

**Irvine United Congregational Church  
Administration Board Meeting Minutes  
October 18, 2021 via Zoom**

Attendance:

Administration Board:

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

Congregational Representatives: 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: Alex Ingal

1. Call to Order: The meeting was called to order at 7:06 p.m. by Chair Daniel Blackburn.
2. Opening Prayer: The opening prayer was led by Pastor Sarah Halverson-Cano.
3. Approval of September 20, 2021 Meeting Minutes: Passed as described and submitted to Board Chairperson pending review and changes requested by board members.
4. Special Request from Hospitality: Alex Ingal presented a request from the Hospitality Committee to resume in person coffee hour on the patio following church service(s). Shanthi Nataraj submitted a letter to support this request with the following key points:
  - As Alex notes, there is now strong scientific evidence that there is very little if any risk from transmission through sharing food. The more important question is whether having food will encourage people to stay and congregate - and if it does, is that something we want to encourage or not? I would argue that it very much is something we not just want but need - especially in light of our Refresh - Reboot - Renew campaign. Bringing back a sense of community is critical, especially as we seek to reach out to new members.
  - Will there be some small incremental risk if people congregate more? Perhaps. But as Alex also notes, outdoor gatherings where food is provided have already been allowed for many months, and current guidelines do not require masks for outdoor activities. I see this in Irvine schools with my own kids, where they must be masked indoors but can eat and play with their friends, unmasked, outdoors.
  - Finally, if we decide the risk level is still too high to have coffee hour come back, then I recommend we come up with criteria for when we think it will be low enough - for example when COVID cases in OC are below XX, or when XX% of congregants are vaccinated, or something else concrete.

**MOTION: To approve the return of in person coffee hour following church service(s). Moved by Tricia Aynes and seconded by Chuck Heath. Motion carried.**

5. Treasurer's Report: Mark Allen submitted verbal and written reports for the eleven months ending September 30, 2021. Key points included:

## **Cash and Investments (C&I) and ECC kids**

While the cash + investment loss for Total IUCC was only (\$30.4) thous. for Sept 2021, this is our sixth consecutive month of cash losses. C&I went from \$354.9 thous. at the end of Aug 2021 to \$324.5 thous. at the end of Sept. 2021. Over the last six months since Mar 31, 2021, we have dropped from \$464.6 thous. to \$324.5 thous. or a C&I loss of (\$140.0) thous. The 2<sup>nd</sup> PPP of \$172 thous. was booked on a cash basis in Jan. 2021 prior to the current string of losses.

The primary difficulty we face is despite the 6ft. distancing requirement being lifted for the ECC in July 2021, vaccination rates that are increasing and kids going back to k-12, **we are not seeing an increase in our age group kids in the ECC as we have been expecting; roughly we have been in the 38 – 41 range since Jan 1, 2021 (see figure 1 below) And at this point Irma doesn't anticipate any material changes in 4Q 2021 in the # of kids vs. where the 3Q 2021 has been so far.** January is the next point at which we might see a change, but we have no specific evidence it will increase at that point materially.

The Total IUCC cumulative cash losses since Dec. 31, 2019 of (\$338.1) thous. now exceed all the additional PPP funds we have received of (1<sup>st</sup> PPP = \$96 thous + 2<sup>nd</sup> PPP = \$172 thous = \$268 thous.) by (\$70.1) thous. So we have used all the funds we were given from the PPP and various other small sources and we are now eating into our working capital. December will increase our cash balances somewhat due to normal year-end giving, but it doesn't change the overall pattern we are facing.

The rent the ECC has paid to the general fund falls far short of the normal amount at only \$1,500/month (should be about \$5k month) and instead of producing a profit in the ECC to offset the additional P&I of \$44.7 thous. for the Cornerstone loan and other new expenses we are at breakeven in the ECC, plus or minus a few thous. either way, depending on the month.

At cash + investments of \$324.5 thous. as of Sept 2021, we have 3.14x mos. of cash expenditures (i.e., down from 3.73x on a go forward basis in July 2021). This calculation is done based on cash expenditures for the next 12 mos. and not on a historical 12 months going backwards. A go forward basis is more relevant to us at this point. On a normalized basis this calculation should be between the high 4x's to low 6x's in terms of months of C&I relative to cash expenditures going forward.

Even after funding part of the building from the total IUCC cash by the time period prior to 12/31/19, we still had almost \$400 thous. in C&I which was 3.64x on a trailing basis and 4.52x on a go-forward basis for 2020 (pre-pandemic). A C&I ratio in the high 4.0x's to low 6.0x's is a goal we will have to work for over time.

Total Cash + Investments (C&I) at \$324.5 thous. was (\$23.7) thous. poorer than budget of \$348 thous. but was better than LY of \$271.1 thous. by \$50.7 thous.

## **Overall Total IUCC Summary for Sept '21**

Total IUCC Sept 2021 loss was (\$9.9) thous. vs. budget of (\$26.6) thous. or a positive variance of \$16.7 thous. for the month vs. budget and vs. an Aug. loss of (\$23.2) thous. in the prior month and a loss LY of (\$35.4) thous for Sept 2020. ECC was starting up again in July- Sept 2020 so variance is not particularly meaningful.

### **For the month of Sept 2021:**

- The general fund loss was (\$12.8) thous. and the ECC profit was \$2.9 thous. for the month.
- Total revenue was \$84.3 thous. or (\$1.9) thous. or (2.0%) poorer than budget but quite a bit better than prior month of Aug at \$70.2 thous.
- Total expenses at \$94.2 thous. were \$18.6 thous. better than budget
- Personnel costs at \$59.9 thous. were 20% or \$15.3 thous. better than budget. Payroll % was 71.1% for Sept vs. 87.3% budget for Sept and 85% actual in Aug. 2021.
- Net Inc. adj. for depreciation was \$2.9 thous. vs. a budget of (\$13.8) thous., a variance of \$16.7 thous.
- Total change in cash was (\$16.3) thous. and change in investments was (\$13.7) thous. or (\$30.0) thous. in total for change in C&I for Total IUCC.

### **For YTD Sept:**

- The Total IUCC loss YTD was (\$160.1) thous. vs. a budget of (\$236.2) thous., producing a positive var. of \$76.0 thous.
- Total revenue was \$676.4 thous. or (\$45.8) thous. poorer or (6%) poorer than budget.
- Total expenses at \$836.6 thous. were \$121.8 thous. better than budget \$ or 12.7%.
- Personnel costs at \$552.6 thous. were 5.8% or \$73.8 thous. better than budget. Payroll% was 81.7% for Sept YTD vs. 86.7% budget or 5.0pp better or 5.8%.
- Net Income adj. for deprec. was (\$46.4) thous. vs. a budget of (\$122.0) thous., a variance of \$76.0 thous.
- Net Operating cash flow was (\$135.7) thous. which loss was largely offset by the PPP funds received to get to get to net change in cash flow of \$44.5 thous.
- Total change in cash YTD was \$44.5 thous. and change in investments was (\$10.4) thous or \$34.1 thous. in total for change in C&I. Total change in C&I of \$34.1 thous. was (\$23.7) thous. poorer than budget

Adjs. net income for depreciation was in Sept \$2.9 thous. composed of a (\$2.3) thous. amount for the general fund and \$5.2 thous. for the ECC.

Total contributions were up 4.5% or \$1.7 thous. better than budget this was composed of a \$1.9 thous positive variance for pledged contributions and a (\$0.2) thous. negative variance for non-pledge.

### **General Fund Results**

The general fund had a loss of (\$12.8) thous. for Sept., an improvement over the prior month of Aug. which was a loss of (\$19.7) thous. and an improvement over budget of \$5.1 thous.

### **ECC Results**

The ECC's results for Sept '21 at \$2.9 thous. were better than the prior month of Aug. of (\$3.6) thous.

Revenue at \$44.7 thous. was up from \$39.7 thous. for Sept. but was (\$0.5) thous. poorer than budget. Net Operating cash flow was (\$0.5) thous. vs. (\$6.4) budgeted., or a positive variance of \$6.0 thous. Total change in cash + investments was (\$0.5) thous. vs. a budgeted figure of (\$8.9) thous., producing a variance of \$8.4 thous.

### **ECC Results YTD Sept 2021**

The loss YTD Sept was (\$21.6) thous. vs. a budgeted figure of (\$70.9) thous. or a positive variance of \$49.3 thous. Revenue was \$356.4 thous. YTD and was \$2.2 thous. better or 0.62% than budget. Expenses at \$377.9 thous. were \$47.0 thous. better than budget, including payroll that was \$33.8 thous. better YTD and non-payroll that was \$13.3 thous. better. Net income adj.

for depreciation was a loss of (\$2.1) thous. and was \$49.3 thous. better than budget of a loss of (\$51.4) thous.

Net operating cash flow ("NOCF") YTD Sept was \$11.3 thous. vs. a budgeted figure of (\$66.1) 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 Sept was \$0.6 thous. vs. a budgeted figure of (\$77.3) thous., producing a positive variance of \$77.9 thous. ECC cash + investments balance was \$29.4 thous. vs. a budgeted figure of (\$48.5) thous. and a LY figure of \$40.4 thous.

5. **Bylaws, Policies, and Procedures:** Anne Rosse submitted verbal and written reports. Key points include: No action items are requested. Pending tasks: Policies and Procedures are approved by the Admin Board. Bylaw amendments are endorsed by the board and approved by the congregation.

- **POLICIES AND PROCEDURES** The committee has the following topics to address: Working with Treasurer Mark Allen to revise Policy 3.01, Cash Management, including what level of reserves IUCC should maintain. 2. Working with Treasurer Mark Allen to create a draft policy for the use of lines of credit, other financial instruments. 3. Working with the Fund Development Committee to revisit IUCC's gift acceptance policies (in light of planned giving efforts). 4. As needed, additional work that may arise from our lived experiences during a pandemic.
- **BYLAWS** The committee has the following topic to address: 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). Recently endorsed topics include: 1. Encourage the Creation of Sub-Leadership Roles within Ministries and Committees 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 in January.

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

- Thanks to Chris Peterson for the musical introduction and to Cindy O'Dell for the logo for the campaign.
- Presentations to the Ministries and Administration Boards in September.
- Held a "Giving Leader" event in the Boyum's backyard. There were 20 in attendance.
- Kicked off the campaign on October 10 with a stewardship moment and Pastor Sarah highlighting this year's theme.
- On October 17, celebrated 30th anniversary of IUCC becoming an Open and Affirming congregations.
- As of October 17, IUCC has 38 pledges totaling \$190,386. 21 households increased their pledges for a total of \$13,158. 1 household decreased its pledge for a total of \$1200. And 15 households maintained their pledge amount from 2021.
- Campaign will continue through November 7.

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

- October 14 Open House for Parents: Three committee members joined Pastor Sarah and Director Irma Rosales to welcome parents.
- Enrollments and Finances: 40 children are enrolled.
- Planning Ahead.
- Friday, October 29 Trunk or Treat: The preschool will have a trunk or treat activity on Friday the 29<sup>th</sup>.

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

- Completed Projects: Removal of e-waste *at no cost* by Tech Waste Recycling (techwasterecycling.com)!
- Ongoing Projects: The patio-cover; we can hope for a lovely Christmas present! The landscaper will be mulching and gently trimming trees this month.
- Future Projects: Woodbridge plans to reseal their parking lot in the first half of 2022, prior to the major resurfacing in 2030.
- Preschool HVAC: I noted last month the necessity of frequent repairs to the Atwood Building's heating/air conditioning systems. Three bids were received to replace the entire system, and two bids to replace only the furnaces (with AC to be replaced later). The cost for the entire system ranged from \$24,000 to \$29,000.

- Journey Church Parking: Journey Church (next door, on the corner of Alton & Creek) has asked to use some of our parking lot on Sunday evenings. Their pastor plans to offer a formal agreement for our meeting.

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

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

- Celebration of IUCC's 30<sup>th</sup> anniversary of being Open and Affirming!
- MYP interviewing committee with Pastor Sarah, Myrna Bohan, Ava Mitchell, and Greg Furtado. Admin Board approved recommendation to hire Sally Schacht as Sunday School Coordinator and Jasmine Epps as Youth Coordinator. While Jasmine decided that her doctoral studies would leave her too busy to accept the job, Sally is very much on board and has already assumed her duties with warmth and enthusiasm.
- Strategic Planning Task Force members were chosen by Chair Cesar Sangalang and started meeting earlier this month. Pastor Sarah and the moderator are involved as ex officio members, and Pastor Steve is serving as Facilitator. Will meet every other week until we have a finished report to share with the congregation.
- Continued work to ensure our church's financial future. The theme for stewardship is Refresh>Reboot>RENEW, and we are hopeful that everyone will participate.

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

- Strategic Planning Committee for their first meeting and it is off to a strong start.
- MYP Youth Coordinator
- Sunday School teachers are concerned about their space.
- Fund Development Giving Leaders reception to thank and update our leaders as we begin our new season of Stewardship.
- Preschool updates

12. Old Business: None

13. New Business:

Record IUCC eVotes as follows:

Email to Pastor Steve Swope from MYP 10/21/21:

I have attached a filled in 1.19 application for Solicitation of Donations for our upcoming Nov 6th event for MYP. I apologize I only recently realized we needed to put in the form and hope you're the person it should go to.

Here's additional information if needed:

We would like to be able to collect donations during our November 6th Ways to Help our Unhoused Neighbors event with Mission and Service. It is both an awareness and service event open to all but especially geared toward kids, youth, and families.

The donations would be used to defray costs of creating the hygiene kits we're making for unhoused neighbors with any money leftover going to Isaiah House.

- Hygiene kits are mini drawstring backpacks with supplies like socks, medicine, band-aids, hand sanitizer, notes of support, etc.
- We had already budgeted money from this year's MYP budget to provide supplies for making the kits. However, from Steve Goetz's experience, the allotted amount would not be quite enough for the number of people that might come.
- Donations would be collected by having a box or basket at the event.
  - We would include that donations would go toward defraying the costs of making the kits and any money leftover goes to Isiah House

- We plan to include an informative sheet that provides examples for what a certain amount might help with (i.e. \$ buys a tube of toothpaste, \$\$ buys a pack of 10 combs...) as an additional concrete lesson
- We plan to start implementing something like a signup sheet to help anticipate who might be coming to help with estimates.

Please let me know what other information we can provide.

Email to Admin Board from Admin Board Chair 10/21/21:

The Ministry with Young People is requesting permission to solicit donations during an upcoming event in accordance with our recently enacted policy on fundraising. It has already been approved by the fund development committee and now needs our approval which we will do via e-vote.

**Voting quorum was attained. Motion carried per email from Admin Board Chair 10/23/21**

14. Executive Session: None

15. Return to Regular Session: N/A

16. Adjournment/Closing Prayer (Steve Swope): The meeting was adjourned at 8:10 p.m. per motion by Mark Allen and seconded by Tricia Aynes. Motion carried.

Respectfully Submitted,

Laura Palen,  
Clerk of the Administration Board