

THE PRESBYTERY OF THE MIAMI VALLEY

2020 BUDGET EXPLANATORY COMMENTS

(Note: The order of the information below follows the sequence of the approved 2020 presbytery budget.)

Overall: You may note that the bottom line of the Revenues versus Expenses is \$367,884.35. That amount is less than the 2019 Budget (\$377,284.44) by \$9,400.09.

Revenues:

1. As the total number of active members in the Presbytery declines (from 7803 in 2017 to 7509 in 2018, as reported in the Annual Statistical Report) so too does the revenue from **Presbytery Connectional Support**. With this in mind the Leadership Council has suggested an increase in the per member amount to \$40.00--up from \$36.00 in 2019. Should churches provide the full amount that would amount to \$312,120. However, in reviewing Connectional Support amounts received over the last several years, the average total amount actually received by year-end was about 85% of the amount requested. Therefore, to be accurate in budgeting as to what we expect to receive, we have set line 401.103 at 85% of the full amount if each church paid its fair share. In doing this, we are not suggesting that congregations should pay less than the full amount of their fair share for Connectional Support. That full amount is expected and greatly appreciated, and ought to be the aim of each congregation. But to build a reasonable 2020 budget we have used the 85% figure.

We also know that not all churches are able to pay their full amount, though every effort should be made to so do. Therefore, we would look for some congregations that have the gift of financial strength to give beyond what their membership number would require them to pay. Several churches in the presbytery already do so, and we are very grateful (see the Supplemental Packet for current 2019 Connectional Support giving). This is one way that churches can support each other as part of our covenantal connection to each church in our presbytery.

2. A new line item has been added – **401.104 Minister of Word and Sacrament Support**. Knowing that the membership of ministers of the Word and Sacrament is located in the presbytery, the Trustees and Leadership Council thought it would good and appropriate for ministers to support their “congregation of membership.” If each one of the approximately 100 ministers on our presbytery’s rolls gave \$25.00 per month, that would raise \$30,000.00 (\$25.00 X 12 months X 100 ministers). That amount would contribute greatly to achieving the presbytery’s mission. Some ministers will be able to give more, while others may be hard-pressed to provide that level of funding. However, also knowing this is a new item in our budget and will take time to be accepted, we have only budgeted \$4,000.00 for 2020—or an average of \$40 per active and Honorably Retired member of presbytery. We are waiting to be surprised by how much more will be given.

3. The presbytery can also expect \$43,412.64 from **outstanding loans** related to former PMV church buildings (lines 401.114 and 401.116).

4. Since expenses are expected to exceed revenues, we will need to **draw upon our presbytery reserves** at the amount of \$55,444.67 (line 401.120) in order to balance the budget. That amount will reduce our current unencumbered reserves by 7.45%. That is not a long-term sustainable amount but is necessary for 2020. The market performance of our reserves is doing well in the current market, but this cannot be guaranteed for the future.

Expenditures:

1. The Staff Support Committee and Leadership Council have approved a **1.5% increase in staff salaries for 2020**. This is in line with the increase in minimum pastors' salaries that presbytery approved in September 2019. Lines 501.100 and 501.101 have changed from 2019 for our Executive Presbyter's effective salary that is divided between cash salary and housing allowance in tune with federal guidelines. Board of Pensions payments (line 501.103 and 104) have been increased in line with the salary increase and other benefits adjustments.

2. The approval of this 2020 presbytery budget will be deemed approval for the following terms of call for Minister of the Word and Sacrament Terry Kukuk as Executive Presbyter for 2020 and shall be included in the official minutes:

Cash Salary	\$52,209.98
Housing Allowance	\$18,000.00
SECA Allowance	\$5,830.06
BoP Pension/Disability	\$9,145.20
BoP Medical Expenses	\$19,052.50
Supplemental Medical	\$6,000.00
Professional Expenses Reimbursement	\$9,000.00
Continuing Education Reimbursement	\$3,000.00

3. As the Staff Support Committee considers options for **carrying out our Bookkeeper functions and other staffing issues**, the amount of line items from 501.130 to 501.171 will be adjusted.

4. Line item 501.455 varies based on the **amount of per capita received from congregations**. General Assembly per capita for 2020 is \$8.95 per active member, and Synod per capita is \$3.25 per active member. Annually some PMV congregations have not paid the full per capita amounts, yet the presbytery has committed for many years to pay the full amount to Synod and General Assembly as a sign of our relationship to the councils of the Church. Line 501.455 represents our estimate of the shortfall in congregational per capita giving in 2020. We encourage every congregation to meet its entire per capita responsibilities, since not doing so depletes the presbytery's reserves.

5. In our attempts to align the budget with the presbytery's core mission, the decision has been made to drop the **Missionary Air Group Support Expenses** (line 501.281). MAG is receiving financial assistance from the Network Support and Grants Committee for 2020, and has also received assistance from congregations in our presbytery.

7. In light of the previous decision to reduce the amount of the **subsidy to Kirkmont Center** by \$5,000 from the previous level each year, the new amount is \$10,000.00 for 2020 (line 501.290).

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**Summary of Churches' Expected Payments
to the presbytery in 2020**

\$40.00 per active member for Presbytery Connectional Support

(for approved 2020 presbytery budget.

Amounts due are based on churches' 2018 active membership)

\$8.95 per active member for General Assembly Per Capita

\$3.25 per active member for Synod Per Capita

*(Payments can be given in a lump sum,
or in periodic payments)*

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