

# Newsletter

## Chairman's Message



I am finishing a book by James Surowiecki titled *The Wisdom of Crowds*. I say finishing, as it has proven to be like many books. The first 100 pages lay a

great foundation and explanation of the main point, while the last 150 pages provide examples. For persons like myself with a limited attention span, I find the compounded, extensive examples less intriguing than the telling of the basic theory.

Surowiecki's main point is that groups of people, given the optimum conditions for decision making, will generally make better decisions than even the wisest person in the group might be expected to make alone. Those optimum conditions for group decisions include diversity of viewpoint and experience, independence, and decentralization. In addition, in order to harvest the crowd's wisdom, there needs to be an effective information collection system. One of the most notable examples of this might be the daily functioning of the markets. Hopefully, by the time this appears in print, we won't have had a market meltdown.

It didn't take much of a leap for me to also see the applicability to the Church Benefits Association. While we work with similar values, goals, and systems, we represent a significant degree of diversity in polity, culture, operational style, and organizational

size. That diversity has proven to be a rich resource for a variety of viewpoints and experiences. Further, we operate with a significant amount of autonomy from each other. Finally, we are certainly a decentralized group of organizations, all the makings of collective wisdom, needing only that system or process by which to share and evaluate our observations and experience. And thus, the value of the Church Benefits Association.

At this year's Church Plan Workshop, I had opportunity to observe and discuss with fellow attendees the typical way many of us use the time. Obviously, we all are helped by the content of the presentations, skillfully overseen by the Workshop Dean, Danny Miller. However, what many of us find as the great "takeaway" isn't just the pre-printed materials, but the "to do" lists that represent the collected and applied wisdom that such a group gathering can provide. I'd like to believe those insights and observations, gained in such a setting, represent true wisdom, uniquely available through that type of experience. In fact, one of the practices we follow, upon return from the Church Plan Workshop, is to get out last year's "to do" list, and add to it the new items from this year. Much of last year's wisdom is still being applied!

Over the years, I think I have learned that there can be near priceless value in one good idea. Though the sources of such great ideas are theoretically all around us, the din of life often makes them inaccessible. We then tend to look

in the same, familiar places which have proven fruitful in times past. This would be akin to that favorite fishing spot I hear anglers speak of. I believe the gatherings and opportunities for sharing we find in the CBA would be such prime places for capturing some of those great ideas. Yes, there is some cost associated with CBA participation. However, the value of the participation has proven to be much greater than the cost for most of us. Perhaps it is because, as Surowiecki has observed, the wisdom of this crowd has proven to be greater than any one of us alone could consistently achieve.

Don L. Walter  
*Church of the Nazarene*

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## 2006 CBA Annual Meeting

You're invited to join CBA members in San Diego, Calif., this fall for the 2006 CBA Annual Meeting! Join us November 28 – 30, 2006, for three days of insight and growth, networking with friends and colleagues, and the chance to learn everything you need to know about "Retirement Readiness."



This year, CBA will welcome Lovett H. Weems Jr. as the keynote speaker for the Annual Meeting. Dr. Weems is a Distinguished Professor of Church Leadership and Director of the Lewis Center for Church Leadership at Wesley Theological Seminary in Washington, D.C. He arrived at this position in 2003 after 18 years as president of Saint Paul School of Theology in Kansas City, Missouri. Dr. Weems was also a United Methodist pastor in Mississippi for many years.

Dr. Weems is the author of several books, including *Church Leadership: Vision, Team, Culture, and Integrity*, and his latest entitled *Take the Next Step: Leading Lasting Change in the Church*. Dr. Weems is also editor of the

online newsletter, *Leading Ideas*, available free at [www.churchleadership.com](http://www.churchleadership.com).

Additionally, Dr. Scott Sheperd will join CBA and speak to conference attendees at a special lunch presentation. Dr. Sheperd has more than 25 years of experience working with people in difficult situations ranging from terminal illness to high-pressure jobs. Dr. Sheperd uses a humorous, non-traditional approach to focusing on stress, and challenges audiences to accept responsibility for their own lives and gives them strategies to improve the quality of those lives. In addition to conducting seminars and workshops for professionals in the fields of business, health care and education, Dr. Sheperd has produced a variety of hands-on material. He is co-author of several books for the seriously ill, and recently, he completed the book entitled *Who's In Charge? Attacking the Stress Myth*. Dr. Sheperd also conducted a six-part lecture series on public television, currently available on CD.

### *Sightseeing in San Diego*

Bordered by the pristine Pacific Ocean, Mexico, the Anza-Borrego desert, and beautiful Laguna mountains, San Diego undoubtedly proves to have something for everyone! Whether touring the city, dining at one of its wonderful

restaurants, shopping in one of many intriguing boutiques, or even playing a round of golf at one of its 92 lush golf courses, you will find boundless enjoyment in this beautiful city!

While touring the city, be sure to visit Balboa Park, the largest urban cultural park in the United States. Consisting of more than 1,200 acres, Balboa Park is home to the renowned San Diego Zoo, internationally acclaimed Old Globe Theater, gardens, restaurants, and more than a dozen museums.

After sightseeing around town, take time to soak up the sun! San Diego offers more than 70 miles of beaches, including Del Mar, Coronado and Mission Bay. Not a fan of the beach...not a problem! Embrace the opportunity to golf at one of San Diego's numerous renowned golf courses. San Diego boasts of being one of Golf Digest's "Top 50 Golf Destinations in the World" with settings ranging from courses by the sea, to desert mountains and inland valleys.

Traveling around San Diego is extremely easy. Take one of the city's multiple taxicab services, a ride on the Metro Bus, or ride San Diego's "moving landmark", the trolley!

Come for the CBA Annual Meeting, and stick around for the city! With so much to do, you'll need a few extra days to enjoy it!

# Committee Updates

## *CFO Roundtable*

The 2005 CFO Roundtable commenced with a recapitulation of last year's discussions which included the Sarbanes-Oxley Act (SOX) and its affects on non-profit organizations, the diminishing attention Big Four accounting firms are paying to non-profit organizations, the quality and liability of external audits, and performance measures.

This year, the committee continued its conversation on "best practices" which have arisen from the SOX Act. Members of the committee discussed business continuity from a risk management perspective, and shared information as to what each of their organizations is doing to ensure minimal disruption to member services should disaster strike. As a group, the members acknowledged that third party administrators handling outsourced functions play an important role in the success of our organizations' business continuity plans.

The CFO roundtable also addressed corporate governance and meeting board expectations particularly with the Audit Committee, prompting discussions about Audit Committee structure, expertise, and education. Additionally, since several of the pension boards outsource functions and processes to third party administrators, the committee

discussed due diligence during the hiring process and the ongoing relationship, performance guarantees, and the possibility of sharing performance benchmarks.

## *Health Benefits Committee*

The Health Benefits Committee held its annual meeting prior to the formal 2005 CBA Annual Meeting. Committee members met first with our coalition partners (Medco, Express Scripts and Highmark) followed by a formal business meeting. In addition to updates on the coalition activity, the committee reviewed Medicare Part D and discussed potential follow-up for 2007. New opportunities presented to the committee were the formation of a disability workgroup and a clergy health study sponsored by the United Methodist Church.

Attendees of the Health Benefits Committee meeting heard from several members as to how the collaborative efforts of the committee have made an impact on the operation of their church plan. Representatives of the Disciples of Christ, United Church of Christ, Evangelical Covenant Church and Salvation Army shared stories of cost savings, enhanced marketing opportunities and even survival of a health plan. The session was an uplifting reminder of the great things that can be accomplished by working together!

## *Retirement Committee*

The 2005 CBA annual meeting marked the first meeting of the newly formed Retirement Benefits Committee. After joining the Communications Committee for a portion of their pre-conference meeting focusing on best practices in retirement planning communications, the committee split into two concurrent breakout sessions – one on defined benefit plans and the other on defined contribution plans.

The defined benefit session was led by Ann Bryant and featured Cindy Carlson of the United Methodist Church (UMC). The UMC recently bucked the trend and added a new defined benefit plan to the retirement program provided to the clergy. Cindy described the rationale, design, and cost of the new plan as well as the implementation and rollout of the program.

The defined contribution session, led by Danny Miller and Dave Adams discussed the challenges of administering the very complex contribution limits applicable to 403(b)(9) church plans, the pros and cons of offering the newly available Roth TSA contributions, and the proposed 403(b) regulation concerning self-insured annuities.

# Church Plan Workshop Recap

Last April in Scottsdale, Ariz., nearly 100 representatives of denominational benefit programs attended the Ninth Annual Church Plan Workshop, jointly sponsored by the CBA and the Conner & Winters law firm. Workshop participants heard presentations on the "ins and outs" of running a church 403(b) annuity program, and two panels of experts made presentations on future developments in health care delivery and common compliance

problems encountered by church benefit board compliance staff. A healthy dose of other employee benefit "issues of the day" were also addressed. Attendees had several opportunities to enjoy the restaurants, golf and other recreational opportunities offered in the Scottsdale area, and once again the weather cooperated magnificently!

Next year's Church Plan Workshop will again be held in Scottsdale, but at

a new location – the Scottsdale Plaza Resort. Danny Miller, the Workshop moderator, anticipates another great turn out for next year's program. New 403(b) regulations are expected to be finalized by then, along with several other pieces of IRS guidance of interest to church retirement benefit programs. The dates for next year's Workshop are April 16-18, 2007, so mark your calendars now and plan to attend!

## **Board of Directors**

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Arthur Rhodes  
Church of God Benefits Board (TN)

Inga Schroeder  
Lutheran Church – Canada Worker  
Benefit Plans

## **Save the Date**

*10th Annual Church Plan Workshop  
April 16-18, 2007*

*Scottsdale Plaza Resort  
Scottsdale, Arizona*

*2007 CBA Annual Meeting*

*November 27-29, 2007  
Scottsdale Plaza Resort  
Scottsdale, Arizona*



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