

2019 Budget Narrative PSF

The First-Read budget sent out in Sept had several major errors. One error had to do with differing interpretations over how to set a minimum salary for a part-time, salaried position. Another was confusion that full BOP benefits were mandatory for all exempt positions filled by ordained ministers. Those previous opinions resulted in much higher projected staffing costs than is now included in this version of the 2019 budget.

In addition, that September budget iteration had not been presented in a side-by-side comparison with the Calibration Team recommendations that were accepted by the Presbytery in early 2017. The budget presented today reflects that comparison, with a summary of the comparison to the Calibration Team budget also included as a separate spreadsheet.

The Income Side:

The anticipated income from per capita, from synod distributions and from interest draws from investment funds is aligned with those proposed by the calibration team, except that the Synod distribution will be slightly less this year. However, total mission giving increased in 2018 by more 10%, far more than we had anticipated, so we have budgeted some of that increase in 2019.

The Expenses Side.

Last year's budget (2018) had planned expenditures of \$765k, but we project that the total will be about \$30k less, due in part to the fact that we had budgeted for a full-time clerk but only had a part-time clerk.

The 2019 Budget has planned expenditures of \$863k, almost all of which are due to increased congregational support (Mission), but with some new additional costs for nurturing pastors which are paid for from the investment funds under the Priority 2 adopted by Presbytery: Nurturing Teaching Elders. The latter appear in the expenditure column, but there is an offsetting draw from the Funds.

Staff Expenses:

In early 2018, Personnel Working Group began to take the "next step" of living into what we had been doing in 2017 around the jobs and the hours allocated, and proceeded to make some adjustments within the overall "salary cap". In moving the Stated Clerk job to half-time, the other work that would have been done by the FT Clerk was largely distributed to the Administrative positions. Some of these

Presented at Open Space for Budget
November 13, 2018, PSF meeting @ Lakeside PC

savings are being used to fund an increase hours per week in the FPOC and COM staff positions while moving those two positions to “exempt” or salaried status. The added hours (now approximately 26-28 hours per week) more accurately reflects the amount of work that they are encountering. Within the stated salary for those positions, vacation time, sick leave and some study time were approved, but without an increase in the overall salary. For 2019, parity in benefits is also proposed. Parity is required for more-than-half-time positions, so a 16.5% medical benefits (or equivalent) is also proposed in the FPOC and COM positions, which had already been built-into the Admin position in 2018.

In 2019 the proposed staffing level, in aggregate, with all these changes and reallocations, matches the amount approved by the Calibration team, and adopted by Presbytery in 2017, within \$2.4 k “all in”. There is a one-time mentorship cost of \$10.5K placed in the 2019 budget which anticipates some consulting work from the previous Stated Clerk should a complicated judicial case arise, or some other complex situation arise.

We believe that this is the “right size” staffing model going forward. Moreover, the scope of work of the staff is based on our lived experience of serving the needs of the congregations and pastors.

In 2019, we also project a \$10k decrease in the operations costs that were proposed by the Calibration team. **So, the budget as proposed today has a projected net surplus of \$7.6k and is aligned with the Calibration Team proposals for where we should be on both income and expenses.**