

Iowa District East Board of Directors

MINUTES

Tuesday, July 11, 2006

PRESENT: *Ordained:* Gary Arp*, Dean Duncan*, Daird Korth, Matthew Rueger*, Brian Saunders*, George Volkert*; *Lay:* Rich Balvanz*, Carl Egger*, Greg Gerjerts*, Mark L'Heureux and Lowell Schroeder†.

*Designates a voting member of the BOD. †Designates the assistant treasurer who voted in the absence of Lois Mulbrook.

1. Call to Order. The Board of Director's Meeting was called to order by President Arp at 9:00 a.m.

2. Devotion: Rev. Dean Rothchild led the devotion with Responsive Prayer 1 and a Bible Study on the Readings for the 7th Sunday after Pentecost.

3. Acceptance of the Agenda. President Arp asked for nominations for chairman. Matthew Rueger nominated Carl Egger. Seconded by Brian Saunders. Carl Egger nominated Matthew Rueger. Seconded by Dean Duncan. Carl Egger was elected chairman by ballot. Dr. Egger assumed the chair from President Arp. The agenda was accepted with additions. Rich Balvanz nominated Matthew Rueger for the vice chairman. Seconded by Gary Arp. Matthew Rueger elected vice chairman.

4. Review and Acceptance of the Minutes of May 23, 2006. Accepted.

President Arp made a motion that the ballots for the Convention be destroyed. Seconded by Volkert. Passed.

5. Correspondence to the Board of Directors

1. Letter from Rev. Dean Duncan resigning his position on the Constitutional Review Committee due to his duties as District Secretary. The Board accepted his resignation.
2. Letter from President Kieschnick expressing concern over our District's decision to decrease the amount of support we send to Synod. President Arp moved that we respond to President Kieschnick's letter to express we are taking it under consideration. Seconded by Rueger. Passed.

President Arp moved to reappoint Lowell Schroeder as the Assistant Treasurer. George Volkert seconded. Passed.

6. Treasurer's Report NOTE: Because of the timing of this Board meeting, the Treasurer's report is slightly different. The report reflects the period ending May 31 as opposed to a report based on a calendar quarter. Some information is only updated quarterly so new information was not available at this time.

STATEMENT OF FINANCIAL POSITION – COMPARISON WITH PRIOR YEAR– SCHEDULE A:

1. Cash and Cash Equivalents – This account is significantly higher than the same period in the prior year due to monies received for Convention registration.
2. Due from LCEF – This account reflects the CEF certificates of deposit originated by the District that are now held by LCEF. This number is reported quarterly by the LCEF Vice President. It is directly offset by Payable to Investors LCEF reported in the liability section of the Statement of Financial Position. As the CEF certificates become due, they will be converted to LCEF certificates. As the certificates are converted this account and the offsetting liability account will continue to decrease until the conversion of all certificates is completed.
3. District Properties (net) – Year-to-date additions to accumulated depreciation decreased the net District properties by \$24,925.
4. Investments – Information is only received quarterly from Wachovia and the annuities. Other than monthly interest that has been received, there is not any additional information to report since the quarter ending March 31, 2006
5. Accrued Expenses – This account consists of Accrued Vacation and Accrued Interest on the loan to LCEF for the purchase of the annuity funds, which will not be paid until the death benefits are received. It will continue to grow until that time. However since we were able to pay off \$1,816,485.33 as of the end of January, the accrued interest will grow at a significantly slower pace due to decrease in loan value. As of May 31, 2006 the accrued interest was \$202,977.40.

6. Deferred Revenue – This account represents those funds collected as assessments from the congregations for the 2007 Synodical Convention. There is still a carryover of \$961.50 owed from 4 congregations for the 2004 Convention. Of this amount, only \$166.50 is from an assessment prior to 2004. We will continue to track the assessment. As we send reminders for the 2006 assessment we will include the prior amount, as well.
7. B Bonds Payable - The “B” Bonds were not transferred with the other certificates of deposit to LCEF. As individuals turn in these bonds for payment, this account will decrease. As recommended by the auditors during the 2004 audit, at the end of 2005 we recognized as income ½ of the remaining balance. At the end of 2006, the remaining balance will also be recognized as income thereby eliminating this payable.
8. Loan Payable – This reflects the change in the annuity loan that was reduced by \$1,816,485.33. See **Schedule F** for the detail of outstanding loans.

STATEMENT OF ACTIVITY – BUDGET COMPARISON– SCHEDULE B AND C:

1. Current Fund Income/Synod Missions – We ended the month above budget but overall for the year, we are still under budget. See **Schedule F**.
2. Expenses and Losses – The District did a good job during the month in holding the line on spending to come in under budget on expenses.
3. Total Change in Unrestricted Net Assets – Reflected in this month’s statements are both receipts and expenses from the District Convention.

SUMMARY:

Despite the lower income, the District was able to operate with the cash available in current cash accounts without having to withdraw from any investments. The District needs to continue to monitor expenses and also watch congregational giving for dramatic shifts from prior years.

7. President Arp’s Report: (See Exhibit B). President Arp discussed the Convention. He was extremely disappointed over the political activity (i.e. the four-page letter sent to Convention delegates before the Convention) that cast a pall over the Board and himself. He shared a letter he sent to the St. John congregation in Keystone. President Arp reported that he has agreed to meet with each individual who authored the letter (so far, only one has agreed to meet). He thought the Essayist touched on some things which we need to consider. He opened up a discussion on reactions to the Convention. President Arp recommended that we as a Board should set aside a meeting for some strategic planning.

Rev. Matthew Rueger moved that the various committees be told by the District President about our desire regarding our Strategic Plan and give recommendations to President Arp for what they might think the Board should keep in mind as it begins this process, have President Arp evaluate those recommendations and bring them to this Board. Seconded by Rich Balvanz. Passed.

President Arp highlighted some areas of focus in the next 3 years. First he wants to visit as many congregations and pastors as possible - highlighting the area of human care, stewardship and mission the Lord has given us. Second, prepare for next year’s Synodical Convention. All our Circuits are legal Circuits. He reviewed the Cedar Rapids South Circuit Counselor vote. After numerous tie votes, he appointed Rev. Max Mons to serve as the Circuit Counselor of Cedar Rapids South Circuit. He also relayed the desire to post the Convention Minutes on the website.

President Arp informed the Board that a representative from the Synodical Board of Directors wants to visit the various District Boards. President Arp has been invited to the Lutheran Free Conference in Riga, Latvia and is planning to attend. He thought the St. Paul Chapel students were excellent ambassadors to the people of Lithuania.

Committees

Archives. Rev. Konrad is in almost every week and doing a very good job.

President Arp received word that LCEF has relented on the foreclosure of the loan to Valley High School.

Constitution Committee approved the constitutions of King of Kings and the Camp.

President Arp provided an update to the Vacancy Report.

8. Report by the Assistant to the President (part-time) Daird Korth (Exhibit D). Rev. Korth met twice with the DHS inspector to understand changes in standards. Has contacted various state agencies to understand the transportation issues for day care centers. He has begun planning the next Early Childhood Conference. Consulted a few preschools on changes on staffing. Participated in a conference call of the Children’s Ministry Advisory Team of the LCMS.

9. Report by the Assistant to the President (part-time) Mark L'Heureux (Exhibit E). On August 1 and 2 there will be IDE & IDW Principals Conference in Urbandale, IA. He will be traveling to Asheville, NC for a GOSPEL Conference. He announced that his School Board has graciously allowed him to continue in his services to the District in fulfilling this position. He expressed his openness to the conversations with IDW about a shared executive.

10. Rev. Rothchild's Report (Exhibit C): Expressed his gratitude to the Marriott Hotel and the technical staff from Trinity Lutheran in making the Convention a success. Only one of his committees has met (the Student Aid Committee). He informed us that the various hotels have been clamoring to speak to him about hosting our next Convention in 2009.

Rich Balvanz moved that Rev. Dean Rothchild be allowed to sign a contract with a hotel for the next District Convention. Seconded by President Arp. Passed.

11. New Business

1. President Arp moved to reappoint Rev. Mark Brase to serve as Assistant Secretary. Seconded by Rueger. Rev. Brase was elected.
2. President Arp recommended that the committee for the District By-laws make a proposed change to By-law 11.03.4.
3. President Arp will make the initial contact with President Sieveking (of IDW) to see if there is the possibility of sharing an Education executive.

Rev. Rothchild led the prayer for lunch. Recessed for lunch at 12:05 p.m.

New Business continued:

4. Rev. Matthew Rueger recommended retaining the present legal counsel for District. Seconded by President Arp. Passed.
5. The Board discussed Resolution 1-08 and thought that we need to explore the financial feasibility of supporting a part-time chaplain at University of Iowa Hospital. It was suggested to have Rev. Scheer address the Board to help us understand what is involved in the chaplaincy.
6. The Board discussed Resolution 2-01a on how we would fill the vacancy on the Board of Directors. By common consent the Board will fill the vacancy only after proper notification and the person nominated has been contacted and is willing to serve.
7. Rev. Rothchild wanted some direction and clarification on Resolution 1.06 to encourage congregations to consider participating in "Fan into Flame." It was suggested that the District President write a letter to the congregations to make them aware of the resolution and to encourage them to participate in "Fan into Flame."
8. Committee appointments:
 - a. President Arp moved to reappoint those on the Archive committee to serve another term. Seconded by Rev. Rueger. Passed.
 - b. President Arp moved to reappoint Carl Egger and Rich Balvanz to serve on the Audit Committee. Seconded by Rev. Rueger. Passed
 - c. President Arp moved to reappoint Rev. Dean Duncan and Greg Gerjerts to serve on the District By-Laws Committee. Rev. Rueger seconded. Passed.
 - d. President Arp moved to reappoint Rev. Mitch Otto (editor) and Rev. Daniel S. Johnson (assistant editor) of IDE today. Volkert Seconded. Passed.
 - e. President Arp moved for reappointment of the Investment Committee. Volkert seconded. Passed.
 - f. President Arp moved to reappoint the LCEF Loan Committee. Seconded by Volkert. Passed.
 - g. President Arp moved to reappoint the Office Committee. Seconded by Volkert. Passed.
 - h. President Arp moved to reappoint/appoint Rev. Mike Musick, Kathleen Mills and Lanny Buls to serve on the Student Aid Committee. Seconded by Rueger. Passed.
 - i. President Arp moved to reappoint/appoint Rev. Doug Woltemath, Peggy Seeber, Beth Tepe, Chuck Gomez, Chad Holtzman, Karen Ritter, Mark L'Heureux and Rev. Daird Korth to serve on the Schools Committee. Seconded by Rueger. Passed.
 - j. President Arp moved Rev. Karl Bollhagen, Rev. David Hansen, Rev. Michael Musick and Anthony Birnbaum be reappointed to serve on the Worship Committee. Seconded by Rev. Volkert. Passed.

- i. President Arp moved that Rev. Daniel S. Johnson serve as a pastoral representative on this committee. Seconded by Volkert. Passed.
 - ii. President Arp moved that Steven Moore serve on this committee. Seconded by Volkert. Rich Balvanz moved to table this nomination to the next meeting. Seconded by President Arp. Passed.
 - k. President Arp moved to reappoint the Salary Study Committee. Seconded by Volkert. Chair asked to defer this motion until the next meeting.
 - l. President Arp moved to reappoint/appoint Rev. Max Mons, Rev. David Weber, Rev. Dale Critchley, Rev. Alan Hafner, Christy Leckband, Dr. Carlin Parish and Fern Parish to serve on the Board of Congregational Services. Seconded by Rich Balvanz. Passed.
 - m. President Arp moved to reappoint Rev. Wayne Woolery, Rev. David Gerke, Rev. Victor Young, Carol Meyer, Lynn Evans and Carole White to serve on the Mission Committee. Seconded by Volkert. Passed.
 - n. President Arp moved to reappoint/appoint Rev. Ronnie Koch, Rev. Thomas Shumaker, Asunta Shumaker, Leon Kroemer, Renee Moravec, Leon Miles, Kristin Piphon and Stephen Hoffman to serve on the Youth Committee. Seconded by Volkert. Passed.
9. Rev. Volkert moved to approve the final 2006 Convention Minutes afternoon session of June 24. Seconded by Saunders. Passed.
 10. It was agreed by consensus to have the next BOD meeting November 7 and at that meeting plan a Strategic Planning Meeting. Accepted by consensus. The Board set February 6, 2007 for the following meeting.
 11. President Arp moved to approve the part-time education assistants' contracts. Seconded by Rev. Rueger. Passed.
 12. Rev. Matthew Rueger nominated Rev. David Anderson from Dubuque as a nominee for the Board of Regents of Concordia Seminary. Seconded by Saunders. Passed.
 13. Greg Gerjerts sought opinions as to when the District BOD should meet with the Camp Board. It was agreed to set the February meeting to hear the Camp Board. Greg notified the Board that Cheryl Bock's term will expire. He reported that the enrollment for the Camp is up. There has been a great deal of volunteer and contracted work being applied to the director's house and other facilities.
 - a. Rev. Matthew Rueger moved that the District split the costs with the Camp of refurbishing the director's residence over and above those costs not covered by other means. Seconded by Saunders. Passed.
 14. Rich Balvanz reported on the Endowment Fund Bylaws for the St. Paul Chapel Endowment. Rich raised questions about the ownership of the endowment and management of the assets. Rich along with Lois recommend that the District should have some ownership over this endowment in case of dissolution of the relationship between the District and the Chapel.

Next Meeting: Tuesday, November 7, 2006 9:00 a.m. Bible study, lunch prayer, closing prayer by Rev. Brian Saunders.

President Arp moved to adjourn. Seconded by Rev. Rueger. Passed.

Closing prayer by Rev. Dean Rothchild

Respectfully submitted,



Rev. Dean Duncan
IDE Secretary