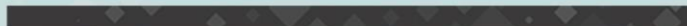


PENINSULA COVENANT CHURCH



2021-2022 Proposed Budget





2021-2022 Proposed Budget

Stakeholders & All-Church Meeting

Meeting Date: Sunday, May 23, 2021

Meeting Time: 11:45am

Format: In-Person and Zoom Online

Register: [Here](#)

Table of Contents

SECTION	PAGE
Letter from Lead Pastor, Gary Gaddini	1
Letter from Executive Pastor, Meritt Lohr Sawyer	3
2021-2022 Proposed Budget: Income	6
2021-2022 Proposed Budget: Expenses	7
Stakeholders & All-Congregational Meeting – Zoom Access	8

■ ■ Peninsula Covenant Church

■ ■ Letter from Lead Pastor, Gary Gaddini

Dear PCC Family,

It is an honor to partner with God—and with you—in **empowering the generations to passionately follow Christ, one person at a time**. PCC started 70 years ago with a sense that God was raising up a church that would take the initiative and **go to the people**.

Little did we know that throughout this fiscal year, with the disruptions brought about by the multitude of challenges we have faced, that **going to the people** would take place in unprecedented ways. PCC is led by an incredibly faithful staff, who have continually adapted to keep us **going to more people than ever** with the hope of the Gospel.

This past year, while we faced formidable challenges, we stepped into Kingdom opportunities:

We stepped into the opportunity to move deeper into our region through homes of Stakeholders who share our vision of shepherding their neighborhoods. Our House Churches, a few of which will continue to meet even as we are regathering on campus, have experienced depth, outreach, and intimacy—in new ways.

We stepped into an opportunity with our School Aged Child Care (SACC) and Preschool to serve parents in our county, who looked to us to provide quality care and instruction for their children.

We stepped into an opportunity through our Community Center, who adapted innovatively to create fitness communities on the campus, in 4,000 homes daily, and online in classes.

We stepped into an opportunity through our mission partnership with Generations United, and weekly hand-delivered well over 100,000 meals to under-resourced neighbors in our city.

Our 2021-2022 ministry budget, contained in this packet, also reflects another opportunity as, for the first time, we vote on one budget reflecting the whole mission of PCC: School Age Child Care, Preschool, Community Center, and Church.

We are, like never-before, **one in mission**. The enclosed report has been prayerfully and faithfully created and amended with staff, the Leadership Team, and the Administration & Finance Committee—composed of competent PCC Stakeholder financial advisors.

Yes PCC, this has been a challenging year. God has made us more than conquerors through Christ ([Romans 8:37-39](#)). We serve a God of unlimited powers. We are convinced that, as we walk in faith, we can trust God to boldly bring the hope of the Gospel through our community to the world. PCC leadership is united in believing that this budget will fuel this very mission.

Please plan to join me for our Spring **Stakeholder Summit** (i.e., Stakeholders & All-Congregational Meeting) on **Sunday, May 23, at 11:45am**. Please **register** at your soonest convenience. You will have the option of participating in person in the Worship Center or via Zoom. During our time together, we will vote on the budget, as well as on the nominated slate of Leadership Team and Nominating Committee members. I urge you to make the Stakeholder

■ ■ Peninsula Covenant Church

■ ■ Letter from Lead Pastor, Gary Gaddini

Summit meeting a priority, as both our budget and our leaders are crucial to the PCC community living into its full Kingdom potential.

We will be having 2 Zoom pre-meetings *ahead of* the Stakeholder meeting for questions and answers. Register for those meetings [here](#).

Thank you, PCC Stakeholders, for gathering, growing, giving, and going, as partners in Christ.

I love being your pastor.

A handwritten signature in black ink that reads "Gary Gaddini". The signature is fluid and cursive.

Gary Gaddini
Lead Pastor, Peninsula Covenant Church

■ ■ Peninsula Covenant Church

■ ■ Letter from Executive Pastor, Meritt Lohr Sawyer

Hello Fellow PCC Stakeholders,

I am pleased to submit the 2021-22 budget to right-size and strengthen the PCC operation and financial position, on behalf of the Lead Team (LT). I have been blessed beyond measure to work with this team of extraordinarily capable leaders: Danny Bowers, Victor Hernandez, Jane Johnson, Anthony Mejia, Ian Pitter, Tara Rankin, Brian Rhen.

This team stacked hands on the budget presented to you this year of \$7,336,884. In addition, the Administration and Finance Committee (A&F) affirmed and recommended this budget to the Leadership Team (LST), who approved the budget on April 26, 2021.

I pray the following narrative will assist in the understanding of the process and budget presented in this packet.

One PCC!

You will note we are presenting one integrated budget rather than the typical four budgets from each of the "ministry centers." At the November 2020 LST meeting, the LST approved this shift to "One PCC" to reflect the four centers as one 501(c)3, with the intent to assist and equip the leadership, governance, and stewardship of the entire entity. For the LST, this more accurately reflects PCC's Bylaws. Key decision points include:

- The four centers are, in fact, ministries of the One PCC. Our emphasis will be on maximizing the mission and vision of PCC through the different and various ministry arms.
- To create greater equity and economy of scale across PCC (from siloed services and contracts to streamlined centralized decision making).
- Budgeting from one General Fund budget allows more visibility and transparency into the budgeting process and more oversight by PCC's elected governing officers.
- One PCC renders unnecessary the additional and tedious processes of intra-PCC transactions between the entities, as well as keeping the separate cash balances for each entity in perpetuity.
- One PCC now treats former separate *entities* as separate *departments* within one organization, which again, more closely reflects our 501(c)3 reality and our Bylaws.
- We have moved \$1,095,000 previously budgeted in Center, SACC, and Preschool into a shared group called Shared Resources in the budget, for overall operational costs such as landscaping, facilities, IT, etc.

■ ■ Peninsula Covenant Church

■ ■ Letter from Executive Pastor, Meritt Lohr Sawyer

Financial Factors

Addressing the financial health of PCC has been an absolute priority. As robustly discussed by Administration & Finance (A&F), PCC is subject to a number of x-factors that have—and may continue to—impact PCC finances. How does one manage finances through a pandemic? Only one answer: on our knees with continuous prayer. As with businesses and nonprofits in the Bay Area and nationally, we have been impacted. Our giving is down at present. Many of our PCCers have been personally impacted financially. In addition, we have had to say goodbye to over 70 families who have departed PCC, mostly leaving the Bay Area. We are optimistic to see PCCers returning to campus and hope to have a better understanding of our numbers by the end of the summer. The Center, SACC, and Preschool have had to navigate the ever-changing CDC operational guidelines and still are unable to operate at capacity, although we are optimistic for the fall! The Center's capital reserve fund of \$1 million was needed to cover the everyday expenses.

Right-sizing.

Whereas these x-factors may continue to impact PCC finances, we believe the budget submitted is right-sized for the moment. As Scott Armienti noted during our A&F meeting, his thumbs-up is accompanied by "a dash of faith and a dash of stat analysis." Doug Morton noted he is "big on hope." We are hopeful in the Lord! And we know PCC is wholly committed to God's purposes. We also are optimistic the PPP loan of \$938,000 will be forgiven. I am particularly thankful for Tara Rankin (Controller), Jane Johnston (HR Director), and Caren Fior (HR & Accounting Coordinator), who have invested countless hours toward the forgiveness process and multiple applications for additional PPP funding. Our A&F team of Shawn Rankin (Treasurer & Chair of the A&F Team), Scott Armienti, Tom Johnson, Doug Morton, and Anna Schreff have provided their invaluable financial and accounting expertise.

Personnel.

The COVID pandemic has impacted and guided decisions. At the Center, three fulltime people resigned, whose positions have not been replaced. Both the Center and SACC furloughed numerous hourly employees. We look forward to rehiring as the COVID restrictions ease and these key PCC ministries return to full capacity. At the Church, we had three resignations (Gary Gaddini, Aubri Wilkerson, and Patty Naff). We are not replacing these positions this year. In addition, we laid off four people. As several of you know firsthand, the possibility of layoffs is not an easy proposition. Yet our discussion generated needed dialogue regarding:

1. How we best serve PCCers and attract new believers
2. How we determine what we can and cannot do
3. Where our strategic focus is best placed

These are the hardest of decisions by the Lead Team when we must say goodbye to people we value and love.

■ ■ Peninsula Covenant Church
■ ■ Letter from Executive Pastor, Meritt Lohr Sawyer

This time last year, the Community Center, SACC, and the Preschool were physically closed, due to COVID-19, requiring ideation of online ways to provide services. The church was also operating entirely online. As we regather live, may we continue to look to our Lord for all He has taught us during this time. We are coming back together and figuring out who we are! We are the same community. We are also being presented with a pivotal moment for the future of PCC, revitalized by being together. I personally treasure this inner vitality, PCC, and look forward with great anticipation for all God will do in and through us.

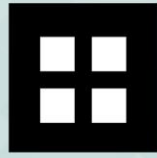
*And what does the Lord require of you?
To act justly and to love mercy and to walk humbly with your God. -Micah 6:8b*

Blessings!



Meritt Lohr Sawyer
Executive Pastor, Peninsula Covenant Church

PENINSULA COVENANT CHURCH



PROPOSED BUDGET

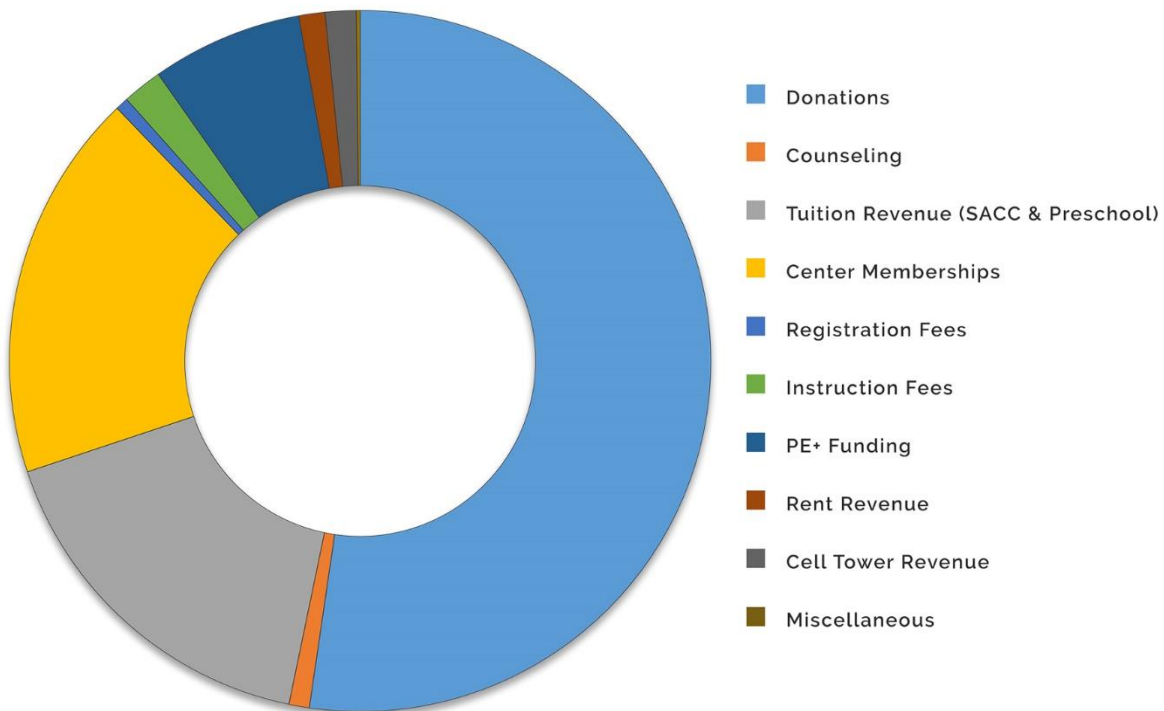
Income

&

Expenses

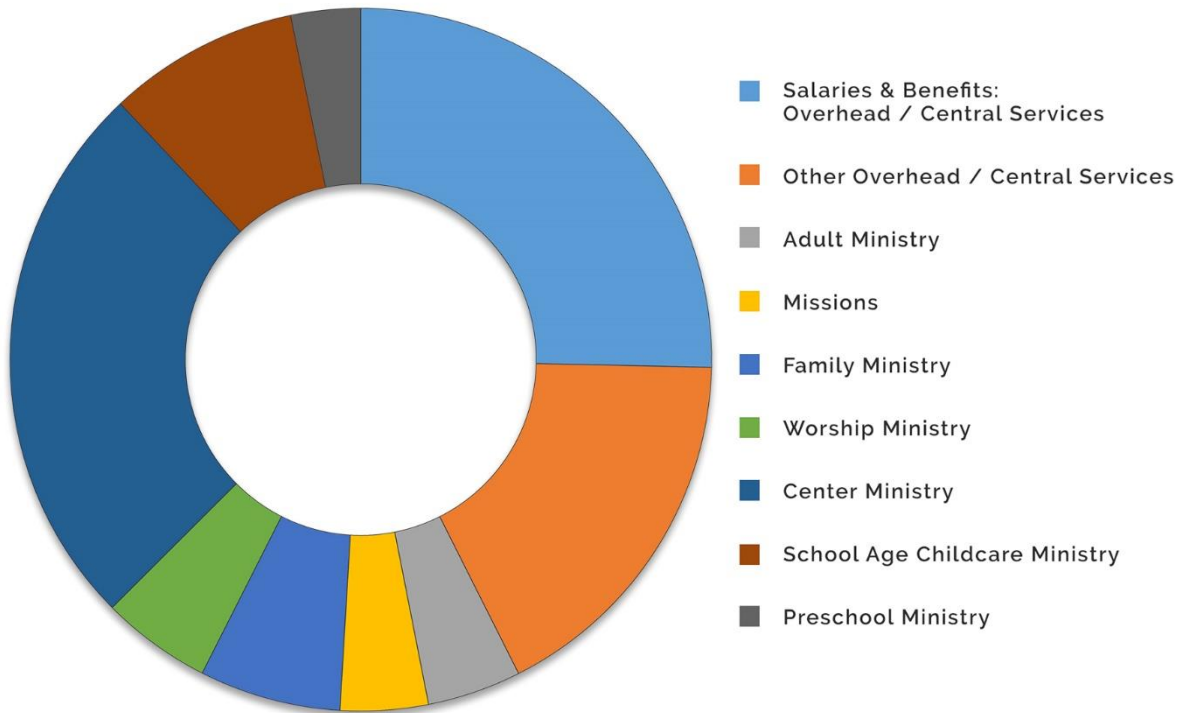
Proposed Budget: Income

Income Category	Income Amount (\$)
Donations	3,838,588
Counseling	69,000
Tuition Revenue (SACC & Preschool)	1,219,370
Center Memberships	1,315,596
Registration Fees	43,800
Instruction Fees	134,197
PE+ Funding	510,412
Rent Revenue	88,555
Cell Tower Revenue	104,675
Miscellaneous	12,691
Total Income	\$ 7,336,884

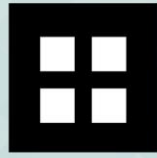


Proposed Budget: Expenses

Expense Category	Expense Amount (\$)
Salaries & Benefits: Overhead / Central Services	1,859,980
Other Overhead / Central Services	1,263,738
Adult Ministry	317,489
Missions	296,878
Family Ministry	478,215
Worship Ministry	371,750
Center Ministry	1,867,289
School Age Childcare (SACC) Ministry	646,038
Preschool Ministry	235,507
Total Expenses	\$ 7,336,884



PENINSULA COVENANT CHURCH



ZOOM ONLINE
Access Instructions

Online Meeting Participation

Meeting Date: Sunday, May 23, 2021

Meeting Time: 11:45am

Topic: Stakeholder Meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/86060324268?pwd=QLZpL3kwT2Z6eENKTmFNRkFMcThuQTog>

Meeting ID: 860 6032 4268

Passcode: 072504

One tap mobile

+16699009128,,86060324268#,,,,*072504# US (San Jose)

+12532158782,,86060324268#,,,,*072504# US (Tacoma)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 860 6032 4268

Passcode: 072504