

IOWA DISTRICT EAST BOARD OF DIRECTORS

FINAL MINUTES

Tuesday, November 23, 2010

PRESENT: **Ordained:** Mark Brase,* Daird Korth, Dan Krueger,* Dean Rothchild, Matthew Rueger,* Brian Saunders,* Wayne Woolery; **Lay:** Dennis Duwe,* Carl Egger,* Andrea Koenig,* Corey Nuehring,* Lowell Schroeder, Paul Zoske* (*Designates a voting member of the Board).

1. Call to Order: Chairman Egger called the meeting to order at 9:00 a.m.

2. Devotion: Rev. Brase led the Board in Morning Prayer, singing hymn 672, and a study on Luke 23:27-43.

3. Approval of Agenda: The Agenda was approved with the following additions: New Business: A. Palanga Lithuania Project Review.

4. Approval of Minutes: The 9/21/2010 Board Meeting minutes were approved as corrected: Item 8, line 2 – Quotations added to “hearing;” Item 13: B. “Policy and Procedures Manual” was Exhibit L; Item 14: A. “IDE Employee Handbook” was Exhibit K.

5. Correspondence: A letter and Board of Regent Nomination Form was received from Concordia, Texas. This item appeared on the Agenda New Business B. The Upper Midwest LCEF Update was also received by the Board.

6. Treasurer’s Report: Items included in this month’s report: 1. IDE Income and Expense Summary – Quarter ending September 30, 2010 (pages 3-4); 2. IDE Statement of Financial Position – September 30, 2010 (pages 5-7); 3. IDE Income and Expense Detail - Quarter ending September 30, 2010 (pages 8-15); 4. IDE 5-Year Comparison Receipts - Quarter ending September 30, 2010 (page 16); 5. IDE Death Benefit Review for Annuities - September 30, 2010 (page 17); 6. IDE Loans Payable - September 30, 2010 (page 18); 7. IDE 2010 Workshop Summary - September 30, 2010 (page 19); 8. IDE 2010 Congregational Remittances - September 30, 2010 (pages 20-22).

Treasurer’s comments included: a. Actual receipts continue to be the lowest thru September for the last five years (page 16). District support continues to trail budget by \$108K (page 3). Pages 20-22 summarize year to date support received from each congregation.

b. We have collected all but three Synodical convention assessments for 2010. Total outstanding is approximately \$550.

c. Expenses are tracking slightly under budgeted amounts. All major expenses for the year have been paid.

d. Market values of our investments continue to bounce around. Gain on investments was \$106,650 and \$70,109 for the quarter ending September 30, 2010 and year to date, respectively (page 3).

e. Market values of the annuities continue to creep upward (page 17). We have one that is getting within \$100k of its death benefit. If its market value surpasses the death benefit, we will cash out that annuity contract.

The Treasurer answered questions about his report. Questions were answered concerning Endowment Funds and Endowment Committee. Two funds are held by LCMS Foundation. The committee is reviewing Endowment Fund’s purposes and use. (The complete Treasurer’s Report, Exhibit A, is attached to the protocol copy of these Minutes.)

Church Mutual’s inspection results and recommendations were reviewed (Exhibit F). Sherry Brendes, Business Manager, reviewed the risk assessment and report of properties including Camp IoDisECa, District office building, St. Paul Chapel, College Hill, Cedar Falls, Good Shepherd, West Union. All matters have been addressed on site.

7. President Saunders’ Report: The President reviewed the Vacancy Update: Vacancies LCEM, Davenport is reviewing needs and possibilities.

Progress is being made on the Non-Calling Vacancies: Our Saviour, Keosauqua; St. John, Osage; Peace, Shell Rock; Hope, Sigourney; Concordia, Waterloo; Good Shepherd, West Union.

The following Pastoral Calls were accepted: Steve Lane, St. John, Oskaloosa to Faith, Lecanto, FL (vacancy-Joel Picard); Ronald Rafferty, Swissvale, PA to Grace, Dewitt, Sr. Pastor.

David Gerke, Davenport has a pending call to Kewanee, IL. John Block has completed colloquy and is available for pulpit fill. Michael Maddick is ill and in need of our prayers.

The following schools have Principal vacancies: Dubuque Lutheran School, Dubuque, and Lutheran Interparish School, Williamsburg.

President Saunders reviewed the call process and the need for workers to notify the District President when they receive a call.

President Saunders commented on the November COP meeting. President Harrison's call to Village Lutheran Church, Ladue, MO was discussed. President Saunders reported that it is an opportunity for catechization on the Divine Call in the LCMS. IDE's work on Calls, Offices of the Ministry and the Priesthood is being affirmed by presidium. The Church is reliant on the Office of the Ministry and the Priesthood of all believers, not Synodical offices.

President answered questions on current state of Synod restructuring. It is in thoughtful and deliberate transition. He answered questions concerning the variety of methods leading to the Office of the Ministry in the LCMS. (President Saunders' Report, Exhibit B, is attached to the protocol copy of these Minutes.)

8. ATTP Korth's Report: ATTP Korth reviewed his report. He attended the Schools Committee meeting. Peggy Seeber and ATTP Korth are planning the District Early Childhood Conference for April. Rev. Korth was present as Redeemer, Ventura underwent a Department of Education inspection for their state-funded Pre-K program. This gives him insight into state requirements for the program as well as the challenges of dealing with the government.

ATTP Korth consulted with St. John, Waverly on starting a preschool in 2011 and with Our Redeemer, Iowa City on program changes. Questions and discussion ensued concerning the Early Childhood of the Year presentation. (ATTP Korth's Report, Exhibit E is attached to the protocol copy of these Minutes.)

9. ATTP Woolery's Report: ATTP Woolery reviewed his report. He distributed a Council for American Private Education (CAPE) newsletter (Exhibit G) which contained an article on a Supreme Court case concerning School Tuition Organizations (STO). The Iowa Lutheran Schools Tuition Organization was reviewed. November and December are the most active months for contributions. (ATTP Woolery's Report, Exhibit D is attached to the protocol copy of these Minutes.)

10. Camp IoDisECa Update: Rev. Knox updated the Board on Camp IoDisECa's financial and staffing status. Executive Director Small is working on development and seeing results. The day to day work has been assumed by Daniel Sanchez and Luke Fischer. A budget form offering a variety of 2011 budgets (exhibit H) based on different staffing options, changes in health insurance was presented. The "building on the Foundations" Capital Campaign has received \$82,000 in pledges. The Camp Board will meet in a few weeks to assess needed changes. Rev. Knox answered questions from the Board. The Camp Board has become more active and is looking at a variety of options.

11. Interface with IDE Investment Advisor Ryan Koester: Treasurer Nuehring introduced Ryan Koester, IDE Investment Advisor from Wells Fargo Advisors (WFA). He presented background of IDE's approach in investing and his advice. IDE has a fixed income portfolio with them dating back to the 1990s. The Investment Committee reviewed and changed the investment controls and process in 2001-2. They actively oversee the investments using the advisor's recommendations.

Mr. Koester has been with WFA for twelve years. 50% of their business is similar to IDE's portfolio. He gave a brief history of the Cedar Rapids company. His goal is to offer independent and objective advice to meet IDE's Investment Policy Statement. At quarterly meetings investment performance is reviewed and recommendations for appropriate changes are offered. The Committee makes any final decisions. Asset allocations and risk management are included in the portfolio manager's reviews so that defined needs are met. He answered questions from the Board.

12. AATP Rev. Dr. Rothchild's Report: AATP Rothchild reviewed his report. Former President Arp is working on a new DVD for the Lithuania Project for a final appeal in February.

The Missions Committee is hosting a "Church Planting Essentials" workshop by Rev. Mike Ruhl of the Center for U. S. Missions at Our Redeemer, Iowa City January 21-22, 2011. This will result in a specific Mission Initiation Plan for the North Liberty mission start.

Sen. Grassley and the FCC responded to our letters concerning the ability of "hearing" persons to have a phone number for using a video-phone. Rev. Eckert, Missionary to the Deaf, will respond.

The Board of Congregational Services recommended to the BOD that the IDE Today be published quarterly as a matter of stewardship. Moved and seconded that *IDE Today* be published quarterly. Motion carried.

Moved and seconded to appoint Tim Jones to replace Mark Gefaller on BCS. Appointment was approved. (AATP Rothchild's Report, Exhibit C, is attached to the protocol copy of these Minutes.)

13. Lunch Break: The Board recessed at 12:10 pm for a dine-in meal. Rev. Brase offered a meal prayer. The meeting resumed at 12:52 p.m.

14. Chairman's Minute: The Chairman asked the Board to consider for discussion at a future meeting why we have investments.

15. Unfinished Business: Camp IoDisECa: Moved and seconded to extend Rev. Knox's term until 2012 due to changes in terms and the Camp by-laws. Motion carried.

A. The Board discussed options for Camp IoDisECa. The entire District's commitment to Camp is needed. Moved and seconded to move to executive session. Passed.

EXECUTIVE SESSION

Moved and seconded to move out of executive session. Passed.

Moved and seconded that having firm budget figures at the January BOD meeting, the Board require the Camp Board to operate with actual expenses not exceeding actual receipts in 2011, excluding Capital Campaign funds. If the benchmark is not met, the issue of keeping the Camp open will be brought to the District Convention in 2012. Motion carried.

The Board received notification that Rev. Daniel Pool has resigned from Camp Board. The Camp Board offered as a replacement Rev. Paul Beisel, Iowa Falls. Moved and seconded to appoint Rev. Paul Beisel to Camp Board to replace Daniel Pool. Appointment was approved.

B. Updating of "Policy and Procedures Manual"

By consensus the Board delayed action until the January meeting.

C. Approve revised IDE Employee Handbook: The Office Committee Chair Rueger and Business Manager Brendes reviewed changes to the IDE Employee Handbook (Exhibit I and J). Moved and seconded to approve revised Employee Handbook. Handbook was approved.

D. New Mission Committee subsidy request recommendations (pg. 5 of exhibit K)

Based on last month's motion of the Mission Committee assigning subsidies based on a block of \$480,000 less salaries, the following mission expenses and subsidies were requested: Mission Committee Expenses - \$3450; Our Redeemer, Independence - \$2200; Eastside Mission, Davenport - \$10,000; Lithuania Project - \$10,000; North Liberty Mission Start - \$4350; College Hill, Cedar Falls - 40,000; St. Paul's Chapel, Iowa City - \$40,000; Camp IoDisECa - \$40,000. These requests would be reviewed with the budget.

E. 2011 Budget Review and Approval (Exhibit K)

The Treasurer presented the 2011 budget for the Board's approval. An adjustment was made to Revenue - LCEF Support, raising it to \$13,315.

Moved and seconded to adjust Honorariums for AATPs for Elementary/Secondary Schools (73150-105) and Preschools (73150-106) from \$8,160 to \$7,878. Motion carried.

Moved and seconded to adjust IDE Today publication cost (74130-239) from \$12,000 to \$9,600. Motion carried.

Moved and seconded to adjust Lawn/Tree Care and Snow Removal (74410-611) from \$10,000 to \$9,000. Motion carried.

Moved and seconded to adjust Office Forms (74310-541) from \$1,000 to \$807. Motion carried.

Moved and seconded to approve the cash-balanced budget for 2011 as adjusted. Motion carried.

14. New Business:

A. Palanga Project

The Board discussed the progress of the project. An accounting of funds raised was requested. President Saunders will provide a written report at the January meeting.

B. Concordia, Texas Board of Regents commissioned nominations by 12/1:

Moved and seconded to nominate DCE Leon Miles, Marengo. Nomination was approved. President Saunders will send in the nomination form.

C. Set 2011 BOD Dates:

Moved and Seconded to approve the 2011 BOD meeting dates as follows: January 25, March 15, optional dates - May 17/July 19 or June 21, September 20 and November 29. Meeting dates were approved.

D. Note request from Ron Schulz, LCMS CAO for 1-2 hours at March meeting: The Board by consensus agreed to meet with CAO Schulz.

15. NEXT MEETING:

Tuesday, January 25, 2010 9:00 a.m. at the District Office.

Devotional leader: Rev. Michael Scudder

16. Adjournment: Moved and seconded to adjourn. Motion carried. Meeting was declared adjourned at 3:58 p.m.

17: Closing prayer was offered by Rev. Brase.