

United Church of God, *an International Association*
Council of Elders Meeting Report
February 27, 2004 – Cincinnati OH

The Council met in executive session for the morning to discuss ordination and credentialing requests, potential new employee hires and miscellaneous personnel and related Church issues. In the afternoon, the Council discussed, edited and approved the 2004-2005 Strategic Plan, Operation Plan and budget so they can be presented to the elders for their approval at the Annual Meeting of the General Conference of Elders on May 2, 2004.

Strategic Plan

Aaron Dean presented the 2004-2005 Strategic Plan. The only edit necessary was the addition of a new strategy, discussed in the meeting on Wednesday, February 25. The Council unanimously approved the Strategic Plan.

Discussion of the Operation Plan

Peter Eddington indicated that the edits and corrections suggested in the meeting on Wednesday had been incorporated into the 2004-2005 Operation Plan.

Prior to voting on the Operation Plan, the Council discussed the matter of beginning construction of a space within the home office for a video studio.

Leon Walker contended that the Council had agreed to the development of a video studio contingent on the availability of budget. He felt that undertaking the project in a piecemeal manner would effectively eliminate the contingency aspect of the Council's decision, implicitly making a commitment to continued expenditures in future years. He also suggested that money would be better used elsewhere in the media budget for the purpose of increasing the *Good News* circulation, rather than on a partly-completed video studio that wouldn't produce any results this year.

Roy Holladay responded that the purpose of budgeting an amount to get the studio underway was to start the project now and then do other parts of it in subsequent years.

Mr. Dean expressed that it will be less expensive to construct the space at this time than to do so later. He also felt that preparing the space was a step toward having a video studio as soon as possible which would allow the Church to take advantage of Internet TV technology more quickly, even though paid broadcast television would probably be too expensive.

Richard Thompson agreed that once the project is begun, there is a commitment of future funds.

Peter Eddington stated that the completion of a video studio is at least a two- to three-year effort and that using a small amount of money to get started on it now will pay off in bigger benefits down the road, enabling us to preach the gospel more effectively.

The Council reviewed its resolution supporting the “Broadcast Television Media Strategy.” The resolution stated that the Council supported the strategy, “dependent upon funds available and priorities of Church programs from year to year.”

Joel Meeker stated his opinion that it was more prudent to wait to start a project until money is available to complete it.

Clyde Kilough suggested that rather than spending money to begin constructing the space for a video studio now, that amount could be set aside or appropriated from this year’s budget. Additional money could be appropriated in future years or the money could be used for other purposes if another need is more urgent.

Mr. Eddington agreed to edit the Operation Plan to state that funds would be appropriated toward the development of a space for a video studio within the home office.

Discussion of the Budget

Based on discussion with the Council regarding international subsidies, Treasurer Tom Kirkpatrick made one adjustment to the budget to shift a more appropriate amount to the Executive Reserve, which is designated for meeting unanticipated needs.

Another area of discussion concerned the proposed budget increase in for health-care expenditures, based on the expectation that those costs will continue to rise as they did last year. Mr. Dean expressed his opinion that the amount budgeted for health-care should be set at the same amount as was spent for that purpose in the last 12 months. He stated that the Council had made a commitment each of the last two years that the next budget would put more emphasis on public proclamation, but this would be the third consecutive year when significant increases had not been put directly into preaching the gospel. He suggested that the budget for health-care be set at the amount spent in the last calendar year and if the expenses go beyond that, then the Church’s cash reserves, increase in income or employee co-payments could be used to cover the difference.

Dr. Kirkpatrick responded that there had been no commitment or promise in previous years in regard to future budgets. The budget each year is contingent on needs and anticipated income. He also stated that use of cash reserves is a judgment call and that in his personal judgment this was not the way or the year to use them.

Mr. McCullough supported the proposed budget, stating that it is the Council's responsibility to present the General Conference with a balanced budget. It would not be appropriate to approve a budget that has an anticipated shortfall in the area of health-care.

Jim Franks asked if anyone had any reason to believe that the increase in health-care expenses reflected in the proposed budget was inaccurate. Other than Mr. Dean, none of the Council members expressed an opinion that the estimate was inaccurate. In a straw vote, Mr. Dean and Mr. Kubik expressed interest in further investigating the expense.

Tony Wasilkoff suggested that the proposed budget be approved, but if it turns out over time that not as much of the money budgeted for health-care is needed, it could then be used for other purposes.

Dr. Kirkpatrick responded that the budget must be reasonable and must be based on information that is available, not on a hope that health-care costs won't continue to rise. If costs are less than anticipated, the budget can be readjusted at the mid-year review.

Vote on Operation Plan and Budget

Mr. Walker put forward a motion that the Council approve the Operation Plan and budget for 2004-2005. The Council passed the resolution by a vote of 11-1 (Mr. Dean opposed).

Don Henson

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