

**United Church of God, *an International Association***  
**Council of Elders Meeting Report**  
**December 10, 2006 – Cincinnati, OH**

Robert Dick called the meeting to order at 9 a.m., asking Larry Salyer to open with prayer. Mr. Dick reviewed the agenda items for today. The morning consisted of discussion of current financial circumstances and a brainstorming session on strategic issues. An executive session was planned for the afternoon.

**Additional Budget Items for 2006-2007**

Mr. Dick introduced Clyde Kilough to lead the discussion. In light of the positive income in excess of our budget, Mr. Kilough laid out to the Council the administration's plans for additional expenditures in this current fiscal year in the areas of Media and Communications Services and Ministerial Services. The operation managers met a few weeks ago to plan how they could best spend extra funds in the remainder of this fiscal year.

In the media area, we plan to invest over half a million dollars to increase our subscriber bases in several of our publications. We plan to advertise *The Middle East in Bible Prophecy* and *The Good News* in *Reader's Digest*. Based on previous experience, it can safely be predicted that the ad will result in 32,000 additional *Good News* subscriptions. Mr. Kilough commented that it has been seven years since the Church last ran an ad in *Reader's Digest* in the United States. Peter Eddington pointed out that the Church still receives responses from that ad. For example, 11 responses to that ad were received in November of this year. Mr. Kilough pointed out that our records show that donations from donors, coworkers and members whose first contact with the Church came from that advertisement eventually exceeded the cost of running the ad. The point is that in the long term, an ad in *Reader's Digest* more than pays for itself.

It is also proposed that advertisements for *Managing Your Finances* and *The Good News* would be run in *Parents* and *American Baby* magazines to reach a younger demographic than *Reader's Digest*, and we anticipate netting another 32,000 subscriptions from these ads.

In addition, Internet advertising for *Vertical Thought* and *World News and Prophecy* are projected to increase circulation by a total of 31,000 between the two publications. This would be the first time ads for either publication have been run outside of promoting them in our own literature. Advertisements would also be run on the Internet to offer *Managing Your Finances* and *You Can Have Living Faith*.

Advertisements would also be inserted in several card packs offering a booklet and *The Good News*.

The total cost of the advertisements and the resulting fulfillment expenses would be \$531,521.

In addition, Mr. Kilough proposed that slightly over \$200,000 be added to the Ministerial Services budget, to be used primarily for the six-week training program for newly hired full-time ministers and extending Ministerial Development into several international areas. There would also be an increase in funding for Youth Corps projects. Mr. Kilough emphasized the value of providing young adult members with Youth Corps experience and service to help them grow in their commitment to serving the Church.

If the current income trend continues to the end of the current fiscal year (July 2007), the Church can invest the nearly three-quarters of a million dollars of these items and still have a sizable surplus.

Therefore, Mr. Kilough suggested that the next priority for use of the surplus would be to pay off the home office property. We are due to refinance the remaining 10 years of our mortgage, and we are very possibly going to be in a position to totally pay it off. Doing so would save approximately \$400,000 in interest over the next 10 years, plus it would free up \$156,000 in annual mortgage payments that could be channeled back into the budget.

A brief discussion ensued, during which Council members expressed their support for all of the proposals. Mr. Dick asked treasurer Tom Kirkpatrick to provide a formal proposal for payment of the home office mortgage, which will be presented to the Council later in these meetings.

Mr. Kilough moved on to a discussion about the point at which the Council should consider additional budgetary items, based on income trends in a given fiscal year. A previous resolution on cash reserve policy gives the Council authority to consider additional expenses after the Feast of Pentecost Holy Day offering. But since there is so little time between Pentecost and the end of the fiscal year (June 30), Mr. Kilough proposed that the decision date be moved earlier in the year, to January 31, which would give the Council more flexibility and more time for consideration of additional expenses.

The Council unanimously approved the resolution.

### **Strategic Thinking and Strategic Issues**

Mr. Kilough then led the Council into a consideration of larger and long-term issues. He asked the Council to consider where it would be best to invest and focus the Church's financial resources in the future. He pointed out that this discussion isn't on managing resources on-hand, but a matter of looking to the future in a way the Council has not had the opportunity to do previously, based on the potential of a stronger income track.

Mr. Dick took the podium briefly to remind the Council of its previous discussion on strategic planning, during which a number of strategic issues were identified. He emphasized that this is the opportunity for the Council to engage in what is truly strategic thinking and planning. He stated that the Council has an advantage over boards of directors of other organizations, in that each member of this Council is intimately involved with and has decades of personal history in the Church. Mr. Dick pointed out that we have matured as an organization and now have cash reserves available. He encouraged the Council to think differently and more on a strategic level than in past discussions.

Mr. Dick asked Mr. Kilough to resume leading the discussion, while Mr. Dick noted Council suggestions on the whiteboard at the front of the room. Mr. Kilough summarized the four major areas of strategic importance that the Council identified in its August 2006 discussion. In that meeting the Council identified the need to:

1. Strengthen the Church spiritually.
2. Train and develop manpower for the full-time ministry.
3. Expand the preaching of the gospel in media efforts.
4. Establish better relationships among different groups that came from the same mother Church (i.e., other Church of God organizations).

The following bulleted list summarizes comments that were made in the ensuing discussion. The numbered list at the conclusion of these bullets is the summary of the comments that Mr. Dick recorded on the whiteboard.

- Peter Eddington: Over the next 10 to 12 years, as income continues to improve, the Church should make an effort to commit a greater percentage of income (possibly 50 or 60 percent of income) specifically to media efforts.
- Mr. Salyer: It is absolutely necessary to develop a subscriber base and bring new members into the Church. But it's a trap to decide that a percentage of income goes into any particular effort. Media should be our highest priority in the next three to five to 10 years, but we should remain flexible depending on what is needed.
- Jim Franks: The priority has to be media. But it's not just coincidental that the Church grew rapidly starting in the 1950s when it provided an educated and professional ministry. We need to continue to work to develop a way to provide a trained, educated ministry, which is necessary to support a solid membership that will provide financial support for the Church.
- Richard Pinelli: There needs to be a balance between preaching the gospel and providing a ministry to serve the Church. Without media efforts we are nothing, but without a ministry we cannot serve the members.
- Richard Thompson: When United first formed, it faced survival on two levels: maintaining the truth and continuing to do a work that God can use. Now United faces a growth issue. We have an educated ministry and converted, mature members—and we need both. One reason Herbert Armstrong was so successful

was that his message was unique. We need to be distinct and unique in preaching the gospel.

- Les McCullough: In the 1950s Herbert Armstrong and Garner Ted Armstrong were unique. But now many have picked up on what they taught, so people aren't generally surprised at our teachings about prophecy. People in general aren't as worried about world conditions as they were in the past. Somehow we have to reestablish the uniqueness of our message.
- Mr. Kilough: During the recent war in Lebanon there was a spike in activity at UCG Web sites. We need to be positioned to take advantage when something startling happens.
- Joel Meeker: How can we keep our teens and young adults excited about and engaged in the work of the Church? We should get people involved in the official work of the Church at a younger age. Some of us were in our 20s when we came into the ministry. There are some disadvantages due to immaturity, but they can gain experience and there is an advantage to their energy and enthusiasm.
- Mr. Dick: Children who were born when United started are 11 years old. They have no awareness of what happened in 1994. Their whole focus is United. We've done a good job of working with the youth of the Church, but need to do even better.
- Mr. Salyer: We need to look at younger people and give them opportunities to train for leadership positions in the Church.
- Mr. Kilough: Pastors have been reminded of the importance of working with younger members. When young people see other young members being used to serve in the Church, it will encourage them to look for opportunities to do so too.
- Mr. Meeker: We could encourage talented writers in the Church to produce children's books about Bible characters.
- Victor Kubik: Some efforts don't require money. Organizations have grown because their leaders exuded vision and enthusiasm. We have young adults who have distinct views and ideas for the Church; we need to harness their vision and enthusiasm. The Church is in a positive, noncrisis position, but still needs three Cs: Content (repackaging and reprioritizing what we teach), creativity (using people with imagination) and courage (stepping out bravely with our message).

#### Summary of Strategic Issues:

1. How to increase the percentage of income allocated to media?
2. How do we provide an educated (future) ministry?
3. How do we distinguish ourselves in a world full of gospel messengers?
4. How do we retain our youth—those who are born to us into the Church?
5. How do we involve, stimulate our young adults to stay involved?
6. How do we present an arresting message?

The Council concluded the last half hour of the morning and the balance of the afternoon in executive session.

Don Henson

-end-

© 2006 United Church of God, *an International Association*