

United Church of God, *an International Association*
Council of Elders Meeting Report
Feb. 23, 2010—Cincinnati, Ohio

Chairman Roy Holladay called the meeting to order at 9 a.m. by calling on Aaron Dean for prayer. All of the members of the Council, some of the wives of the Council members and several guests were present.

Proposed 2010-2011 Budget

Remodel: Proposed costs for the home office remodel and for purchase of equipment is \$500,000, but Jason Lovelady stated he believes this is on the high end. The projection is for the media center, \$178,755; conference room, \$43,981; recarpet lecture hall, \$12,264; commercial kitchen, \$30,000; TV equipment, \$125,000; other equipment, \$110,000. The cost for the remodel of the conference room is not worth the benefit, said Jason Lovelady, and would need to be reconsidered if that amount cannot be reduced.

The treasurer commented that the plan would be to finance the remodel of the home office and purchase of equipment, using the home office building as collateral, and to pay off the loan with a portion of the proceeds of the Denton property when it sells.

With regard to the Denton, Texas, property, it will most likely be a developer that purchases the property, but it will probably be 2011 before land purchasing in that area resumes. The only ones who can buy right now, he commented, are those with cash, because banks are currently reluctant to lend, although there has been some interest expressed in buying certain parts of the land.

Education: The main area of change is with Ministerial Development going to a two-year program. The travel portion of education has dropped significantly, but the overall Ministerial Development area will increase. As well, three ministerial salaries were moved to Ambassador Bible Center to properly reflect the expenses for ABC.

Media: The budget proposed has print and postage costs being decreased by just over \$500,000, with television airtime being increased by \$208,000. While contracted services for the Internet will increase by \$190,000, advertising for the Internet will decrease by \$220,000. The strategy will be to begin to generate more traffic “organically” rather than the pay-per-click traffic that we currently generate. In total, the Internet budget will decrease by \$30,000. *The Good News* funding would be reduced by \$205,000 by lowering print runs; print advertising would decrease by \$250,500; subscriber development would be cancelled, saving \$150,000; and booklet printing would be decreased by \$239,500. He proposed that *World News and Prophecy* be reduced from 10 issues a year to six, with *The Good News* being printed one month and *World News and Prophecy* printed the alternate month. In total, advertising would be decreased \$335,000 (which includes both print and Internet advertising).

Scott Ashley said that he believes the proposed cuts to media are shortsighted. He said the drop in media spending, over the course of three to four years, is approximately \$2 million when we total funds budgeted but not spent and cuts to the media budget this year and next. He commented that continuing to reduce media will not allow the Church to proclaim the gospel to the whole world. The Council has requested the administration to add money to media, he further

stated, but instead the media budget is being cut. He would like to see the administration be more responsive to the requests of the Council. He said that the Church is reaping the results of the shortsighted response to media and wondered when the priorities are going to better reflect this part of the mission of the Church. He mentioned that a number of the key media personnel have not been consulted with regard to these plans.

Jason Lovelady responded that, over the last seven years, there has been a dramatic increase in the media budget. As was explained in the December Council meetings, the media budget has increased both as a dollar amount and as a percentage more than any other area over the last seven years. He also explained that, because a large portion of the media budget is variable, when income is running over budget in a given year, the administration has increased the actual dollars spent in media. When income is running under budget, the administration has decreased the actual dollars spent in media. Next year's budget will require \$1.5 million of budget cuts, and all operational areas will be impacted. The Council and administration have to decide how best to use the dollars available to the Church. He said all in the administration are committed to preaching the gospel, and the efforts that we utilize to do so must be balanced between all types of media available to the Church.

Melvin Rhodes said that not everyone believes the Web is the way to go and that an article he'd recently read pointed out that a third of Americans lack high-speed Internet access. There are some who do not believe we are doing a powerful media work, and consequently send tithes and offerings to other groups they believe are doing more of a work. Mr. Rhodes said that it has been stated that the consensus is to move into the Web, but asked who established that consensus. Jason Lovelady responded that, for the last two years, the Council and the administration have recognized that the Strategic Plan has that as the highest priority in media.

Robin Webber said that mission and money are important, but we also need to look at structure. Sometimes we look at history and try to run on the past. He believes we are top heavy in structure. He would like to see an extraordinary move—a "game-changer." He stated that the ministry needs to show some sacrifice and there needs to be a realignment of overhead. Jason Lovelady said that you cannot realign overhead quickly, but it must be done in a measured way.

President Kilough asked what is top heavy—manpower? Robin Webber responded that, while not impacting the brethren around the world, there needs to be realignment of managerial levels and within the ministry. Our people are going through the greatest economic challenge since the Great Depression and maybe the ministry may have to take on more of a sacrifice themselves—ministerial benefits and premiums should be considered. He said that he believes the membership wants to see more of a sacrifice from the ministry.

Jason Lovelady asked if, for example, an extra \$500,000 in cuts were found in the other areas of the budget for media, where in the media budget would the Council prefer to allocate it? He believes it should be put toward the Internet per the Strategic Plan.

The Council then went into executive session.

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Gerald Seelig
Council Reporter

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