

THE NEW YORK AVENUE PRESBYTERIAN CHURCH  
Washington DC

Annual Congregational Meeting, Part II  
Sunday, February 7, 2021

The Congregation of The New York Avenue Presbyterian Church was convened at 10:49 a.m., following the 10 a.m. worship service via Zoom on Sunday, February 7, 2021, for the purpose of receiving information about the 2021 budget, the 2021 Stewardship campaign, and conducting other appropriate business.

The Rev. Dr. Heather G. Shortlidge called the meeting to order, served as moderator, and offered the opening prayer. Ms. Miriam Dewhurst, Clerk of Session, served as secretary and reported that the meeting had been announced on the two Sundays prior to the meeting.

A quorum (44) was declared to be present.

Rev. Shortlidge reviewed many of the high points of the past year, including the many ways the church was able to continue to be the church, worshipping together and offering hospitality.

**Election of Officers**

Nominating Committee Chair David Gillies presented a slate of officers,

**Omnibus Motion**

Approval of Congregational Meeting Minutes

- Congregational Meeting, Part 2, February 10, 2019
- Congregational Meeting, May 26, 2019, to dissolve relationship with Rev. Gench
- Congregational Meeting, August 18, 2019, to fill a vacancy on the Board of Trustees
- Congregational Meeting, Part 1, December 22, 2019
- Congregational Meeting, January 12, 2020, to elect two members of the Session Class of 2022.

The omnibus motion was approved.

**Election of Nominating Committee At Large Members**

It was moved, seconded and carried that the following individuals be elected to serve as 2021 Nominating Committee members from the congregation at large.

Sarah Benzing	Karen Dunlap	Cathy Schultheis
Catherine Cannon	Karen Feret	Molly Smith

**Election of Church Officers**

It was moved, seconded and carried that the following individuals be elected to serve:

Diagonal Ministers Class of 2023:	Carrie Reasonover
Diagonal Ministers Class of 2022:	Cameron McGlothlin
	Amy Gillies
Diagonal Ministers Class of 2021:	Chris Kelly
	Grace Morgan
Trustees Class of 2023:	Douglas House

### **Financial Updates**

**Stewardship** Co-Chairs Laura Brouse-Long and Tracy Branding reported on the results of the 2020 campaign. There were several challenges in 2020. The congregation was worshipping online. Membership has declined slightly. Some have been experiencing economic hardship due to the pandemic. Also, the church had to respond to issues with the building, provide hospitality for protests and continue its ministry to those experiencing homelessness.

The goal for the 2020 campaign was the same as for the previous year: \$700,000. To date a total of \$713,539 has been pledged. People responded very well. The median pledge in 2019 for 2020 was \$3,000; in 2020 for 2021 it is \$3,500. Seventy-two households increased their pledges and there were 16 new pledging households.

It is concerning that the number of households pledging has decreased over the past three years, from 151 in 2019 to 144 in 2020 to 131 in 2021. The reasons for this decline include deaths (the pledges of three members who died in 2020 totaled \$26,000); transfers to other churches; reduced involvement in the church; and financial hardship. It is also somewhat concerning that just seven households account for more than 20% of dollars pledged. Also, more than 50% of members do not pledge at all.

The Stewardship Committee will be working to help the congregation to broaden its understanding of stewardship, improve outreach to newer and younger members, deepen its relationship with and support of members, and encourage planned giving donations.

The Committee is very grateful to all those who participated in the fall campaign: the congregation, Stewardship Committee, worship team, those who spoke at Moments for Mission and those who participated in the Mission Fair or gave email testimonials.

### **2021 Budget**

Finance Committee Co-Chair Douglas House presented the 2021 budget. Budget results for 2019 were better than expected and budget results for 2020 were even better. Because the building has been mostly closed since March 2020, building operations expenses were much lower than estimated. The church also received a PPP loan, which is expected to be forgiven, a \$25,000 grant for hospitality to those experiencing homelessness, a \$100,000 grant from FEMA for upgrading security, and a \$400,000 bequest from Amy Gillies.

The 2021 budget funds all committee/ministry requests and includes:

- \$40,000+ improvements to the sanctuary/sound technology
- \$120,000 for music and the choir, including tech support
- \$83,000 in Community Club scholarships
- \$23,000 for Kenya partnership support (Njoro OVC program)
- \$16,000 for the Radcliffe Room ministry
- Full-time Facilities Manager
- Full-time Stated Supply Associate Pastor
- Return of furloughed staff in the first quarter

The 2021 budget is reasonably conservative. It estimates that revenues will be 15% lower in 2021 versus 2020 due to lower building use/rent and a decrease in non-pledge contributions. Estimated expenses include increases for credit card costs as online giving has increased, and for interest payments as the HVAC replacement will be largely financed through borrowing. It is

estimated that there will be a gap of \$180,000 between revenues and expenses, which will be funded by use of unrestricted endowment funds over and above the 5% draw on investment earnings. The church has \$3.1 million in this "spendable money" – cash assets in unrestricted funds or restricted fund that are available to use for some current activities. Spending these assets at the rate of \$180,000/year will result in "going broke" in 17 years. The 2022 budget will pose challenges as building operations, staffing and program work returns to normal, non-pandemic levels. Growth in membership and giving is a more viable path to sustainability than cost-cutting and shrinking staff or activities.

#### **Capital Campaign**

Gwenn Gebhard and Hal Hiemstra spoke of the need for a capital campaign. The upcoming replacement of the HVAC system represents a strong commitment to the church's future at its current location. The HVAC replacement will be financed through borrowing. Interest rates are very low now, but even if they remain very low, we need to pay off these loans. Taking on the debt is important for the long-term health of the building and the church's future. Relying on members only will impact future stewardship campaigns. It is hoped that fundraising can go beyond the church's membership to foundations and other supporters. Given the likely cost of the HVAC replacement, it will take more than one capital campaign to completely retire the debt. The Strategic Plan and the results of the CAT survey indicated that the congregation is committed to the church and its location.

#### **Ordination/Installation Service**

The meeting concluded with an ordination/installation service for incoming church officers.

**Moved that the meeting be adjourned with prayer. The motion was seconded, and Elder Miriam Dewhurst closed the meeting with prayer at 12:00 noon.**

**Miriam Dewhurst**  
**Clerk of Session**

THE New York AVENUE PRESBYTERIAN CHURCH  
Washington DC

Congregational Meeting  
Sunday, June 13, 2021

The Congregation of The New York Avenue Presbyterian Church was convened at 10:58 a.m., following the 10:00 a.m. worship service via Zoom on Sunday, June 13, 2021, for the purpose of considering revisions to the church's bylaws and hearing an update on the church's financial position from the Finance Committee.

The Rev. Dr. Heather Shortridge served as moderator and opened the meeting with prayer. Ms. Miriam Dewhurst, Clerk of Session, served as secretary and reported that the meeting had been announced on the two Sundays prior to the meeting.

A quorum (44) was declared to be present.

**Bylaws**

The congregation was asked to approve several revisions to the church's bylaws, the most significant of which was the dissolution of the Board of Deacons. After more than a year of discussion and discernment, the Session recommended this action, with the responsibilities of the Board being incorporated into a new Session committee: the Justice Ministries Committee. Several of the other revisions flow from this action, mostly eliminating references to the Deacons.

Other changes included:

- In Article III, Section 2 and article V, Section 5, wording was changed to use more inclusive language.
- In Article III, Section 3, the dates of parts 1 and 2 of the congregational meeting are brought into line with our current practice. Also in this section, language was added to clarify when the minutes of congregational meetings are approved. Further, the current bylaws require that the congregation (as well as the Session) approve the church's budget. The Book of Order specifies that approval of the church's budget is a Session responsibility. The proposed revision to the bylaws states that the congregation receives the budget (G-3.0205).
- In Article III, Section 9, language was added to allow for online voting.

Deacons Martha Davis and Sam Obermeyer reported that the Deacons are in agreement with this change. Dissolving the Board does not mean that the mission of the church is changing. Most, if not all, of the current Deacons will continue to serve on the Justice Ministries Committee, at least through the end of the year. The Committee is looking at a number of things, including how it will relate to the church's missions and how it will further the understanding of the congregation about social justice issues. It is hoped that the missions will benefit from this change. It is also hoped that others will be attracted to the work of the committee, including those who might not have been willing to commit to a three-year board term. The new committee will hold a retreat in late July, which is open to anyone interested in the committee's work.

During the ensuing discussion, the following questions were raised:

- Q: Will this change affect the reporting structure of the Diaconal Ministers? A: No, though it is hoped that there will be good communication with the new committee. Rev. Pacheco is the staff person for the Diaconal Ministers.
- Q: Why do the Deacons feel that it is important to make this change? A: The Deacons see this change as elevating their work to the Session level and guaranteeing more consistent pastoral support. They hope that people who are interested in their work, but are unable to commit to a three-year term, will be more inclined to participate in the church's missions.
- Q: Doesn't the Book of Order require that the church have deacons? A: The Diaconal Ministers do the work that the Book of Order describes for Deacons: care-giving and hospitality. The church's institutional history is that this work has been done differently.
- Q: What about the ushering function? A: That function will be the responsibility of the Worship and Music Committee.
- Q: Will other boards have representatives on this committee? A: We are trying to build something that is flexible and sustainable and the operations of the committee are still being developed.
- Q: How are the relationships with the First Presbyterian Reformed Church of Havana and the Njoro Orphans and Vulnerable Children program affected by this change? Cuba has been under the Session and Njoro under the Deacons. Are they both now under the new committee? A: All mission and relationship work will be under the umbrella of the Session in the new committee.
- IQ: In Article V, Section 3, language is being deleted references the annual review of staff salaries as a Session responsibility. Who is doing this work? A: The Personnel Committee is a committee of the Session and oversees the evaluation of church staff and makes recommendations on salaries. The Personnel Committee acts on behalf of the Session and its decisions are affirmed by the Session.
- Q: It seems to have been the church's practice over time to invite newer members to serve on the Board of Deacons, giving them the opportunity to become involved in the church's mission and to learn more about the church. It is hoped that this dynamic will not be lost in this change. A: This change is one part of the whole reorganization that the Visioning Group worked on for several years. This is the only change that requires a change in the church's bylaws. The goal is for the organizational structure to allow the congregation more flexibility in carrying out its mission. A: It is hoped that the Nominating Committee will play a larger role in recruiting people to serve on committees, including the new committee. A: One of the things that has changed since the 1960's when the Deacons were given the responsibility for social action is the make-up of the Session. At that time, Elders were predominantly older people, longer-term members. Now the vast majority of Session members are young people, a great gift.

**Moved that the revised bylaws be approved. SC** (Members voted through a drop-down poll feature of Zoom. Members unable to access this poll were able to call the Clerk and record their votes.)

#### **Finance Committee Update**

Elder Brent Ling and Trustees Doug House and Karl Hoffman provided an update on the church's financial position.

The church is blessed with substantial assets including endowments, some permanent and others restricted to specific uses, as well the church building. The value of the permanent endowment at the end of 2020 was \$12 million. Endowments are managed with three goals in

mind: (1) preserve the value of the corpus (mandated by terms of gift); (2) maximize the value of endowment earnings to the church over time; and (3) prevent big swings in the amount of money available for use each year. The earnings of these endowments are available for use and the Trustees authorize a draw on these earnings each year amounting to 5% of the 20-quarter average value of these funds.

Church assets at the end of 2020 amounted to \$21,200,080 and consisted of:

- Cash - \$776,474
- Investments - \$14,680,714
- Accounts/Bequests Receivable - \$173,231
- Stewardship Pledge AR - \$730,480
- Fixed Assets (Net of depreciation) - \$4,776,126
- All Other Assets - \$63,055

Somewhat offsetting these assets were liabilities: current debt (\$1,134,337); accounts payable (\$105,425); and other accrued liability (\$55,148). Net assets totaled \$19,905,170.

All of the church's money belongs to the church and it is the Session's responsibility to authorize its use. The Session has adopted a policy that requires that funds restricted to particular purposes be used for those purposes before unrestricted funds (contributions and other cash revenues) are used. The annual budget process allows church staff, boards, committees and programs to request funding for their activities. Supplemental spending authorizations outside the budget process also occur as particular urgent needs arise.

Resources immediately available for funding the church's programs, operations and interest payments are referred to as "unrestricted cash". Unrestricted cash is made up of contributions, building use revenue, the annual draw on endowment earnings and unrestricted gifts and bequests made throughout the year. Each of these sources varies from year to year, as do the church's expenses. As a result, the total amount of unrestricted cash also varies from one year to the next. In 2018, for example, total unrestricted cash declined by \$584,620. Operating expenses were flat that year, but contributions were lower and very little was received in the way of bequests. In 2020, unrestricted cash increased by \$642,646, due to strong pledge payments and other contributions plus \$500,000 in unrestricted bequests, combined with lower operating expenses as the church was largely closed due to the pandemic.

For many years, the church's expenses have exceeded revenues from pledges, contributions, building use income and the annual draw on endowment earnings. Sometimes the difference is made up when a large bequest is received, but usually the gap is funded by drawing from unrestricted cash. In 2021, it is estimated that contributions and building use revenue will be soft, and although operating expenses and interest on the line of credit are also expected to be lower, it is anticipated that between \$200,000 and \$300,000 will be needed from unrestricted cash to cover the shortfall. Revenues and expenses are more difficult to predict for 2022, but it is likely than an additional \$100,000-\$200,000 will be needed from unrestricted cash.

One important factor in these calculations is the HVAC replacement project, anticipated to total \$3.5 million. At current interest rates, this debt is manageable, but we will be exposed to interest rate risk in future years that will be best managed by paying down the debt as quickly as possible.

Another important factor is the impact of bequests. Bequests account for a large portion of our annual collections, but due to cultural, generational and economic changes, the church's Director of Planned Giving has stated that it is unreasonable to assume that bequest proceeds will match past levels in the future.

In summary, the church has many assets and assets that can provide funds in the future. While we have no immediate financial crises, there are worrying trends and reason for longer-term concerns. In most years, we spend more money than we take in revenues, endowment draws and restricted fund use. Building use revenues will likely be down in 2021 and perhaps longer. Although cash expenses have been fairly flat from 2017-2019 and benefited from pandemic savings in 2020, they are expected to grow in 2021 and beyond. We also face some risk from interest rate changes on the debt incurred for the HVAC project until we can pay it down substantially. Further, bequests have kept us going but we probably cannot rely on the same level of support from this source in the future.

**Moved that the meeting be adjourned with prayer. The motion was seconded and the meeting was adjourned with prayer at 12:12 p.m.**

**Miriam Dewhurst  
Clerk of Session**

THE New York AVENUE PRESBYTERIAN CHURCH  
Washington DC

Congregational Meeting  
Sunday, September 26, 2021

The Congregation of The New York Avenue Presbyterian Church was convened at 4:10pm, following the 3:00pm. Worship service at the Westminster Presbyterian Church in Alexandria, Virginia, and via Zoom, on Sunday, June 13, 2021, for the purpose of voting on calling the Rev. Dr. Sarah Johnson to be the Senior Pastor/Head of Staff, and on the Terms of Call.

The Rev. Dr. Heather Sortilege served as moderator and opened the meeting with prayer. Ms. Miriam Dewhurst, Clerk of Session, served as secretary and reported that the meeting had been announced on the two Sundays prior to the meeting. Committee on Ministry representative Michael Volpe was present.

A quorum (44) was declared to be present.

The members of the Pastor Nominating Committee were recognized, and co-chairs Heather Choi and Kristin Ford reported on the Committee's work. The PNC received more than 100 applications. Twelve applicants were interviewed. The candidate pool was diverse, with applicants from across the country and abroad.

Rev. Johnson was recommended to the PNC by the president of Austin Presbyterian Theological Seminary, Theodore J. Wardlaw. She is the Senior Associate Pastor for Adult Learning and Engagement at Preston Hollow Presbyterian Church in Dallas, Texas, where she has been serving for eight years. She has also served churches in Arizona and Chicago (Fourth Presbyterian). She has been ordained for twelve years. The PNC voted unanimously to recommend Rev. Johnson to be the Senior Pastor/Head of Staff.

The proposed Terms of Call include:

Compensation Cost

Effective Salary	\$115,000
Board of Pensions (37%)	\$ 42,550
Social Security Offset (7.65%)	\$ 8,798
Total Compensation	\$166,348

Expenses (To be Allocated at Sr. Pastor Discretion Annually)

Transportation Allowance

Study Leave Expenses (including coaching)

Professional Expenses

Total Expenses \$ 11,000

The church provides cell phone and garage parking at the church

Total Compensation and Expenses \$177,348

Leave

12 sick days to be used as needed

5 weeks of vacation leave (accrues/paid out on termination)

2 weeks of study leave (use or lose)

Relocation Expenses (maximum) \$10,000  
Reimbursement upon receipt of invoices/receipts; includes moving expenses, lease termination, etc.

Former Church Sabbatical Leave Liability (maximum) \$9,600  
The church pays the entire liability of up to \$19,200 when established. The church is responsible for 50% of the total liability cost. The candidate is responsible for 50% of the total liability costs and will take an annual effective salary reduction of 25% of her share of liability cost for four years.

In the event the Sr. Pastor is liable for any sabbatical liability at her previous church, NYAPC and the Sr. Pastor will each pay one-half of the liability when due. If the Sr. Pastor chooses, NYAPC will pay the entire liability when due and the Sr. Pastor will repay the church for half the liability by reducing her effective compensation at NYAPC by one-48<sup>th</sup> of her portion of the liability for 48 months. If the Sr. Pastor makes this election and leaves the church's employ before the 48-month salary reduction period is complete, the Sr. Pastor will pay NYAPC for the balance of her portion of the sabbatical liability within 12 months of leaving the church's employ.

Sabbatical Leave every six years of service - 3 months

Housing Assistance in the form of Equity Sharing (maximum) \$100,000  
The church shares pro rata in equity gains/losses at the time of sale; candidate liquidates within 12 months of termination of employment; can be used at any time during service at NYAPC.

Parental Leave – 12 weeks/child  
Including DC Parental Leave Benefit

During the ensuing discussion, several questions were raised:

Q: Has the candidate demonstrated support of the LGBT community?

A: She is a committed ally. She has officiated a same sex wedding.

Q: Please speak to her preaching ability.

A: She has a wealth of theological knowledge, including contemporary scholarship from diverse scholars, and engages the scriptural text.

Q: What is her experience with personnel and property management?

A: Rev. Johnson's current church, Preston Hollow PC, is a large church. She has had a lot of staff management, finance and stewardship experience.

Q: Please explain the housing assistance.

A: The church will be supporting Rev. Johnson in the purchase of a home. The church is not providing cash for a down payment, but rather the church will co-invest with her in her house. Instead of loaning her the money, the church will share in the equity of the house up to a certain percentage. If the value of the property increases, the church will gain; if it decreases in value, the church will lose some money. Outside counsel was consulted in this matter. Rev. Johnson is currently renting in Dallas.

Q: Please explain the sabbatical liability.

A: Rev. Johnson was on sabbatical when the PNC contacted her. She was not seeking a call. She will have to pay back her effective salary for the leave (\$19,200). The church will pay the full amount up front, but she will reimburse the church for half of the amount. The reimbursement will be spaced out over four years.

Q: It is very unfortunate that the congregation was not given the candidate's name and information until this afternoon.

A: Keeping this information confidential was a courtesy to the candidate and her congregation.

Q: What kinds of social justice programs has Preston Hollow been involved in?

A: Rev. Johnson has done a lot of work at Preston Hollow on social justice, especially racial justice. She has helped that church form relationships with African-American congregations in Dallas. She has brought progressive speakers to the church and organized trips to the South. Her current congregation is quite different from New York Avenue, but she has been willing to push them into less comfortable places. She is deeply committed to social justice, racial justice and radical hospitality in all of its forms.

Rev. Shortlidge thanked the PNC for its report. Instructions were given for voting: paper ballots for those present and a Zoom poll for those participating online. Members could also phone Helen Anthony with their votes. In keeping with Committee on Ministry policy, a positive vote of less than 85% will cause COM to initiate a further review and to consult with Rev. Johnson on discerning God's will.

**Moved that the Rev. Dr. Sarah Johnson be called to the position of Senior Pastor/Head of Staff and that the Terms of Call be approved as presented. The motion was seconded and passed on a vote of 141-2.**

Rev. Johnson was welcomed with great applause and she spoke about her sense of call to this congregation and her eagerness to begin. She will begin her ministry on November 28, 2021.

On behalf of the Committee on Ministry, Michael Volpe welcomed Rev. Johnson to National Capital Presbytery.

**Moved that the PNC be dismissed with gratitude. SC** The PNC will continue to work closely with Rev. Johnson as she arrives and begins her ministry.

Expressions of gratitude were made for the efforts of PNC Co-Chairs Heather Choi and Kristin Ford, for the work of Dr. Engebretson, Rev. Pacheco, and the tech team.

The meeting was adjourned with prayer at 5:00pm and a reception followed.

**Miriam Dewhurst**  
Clerk of Session