be eligible in 3Q and 4Q 2021 as we have negative cushion in both months of (\$21.7) thous. in the 3Q and (\$8.0) in the 4th quarter.

The Total IUCC YTD June loss is (\$111.4) thous. (table 4) vs. a budgeted figure of (\$152.9) thous. producing a positive variance of \$41.4 thous. YTD June. Revenue is (\$31.8) thous. under budget or (6.7%) and expenses are \$73.3 thous. or 11.7% better than budget, comprised of personnel of \$35.9 thous., committees of \$12.2 thous., ministries of \$4.7 thous. and administrative expenses positive variances of \$20.6 thous.

General Fund Results

The general fund had a loss of (\$24.3) thous. for June, a decrease of (\$8.25) thous. over the loss of (\$16.1) thous. in May 2021 and was \$6.7 thous. better than the June 2020 loss of \$31.1 thous. Total contributions were \$25.1 thous. vs. a budget of \$42.5 thous., leaving us short (\$17.4) thous. vs. budget. TY figure was (\$14) thous. less than LY's figure.

Adjusted net income for depreciation for the month was (\$13.8) thous. vs. a budgeted figure of (\$5.7) thous. adj. net income LY Apr. 2020 was (\$0.4) thous. Total change in cash + investments was (\$28.7) thous. vs. a budgeted figure of \$2.3 thous. leaving a variance of (\$31) thous.

ECC Results

The ECC's results for June '21 at (\$8.1) thous. were worse than the prior month, which was a loss of (\$3.0) thous. in May and a (\$2.2) thous. loss in April. Revenue at \$41.3 thous. for June was roughly \$4.2 thous. better than May revenue of \$37 thous. and was \$0.6 thous better than budget. I believe some of the revenue difference that lowered May was due to pandemic related adjustments. Payroll at \$41.7 thous. was (\$8.4) thous. poorer than payroll in May of \$33.3 thous. and was (\$1.3) thous. poorer than budget in June. Payroll % jumped from 90% in May to 101% in June. A few thous. was related to the \$15/hr minimum adjs. for a 3 - 4 employees in June and also pandemic related payroll of about \$5.4 thous.

Total expenses at \$49.4 thous. was (\$0.9) thous. poorer than budget. 40.0 thous. and were (\$9.4) thous. poorer than last month.

Net Operating cash flow was \$4.0 thous. vs. (\$5.8) budgeted., or a positive variance of \$9.8 thous.

Total change in cash + investments was (\$6.1) thous. vs. a budgeted figure of (\$5.8) thous., producing a variance of (\$0.3) thous.

ECC Results YTD June 2021

The loss YTD June was (\$17.1) thous. vs. a budgeted figure of (\$38.6) thous. or a positive variance of \$21.3 thous. and was \$49.9 thous. better than YTD LY of (\$67.0) thous. While revenue was \$233.0 thous. YTD and was (\$2.9) thous. poorer or (1%) than budget, expenses were \$24.2 thous. better than budget, including payroll that was \$14.9 thous. better and non-payroll that was \$9.3 thous. better. Net income adj. for depreciation was a loss of (\$4.3) thous. and was \$21.4 thous. better than budget of a loss of (\$25.) thous.

Net operating cash flow ("NOCF") YTD June was \$0.3 thous. vs. a budgeted figure of (\$42.3) 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 June was (\$9.7) thous. vs. a budgeted figure of (\$48.6) thous., producing a positive variance of \$38.9 thous. ECC cash + investments balance was \$19.1 thous. vs. a budgeted figure of (\$19.8) thous. and a LY figure of \$100.7 thous., producing a variance vs. LY of (\$81.6) thous.

Note: Mark Allen recommends consideration to defer pre-school tuition for the month of September, 2021 to January, 2022.

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

POLICIES AND PROCEDURES

- Draft Policy 1.19, Solicitation of Donations in Support of a Worthy Cause, or in Honor of or Appreciation for an Individual. Last month, the board reviewed a draft of Policy 1.19. The board asked that the policy be modified to include a review by the Fund Development Committee. The committee made this modification and added Policy 1.19 Appendix, an application form to be completed as part of the approval process.
- Pending

The committee has the following topics to be addressed:

1. Working with Treasurer Mark Allen to revise Policy 3.01, Cash Management
2. As needed, additional work that may arise from our lived experiences during a pandemic

BYLAWS

- Endorsed Amendments to Encourage the Creation of Sub-Leadership Roles within Ministries and Committees. As discussed last month, the board endorsed proposed language to encourage the creation of new sub-leadership roles that provide meaningful roles for our youth and reflect our commitment to inclusivity while nurturing future leaders. The proposed amendments will be taken up at the next congregational meeting (as bylaw amendments require congregational approval).
- Pending

The committee has the following topic to be addressed:

1. Supporting the new Diversity and Inclusion Ministry's expressed desire to review our bylaws language for inclusivity when they are ready to undertake that project.

MOTION: To approve the modification of Policy 1.19 Solicitation of Donations in Support of a Worthy Cause, or in Honor of or Appreciation for an Individual and the addition of Policy 1.19 Appendix containing the application form for Solicitation of Donations in Support of a Worthy Cause, or in Honor of or Appreciation for an Individual. Moved by Tricia Aynes and seconded by Jon Ingal. Motion carried.

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

- Planned and implemented "Giving Salons" to all 128 pledging units. The purpose of these salons was to get input and feedback on the programs, plans, and goals for the future. While some of the salons were

lightly attended, the committee thought these were valuable opportunities for members to connect with Pastor Sarah and with each other.

- Continue to work on a planned giving program that would emphasize the importance of legacy gifts for the future of IUCC. In late August, there will be several focus groups to share the goals and purpose of the *IUCC Legacy Circle*.
- We've begun discussing the 2022 Stewardship Campaign with a goal for a mid-October kickoff.

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

I. Restored Enrollment Limits; Recruiting; Planning Ahead

- Licensing and Recruiting
- Planning ahead including the next four years
- Long Range Planning for the Child Care center
- Infant Care (Six weeks-two years) for the Child Care center

II. Financial Plans for the Third and Fourth Quarters, 2021.

- Referral fees
- Deferrals of Tuition Payment

III. Governor's Proposed Universal Kindergarten

MOTION: That the Board authorize the payment of referral fees of \$500 for successful full day / five days per week new enrollees (kids); \$400 for successful full day / three days per week; and \$300 for successful full day / two days per week. Moved by Mark Allen and seconded by Tricia Aynes. Motion carried.

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

- **Completed Projects**: Backflow testing was successfully completed last month. And all IUCC and ECC computers received the latest Windows security updates, and a new printer has been installed at the preschool.
- **Ongoing Projects**: Pastor Steve is monitoring water usage and advocating for an increase in our "budget" amount with Irvine Ranch Water District, due to increased programming on site. One of the supplemental AC units in the preschool needs to have the pump replaced. Basic Air is ordering one and will install it after hours when it arrives in a week or so.
- **Future Projects**: Parking-lot repairs, better signage going west on Alton Parkway, some small workday-type projects that I've begun to publicize. Moving from pre-recorded to live-and-livestream worship has highlighted the need to upgrade our technology. As mentioned last month, a **new sound board** would make a big difference (and will eventually be a flat-out necessity). Larson Lighting & Audio can provide a digital sound board with installation for \$4,816. Pastor Steve recommends that the Admin Board approve it this month since Mark says the funds can be found. Additionally, a third camera and a video monitor would be very helpful.
- **Patio-Cover Project**: Pastor Steve continuing to serve as go-between for our contractors and the city's Planning Department. Payout so far has been \$19,500.
- **Re-Opening IUCC**: The second "test run" service in June and the July services have been well received, and we are continuing to work on improving production quality. It's important to remember that some changes in our accustomed worship service are needed to capture and keep an online audience. Several programs have been meeting on site, and the Scouts will return next month.
- **Technology Assistant**: At the request of last month's Board meeting, Pastor Steve added UCI's online job site to our search for a new technology assistant, as well as publicizing it on the church's website

and email updates. To date, he has received no additional applications beyond the first two, so he recommends that the Board approve the immediate **hiring of Julia Grace Dickau at \$20/hour.**

MOTION: To approve the Larson Lighting and Audio Bid for \$4,815.42 for the following items related to installation of new audio: digital console, cover, plugin pack, programing and training. Moved by Mark Allen and seconded by Tricia Aynes. 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 include:

- Welcome Chuck Heath and Shanthi Nataraj to the Admin Board and look forward to working with them this coming year. Leadership Retreat this coming Saturday, July 24, from 9 a.m. to noon. Facilitator will be Dr. Cedrick Bridgeforth, a well-respected coach, consultant, strategist, educator, and Methodist pastor.
- On July 7, an ad-hoc planning committee composed of Pastor Sarah, Moderator Tricia Aynes, Chair of the Ministries Board Felicity Figueroa, Chair of the Admin Board Daniel Blackburn, Bylaws Committee Chair Anne Rosse, and Child Care Committee Chair Keith Boyum, met to discuss how to implement the two Task Forces created by the Admin Board at its June meeting: (1) a Strategic Planning Task Force and an Exploratory Partnership Task Force, which will formally launch on September 1, 2021, and extend up to six months. Its meetings will be held on a regular basis, possibly weekly. The Moderator will select a Chair. A progress report will be delivered at the Winter Congregational Meeting (January 2022) and a final report will be delivered at the Spring Congregational Meeting (May 2022). The task force will work on shorter term tasks and goals while assessing where we are now (post-pandemic) and what we want to accomplish over the next 3-5 years. It will look across many landscapes to determine what we have learned and how we might best utilize the skills, capacities and relationships of our new pastor. Task force members will consult with church groups and review the Church Profile and other materials to create a living document that will guide us through the next few years. (2) Exploratory Partnership Task Force. Discussed some general parameters for this smaller task force, including a rough draft of a mission statement, as follows: In the short run and in coordination with the Strategic Planning Task Force, explore possible partnerships with one or more local UCC churches to begin the process of relationship-building to see how we might share staff and resources to realize our vision of bringing Progressive Christianity to the wider Orange County community.

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

- MYP Status and discussion
- Work with Development as we hold our Giving Salons to update our givers and cast a vision for excitement to return back to church as well as tap into the reasons why people love IUCC, reasons people give and continue to develop our Legacy circle to encourage ways people can give to IUCC by thinking about planned giving. Looking forward to our Stewardship Campaign, as we settle in on the theme.
- Preschool next steps:
 - Focusing on rolling out an incentive based registration and referral program that will encourage sign-ups for immediate and fall registration.
 - Preschool Graduation for our families to celebrate our young grads. Pastor Steve, Irma and the teachers, our contracted tech and I managed to produce a very cute show that celebrated our grads and offered our families an opportunity to mark the milestone safely.
 - Keith Boyum will report on the work of the committee, but I want to thank new board member Shanthi Nataraj for her well received suggestion of opening our school on holidays offering overtime to our teachers and sign-ups for day care for additional cost to parents.

- Irma and I are focusing on continuing education requirements for our teachers and how we can celebrate our commitment to providing an environment that encourages learning for not just our kids but our teachers too.
- Finally, we are excited to welcome our Childcare Committee workers to gather with our teachers for a lunch to reflect on the year, to strengthen their relationships and to help us with a short work day to bring our furniture back into the classrooms!

MOTION: To approve and post the submitted job descriptions for MYP positions (Youth Leader and Sunday School Coordinator). Moved by Tricia Aynes, seconded by Jon Ingal. Motion carried.

12. Old Business: None

13. New Business:

Record IUCC eVotes as follows:

(1) 7/9/21 per email from Daniel Blackburn

“Hi everyone,

As you may be aware, Juneteenth has recently been recognized as a new federal holiday. Pastor Sarah is requesting that we add it to the list of holidays we give staff. Even though it will be almost a year before we celebrate Juneteenth again, we'll be conducting this as an e-vote because we need to publish our list of days the childcare center will be closed before our next meeting.

(For new members of the board, we occasionally vote on matters that need to be addressed between Admin Board meetings via email.)

Please reply all with your questions or vote.”

Voting quorum was attained. **Motion passed per email 07/9/21 from Administration Board Chairperson.**

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

15. Return to Regular Session: The Administration Board returned to regular session at 8:30 pm.

MOTION: To approve the immediate hiring of Julia Grace Dickau at \$20/hour as the new technology assistant. Moved by Tricia Aynes and seconded by Chuck Heath. Motion carried.

MOTION: To approve hiring of Veronica Alvarez Campos as child care attendant for \$19-20 per hour (depending on negotiations) for a three hour minimum on Sunday mornings. Moved by Tricia Aynes and seconded by Shanthi Natraj. Motion carried.

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 8:42 p.m. per motion by Mark Allen and seconded by Tricia Aynes. Motion carried.

Respectfully Submitted,

Laura Palen,

Clerk of the Administration Board