



Presbytery of Lake Michigan
Presbyterian Church (U.S.A.)

**2027 Proposed Budget
First Read Narrative
September 12, 2026**

Presbytery of Lake Michigan First Read 2027 Proposed Budget

Narrative Overview of Proposed 2027 Budget

I. Mission, Vision, Values, and Goals

The 2027 Presbytery of Lake Michigan (PLM) Budget is designed to reflect the mission, vision, values, and goals of the institution.

The Presbytery of Lake Michigan (PLM) 2027 Budget reflects the Strategic Plan adopted by the Presbytery in 2018. The plan established the following goals:

1. PLM will work to **strengthen relationships** between
 - a. the Presbytery and its congregations
 - b. the Presbytery and its minister members
 - c. the Presbytery and Sessions
 - d. congregations
2. PLM will **resource and support congregations** for healthy and vital ministries.
3. PLM will develop and support **healthy and dynamic leaders** for congregations and validated ministries.
4. PLM will **fulfill its other responsibilities** mandated in G-3.03 in the Book of Order,

II. Ministry Context

Ministry has been, and is taking place within our Presbytery through congregations, campus ministries, local and regional partnerships, and through the work of the Presbytery. The shape and delivery mechanisms for many of the component parts of our ministry changed during the pandemic and they continue to change as we adapt to provide ministry in a post-pandemic environment that continues to evolve.

Technology plays an increasingly important role in ministry. Every level of ministry, from the local to the global, has increased its use of technology. But ministry is by, for, with, and to people. In budgeting for 2027, we face the challenge of attempting to discern what ministry will look like in 2027 and what resources (human and financial) will be available to facilitate ministry.

Effects of Board of Pensions (BoP) decisions related to coverages and costs for the benefit plans that cover many of our church's employees which began in January 2025 are becoming

increasingly apparent. During 2025 certain adjustments to the roll out were made by BoP, the net effect of these adjustments is not completely known at this time.

Some initiatives, like the Matthew 25 initiative, that were approved by the presbytery in the last few years may need reallocated resources.

The First Read of the Proposed Budget 2027 is our best attempt to consider all the factors that affect our ministry together.

III. Societal Context

- A. A politicized atmosphere in our society contributes to diminished trust. The potential of working together to meet challenges has been and continues to be threatened by apathy and/or acrimony. Ascription of bad motives to those with whom we disagree regarding political, social, or ecclesiastical issues exacerbates diminished trust and threatens the ability of the connectional church to provide ministry necessary in our world.
- B. American society continues to develop heightened awareness of how racism, privilege, injustice, structural oppression, and apathy are interrelated. This heightened awareness of the pervasiveness of racism within North American society and the injustices fueled and perpetuated by racism calls for a response by the Presbytery of Lake Michigan contextualized to our local or regional ministry setting.
- C. Societal anxiety is fed by uncertainty regarding the longer-term effects of COVID on human health and our society. We are uncertain regarding longer term impact of the changes that have become part of our daily lives.
- D. Angst caused by violence, and especially gun violence, shows itself in our cities, small towns, and rural areas.
- E. Debates regarding US citizenship and immigration initiatives have led to distress and uneasiness for many.
- F. Fear of war and terrorism has increased within the ministry context of the Presbytery.
- G. Economic uncertainty is fueled by stock market volatility, supply chain issues, fears of recession, and the potential for economic disruption brought on by international political unrest or upheaval.

IV. Our Presbytery Context

- A. The Presbytery enjoys stable executive leadership by the Rev. Dr. Fran Lane-Lawrence, Executive Presbyter/ Stated Clerk.
- B. In person attendance for most of our congregations has declined significantly from pre-covid levels.

- C. Many of our congregations now report participation in virtual worship. For some this is a convenient way for shut-ins, for those whose health is compromised, or for those who are seasonal travelers to participate. For others who have moved away it affords the opportunity to worship with a congregation with whom they have historic ties.
- D. A few of our congregations are experiencing growth from members who have joined because of dissatisfaction with the stance and practices of their former less inclusive congregations/denominations.

E. Presbytery Revenues through June 30, 2026

1. Per Capita receipts were \$ 246,920
 - This is 70.56 % of the annual per capita expected.
 - Last year the percentage received at this time was 63.38%
 - As of June 30, 2026:
 - 31 congregations paid their annual per capita in full
 - 9 congregations paid 50-99% of their per capita
 - 6 congregations paid between 1% and 49%
 - 8 congregations had not paid anything YTD.
2. Shared Mission receipts were \$ 47,609 compared with \$54,430 last year at the same time. \$ 47,609 represents 36.41 % of the 2026 PLM Shared Mission budgeted amount.
3. Presbytery Operating expenses YTD through June 30, 2026, were \$ 393,326 compared with \$333.236 for a similar period in 2025.

F. Limitations of Human Resources

1. Our Presbytery continues to shrink:
 - a) Membership reported in 2020 was 10,283,
2021 was 9,845,
2022 was 9,119
2023 was 8,677
2024 was 8,249
2025 was 7,778
 - b) Annual losses range between 4.26% and 7.37% since 2020.
 - c) Membership reported for 2000 was 21,690 compared to 7,778 in 2025.
Stated differently, PLM's 2025 membership was 35.86% of what it was in 2000.
2. In the 2025 annual report cited above: 6 congregations reported a gain in membership with a total gain of 28 members (One of our larger congregations with over 300 members accounted for 18 of the 28 members), 8 congregations reported the same number of members in 2025 as they did in 2024, 40 congregations reported loss of membership.
3. The median age of most of our congregations is much older than it was in 2000. Recent PLM statistics show that 43.08% of our members are over 71 years old.

4. The human resources for ministry and service are dwindling in most of our congregations and certainly within our presbytery.
5. As a result of this dwindling pool of human resources, congregations and the presbytery are vying for service from a smaller pool of people.
6. The structure of the presbytery has been shrinking. But even with a smaller structure we often cannot fill the necessary positions in our structure with qualified and willing individuals. The Nominations & Representation Committee has repeatedly noted this problem in its communications with the Leadership Team and with the Presbytery at large.
7. Expenses for maintaining the organization do not contract at the same rate as the loss of members.
8. Budget & Finance and Leadership Teams believe that moving toward a more simplified structure assists in addressing the issues mentioned above but it does not solve the problem.

F. Effects on Revenue of the Continuing Decline in Participation

1. Congregational attendance (and sometimes support) may come from non-members.
 - a. A ten-year decline in average attendance from nearly 50% to 37% of membership was evident pre-pandemic.
 - b. As previously noted, most of our congregations' report that in person attendance is markedly less than attendance was pre-pandemic. In 2025 some congregations reported that non-members participated virtually in worship or small groups and contributed financially to the ministry. The longer-term effect of on-line/virtual worshippers on annual revenue is unknown currently.
2. Per Capita revenues are influenced by rate increases and the number of members:

	<u>2011</u>	<u>2025</u>
GA Budget	\$ 108,115	\$ 94,059
GA Per Capita	\$ 6.50	\$ 10.84
GA Actual Receipts	\$ 104,500	\$ 87,880
Synod Budget	\$ 54,057	\$ 29,502
Synod Per Capita	\$ 3.25	\$ 3.40
Synod Actual Receipts	\$ 52,251	\$ 27,590
Presbytery Budget	\$ 235,178	\$ 240,874
Presbytery Per Capita	\$ 14.50	\$ 27.76
Presbytery Receipts	\$ 233,115	\$ 223,475

3. Shared Mission financial experience can be summarized in this snapshot:

	<u>2011</u>	<u>2025</u>
GA Actual Receipts	\$ 161,005	\$ 202,724
Synod Actual Receipts	\$ 9,063	\$ 5,935
Presbytery Receipts	\$ 286,920	\$ 217,070

- G. Legitimate ministry needs and opportunities within the communities served by our congregations and worshipping communities far outstrip the Presbytery's ability to resource all those ministry opportunities. This reality has been discussed within Presbytery committees for

at least the last eight years. This reality was formally brought to the attention of the Presbytery in September and December of 2019 through the Narratives accompanying the 2020 Budget that warned of likely reduction in monies allocated to ministry partners in the future. The PLM budgets adopted for each year 2021 through 2026 could not support all the ministry requests that were submitted. And this reality is also true for the 2027 Budget.

H. The challenges faced by our Presbytery are common to many presbyteries, synods, and the General Assembly. While accumulated resources may vary, all of them are facing the realities that current giving cannot sustain the breadth and scope of historical ministries and/or development of new ministries as may have been true in the past.

V. Sources of Revenue for Budget 2027

The anticipated sources of revenue for the 2027 Budget include:

- Presbytery Per Capita
- Presbytery Shared Mission
- Other income
- Grant monies from PCUSA affiliated entities
- Financial reserves held by Presbytery of Lake Michigan

Note: The amounts for Synod and the General Assembly Per Capita and Shared Mission are a “pass through” in the 2027 Budget. That is, they show up both as revenue and as expense in the budget.

The expectation of the Office of the General Assembly (OGA) is that each presbytery will pay the full OGA per capita for all its congregations regardless of whether individual congregations pay their full per capita amount. The practice of the PLM has been to send in the amount that it collects from the congregations. The projected revenue and projected expenses for these items are the same in the 2027 Budget.

The GA meeting in July 2026 approved a per capita of \$ 13.04 for 2027 and \$12.72 for 2028. This translates into a 15.8 % annual increase for 2027 and a 2.45 % annual decrease for 2028.

The Synod Trustees approved a Per Capita for 2026 in the amount of \$ 3.40. We have been informed that The Synod Per Capita will again be \$3.40 for 2027.

A. Presbytery Per Capita

The 2027 Budget, as recommended and attached, assumes a Presbytery Per Capita of \$29.56

This reflects an increase of \$ 1.80 This represents a PLM annual Per Capita increase of 6.48% The combined Per Capita would be \$46.00 compared to last year’s combined per capita of \$42.42, an increase of \$ 3.58 or an increase of 8.44%. However please note that the PLM did not increase from 2025 to 2026.

Please note that as membership decreases the per capita amount would need to increase by the same factor as the membership loss to provide the same number of dollars as in the previous year. Membership losses in the past year exceeded 5.63 %. Budget and Finance and the Leadership Team are recommending a budget that includes a slight increase in the amount taken from reserves recognizing that the PLM received monies from the closing of one of our congregations in 2025.

The Per Capita for the Presbytery was \$23.00 for the 2020 and 2021 Budgets. In 2022 it was \$24.50, and \$26.00 for 2023, and \$27.00 for 2024, and \$ 27.76 in 2025. Please note that it would require a Presbytery Per Capita of over \$ 60.00, if we did not use financial reserves or our “Other Income” to balance the budget.

B. Snapshots of Per Capita Increases

Per Capita	2024	2025	2026	% Change	2027	% change
GA	\$ 9.80	\$ 10.84	\$ 11.26	3.87 %	\$13.04	15.08%
Synod	\$ 3.25	\$ 3.40	\$ 3.40	-0- %	\$ 3.40	-0-%
Presbytery	\$27.00	\$ 27.76	\$ 27.76	-0- %	\$ 29.56	6.48%
Total	\$40.05	\$42.00	\$42.42	1.0 %	\$ 46.00	8.44%

Please note that the Per Capita amounts for the GA and the Synod of the Covenant are set by those respective bodies and are not subject to change by individual presbyteries.

C. Shared Mission

Shared Mission recommended for 2027 reflects the specific receipt experience during the last few years. The PLM has seen the following pattern in its annual Shared Mission receipts:

2020	\$142,870
2021	\$185,354
2022	\$140,305
2023	\$135,670
2024	\$119,664
2025	\$118,154

While many of our congregations contribute to Shared Mission, well over half of them do not inform us of their intent to do so. While we are grateful for their participation, it does make accurate projection difficult. For some congregations the level of participation depends on whether there is money available after all local needs are met.

Shared Mission is the tangible expression of the connectional nature of the relationship within the PCUSA, our Synod, and our Presbytery.

D. Other Income

- Joy Foundation denotes monies received from an endowment administered by the Presbytery of Detroit.
- Investment Income- The amount of Investment Income projected each year is based on a formula using a 12-quarter rolling average applied to the Presbytery’s unrestricted assets. The 2027 applicable factor is 4.5% of the Presbytery’s unrestricted assets, this is the same formula as used for each year from 2022 through the 2026 budgets. We are aware that some congregations and institutions use higher or lower factors. In a time of economic uncertainty this figure represents a factor that Budget and Finance can endorse.
- Synod of the Covenant -Higher Education
The Synod returns part of the money we send to it in the form of support for Higher Education. In 2022 the PLM received \$6,582. In 2023 the PLM received \$ 5,112.

This was the amount budgeted for 2025. However, in 2024 the PLM received \$ 8,527 (apparently a bit of catch-up). The amount recommended for the 2027 Budget is \$ 6,324.

- Land Sales – Youth *
- Land Sales – Congregation *
- Land Sales - Unrestricted *

* In the past this included allocation of specified monies received from some of the Presbytery's Greenwood Properties as delineated in the Presbytery's December 2018 decision. On December 06, 2022, the Presbytery approved a recommendation to change that decision. The First Read of the 2027 Budget reflects that decision.

E. Reserves for Balance

The PLM's unrestricted reserves as of June 30, 2026, were \$ 4,601,276. which includes \$ 3,842,617 of non-designated funds. Recently designated funds described below:

At its December 05, 2023, Stated Meeting, the PLM approved a recommendation to designate funds for the support of vulnerable congregations. The monies which come from the sale of property of dissolved congregations were designated in the following amounts: \$70,000 for Dissolutions, \$50,000 for Mergers/Unions/Joint Witness, \$150,000 for Creative Ministries for Vulnerable Congregations.

Funds designated for each area are to be replenished, if possible, from the sale of property of congregations that may be dissolved in the future.

The PLM's restricted funds as of June 30, 2026, were \$ 278,750.

For the past six years, the Presbytery has approved monies from the Financial Reserves to balance the budget, if necessary. In 2019 the amount was \$226,057; in 2020 it was \$155,787; in 2021 the amount was \$93,504, in 2022 it was \$ 166,010, in 2023 it was \$ 132,199, in 2024 the amount was \$ 172,055. In 2025 the amount was \$ 209,197. In none of those years did we take monies from Financial Reserves. A combination of factors contributed to this, including actual expenses which were lower than projected, income from grants that were not budgeted, appreciation of PLM investments, the PPP loan and forgiveness program, and the effect of the pandemic in limiting some programming.

In the current year, 2026, the amount budgeted from reserves is \$ 230,086; we wait to see if it is necessary to use some or all this money this year.

The amount budgeted from financial reserves in the 2027 budget is \$ 263,940.

Net Asset History

	PLM Net Assets as of 12/31
2015	\$ 1,077,408
2016	\$ 1,118,881
2017	\$ 1,144,643
2018	\$ 1,848,445
2019	\$ 2,213,997
2020	\$ 2,320,449
2021	\$ 2,520,812

2022	\$ 2,206,177
2023	\$ 3,588,141
2024	\$ 3,522,749
2025	\$ 4,362,067
2026 at 6/30	\$ 4,601,276

[Note: These are snapshots of value. Market volatility affects the value each day.]

The pattern of assets listed above remained relatively constant for the years 2019 through 2022 until the assets showed a large increase in 2023 and again in 2025. This increase was largely due to the receipts from the sale of properties associated with dissolved congregations. As noted above, the PLM made decisions in December 2023 regarding use of some of the monies derived from sale of properties.

The economic uncertainty noted under “III. “Societal Context” impacts the formation of the 2027 Budget. We believe there is a possibility that in 2026 the PLM will dip into its financial reserves.

We recognize the market value of our assets could increase, decline, or remain stagnant. The value of our assets on June 30, 2026, increased from January 01, 2026. The market performance of the PLM investments varied during this period. These and other factors were weighed by the Budget and Finance Committee in preparing the First Read 2027 Budget.

VI. The Role of the Presbytery

The Presbyterian Church (USA) is governed by councils. The councils are The Session, The Presbytery, The Synod, and the General Assembly.

A brief overview of the responsibilities of each presbytery is furnished in the Book of Order:

The presbytery is responsible for the government of the church throughout its district, and for assisting and supporting the witness of congregations to the sovereign activity of God in the world, so that all congregations become communities of faith, hope, love, and witness. As it leads and guides the witness of its congregations, the presbytery shall keep before it the marks of the Church (F-1.0302), the notes by which Presbyterian and Reformed communities have identified themselves through history (F-1.0303) and the six Great Ends of the Church (F-1.0304).

(Excerpt G-3.0301)

The presbytery has responsibility and power to:

- a. provide that the Word of God may be truly preached and heard.
- b. provide that the Sacraments be rightly administered and received.
- c. nurture the covenant community of disciples of Christ.

The presbytery fulfills its mandated functions in a variety of ways including, but not limited to, the Commission on Ministry, Commission on Preparation for Ministry, Judicial Commission, Office of the Stated Clerk, Committee on Nominations and Representation, Trustees/Budget & Finance Committee, maintaining ecumenical relationships, and maintaining relationships with the Synod and the General Assembly.

The presbytery’s mandated tasks focus on assisting congregations in their efforts in fulfilling the mission of the church; presbyteries have the latitude to conduct their own programs as needed and

as resources are available. The Budget and Finance Committee and the Leadership Team have focused on resourcing the mandated tasks first and then resourcing other ministries as monies are available.

VII. Continuity and Change

When presenting the 2020 Budget, the Leadership Team and the Budget & Finance Committee outlined the following course of action:

The Leadership Team and the Budget & Finance Committee share a commitment to using wisely and prudently the monies entrusted to Presbytery. This involves investing the monies into ministry programs that will help fulfil the goals adopted by Presbytery.

It also means that their intent is that the Presbytery will use unrestricted asset reserves to supplement annual income in order to accomplish its ministry goals for at least the next four years while aiming to retain adequate unrestricted reserves for the years of 2024 and following.

This year's budget reflects that commitment and continued movement toward that announced goal.

Projected income and ministry expenses for 2027 assume a movement to a "new normal. Projections are an art form and not a science; the recommended 2027 Budget represents the best efforts of the artists on the Leadership Team and the Budget & Finance Committee.

Narrative Related to Various Areas of Budget

Please note that the budget was created following a review of all ministry areas using submitted Ministry Action Plans (MAPS).

Administration and Support Team

The budget totals in this area reflect:

- A. Customary expenses for most areas of administration.
- B. Policy and Procedures – continuation of for mandated training because of amendment to Book of Order
- C. Records Preservation costs increase due to anticipated activity.
- D. Increase in costs for conducting the mandated reviews of Session minutes. The importance of investing time and energy in these reviews to assist in alerting the Presbytery to difficulties in congregational practices has become evident in the last few years.
- E. The 2027 budgeted allocation for search is for possible support staff replacement(s) should that become necessary.

Budget & Finance Committee

The budget totals in this area reflect the anticipated costs for a Financial Review to be done in 2027 on the 2026 financials. The Presbytery has an audit performed every three years with Financial Reviews in the two other years. (An audit was last performed in 2026 on 2025 financials.)

Congregational Support Team

The 2027 Budget recommendation reflects:

- A. The Commission on Ministry budget reflects an increase of \$300 from the 2026 COM budget to provide Communion Server training.
- B. Vital Congregational Initiative is eliminated as a separate line item as VCI is subsumed as part of the Matthew 25 Initiative. (See comments on “H” below)
- C. The Mediation Committee’s budget remains the same as requested and approved for 2026.
- D. The Response Committee budget remains the same as the 2026 budget.
- E. No funding in the line item titled “Congregational and Worshipping Communities Support” reflects the decision of the Presbytery in December 2022 to alter previous practice.
- F. Kalamazoo North was reduced in 2023 per their request for 2023 to reflect a shift in how the “Togetherness Group” Coordinator is compensated. North did not submit a request for funding in 2024, 2025, 2026 or 2027.
- G. Korean Ministries – This ministry was moved structurally to “Mission and Outreach” to reflect the reality that this ministry is a combination of campus and congregational ministry.
- H. The line item titled “Congregational Initiative and New Worshipping Communities” was added in the 2025 budget to provide support for unique initiatives and NWC that may arise as congregations explore new opportunities in a changing ecclesiastical environment. The same amount is proposed for 2027.
- I. The PC(USA) Mission Agency now links Vital Congregations, dismantling structural racism, and eradicating systemic poverty under the Matthew 25 rubric. At the December 2021 Stated Meeting the Presbytery of Lake Michigan voted to become Matthew 25 Presbytery. The monies allocated for Matthew 25 help provide the necessary resources to the Presbytery, its congregations, and its ministry partners for these commitments to be implemented.
- J. The line item titled “Ministry Connections” was added to the 2025 Budget. This ministry would meet the expressed need to bring together leaders to think and speak together about the “new normal” for ministry; and would celebrate the great things happening in validated ministries and congregations with the goal of making connections between similar ministries. We believe this need is being met through weekly zoom connections facilitated by Presbytery staff.

Dynamic Leaders Team

The 2027 Budget recommendation reflects:

- A. The Team Administration budget remains the same as in previous years.
- B. Support for the Cohort groups remains at the same level as in previous years.
- C. The allocation of monies for Justice Ministries to assess involvement of local congregations in work of justice ministries and to link, train, and help them access resources for the work of justice remains at the same level as in 2022, 2024, 2025, and 2026 budgets.
- D. A partnership with LeaderWise provides training for ruling elders, pastors, and congregational leaders utilizing both in person and virtual learning modules. This reflects the vision articulated in Goal Number 3 for the PLM. And it reflects the expressed need for training and education within our congregations.

- E. Leadership Development utilizes an alternative source to provide training for ruling elders, pastors, and congregational leaders utilizing both in person and virtual learning modules. This reflects the vision articulated in Goal Number 3 for the PLM. And it reflects the expressed need for training and education within our congregations. The level of support remains at the same level as in the previous two years.
- F. There is a line for training congregational members who provide liturgical leadership. This is a response to a need that has been called to the Presbytery's attention. This initiative is done in consultation with the Commission on Ministry.
- G. Presbytery Worship budget was increased in 2023 to reflect the movement to in-person presbytery meetings which entail increased travel expenses for guest preachers and/or keynote speakers. The recommended amount for 2027 is consistent with projected needs.
- H. The Commission on the Preparation for Ministry (CPM) 2027 budget is configured to reflect the needs of CPM.
- I. Resource Center remains at the same level as budgeted for 2026.
- J. The "Scholarships for Continuing Education" budgeted amount remains the same as in the 2026 budget, reflecting anticipation that leaders will again be attending in person sessions and/or enrolling for virtual learning in 2027.
- K. Activities, Montreat/Plunge/Triennium. The recommended budget provides support for Montreat, urban plunge and other currently planned activities as requested by Youth Strategies
- L. Youth ministries and youth scholarships- The lack of monetary recommendation for 2027 reflects the decision of December 2022.

Leadership Team

The 2027 Budget recommendation for Leadership Team reflects anticipated needs in each area for 2027.

Mandated GA Training

The GA meeting earlier this year mandated training to take place in 2027. The training is focused on Anti-Racism, Anti-bias, and cultural training relative to LGBTQIA. Each area of training is mandatory for a wide range of functionaries within the Presbytery. Rather than attempting to attach dollar amounts to each specific area it seemed wisest to create a category in the Expense Budget identified as Mandated GA Training with a recommended expense for 2027 of \$ 25,000.

Mission & Outreach Team

The 2027 Budget recommendation reflects:

- A. The level of support for each Campus Ministry is reflective of our commitment to recognize the importance of these ministry efforts balanced with prudent use of financial resources consistent with the adopted goals of the Presbytery. It also reflects a decision to provide Presbytery financial support for each of them at the same level of financial support irrespective of location or history of support.
- B. The recommended amount for individual ministries was increased for the 2025 budget from the 2024 level. The recommended amount for 2026 reflected an increase of \$1,000 for each campus ministry, or about a 5.26 % increase. In 2027 the allocation is \$ 750. for a 3.75% increase.
- C. Korean Ministries – This line item was moved from Congregational Support to this location in 2024 because this ministry is a combination of campus ministry and

congregational ministry. The level of support was increased at that time to move them to parity with other campus ministries.

- D. “Presbyterian Disaster Assistance” is not budgeted for 2027 because the Presbytery has monies available for disaster assistance in a fund designated for that purpose which it received as part of the disposition of the John Knox properties.

Nomination & Representation Committee

This committee is critical to our functioning as a Presbytery. The recommendation reflects their expressed needs for 2027.

Permanent Judicial Commission

These monies are budgeted each year with the hope that this commission will not be pressed into use.

Personnel/ Staff Narrative

Budgets are established reflecting the positions expected to be filled at the time the budget is established. They do not represent contracts or monies to be paid to the individuals filling the positions. A termination of employment may lead to a shift in responsibilities or duties either increasing or decreasing an individual’s compensation. Staff responsibilities may be shifted to reflect competencies and changes in availability. As needs change, the staffing positions or competencies may change to reflect that reality. The recommendations for 2027 reflect the increasing dependance on technology and the services provided to our congregations to utilize technology. The recommendations also reflect the need for staff members to perform certain necessary functions as the number of qualified and available volunteers continues to decrease.

Salaries for Officers and Staff Salaries are presented as a single line item in the First Read 2027 Budget. The specific 2027 compensation rates for staff members will be set by those having supervisory responsibilities following a review of 2026 performance and delineation of expectations for 2027. This is consistent with the patterns established in many of our larger congregations and in many not-for-profit organizations.

Called Staff positions and compensation packages are approved by the Presbytery at the time the nominated leaders are presented for approval. The approved position descriptions indicate, “The supervision, review, and adequacy of compensation (of these positions) shall be reviewed by Leadership Team at least annually.” At the PLM’s Stated Meeting in December 2026 compensation recommendations will be presented to the body for the Executive Presbyter/Stated Clerk, and the Treasurer.

The money for these salaries is included in the “Officers and Staff Salaries” line item along with monies for other staff positions.

The 2027 First Read Budget includes a \$ 11,885 increase for the Officers and Staff Salaries.

- The increase reflects a 3 % increase in this line item as compared to last year’s budget.
- Estimates for this year’s Social Security increase to be announced in October 2026 range between 3.4% and 4.7 %.
- Various business groups expect that in Michigan there will be a 3.0% increase in salaries and wages for 2027.
- The Bureau of Labor Statistics released its June 2026 Consumer Price Index which showed its “all items index” rose by 3.5% over the previous 12 months.

The anticipated Staff configuration for 2027:

- Executive Presbyter/ Stated Clerk – Full-time called position with health and pension benefits.
- Bookkeeper – 12-16 hours per week.
- Associate Clerk – Fulltime position with benefits.
- Technology/Communication Support Manager – 20-24 hours per week.
- Treasurer – Salaried for 15 hours per week.
- Commission on Ministry Support – part time – 12 hours per week.
- Assistant to the Executive Presbyter – 80 hours per quarter plus additional hours as approved by Executive Presbyter at rate less than the minimum TOC rate for 2027. (Hours are primarily expended in staffing Administrative Commissions and/or dealing with Presbytery real estate matters. The future need for these hours is impossible to predict. The monies come predominately from the sale of PLM properties.)

The Budget & Finance Committee and Leadership Team recognize that the Presbytery of Lake Michigan is a service organization with many similarities to school systems in which salary costs represent a significant portion of the budget. It also looks at data from our congregations.

Each year the congregations within the presbytery return information to the Stated Clerk related to finance. This data is compiled for all the congregations of the Presbytery. Please note that the data referenced below was collected for fiscal 2021. The format for 2022, 2023, 2024 and 2025 reporting did not include personnel costs as a separate category, so we had to rely on historical data from 2021 which was:

	Total for PLM Congregations
Annual Expenses	\$ 11,333,304
Personnel Costs	\$ 6,739,973
Personnel as % of total	59.47 %

The Personnel Expenses in the 2027 Budget as proposed would constitute 52.15% of the PLM Budget.

Operations Narrative

The Operations Budget for 2027 increased by \$ 12,400 reflecting experience in 2025 and through June 30, 2026, as well as anticipated need for 2027.

Administrative Commissions

Tracking costs associated with various administrative commissions. These costs are distinct from those which are related to the sale of Presbytery property for dissolved congregations.

Building Maintenance/Lease

Budget reflects lease costs and anticipated maintenance costs.

Building Utilities

Projected based on usage and utility rate increases.

Communications & Technology

Reflect changes in needed technology.

Computer Support

Reflects experience of 2019-2025 and YTD 2026.

Contract Service (payroll, recording clerk, other)

Reflects known and anticipated costs.

Congregational Connection/Directory/Software links for this service

Reflects known and anticipated costs.

Depreciation -Building and equipment**Equipment Acquisition**

Reflects on-going needs to upgrade equipment and/or purchase new equipment.

Equipment Repair and Maintenance

Budgeted amount appears adequate based on history.

Fees and Service Charges

Budgeted amount based on history.

Insurance - Comprehensive

Reflects anticipated costs based on experience.

Insurance - Workers' Comp

Based on experience and anticipated participation.

GA Meeting and Retreat

Operational Expense involving General Assembly participation.

Governing Body Meeting Expense

Participation in Governing Body meetings when commissioners or staff members are delegated, requested, or instructed to attend.

Professional Expenses

These are predominately legal expenses incurred by the Presbytery. Proposed amount is reflective of 2019-2025 experiences, YTD 2026, and anticipated expenses for 2027.

Moderator/Vice Moderator Travel Expenses

Travel for Moderator/Vice Moderator in performance of official duties.

Moderator Training Expenses

Costs associated with education and training to serve in these functions.

Postage

Projected expense based on experience and anticipated need.

Supplies

Reflects experience.

Telephone/ General

Projected expense based on experience.

Website and email contact expense

Projected expense based on experience.

Vouchered Expenses

Projected expense based on experience and anticipated need.

Other Expense

Unclassified or miscellaneous expenses.

The 2027 Budget, as presented, is an investment in the Presbytery's collaboratively developed ministry priorities. It reflects the goals and priorities established by the Presbytery in 2018 and follows the trajectory of assumptions and commitments previously communicated to and approved by the Presbytery in the adoption of the previous annual budgets.

It reflects a best effort at faithful stewardship of the gifts and ministries that God has entrusted to the Presbytery of Lake Michigan.

Recommendation to September 12, 2026, Stated Meeting that:

The 2027 Per Capita for the Presbytery of Lake Michigan be set at \$ 29.56

During the Stated Meeting on September 12, 2026, the First Read Proposed 2027 Budget, and its Narrative will be presented to the body with limited time for questions and comments.

Those desiring to gain clarification or to comment on the Budget and the Narrative are invited to submit comments or questions via email sent to bnfmoderator@lakemichiganpresbytery.org. **Please direct all questions and comments to this address and not to another email address, phone, or text of any member of the Budget and Finance Committee or Presbytery staff.**