

Report to North/West Lower MI Synod Leaders and Congregations

October 2016

At the 2016 Synod Assembly, voting members approved the following motion:

Motion SA15.05.16

To adopt the budget for the 2017-2018 fiscal year. That, following the adoption of the budget, the Synod Council will develop and distribute a specific plan for achieving the increased income to support the increase in planned expenses and report back to the congregations within the synod by October 31, 2016.

This communication provides input on the requested plan for partnering across the synod to achieve the increased income required within the 2017-18 Fiscal Year (YE 31-Jan-18) budget that was approved.

The full budget that was approved is provided on pp. 116-117 in the 2016 Pre-Assembly Report (<http://mittensynod.org/docs/Assembly2016AnnualReport.pdf>). A condensed summary of this budget compared to 2015-16 Year End Actual and the 2016-17 Current Fiscal Year budget is as follows:

North/West Lower Michigan Synod Proposed Budget 2017-18 Fiscal Year End 31-Jan-18		Budget Approved by the 2015 Synod Assembly	Budget Approved by the 2016 Synod Assembly
	YE 1/31/2016	YE 1/31/2017	YE 1/31/2018
	2015-16 Past Year ACTUAL	2016-17 Current Year BUDGET	2017-18 Next Year BUDGET
REVENUE			
Total Revenue	1,537,414	1,684,443	1,878,212
Total All Expenses	1,546,363	1,679,442	1,853,212
Net Income/Loss	(8,949)	5,001	25,000
Capital Purchases	(4,354)	(17,000)	(37,000)
Add Back Depreciation - Non Cash Exp.	21,630	12,000	14,000
Modified Net Income/Loss	8,327	0	0

Through the end of August 2016, mission support from our congregations is on track relative to the 2016-17 fiscal year budget. Thank you for your active engagement and support of the great ministries taking place across the synod and beyond! The focus of this report is to provide strategic inputs contributing to the 11% increase in planned revenue (increasing \$193,769 overall; from \$1,684,443 to \$1,878,212) between the current 2016-17 budget and the newly approved 2017-18 budget.

Strategic Inputs to the 2017-18 Fiscal Year Budget

There are four contributors to the \$193,769 increase in planned revenue within the 2017-18 budget:

1. **ELCA Churchwide Mission Support:** \$96,885 increase *(50% of the total increase)*
 - a. For every \$1 received from congregations through Mission Support, 50% (or 50 cents) is forwarded on to the ELCA as part of our Synod's Mission Support commitment. From a budget planning perspective, each increase in planned revenue related to mission support will require a similar increase (100% match) in this budget line item.

2. **Staff Salaries & Benefits:** \$80,245 increase
 - a. This is the *most significant contributor* to the overall 2017-18 budget increase. As communicated at the 2016 Synod Assembly, we are planning to transition **from** two full-time and one part-time (25%) Assistants to the Bishop **to** three full-time Assistants to the Bishop. This increase accounts for the additional Salaries & Benefits required to enable this staffing change.

3. **Professional Fees:** \$5,000 increase
 - a. At the recommendation of ELCA Churchwide, our Synod (along with other synods) has retained a Synod Attorney to provide legal counsel to the Bishop and Executive Committee regarding Human Resources policies and procedures, changes in laws that impact the synod, constitutional interpretation, and the like.

4. **Other:** \$11,600 increase
 - a. This is a combination of smaller adjustments as well as planned increases that will ultimately be off-set at the end of the year through depreciation adjustments, etc.

Plan for Achieving Increased Revenue in Fiscal Year 2017-18

As stated above, each increase in planned revenue related to mission support will require a similar increase (100% match) in this budget line item. For this reason, Synod Council is planning to support the budget increase through a combination of 1) increased awareness and focus on Mission Support across our congregations and 2) supplemental support of synod staffing through dedicated funding.

Specific initiatives include:

1. **Creation of a Synod Staff Growth Fund (New Dedicated Fund)**
 - a. At the recommendation of the Synod Endowment Committee, the Synod Council approved the following at their September 2016 meeting:
 - i. Creation of a Synod Staff Growth Fund. This new fund is planned with the dual purpose of providing financial incentive for the addition of Synod Staff and to provide support for on-going staff training and development.

- ii. Transfer of \$60,000 from existing unrestricted dedicated funds with alignment to support of synod ministries and staffing to the new Synod Staff Growth Fund.
- b. Initially, this Synod Staff Growth Fund is planned for use as a “diminishing grant” over a multi-year period to off-set costs of the new full-time Assistant to the Bishop.

2. Increase Awareness of the Approved 2017-18 Budget and the Importance of Mission Support Across Congregations

- a. Publish this Plan in the November 2016 Bishop Newsletter
- b. Develop and/or optimize enabling tools for use in synod-wide communications related to strategic synod activities. This includes, but is not limited to:
 - Update the “Synod Snapshot” (who are we and what are we about)
 - Update the “Role of the Synod Bishop” (for awareness)
 - Create “Responsibilities of the NWLM Synod Staff” (for awareness)
 - Create a 1-page handout of the 2017-18 Synod Budget (for awareness)
 - Leverage the ELCA Mission Support brochures (for awareness)
- c. Send a letter summarizing the approved 2017-18 Synod Budget and this “plan for action” to all Conference Deans and Congregation Pastors and Council Presidents by the end of October 2016 for their awareness and consideration during year-end budget planning.
- d. Schedule Congregation Council visits across the synod with our 7 conferences and as many of our 113 congregations as possible for the purpose of communicating synod level activities – including a review and discussion on the variety of responsibilities managed by the Assistants to the Bishop.
 - Raise awareness of the approved 2017-18 Budget and the new Synod Staff Growth Fund.
 - Encourage congregations to increase their overall giving to the synod by 10% over the previous year – either through mission support, targeted giving to the Synod Staff Growth Fund, or a combination of both.

The Synod Council will continue to optimize and manage this plan going forward. If any synod member has additional ideas to contribute, please forward them to the Synod Council Vice-President for consideration. Your on-going partnership and collaboration are appreciated as we work together to carry out the important work of the synod!

For the Synod Council,



Sandy Schlesinger
Synod Vice-President
sjschlesinger@dow.com