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## IOWA DISTRICT EAST BOARD OF DIRECTORS

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### MINUTES

Tuesday, May 20, 2008

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**PRESENT:** *Ordained:* Gary Arp\*, Dean Duncan\*, Daird Korth, Brian Saunders\*, Matthew Rueger\*, Dean Rothchild, George Volkert\*, Wayne Woolery; *Lay:* Rich Balvanz\*, Carl Egger\*, Greg Gerjerts\*, Andrea Koenig\*, Amanda Whitmer\* and Lowell Schroeder. \**Designates a voting member of the BOD.* †*Designates the Assistant Treasurer who voted in place of the Treasurer.*

1. **Call to Order.** Chairman Egger called the meeting to order at 9:00 a.m.
2. **Devotion:** Rev. Brian Saunders led the devotion in Morning Prayer and a Bible Study on “the Face of God.”
3. **Acceptance of the Agenda.** The Agenda was accepted with a couple of additions.
4. **Review and acceptance of the Minutes** of March 23<sup>rd</sup> meeting were accepted with no corrections.

#### 5. Correspondence to the Board of Directors

a. An LCMS press release concerning the work of the LCMS Blue Ribbon Task Force on Synod Structure and Governance (BRTFSSG). At the April 21 Council of Presidents meeting the BRTFSSG presented to the Council of Presidents options for consideration. The Task Force plans to present the preliminary alternatives to the participants of the Theological Convocation in August, District Boards of directors in the fall, District conventions next year, delegate caucuses in 2010, culminating with a presentation at the 2010 Synodical Convention in Houston, TX.

b. The Lutheran Church Extension Fund advised the BOD that they are seeking nominations for three directors positions on the LCEF Board of Directors and shared the nomination procedure for this year’s LCEF Annual meeting.

c. Secretary Hartwig is seeking nominations for the vacant position on the Board for District and Congregational Services. Rev. Saunders moved to nominate Jon Baumgartel for this vacancy. Seconded by President Arp. Motion passed.

d. Dr. Gerald B. Kieschnick acknowledged \$185,000.00 that the Synodical office received from our District for Synod’s national and international work. President Kieschnick thanked IDE for our generosity and partnership in the Gospel.

e. Dr. Robert T. Kuhn acknowledged receipt of our Board’s resolution, *To Request the Restoration of “Issues, Etc.”*, that was sent to the Synod’s BOD. Since he no longer serves as chairman of the BOD, Dr. Kuhn forwarded our resolution to Rev. Donald Muchow who now serves as chairman.

#### 6. Treasurer’s Report (Exhibit A). Treasurer’s Report Executive Summary 1st Quarter 2008

- a. Cash position is up \$100,000 which Amanda believes is primarily due to receipt of congregational support. Congregational support is at about 20% of budget instead of 25% for the quarter, which translates to an \$84,000 deficit off the top. Significant changes in the balance sheet from last quarter also include receipt of final congregational support from 2007 so accounts receivable is down.
- b. The auditors also advised that we recognize deferred revenue. This is monies assessed the congregations for the 2007 Synodical Convention.
  - a. Action item: Because this was such a significant amount (around \$25,000), I would like to ask the Board if we should apply this money to assessments for the next Synodical Convention and reduce the amount requested from District congregations for the next triennium.
  - b. Amanda moved that the money received but not used for the 2007 Synodical Convention be designated for expenses for the 2010 Synodical Convention. Future assessments will be reduced as necessary to bring the surplus as close to zero as possible once more information regarding costs is gathered. Rich Balvanz seconded. Motion passed.
- c. Investments lost 5.8% in the last quarter, which is 1.1% worse than the benchmark. In the past six weeks, the market has bounced back enough that we are down 1.8% for the year-to-date. Our investment advisor believes the second half of the year will be better as repercussions of the housing issue settle out, but presidential elections historically introduce uncertainty into the market with changing policies. We are a little more heavily weighted in international stocks than the benchmark since there is more growth potential overseas as opposed to domestic stocks at this time. Net loss for the year to date was \$163,182 compared to budgeted net income of \$19,644. This difference is primarily due to investment losses. Because it is so difficult to budget for investment income/loss we try to be conservative but this year investment income may be a recurring budget difference item.

- d. Other recurring budget differences will be legal fees, which may resolve itself as a timing issue, depending on our final legal bill. Annuities interest will also accrue at a slower rate because we paid off a good chunk of the principal of the loan after we approved the budget.
- e. The annual audit is still being finalized. We had a meeting with the auditors on April 4th.
  - a. One of their suggestions, and something Sherry recently brought up to Amanda, is that we are not “investing” endowment fund monies in the sense that most people think of as investing the money. We are allocating a portion of our investment earnings to endowment funds instead of keeping them in their own investment accounts.
  - b. Action item: Does the Board agree that endowment funds should be kept in their own individual accounts, and is there a preference whether we invest with Wachovia or LCEF? Investment committee will bring a recommendation to the BOD.

#### **7. President Arp’s Report (Exhibit B)**

- a. President Arp reported on the vacancies and informed the BOD that the Van Horne congregation voted to extend a call to a candidate. He also related how both Seminaries dwelt with the men who did not receive calls during their call services. Currently in Synod we are down to approximately 300 calling congregations.
- b. The lawsuit referenced in the BOD minutes of November 6, 2007 to which IDE was a defendant has been settled. Terms of the settlement are confidential.
- c. President Arp is planning to attend a Conference in Lithuania and visit Palanga. This project has come to a halt due to inflation, devaluation of the US dollar and cost over-runs. We need approximately \$200,000-\$250,000 to complete the Palanga project.
- d. Committees
  - a. Office committee-Dr. Rueger reported on the situation with the bushes –they need trimming and mulch is needed. Dr. Rothchild volunteered to take care of it.
  - b. The November 2008 edition of IDE Today will be in full color.
  - c. Schools committee-Rev. Volkert reported that Beth Tepe will be not be on the Schools committee after September.

#### **8. Rev. Daird Korth, Assistant to the President (Exhibit D)**

Rev. Korth reported that the District’s Early Childhood Conference was held at Zion, Hiawatha on February 23. It was well attended. The Early Childhood Directors met during the District Early Childhood Conference for their first director’s forum. It was decided to give a preschool teacher of the year award.

He reported on his activities. He consulted with St. John, Marengo. He visited Trinity, Hampton and St. Stephens, Atkins. He and Peggy Seeber attended the National Conference for District Early Childhood Consultants in Minneapolis April 22-24. Terry Schmidt, Director of National Lutheran School Accreditation, provided information regarding changes in the NLSA process. He now has the updated program for preschools. He participated in conference calls with the Synod’s Children’s Ministry Advisory Team to discuss all aspects of children’s ministry. He attended the Schools Committee Meeting at Klinger (Readlyn) on May 1. He visited St. John, Keystone on May 6. They are considering opening a day care center. He will attend the LCMS National Children’s Ministry Conference in Schaumburg, Illinois July 11-13.

#### **9. Rev. Wayne Woolery Assistant to the President (Exhibit E)**

Rev. Woolery provided the Board with a recent article by Bill Cochran from the Spring 2008 publication of *Issues* and highlighted the article’s main points. In this article, “Lutheran Elementary Schools: Opportunities and Challenges,” Cochran points out that Lutheran schools need to become the school of choice in their community and provides nine characteristics of excellent Lutheran schools. Rev. Woolery strongly recommended the Board to read this article.

Rev. Woolery noted that \$80,000 from the Iowa Lutheran School Tuition Organization (ILSTO) would be dispersed to 7 schools in Iowa East. The purpose of ILSTO is to support schools so families remain in school and Lutheran schools might gain new families. He reported on the “Healthy Child Act” which would add 30 minutes to the school day. Rev. Woolery also reported on the School Funding proposal which would provide a grant awarded by the Schools Committee to Iowa East schools in their development program or communication within their communities.

#### **10. Jeff Miller and Carole White from LCEF.**

Jeff and Carole provided a brief report to the BOD. They reviewed the LCEF mission statement and their expectations in their relationships as LCEF serves to connect ministry through LCEF services – connecting

investors to congregations, Districts, world-wide missions. They reported that there are funds available for congregations, schools, recognized service organizations, and rostered church workers at attractive loan rates. They also informed the Board on some new services they are providing.

Rev. Brian Saunders led a prayer for lunch.

Reconvened at 12:45 p.m.

#### **11. Dr. Dean Rothchild, Assistant to the President (Exhibit C).**

Dr. Rothchild reported that he has started planning for next year's Convention. He is currently working on a revitalization model for interested congregations. He also hopes to have multiple gatherings to raise funds for the Lithuania project. The Mission Committee has begun to work on the assignments (strategic opportunities 2 and 3) given to them. The Dubuque congregations are looking to open a preaching station in Elkader. David Weber resigned from the Board of Congregational Services and we will have to find a replacement.

#### **12. Strategic Opportunities Reports**

Greg Gerjerts went over a preliminary milestone plan for goal 4.1 and encouraged the advocates to present to the Mission's Board with the example he provided.

#### **13. Camp Io-Dis-E-Ca Financial Plan**

Greg Gerjerts reported that the Camp drafted a new Strategic plan for 2008. Presented a letter from Rev. Michael Knox, Chairman of Camp Board, to give an update of the financial needs of the Camp. Discussion ensued. The Board suggested the financial people of the Camp speak with Amanda to show a cash flow format so the Treasurer and bookkeeper can be apprised of the financial situation at the Camp.

14. Greg Gerjerts moved to ratify the vote we took by email on the resolution: *To Request the Restoration of "Issues, Etc." on KFUE AM, the Disclosure of Board for Communication Documents Relation to Its Cancellation and an Independent Audit of KFUE*. Dr. Rueger seconded. Motion passed.

15. Rich Balvanz asked for clarification on the overage in some budget items. Discussion ensued on how we communicate the budget to avoid overages for each quarter.

#### **16. New Business**

##### **a. Contracts for Part-time Assistants to President.**

- a. President Arp moved to renew the contracts of Rev. Korth and Rev. Woolery. Seconded by Dr. Rueger. Motion passed.
- b. Rich Balvanz moved to increase their salaries an additional \$50 per month. Seconded by Andrea Koenig. Motion passed.

##### **b. District Publicity Policy.** The following policy was presented to the BOD for consideration: "It is the policy of Iowa District East to publicize District-sponsored events and to selectively publicize special circuit and congregation worship services, ~~concerts or~~ [and] education events. Events must be in keeping with LCMS doctrinal position and recognized partnerships. We are not able to publicize fund-raising events across the District because of the sheer volume of requests. Publicity of such events is the responsibility of the local congregation or school."

- a. Rich Balvanz moved to adopt the policy. Andrea Koenig seconded.
  - b. Dr. Rueger moved to amend the motion by removing the word "concerts" and adding the word "and". President Arp seconded. Amendment passed.
  - c. The motion passed as amended.
- c. Rich Balvanz moved to establish a Communications Committee under the Board of Congregational Services. Seconded by President Arp. Motion passed.

President Arp moved to adjourn. Rev. Volkert seconded. Motion passed.

Rev. Saunders led a closing prayer.



Respectfully submitted, Rev. Dean Duncan, IDE Secretary

Approved by BOD on Aug 12, 2008

