

United Church of God, *an International Association*
Council of Elders Meeting Report
Aug. 10, 2009—Cincinnati, Ohio

Chairman Roy Holladay called the meeting to order with prayer at 9 a.m. Eastern Daylight Savings Time. All members of the Council were in attendance, plus a number of home office staff members and wives of the Council members.

Introductory Remarks

Chairman Holladay gave an overview of the proposed agenda items for this week's meetings. The first item of business involved quite a stack of minutes from previous meetings and teleconferences (going all the way back to May) that needed approval. All stood approved as written.

A new procedure is now in place that requires each Council meeting agenda be approved at the beginning of the session. All items on the proposed agenda were approved by a unanimous Council motion. Interestingly, not only may members of the Council submit items for the agenda, but members of the General Conference of Elders may also submit proposed agenda items.

Next, Victor Kubik read the Council Code of Ethics to all present. This is always done at the first face-to-face meeting of a new year of Council meetings. As new Council members, Scott Ashley and Melvin Rhodes signed the ethics code, which will be kept on file.

The Council Rules of Order were reiterated by Mr. Holladay. There are six options available to the Council with regard to these Rules of Order in the performance of Council business. These options include the ability to amend, refer, postpone, lay on the table, move the previous question and reconsider motions put forth.

President's Report

President Clyde Kilough gave an update on the Church's success in completing the strategies and objectives set forth by the Strategic Plan and Operation Plan.

Under the goal of **Public Proclamation**, the number of first-time Web visitors was 4,362,000. This is slightly ahead of our objective of 4 million. Most of our first-time Web visitors come as a result of search engine marketing (SEM). In addition, more than 152,000 new subscribers were added from the SEM efforts for fiscal year 2008-2009.

SEM is our main method of gaining new subscribers and offering booklets on various subjects to the public at large. The magazine subscriptions are either on target or slightly over target: *Good News* circulation currently stands at 356,659; *Vertical Thought*, at 23,500; and *World News and Prophecy*, at 68,100.

During the last fiscal year, Media and Communications Services hired one editor, one Web designer, one associate video editor and a part-time writer/editor who was an

Ambassador Bible Center student. The online *Bible Study Course* being written now has 20 lessons complete with 11 more in the pipeline.

Under the goal of **Congregational Care**, it was noted that, from surveys and recommendations, we currently have a list of eight men for potential hire over the next three years. By hiring these men, the current ratio can be maintained, barring any catastrophic illness to any current pastors. The current pastor/congregation ratio is 1:2.4, which is still the goal of Ministerial Services.

One-day conferences are planned for each region in fiscal year 2009-2010, with all pastors to attend and participate in a conflict resolution workshop conducted by the regional pastor and Ministerial Services.

United Youth Camps have been very successful this year, with Camp Heritage in Pennsylvania being the last one—underway this week. The American Camp Association gave two of our camps a 100 percent rating this year during analytical visits.

This is the third year for the Church's outreach program in Jordan. The two previous groups have set a very pleasing example and the Jordanians want more of our young people to serve. The third group is making preparations to leave this Thursday.

Under the goal of **Organization**, all home office employees completed an "Experience of Work" (EOW) survey in July 2008. The goal is to increase the satisfaction level of employees and elders. The analysis of the survey results was prepared by McNeely and McNeely, CPAs. The baseline figure of 54.6 percent represents the percentage of positive responses on a five-point Likert scale. Positive responses were considered to be agree and strongly agree. The baseline will provide a basis for future measurements. The summer of 2009 is the date for the next survey.

On Dec. 30, 2008, an all-day home office meeting introduced employees to personal goal statements and performance evaluations. On May 27 another home office meeting further explained to employees the purpose for performance evaluations and personal goal statements. This summer we plan to implement a formal performance appraisal program.

Treasurer's Report

Treasurer Jason Lovelady said we ended the 2008-2009 fiscal year with a total income of \$23,840,000. While this was 2.7 percent under what was budgeted, it still represented an increase in income of approximately 1.5 percent over the previous year. Expenses for last year were \$23,463,000. We had a net income over operating expenses of approximately \$376,000. In addition, we ended the year with an unencumbered cash balance of \$6,271,000. This represents 13.45 weeks of cash reserve.

The main areas that were under budget included the facilities and relocation set-aside (\$550,000), printing (\$262,000 primarily due to lowered *Good News* circulation), the TV airtime feasibility study (\$150,000) and salaries (\$83,000 mostly from the media area). The main areas over budget included postage (\$70,000), various subsidies (\$112,000) and legacy costs (\$65,000).

Roy Holladay asked why the media area was under budget by \$576,408 for the fiscal year. This represents 9.3 percent of the media budget. Larry Salyer outlined the savings by not automatically sending a *Good News* subscription to those who request a booklet online, the cutbacks in radio airtime, the TV airtime feasibility study not happening, various contracted services not being needed, and salaries and wages not all being used since some new employees were not hired until late in the fiscal year.

Darris McNeely wondered if financial assistance for members was rising due to overall economic conditions. David Johnson, who manages the member assistance program, said that members who are out of work requesting assistance have recently driven the total amount up by 15 percent. Melvin Rhodes noted that members in his area are now running out of unemployment benefits, and so perhaps we can expect Church assistance requests to rise further. During fiscal year 2008-2009 we budgeted \$240,000 and spent \$229,802. Mr. Lovelady noted that the budget for 2009-2010 already has a marked increase included for member assistance.

Mr. Lovelady then rounded out the fiscal year 2008-2009 budget summary by giving final expenses for Public Proclamation (\$5,652,629), Congregational Care (\$9,428,520), Education (\$590,137), Festivals (\$1,097,731), International Subsidy (\$2,208,290), Facilities (\$131,254), Home Office (\$1,131,957), Council of Elders (\$144,107) and GCE (\$60,708).

To bring things up to date, the treasurer gave an income summary report for the current 2009-2010 fiscal year showing that total income stands at an increase of 4.02 percent over the same period last year for the first six weeks. The Church is \$81,000 above last year's income.

Aaron Dean asked if some of our reserve currency should be in foreign denominations, and not just the U.S. dollar, in the event the U.S. dollar becomes more unstable. Mr. Lovelady still feels that the U.S. dollar is more stable than other currencies at present.

Committee Chairmen Report

A new report has been added to Council meetings by Chairman Holladay— Council committee reports.

Victor Kubik, chairman of the Ethics Committee, said that they are formulating a policy for Elder's Forum violations. In addition, two cases of ethics problems have been brought to the committee, and one person will be interviewed this week.

Darris McNeely, chairman of the Media Committee, discussed a communications strategy that is being worked on for the Council to implement. It will enable the Council to communicate with the General Conference of Elders and the Church as a whole in more effective and more up-to-date ways. Also, the branding committee's work is a major part of the Media Committee's work at present. A presentation to the Council will be forthcoming later this week on branding.

Aaron Dean, new chairman of the Strategic Planning and Finance Committee, said that the committee's major task is the subject of "where do we go from here?" The committee wants to make sure that we all see everything from the same direction and move forward on what we can do with our limited resources. In addition, discussion of a possible audit committee involving experienced people in our organization is under discussion.

Bill Eddington, chairman of the Roles and Rules Committee, said the committee has been very busy with issues such as completing assessments of the secretary and treasurer and discussing the best way to update the assessment forms used to evaluate the president, to do a proposed annual self-evaluation of the Council itself and to bring the Elder Expulsion Appeal Committee up to date. Also, the amendment process timeline is sometimes complicated by the Fall Festivals, and so the Roles and Rules Committee needs to work on an amendment process update that best works with the annual Holy Days.

Outstanding or Incomplete Actions

A new procedure for the Council will help ensure that work from previous meetings is not forgotten. Updates on outstanding or incomplete actions, resolutions or decisions from the May 2009 meeting were listed as items to be finalized.

Seven specific items were listed from last May's meetings. Aaron Dean had asked if the new local congregation Web sites would incur liability for the Church. Larry Salyer said that some items on the new congregation Web sites will be put behind password-protected layers, and certain copyright issues with posting special music will need to be addressed. Additional liability is being managed and is not seen as a problem.

Many of the other seven items are on this week's agenda already or have been completed, and will not be forgotten.

The Council adjourned for a one-hour lunch break after beginning work to place the new Council members (Jim Franks and Doug Horchak) onto committees.

The afternoon session will be posted in a report to follow.

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Peter Eddington
Temporary Council Reporter

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