

United Church of God, *an International Association*
Council of Elders Meeting Report
Aug. 11, 2008—Milford, Ohio

The first Council meeting of the new fiscal year was called to order by Chairman Robert Dick. After an oral reading of the Council Code of Ethics by Victor Kubik, Mr. Dick remarked that it has been a good resolution mandating the reading of the code each year as it brings us back to our starting base in our responsibilities to each other, to God and to the United Church of God.

Clyde Kilough presented the President's Unified Report, which in August of each year includes the fiscal year-end report of the Church's operations. Later, he also presented the first status report on steps being taken to implement the strategies that will accomplish the objectives outlined in the new Operation Plan.

The President's Report

In his opening comments, Mr. Kilough pointed out that this past fiscal year became a transitional year in which we began to apply some of the principles agreed to during the development of the new Strategic and Operation Plans.

First reviewed was the financial report prepared by Treasurer Jason Lovelady; then the developments in Media and Communications Services under the direction of operation manager Larry Salyer; and then the activities of Ministerial Services under the direction of operation manager Jim Franks. These men were present at the meeting and responded to some Council questions about each of their areas of operation.

Financial Services

We ended last year with a total income of just over \$23,478,000. While this was 6 percent under what was projected, it still represented an increase in income of approximately 2 percent over the previous year. Mr. Kilough said it is interesting to look at last year's result in the context of the last five years. By recent trends last year was a disappointment. We enjoyed over 7 percent growth the two previous years and yet only 2 percent growth this past year. However, even with only 2 percent rate of growth this past year, we still experienced close to 30 percent growth in income (over 5 percent compounded annually) over the past five years.

For example in 2002-2003, we received \$18,188,808. In 2007-2008, we received \$23,478,197 for an increase of \$5,289,389 (29.1 percent). Because we've had this increase in income over the past five years, we've been able to spend \$2,564,248 more on media. In other words, 48 percent of the income growth was allocated to the preaching of the gospel.

Income so far this fiscal year has been flat, but this is good compared with the decrease we saw in May and June. Because we ended last fiscal year with less than anticipated income growth, we will need to see a greater level of income growth this year, approximately 4 percent, to hit our budgeted number of \$24,500,000.

Media and Communications Services

Mr. Kilough stated that when the Operation Plan for the last fiscal year was first formulated in February 2007, many projections were made on the basis of past programs and past performance. However, as the Council of Elders began generating a new Strategic Plan, a great deal of discussion by a broad group of Council and administration members began to influence ongoing decisions.

This means that certain goals that had been arbitrarily set in the original 2007-2008 Operation Plan were reconsidered and not achieved as anticipated. In some cases, the processes and programs began to be modified to produce better long-term results, but those changes will take time to bear fruit. A prime example of this transition is changing our proclamation focus from the traditional modes of broadcasting and printing to the rapidly developing Web.

We anticipate—even in the near term—far greater numbers of first contacts through the Internet than through any other means. They will also be generated at comparatively very low cost. In any event, we expect to use a wide variety of media tools in a comprehensive mix to reach our diverse and ever more segmented audience.

This transition year affected *The Good News* circulation projections. As one of the strategies indicates, we began to discuss the implementation of an annual, instead of biannual, renewal for *The Good News* to verify the commitment of readers and more efficiently use our resources. This renewal program will automatically reduce circulation amounts. We also made a conscious decision not to do a print ad campaign in the spring, hoping to secure subscriptions to *The Good News* through the Internet at lower cost. However, we had saturated our advertising opportunities on Google and Yahoo and new efforts to optimize our sites had not yet taken effect.

All previous efforts to assist the international areas with *The Good News* are ongoing and successful. In addition, we have begun posting to the Web subtitled material that is being translated into several languages through new software programs. While some efforts are not directly related to *The Good News*, all our Web improvements serve to give the *GN* broader exposure and assist international areas with follow-up material.

There was a lot of discussion from Council members as to how we can keep the circulation level of *The Good News* growing. Mr. Kilough emphasized that we are not trying to cut the circulation level, but determining, by way of renewals, who is genuinely interested in receiving the magazine. We would love to build up the *GN*, but with the desire of having good-quality subscribers.

On the topic of booklets, Mr. Kilough mentioned that as a result of new postage regulations making it very expensive to mail our magazine-sized brochures, we had to put manpower and resources into converting those brochures to regular booklet sizes. Sixteen of our 33 titles were in the larger format and 14 were reformatted during the fiscal year. In many cases this allowed for fine tuning in editing and updating the material. The limited editorial staff was kept busy with this project and did a fine job with the conversions.

Mr. Kilough fielded questions from Council members about training writers. There has been a concern in editorial that our writers and editors are aging just as much as our pastors. We have done a study on what freelance writers are paid, and plans have to be implemented on how we institute a payment policy. Our Strategic Plan does state that we are to train media staff to highlight the uniqueness of the true gospel message.

In other media news, during the last fiscal year we created four new Web sites: members.ucg.org dedicated to internal Church information; feast.ucg.org providing Feast information for members; breakingfree.ucg.org dealing with addictions, etc.; and abc.ucg.org providing a resource for ABC students and other members.

We are also using the services of the Web site www.dotsub.com to upload and add transcripts to our *Beyond Today* commentaries. Within this Web site we can transcribe a video and provide subtitles in English and allow other registered DotSub users to translate our videos into other languages. Right now we have volunteers transcribing and translating our commentaries into German, Dutch, Spanish and Papiamento (spoken on the Caribbean islands of Aruba, Bonaire and Curaçao).

There was also discussion about *Beyond Today*. We produced and aired 25 regular 30-minute programs in the past fiscal year. The number was lower than projected due to evaluation and experimentation exercises. Several months ago, with input from the Media Steering Group and others, we began to focus on ways to improve the *BT* program. Most of these new approaches aired, but showed no measurable difference in response. The most dramatic rise in response has been that coming from the Web postings of the *BT* videos.

In May and June, we conducted three separate focus-group evaluations of selected *BT* programs. The groups were entirely of members, one of men, one of women and one of ABC students. The results of these groups, both in the ratings questions and the comments, were mixed, but tilted toward the negative. Overall, the key elements were: The men's group thought the programs were too disjointed and complex, with both too much material and too much in-speak. The women's group found the programs just not interesting enough or compelling enough to get them to watch. The ABC group didn't relate to the mix of presenters and guests. They also were emphatic that the whole feel was "not genuine." This group felt the program would not appeal to their age group. They do not watch it online or elsewhere.

In June 2008, we asked the presenters to come in to do an in-depth evaluation of past programs and current approaches. Present for the discussion were Darris McNeely, Gary Petty, Steve Myers, Peter Eddington, Clay Thornton, Clint Porter, John LaBissoniere and Larry Salyer. After reviewing the focus group findings, some thought the focus groups were meaningless, as participants were Church insiders. Some thought the program is good enough to proceed to commercial television as is. Some thought *Beyond Today* has not improved substantially and that we need a breakthrough either in format, in subject matter and tone, or perhaps in presenter personality.

At this point in the discussion, some Council members made comments that the Council had viewed one program during the May meetings and gave it high marks. There was also a question asked if we'll eventually use outside focus groups to give us their input, and the answer was yes.

Another question dealt with the unspent budgeted \$70,000 to test commercial TV. Mr. Kilough replied that this issue was brought to the Media Committee of the Council over a year ago, and it was decided at that time not to proceed with that test. Even now, there is no predominant opinion to proceed with testing. Some on the Council stated they would like to see us try commercial TV and see what happens. Mr. Kilough said he would take that suggestion into consideration.

One other media-related question was asked: When will the Bible Reading Program be reinstated? Tom Robinson, the author, spent most of the year revising the 14 booklets, which took a lot of his time. It is hoped that the BRP can be renewed sometime in the future.

Ministerial Services

Mr. Kilough said we will continue to proceed with ministerial development and pastoral training. Some Council members asked how many potential hires are available. Richard Pinelli, who oversees this program, replied that we have a list of 12 to 15. All are elders who are currently assisting pastors in their local areas.

A few Council members asked if we are thinking of using local elders, under a full-time pastor, to help pastor congregations. Mr. Pinelli replied that most pastors are working with the elders, and some elders are already working 25 to 30 hours a week doing Church-related things. Some elders, though, can only do so much because of their age, health, job situation, etc.

Mr. Kilough remarked that one of the critical factors in ministerial development lies in the hands of the pastor. The tutoring of elders by the pastor can be improved by Ministerial Services setting up a consistent training program for all pastors to use.

U.S. Church attendance figures were given. Of the 216 congregations, 29 have an attendance of over 100 every week, and 42 have 20 or fewer attending each week. The average weekly attendance for the first six months of 2008 was 11,500.

Mr. Kilough then discussed the educational programs of the Church, which he said are one of the Church's strongest suits. He emphasized the recent Youth Corps program in Jordan where Matthew and Mary Ann Bates spent the last 10 months. They represented the Church very well. The Jordanians have asked for more of our people to come and help. Five more young adults are leaving for Jordan this month.

Implementation of Strategies

Prior to Mr. Kilough's report on what is currently being done by the administration in producing action plans for each of the strategies, Mr. Dick gave an overview of the history of Council involvement in strategic planning.

In the summer of 2005, the chairman made some of the first comments about going toward an outcomes-based plan. Operation managers were to think in terms of outcomes, not just activities. But at that time, we didn't have any platform or structure from which to launch. We moved along slowly until the August 2007 meetings when it was discussed further. All 12 men agreed to go forward. It was decided that an outside facilitator would need to be hired, and the Council chose Leadership Strategies. After much work and planning, we now have an approved plan from which to proceed. It was mentioned at the GCE meeting that this is still a work in progress, and the administration was to add the action plans and target dates for the completion of those plans for each of the strategies listed.

In the contract with Leadership Strategies, we asked for a follow-up period of six months for training on how to monitor and assess the plan. Mr. Lovelady, who is our point person, stated that in October there will be a meeting conducted by Leadership Strategies with the administration to review what has been produced in regards to strategy implementation. In December, Leadership Strategies will meet with the Council to give guidance in how to assess and monitor the fulfillment of the objectives.

Mr. Kilough then discussed what has happened since the May meetings. He said we are reaping very good dividends working with this plan. Having the Council, the most senior governing body of the Church, say "this is what we want" has been very helpful. We have considered every aspect of what we did and now do and what we'd like to do in the future. This planning has led us to a collective decision process, and it led us to see priorities in what we do. It clarified the focus for us. The value has been very good in that we have consistency in understanding what is expected of the staff by the Council.

Specific Deliverables and Action Plans

Mr. Kilough presented a handout that will be the primary format for future president's reports to the Council. It will show each of the strategies and the various deliverables for each strategy. A deliverable is what we plan to do to implement a strategy, and each deliverable has an action plan. We have put 68 deliverables with their action plans on paper, but we now need to review them as a whole and prioritize them.

Mr. Kilough proceeded to give an example of one objective in the Operation Plan: “Increase percentage of students who complete the *Bible Study Course*.” One of the strategies for this objective is “Rewrite the *BSC* to improve content and add interactivity to increase completion percentage.” There were four deliverables to implement this one strategy and each deliverable had five or more action steps. Target dates for completion of each of these action steps were also determined. This is the type of work involved for every one of the strategies listed in the Operation Plan.

Mr. Kilough said that at the end of the day, if the objective is not accomplished, then we will need to backtrack and see what can be done to improve fulfilling the objective. The monitoring and assessing of the plans will help us analyze what we are doing and what still needs to be accomplished.

Mr. Kilough then discussed the news of Web development. It is believed that a lot of our material needs to be rewritten just to fit the Web. This is quite labor intensive, and Mike Bennett has been asked to oversee that project. He will be working on editorial Web content and the new *BSC*. He will oversee *United News* until an associate editor can be brought in to help on that publication.

Another of the strategies called for using volunteers to help develop an effective Web presence. One of the deliverables that has been accomplished was to choose a group of individuals who are talented in Web marketing and technology. About 30 people have been contacted for input and ideas. A task force of 10 is currently working on Web enrichment processes and plans for longer term changes to our Web presence. The team will work directly with Aaron Booth, our Web manager, who was given high marks by the team for actions he has already taken to improve our Web presence.

Mr. Kilough also discussed the strategy that calls for the development of a plan to communicate with employees to increase satisfaction and effectiveness. There is now in place a communication team of eight home office employees chaired by Richard Kennebeck. This team is soliciting ideas and will present a proposed plan to the president on how communication can be increased among employees.

At this point, some asked how the Council monitors “soft issues” such as member or employee satisfaction. Mr. Kilough mentioned those are some of the toughest things to measure or monitor. He stated that the same survey questions can be given each year, and if there is more satisfaction noted in those surveys, then that would be an improvement.

Mr. Dick reminded the Council that they will be the body responsible to monitor, assess and grade the fulfillment of the objectives.

John Foster
Council Reporter

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