

First English Lutheran Church

Finance Committee

January 17, 2023

Dear Members of the Congregation,

The proposed budget for 2023, as adopted by the Congregation Council, is attached. Final approval of the budget is to be taken up at the Congregation Meeting on January 22.

An explanation of some of the proposed budget's features will be helpful.

Restoration of Fixed Budgeting for Mission Support and Benevolence

As you know for the last 3 years, amounts paid out for mission support through the synod and for benevolence have been determined as a percentage of "provisional surplus". Under this approach, our annual mission support and benevolence for those years was approximately \$21,000 in 2020, \$12,000 in 2021, and \$24,500 in 2022.

The 2023 budget proposes to restore \$9,000 in the fixed budget - \$6,000 for mission support and \$3,000 for benevolence – that will be paid out during the year whether or not we have a provisional surplus. The Finance Committee and Congregation Council believe that this limited fixed budget for these items is feasible because of the success we have had in restoring our savings balance in the Emergency Borrowing Fund. The 2023 budget also provides that we will continue to apply any provisional surplus to additional mission support and benevolence, and to the continued strengthening of the Emergency Borrowing Fund.

Budgeting for the Pastor and Vicar

Since the proposed budget was approved by the congregation council in November, it includes compensation for the pastor at the 2022 level as well as pastor-related costs (pension, health insurance, etc.) based on the assumption that Pastor Coffey would continue to serve through the year. We believed this was the most appropriate way to budget these costs at this time because at this very early stage in the transition and call process it is very difficult to estimate these costs. With Pastor Coffey's departure in mind, the congregation council will propose a floor amendment to the proposed budget to adjust items of pastor compensation so that the proposed budget will be more responsive to our search for a new called pastor and related expenses.

We have not budgeted any funding of the Vicar program in light of the fact that we will not host a Vicar during the transition.

Other Changes to Expenses

The proposed budget includes a cost-of living raise for the Office Administrator and Music Director positions of 8.7%, which is the 2022 cost of living adjustment to social security benefits.

We have made an allowance for inflation in a number of other expense lines such as utilities.

Yours truly,

Joe Cain
Chair, Finance Committee