

THE PRESBYTERIAN CHURCH IN MORRISTOWN, NJ
ANNUAL MEETING OF THE CONGREGATION AND ITS CORPORATION
in the Sanctuary of the Church on the Green, February 9, 2020

PART 1 Congregational Meeting

- I. The Meeting was called to order by the Moderator, the Rev. Dr. David J. Smazik, at 11:10 a.m. and the convening prayer was offered by the Moderator. The Moderator declared there was a quorum present, and that Clerk of Session, Wendy M. Doidge, would serve as Clerk for this meeting and announced the call.
[A quorum is 75 members in good standing, plus the moderator]

II. **The Call**

In accordance with the requirements of the Constitution of the Presbyterian Church, USA, and the Bylaws of the Presbyterian Church in Morristown [2E], the Congregation was notified on at least two successive Sundays prior to the meeting that: The Session of the Presbyterian Church in Morristown calls the Annual Congregational Meeting for Sunday, February 9, 2020, at 11:00 a.m. immediately following the one service of worship at 10:00 a.m. to be held in the sanctuary of the Church on the Green, for the purpose of receiving the annual committee reports, the presentation of the 2020 Budget, the review and approval of the Pastors' Terms of Call, the selection and approval of a Nominating Committee, approval of signators on PCM business accounts, and any other business which may rightly come before the Congregation./ (G-1.0503) Rev. Smazik gave thanks to Clerk, Wendy Doidge for her excellent recordkeeping.

Looking Back- 2019

III. **Minutes**

The Minutes of the Annual Meeting of the Congregation and of the Corporation held on February 10, 2019 were presented to the Congregation. The Moderator explained that, in accordance with the Book of Order, the minutes of that meeting were reviewed and approved by the Session of the Presbyterian Church in Morristown at its first regularly scheduled meeting following the annual meeting. Copies of those minutes were provided in the materials available to all members at this meeting for their review. No further action was required.

IV. ***Treasurer's Report & Review of Church Audit**

Elder Karen May reported that all nine Session committees use the budget as their guide throughout the year to examine expenditures. ~ She was pleased to report that 2019 was a very financially healthy year in the life of our church. ~ There is a mistake, on the Portfolio Summary page where it shows the performance percentage at the bottom of the page, the return rate, was not 2.97% , it was actually around 8% so a positive change at least! ~ In 2019, with the Finance Committee's and Session's approval, the church changed investment advisors to Mariner Wealth Advisors. We have been working with them this year

to strategize our investments so that we can receive the maximum return on investments, while still allowing funds to be available for upcoming needed expenditures. The Endowment is now separated into 2 accounts, a more liquid fund for current needs and a longer term investment fund to maximize returns. ~ In 2019 we completed our Sanctuary renovation, the financial details of this project and other capital projects can be found on the last page of the packet. It is amazing how much we have invested into our buildings over the past 6 years, we have expended about 7.5 million dollars and more than 6 million was through donations. Now that the major capital projects are complete, we will be concentrating on other major maintenance projects, especially security. The church received a Homeland Security Grant, which will help us defray some of the costs associated with our new security enhancements going forward. ~ On the normal operating side of the financials, results were generally as budgeted. One note, was that Pledges were \$50K under budget in 2019. One of the reasons is way back in 2018, you may recall the stewardship campaign was held in December which made it difficult to come up with an accurate estimate so close to the new year. In 2019 our Stewardship campaign was held earlier in the fall so it was easier to more accurately project pledges for the 2020 budget. We will be talking more about the 2020 budget later. ~ As far as the Endowment goes, the church is still withdrawing at least 5% for operating and major maintenance purposes. We are making an effort to use our “special designated funds” as much as possible. You can see a list of all the funds in the Endowment in the packet. Many of these are designated to specific purpose as per the donor’s request and we are careful to use the funds appropriately. Overall, the Endowment is at a pretty healthy level right now due to the Moyer gift and other generous bequests. The finance committee continues to strive to maintain a healthy balance between using Endowment funds for current needed operating expenditures and major maintenance, and preserving the funds for future generations. ~ The Finance Committee is looking forward to 2020 with the continued goal of monitoring, analyzing, and advising the session and our committees so that the church can have the best possible financial outcomes to achieve current and long term goals. ~ Rev. Smazik gave special thanks to Elder May for her excellent work as treasurer. (***See Appendix 1**)

Recommendations Regarding Church Audit

Elder May directed the Congregation’s attention to the report of the Audit Committee in their packet of information. Auditors were elected at the 2019 Annual meeting of the Congregation. In that capacity certain procedures and reviews were performed with regard to the books and records of the Church of and for the year ended December 31, 2018. ~ The scope of their review was the 2018 Report of Finance of the Presbyterian Church in Morristown, which includes the Church Operation Accounts and the Combined Endowment and Investment Funds (“CEIF”). In addition, the Nursery School and Presbyterian Women’s accounts were reviewed (collectively, the Reports”). Their review

primarily consisted of substantive testing in order to determine the accuracy and reliability of the Reports. The review included variance analysis, judgmental sampling, review of subsidiary ledgers, account roll-forwards, review of transaction level details, testing for proper payees, testing for authorized payments and proper transfers and account classifications. Capital Campaign accounts' disbursements were reviewed only for large expenditures. They did not conduct a review of internal accounting controls; however, certain internal controls were tested in the process of conducting the review. They did not perform any internal control tests related to revenue/receipts cycle, including cash receipts. ~ Because they are not independent with respect to the Congregation and because the procedures referred to above do not constitute an audit in accordance with generally accepted auditing standards, they expressed no opinion on the Reports of the Presbyterian Church in Morristown as of and for the year ended in 2018. ~ In connection with the work referred to above, however, no matter came to their attention that caused them to believe that such Reports do not comply with the provisions of the Standard Practice and Procedures Manual Dealing with Finance as adopted and maintained by the Finance Committee. ~ Auditors for 2018 were: Larry McMillan and Michael Allison.

V. **Congregational Reports**

The Rev. Dr. David Smazik explained that the Session approves the budget but the Congregation approves the Terms of Call (TOC). He introduced the 2019 narrative reports found in the Annual Reports Booklet which included reports* of all Session committees as well as reports of various church organizations and programs. These reports show how the Congregation, through its various committees and organizations, serves God in many different ways and projects. (*Pastor's report, *from Session*: Buildings & Grounds, Christian Education Committee, Adult Education Sub-Committee, Communications Committee, Community & Membership Committee, Clerk's Report, Finance Committee, Management & Administration Committee (Including the Sexual Misconduct and Child Protection Policy- See Jan, 2020 Minutes), Outreach Committee, Sanctuary Renovation Committee, Worship & Music Committee, Youth & Young Adult Committee, *from Programs & Organizations*: Board of Deacons, Morris Afterschool Program, Music Ministry, Children's Music Ministry, Nursery School Advisory Board, Nursery School Treasurer's Report, Presbyterian Women and their treasurer's Report, Samaritans, Spring Hills Assisted Living Ministry, and the Stephen Ministry. The Congregation was provided with all the above-mentioned reports at least one week prior to the Annual Meeting.

When asked if there were any questions/clarifications about any of the 2019 reports, a question was asked regarding the conveyance of information from our committees and why does the Congregation have to wait for the annual meeting to know what is happening in these committees. Rev. Smazik explained that the focus and function Tower Tidings is changing and this is

something that should be considered and is currently being discussed. There is also a Monday email sent out that announces upcoming activities and a Thursday email concerning Sunday worship events. ~ Thanks to Julie Hess for assembling the content of the Annual report and to Sarah Galo for her work in printing out these reports. There were no further questions or comments.

VI. **Necrology Report & Prayer of Thanksgiving**

Elder Wendy Doidge read the names of members of our church family whose deaths were recorded this year: Jean O'Melia- January 3, 2019, Julie Ramseyer- February 6, 2019, Alta Struning- April 6, 2019, Jennifer Lawlor- June 2, 2019, William Trumpf- July 25, 2019, Grace Akillian- July 29, 2019, Jean Dinsmore- August 26, 2019, Dr. Donald Burt- September 18, 2019, Frederick Meyer- October 30, 2019, Lois LaVanture- November 28, 2019.

The Moderator, Rev. Dr. Smazik, offered a prayer of Thanksgiving for their lives and service of those who passed and the gifts they brought into our lives.

VII. **Resolution of Thanks for Officers Completing Terms of Service**

Rev. David Smazik asked the Congregation to authorize a **Resolution** expressing thanks to all those officers whose term of office have been completed: The Class of 2019 Elders: Christopher Cotnoir (Christian Education), Caroline Godfrey (Christian Education), Gregory Hummer (Finance), Jim Kutsch (Management & Administration), Mickey McDonnell (Community & Membership) and Beverly Tignor (Outreach).

Thanks were also extended to the Class of 2019 Deacons: Carol Allison, Carol Gilbert, Diana Gulick, Shelley Trautman, Tom Guthrie, and posthumously, Jennifer Lawlor. ~ Rev. Smazik asked that this **Resolution** be included in the Minutes; a round of applause followed the **Approval** of the resolution.

Looking Forward- 2020

VIII. **Approval of Ministers' Compensation (Terms of Call-*TOC)**

The Moderator was excused and Elder Kevin Redgate, President of the Corporation, took over as moderator of the meeting.

For Rev. Dr. Smazik

M & A Chair Elder Kevin Hubbard presented the TOC for Rev. Dr. Smazik explaining that the recommended increase in compensation for 2020 is 2%. There were no questions about Rev. Smazik's TOC. There were no questions about Rev. Dr. Smazik's TOC.

For Rev. Green

Elder Hubbard explained the recommended changes in Rev. Green's TOC was also an increase of 2%. In 2019, there was a higher Study Leave Allowance for a one-time program Rev. Green attended, thus the difference noted for 2020. There were no questions about Rev. Green's TOC.

~ A **MOTION** was made, it needed no second, as it came from the committee, and was **APPROVED**, by the Congregation, to accept Rev. Dr. Smazik's and Rev. Green's salary compensation as presented. (***See Appendix II**)

IX. Presentation of the Church Budget for 2020

Rev. Smazik resumed as moderator of the meeting.

Finance Committee Updates: Elder Karen May

The 2020 Budget was completed with the efforts of all 9 committees who each prepared their own budget. The finance committee reviewed and recommended modifications if needed. Finally, the budget was presented to Session, where it was approved on Dec 19, 2019.

~ On the revenue side, good news is that we budgeted a pledge budget of \$850K and we have already received \$848 in pledges, so we feel very good about that number this year.

Expenses are slightly higher for 2020. For M&A due to a change in mix of staff, and for B&G due to some new maintenance fees. Major Maintenance has several projects planned including security enhancements, Parish House floor repair, Kitchenette renovation at Church on Green and van replacement. All expenses are subject to the church meeting our revenue goals and session is advised that modifications may be made if we find there could be a significant shortfall.

~ Expected withdrawal from the endowment for 2020 is around \$478K. This is within the acceptable finance committee's benchmark of 5% for Operating purposes. When we add in Major Maintenance and Special Funds we are at 7% withdrawal rate.

~ Finally, I'd like to say thank you for your support of the Presbyterian Church in Morristown. Although we don't always want to think about the finances in conjunction with our church, it is an important driver in what we can accomplish both in these walls and outside in the community. It is with your generosity that the church can solidly plan for current and future goals. It could not be done without you! Thank You.

~ The Congregation was asked if there were any questions for Elder May. A question had to do with the projects that fall under the Historic Master Plan. No longer eligible for the historic grants, **we have retained the services of the architectural firm of Connelly & Hickey along with Alden-Bailey Restoration to inspect the wood gutters, decorative corbels, slate roof, dormers, flashing, parapets, and copper work of the roof at the Church on the Green. A report will be provided in the beginning of 2020 regarding the various features of the roof, as listed above, and a critical cost estimate for the required repairs and / or replacements of the elements of the existing roof.* *From Building and Grounds annual report.

X. Report of Church Nominating Committee & Election of Nominating Committee Members for 2020

Elder Wane Rush reported that the committee's work concluded in September of 2019. The Class of 2023 were ordained and installed in January 2020.

~ Elder Wayne Rush thanked the members of the 2019 Nominating Committee for their work this past year: Committee Chairperson: Elder Wayne Rush, from Session: Elder Bev

Tignor, Deacon Rep. Carol Gilbert, and from the Congregation at Large: Clarence Curry, Craig Dodd, Wendy Doidge, and France Delle Donne.

~ Elder Rush announced that the 2020 Nominating Committee, which will have an elder and deacon representative, needs 4 members at large, from the Congregation. Fortunately, two members had already volunteered: Ray Doidge and Cheryl Smith. Volunteers from the floor, to serve as members at large: Craig Dodd and Michele Yampolsky. ~ A **Motion** was made and seconded to **Approve** the 2020 Nominating Committee, **MA**. ~ Elder Rush has agreed to act as committee chair for the 2020 Nominating Committee.

- XII. The Rev. Smazik closed the Congregational Meeting and turned the lectern over to Elder Kevin Redgate, President of the Corporation.

Part 2 Corporation Meeting

The Meeting of the Corporation was called to order by Ruling Kevin Redgate, President of the Corporation.

RECOMMENDATION FOR THE ELECTION OF OFFICERS AND REGULAR BUSINESS TRANSACTIONS FOR THE CORPORATION

- I. Elder Redgate explained that there were two Motions that needed approval. First, for officers of the corporation and secondly, those persons who manage the day-to-day business activity of our Church, in the Omnibus Motion.
- II. The following persons are nominated to serve as officers of the corporation until the next annual meeting:
President - Chairperson of Finance, Kevin Redgate
Vice President - Chairperson of Buildings and Grounds, David Darcy
Secretary - Clerk of Session, Wendy Doidge
Treasurer – Karen May
Assistant Treasurer – D. Bruce Smith

MOTION to **APPROVE** the officers of the corporation, moved and seconded, all were in favor, **APPROVED**, by the Corporation.

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Omnibus Motion of the Corporation

- 1. It is moved that the Session be empowered to borrow funds in 2020 up to an amount of \$50,000 outstanding at any one time, pledging endowment assets against this borrowing if desirable.
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- 2. **RESOLVED**, that any one of the following officers is authorized to sign checks and withdrawal authorizations for any accounts of The Presbyterian Church in Morristown:
Treasurer – Karen May
Assistant Treasurer – D. Bruce Smith
President, Board of Trustees – Kevin Redgate

Vice President, Board of Trustees – David Darcy

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- 3. RESOLVED, that any two of the following be, and they hereby are, authorized to open the safe deposit box of The Presbyterian Church in Morristown, located at the office of Chase Bank.

President, Board of Trustees – Kevin Redgate
Vice President, Board of Trustees – David Darcy
Treasurer – Karen May
Assistant Treasurer – D. Bruce Smith
Finance Administrator – Henry Ahlers

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- 4. RESOLVED, that any of the following be, and hereby is, authorized to use a secure connection to transfer funds at Chase Bank between the General Fund account, the Designated Funds account, the Payroll Fund account and the CEIF Income Fund account.

Treasurer – Karen May
Assistant Treasurer – D. Bruce Smith
Finance Administrator – Henry Ahlers

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- 5. RESOLVED, that the following be, and hereby is, authorized to use a secure computer connection to access the Charles Schwab Retail Brokerage Account online and to sell donated shares of stock upon their receipt, by means of a fully executed Limited Power of Attorney for the Schwab account.

Treasurer – Karen May
Assistant Treasurer – D. Bruce Smith
Finance Administrator – Henry Ahlers

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- 6. RESOLVED, that the officers of this Corporation be, and hereby are, fully authorized and empowered to transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute and deliver, under the corporate seal of this Corporation, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred.

Treasurer: Karen May
Assistant Treasurer: D. Bruce Smith
Finance Administrator: Henry Ahlers

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- 7. RESOLVED, that any of the following be, and hereby is, at the direction of the Treasurer or Assistant Treasurer is fully authorized and empowered to transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or other securities now or hereafter standing in the

name of or owned by this Corporation, and to make, execute and deliver, under the corporate seal of this Corporation, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred.

Finance Administrator: Henry Ahlers

The **OMNIBUS MOTION** was moved and seconded, all were in favor, **APPROVED**, by the Corporation.

- III. There being no further business for the Corporation, the meeting of the Corporation was adjourned.

Attested to:

Elder Kevin Redgate
President

Wendy M. Doidge
Secretary

Part 3 **Congregational Meeting Reconvened**

- XIII. Rev. Dr. Smazik resumed as moderator. The Congregation was asked if there was any other business to come to the floor for discussion, seeing none, he asked for a **MOTION** to **Adjourn**, so moved and seconded, **Approved**.
- XIV. There being no further business, the Meeting was closed with prayer, offered by the Rev. Sarah Green, at 11:44 p.m.

Attested to:

David J. Smazik
Moderator

Wendy M. Doidge
Clerk of Session