

**Irvine United Congregational Church
Administration Board Meeting Minutes
August 16, 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 7:03 p.m. by Chair Daniel Blackburn.
2. Opening Prayer: The opening prayer was led by Pastor Sarah Halverson-Cano.
3. Approval of July 19 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 July 31, 2021. Key points included:

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 YTD contributions at \$201.8 thous. were (\$20.7) thous. poorer or (9%) poorer than budget and were (11.0%) poorer than LY YTD \$226.6 thous

Total income at \$443.4 thous. was (6.7%) or (\$31.8) thous. poorer than budget, but was \$27.8 thous. better than LY of \$415.6 thous. LY included approx. \$20 thous. in one-time non-operating gains to income in January 2020.

Cash and Investments

For Total IUCC, cash and investments decreased from \$463.3 thous. at month end January 2021 to \$396 thous. at month end June, a decrease of (\$67.3) thous. And from \$290.7 thous. at year-end 2020. The increase in Jan. was due to the 2nd PPP loan/grant of almost \$172 thous. This PPP amount impacted cash but not the income statement. It will not impact the income statement until the amount is forgiven.

We also need to remember we have used almost (\$265.7) thous. in cash since year-end 2019 as of June 30th. We may likely use up to another (\$150)+ thous. during 2021 and the early part of 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.

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.

For the general fund, the rolling twelve-month average for total contributions is up over the last 4 of 6 months (month 131 below = June 2021), and overall is up over the last 18 months and is trending in the right direction, but is still at an average just over \$38.1 thous. per month and is still far short of the 2015-2016 rolling average of contributions of \$42.5 thous. before the bldg. project. (see table 14 below – months 60 – 61 are the high point)

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. The 12 months moving average is just starting to increase after the pandemic and is at \$32.7 thous. as of point 131 (June 2021) and is down from a high of \$58.8 thous.

5. Bylaws, Policies, and Procedures: Anne Rosse submitted verbal and written reports. 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. The committee requests approval for Policy 1.19 and Appendix 1.19.
- The committee has the following topics to be addressed:
Working with Treasurer Mark Allen to revise Policy 3.01, Cash Management
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
- The proposed amendments will be taken up at the next congregational meeting (as bylaw amendments require congregational approval).
- The committee has the following topic to be addressed:
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.

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

- The FDC continues to meet on a monthly basis gathering information and discussing ways to implement a planned giving program (IUCC *Legacy Circle*). The plan right now is to delay the implementation of the *Legacy Circle* until January, 2022.
- The main focus of the FDC's work over the next 5 months will be the planning and implementation of the Stewardship Campaign for 2022.

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

- Recruiting clients: The preschool is seeking clients; our page at IUCC.org and our Facebook page say so; we have a sign up on Alton. Irma's guess about when the pre-school might get back to 60+ children was March 2022.
- Planning ahead: The Committee is now naming goals for the next five years for the preschool. Preliminary goals include:
Make our strengths known.
Increase staff pay.
Offer a 125 "cafeteria plan" set of benefits.
Increase size of year-end bonus (Mark said he was willing to kick up the bonus from \$10,000 to \$15,000 to incentivize).
Improve presence/awareness within congregation and nearby community so they know us better.
Expand program offerings.
Build relationships with other community preschools and childcare providers.
- Consultant: The Child Care Center Committee recommends that the Administration Board approve hiring a consultant at a cost of approximately \$6,000. We recommended Ms. Darcie Kass to the committee. Proposed areas of focus include General Evaluation, Program Expansion, Providing a care program for children younger than two years, Operating a Pre-school/child care program at a second location, Review and Discuss Findings and Recommendations, Add-ons and Contingencies such as other consultations.

MOTION: To authorize Pastor Sarah Halverson-Cano to hire Ms. Darcie Kass to be a consultant to assist in developing plans for preschool program expansion, and general improvements, with work to be undertaken that is generally congruent with the statement of work contained in Appendix A of the Report to the Administration Board from the Child Care Center Committee chair dated August 16, 2021; and with an expectation that the cost will be approximately \$6,000, but not to exceed \$8,000 without explicit further authorization of the Administration Board. Moved by Tricia Aynes and seconded by Chuck Heath. Motion carried.

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

- Completed Projects: Miss Irma’s computer at the preschool has been replaced with a reconditioned model. Our landscaper repaired an irrigation line in the new landscaping, near the Alton sidewalk.
- Ongoing Projects: The sound control board has been ordered; it is expected in mid-October. The AC pump for the preschool has arrived and will be installed by the time of the meeting.
- We also had a major “fail” of the air-conditioning system in the meeting rooms in the first week of August. It should be repaired before the meeting.
- Future Projects: For record-keeping’s sake, I will continue noting parking-lot repairs prior to a major resurfacing in 2030, and better signage at the driveway.
- Patio-Cover Project: The contractor resubmitted “final” plans to the City of Irvine, which had been generously revised by **domusstudios**; awaiting for city approval. We have paid about \$22,500.00 already on a \$56,000.00 estimate, made over 18 months ago. I have received a correction to the original bid from Recreation SC of about \$8,000.00, surcharges from the manufacturer for materials and shipping (roughly 14%).
- Organic Waste Recycling: The smaller (2-yard instead of 3-yard) trash dumpster from Waste Management has arrived and been put into use; we will soon be receiving four 64-gallon bins for lawn waste and one 35-gallon bin for food waste. This will put us in compliance with state and city regulations on organic waste disposal. Food waste cannot be mixed with lawn waste at WM’s receiving facility; hence, the separate containers listed above. Downsizing the trash dumpster saves \$20/month, but weekly food- and lawn-waste pickup adds \$235/month. Scout Nikhil Strasma is working on a new composter, to be placed behind Plumer Hall. When it is ready, he will be making presentations to various church groups on how to use it.
- Re-Opening IUCC: BSA Troop 602 has resumed weekly on-site meetings, and the District Council and Order of the Arrow honorary are resuming monthly meetings. We have had several single-use outside events, including scenes for a student film project, and other groups have expressed interest.

MOTION: To approve the correction to the original bid for the Patio Cover Project from Recreation SC of about \$8,000.00 due to surcharges from the manufacturer for materials and shipping (roughly 14%). 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:
- September 12 as we expand back to two live services, welcome the choir’s return, and participate in a spectacular Rally Day/Ministries Fair.
 - IUCC Leadership Retreat on July 24.
 - The Strategic Planning Task Force will start meeting in September. IUCC is accepting Interest Forms through August 16 (now extended thru August 31, 2021).
 - Work with our Child Care Committee and the Fund Development Committee.
 - Administrative Pastor Steve Swope is planning to retire at the end of May 2022. He would like us to agree on a plan/timeline regarding the splitting off of the Adult Programs Director position and possibly an IT position as well. He has created a draft timeline for our review.

MOTION: To adopt Pastor Steve Swope’s proposed Retirement/Replacement timeline with an aspirational start date for the Adult Programs Director of January 1, 2022 and an aspirational start date for the IT Manager of April 1, 2022. Moved by Tricia Aynes and seconded by Jon Ingal. Motion carried.

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

- Work with Development as we prepare for our Stewardship Campaign, working towards the Legacy Circle, and our planned giving opportunities.

- The preschool committee will be joining our teachers on September 3 to help move back items into the classrooms, and get tour of our facility, while getting to connect with our teachers after the year we've experienced.
- Consultant that will help us explore options for expansion that will proactively address the potential loss (or reduction) of our Pre-K classroom. We have sent out a sign-up request for deferred tuition to help us reach our Employee Retention Credit goals. We've sent out referral bonus and sign-up incentives. We are focusing on ways to build loyalty in the preschool and thinking of ways to plan past the pandemic to encourage parent participation/appreciation, along with developing deeper connections with our church.
- Summer Series: "The Gospel Truth: Whose Good News Is It?" explores the gospels. We celebrated Christmas in July (and August) as we looked at the birth narratives in Matthew and Luke, we looked at the unique qualities of the Gospel of John and have moved into the non-canonical gospels this month which should provide an experience not often explored within other churches.
- Worship Chair Craig and I along with Pastor Steve met to discuss ways we can incorporate more faces in the church and are excited about a new addition to our pre-service that will feature "testimonies" of IUCCers to share their stories as well as welcome new folks and all of us to worship. We're also incorporating IUCC clergy to add more faces and voices and switch up the pastoral prayer slightly.
- Will continue to do Fresh Word as a pre-recorded experience until kids have the vaccine and potentially longer for production quality and covid safety.
- Here are some upcoming special Worship Dates:
 - July 11- Aug 29: Sermon series: "The Gospel Truth: Whose Good News Is It?"
 - September 5: Labor Day
 - September 12: Homecoming Sunday/ Rally Day – Celebration of our Return (back to two services) Ministries Fair following both services
 - September 19: a focus on Care featuring Vivian Johnson
 - October 3 World Communion Sunday
 - October 10 Stewardship campaign begins
 - October 17 Celebration of 30 years as O&A
 - October 24 Special Guest for Stewardship
 - October 31 Spooky Sunday followed by Trunk or Treat
- Sunday School teachers have been doing a great job of teaching online and are continuing this throughout the summer. We have changed Sunday School from 10:30am to 10am to account for our in-person Sunday School during the 9:30am service.
- MYP is hiring a Sunday School Coordinator and Youth Leader. Veronica has returned as our Nursery/Sunday school caregiver. MYP invites all of our ministries to their Summer Spirit day on August 14. We are hoping that IUCC can participate in Fall Family Camp at Pilgrim Pines October 8-10.
- Adult Education: Pastor Sarah is looking forward to teaming up with Rev. Bil Aulenbach for an adult ed class.

12. Old Business: None

13. New Business: Administrative Staffing

14. Executive Session: The Administration Board entered Executive Session at 8:48 pm.

15. Return to Regular Session: The Administration Board returned to regular session at 9:02 pm.

MOTION: To offer employment for the Choral Intern Positions of soprano to Wendy Wiebach and of alto to Jocelyne Ramariez. Moved by Laura Palen and seconded by Tricia Aynes. Motion carried.

MOTION: To offer the position of accompanist to candidate number 2, Yu Young Jeong. Moved by Shanthi Nataraj and seconded by Tricia Aynes. Motion carried.

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 9:05 p.m. per motion by Mark Allen and seconded by Chuck Heath. Motion carried.

Respectfully Submitted,

Laura Palen,
Clerk of the Administration Board