

IOWA DISTRICT EAST BOARD OF DIRECTORS

FINAL MINUTES

Tuesday, January 25, 2011

PRESENT: Ordained: Mark Brase,* Daird Korth, Daniel Krueger,* Joshua Reimche, Dean Rothchild, Matthew Rueger,* Brian Saunders,* Michael Scudder,* Wayne Woolery;

Lay: Dennis Duwe,* Carl Egger,* Corey Nuehring,* Lowell Schroeder, Carole White, 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. Scudder led the Board in Morning Daily Prayer, the singing of hymn 427 and a study on 1 Corinthians 1:14-18.

3. Approval of Agenda: The Agenda was approved with the following additions: New Business 2. CTCR nomination, 3. Mission Committee vacancy, 4. Board of Congregational Services vacancy.

4. Approval of Minutes: Moved and seconded to approve the 11/23/2010 Board Meeting Minutes as published. Minutes were approved.

5. Correspondence: Rev. Paul Beisel and Rev. Tim Jones accepted by e-mail their appointments to the Camp IoDisECa Board of Directors and Board of Congregational Services, respectively.

6. Treasurer's Report: Treasurer's comments included: a. Actual District support from congregations ended 4.32% lower than budgeted at \$1,172,124.36. Increases over budget in Direct Gifts and conventions/retreats covered the support shortfall to exceed total budgeted revenue.

b. Managing/minimizing expenses during 2010 allowed us to finish slightly under budgeted amounts. Synod Missions for 2010 reflected the 2009 actual net budget of \$14,335.00 paid in 2010. With this adjustment 2010 cash net budget lost \$755.

c. Market values of our investments finished strong. Actual gain on investments was \$113,485 versus budget \$105,000.

Final budget figures are prior to the Final Audit report. The Treasurer also pointed out the status of the investment annuities. Congregations need to be encouraged to submit previous year contributions by the deadline. (The Treasurer's Report, Exhibit A, is attached to the protocol copy of these Minutes.)

7. President Saunders' Report: The President reviewed the Vacancy Update: St. John, Fairbank is preparing to call a candidate into a possible worker priest situation; Trinity, Clinton, Holy Cross, Davenport, St. Paul, Mt. Vernon and St. John, Oskaloosa are beginning the call process. Pending calls are LCEM, Davenport calling David C. Anderson through the altar of Holy Cross; St. Peter, Westgate calling Herb Mueller III.

Progress is being made on the Non-Calling Vacancies: Rev. Steve Rasmussen has accepted the call to Our Saviour, Keosauqua; St. John, Osage and Peace, Shell Rock are in process; Rev. Richard Meyer serves Hope, Sigourney, Rev. David Steege is at Concordia, Waterloo and Rev. John Block serves Good Shepherd, West Union.

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

The President attended the funeral of Emeritus Pastors Carl Lueders, Marshalltown and Robert Wilcken, Oelwein.

Spring call outlook may leave up to 100 uncalled candidates. This may be due to more dual parishes and longer work life for current pastors before retiring. The answer may be mission starts to serve shifting populations. Pres. Saunders attended the Fort Wayne Symposium and also presented at a Free Conference held at Our Redeemer, Fort Wayne. He also answered a question about the teaching of "two righteousness" coming from Concordia Seminary, St. Louis. (President Saunders' Report, Exhibit B, is attached to the protocol copy of these Minutes.)

8. ATTP Korth's Report: The Early Childhood Conference will be April 30, 2011 at Zion, Hiawatha. Dr. Sue Starks will be presenting the "Pyramid Model." Concordia, St. Paul provides the certificates to meet Iowa Department of Education guidelines for Continuing Education.

St. John, Waverly will start a Preschool program in September 2011. He has consulted with Our Redeemer, Iowa City concerning changes. The Schools Committee discussed the continuation of the Preschool Educator of the Year award. Legislative changes to the state preschool funding may affect our church preschools. (ATTP Korth's Report, Exhibit D is attached to the protocol copy of these Minutes.)

9. ATTP Woolery's Report: The Iowa Lutheran Student Tuition Organization (STO) is fully funded at \$488,000. The newly appointed State Education Director may have an impact on non-public schools. The Student Tuition Organization (STO) and third party accreditation will come before the legislature this year. The goal is to increase the STO limit to \$10 million of tax credits and allow third party accreditation for Lutheran schools.

Teachers in Lutheran Schools must currently meet state requirements to teach. Third party accreditation would allow the accreditation of our Concordia Universities for our Lutheran School teachers. The relationship between the Iowa State Department of Education also affects Principals and Iowa Core Curriculum in Lutheran Schools. Funding our schools will also remain a challenge. (ATTP Woolery's Report, Exhibit E is attached to the protocol copy of these Minutes.)

10. ATTP Rev. Dr. Rothchild's Report: Dr. Rothchild reviewed his report. Rev. Mike Ruhl of the Center for US Missions presented "Church Planting Essentials" sponsored by the Missions Committee. Six congregations and 24 people attended. Starts are being investigated in North Liberty and north of Marion/Cedar Rapids. Options and funding are being explored.

Committee appointments are needed for a variety of committees. Appointments were planned for later in the meeting. (ATTP Rothchild's Report, Exhibit C is attached to the protocol copy of these Minutes.)

11. Chairman's Minute: The Chairman reinforced the importance of financial controls in the District, committees and congregations. Due diligence is called for, especially in carrying out Audit recommendations. Church planting and developing opportunities need to be carried out carefully.

12. Unfinished Business:

A. Discussion of topics for March BOD meeting with LCMS CAO Ron Schultz: The LCMS BOD has requested the Synod CAO meet with each District BOD to explore what Districts need from Synod. The Board members suggested the following topics: Limiting administrative costs, routes to ordination, concerns about student-led contemporary worship at Concordia Seminary, St. Louis, percentage of funds going for actual ministry and mission and the salary structure of Synod, Inc. By consensus, the March Agenda will schedule CAO Schultz for an hour, 11:00 a.m. to Noon, with informal discussions to follow through the noon hour.

B. Palanga, Lithuania Project financial accounting: Pres. Saunders reported that the District is making a concerted effort to finalize funding to get the doors of the church in Palanga licensed and open. The estimate is \$125,000 to finish everything. \$40-50,000 will get the project to the point of being licensed and functioning. The goal is to dedicate and open the church by fall. ATTP Rothchild reported that as of 11/2/10 \$918,000 has been sent in total through Synod. The BOD asked for a year-by-year accounting of funds, donations and expenditures sent to Lithuania for the next meeting by President Saunders and ATTP Rothchild.

13. Rev. Knox to present an update re. Camp IoDisECa "Camp strategy to meet IDE BOD cash flow stipulation":

Rev. Knox reviewed the Camp's current financial situation. The trends are up as 2011 begins for donations, including the Capital Campaign, user groups and registration year-to-date. As an official report, Camp Board has accepted the resignation of Board member Christine Mons and of Camp Development Committee member Lois Mulbrook. The Camp Board will submit suggestions for a Board meeting following its next meeting. They request that the IDE BOD recommend one or two people to serve on the Camp's Development Committee.

A letter and budgets were distributed to the BOD (Exhibit H). Rev. Knox presented a 2011 budget balanced for cash as requested by the IDE BOD. The Camp Board has made employment decisions at Camp. To meet the IDE BOD's request for a neutral 2011 cash flow, the Executive Director position will be eliminated as of June 1st. A public statement announcing the change in staffing will be made shortly. The budget also includes a minimum payment on the Camp's debt to IDE. Rev. Knox answered questions concerning the future Camp operations including filling executive director responsibilities and theological concerns.

14. Lunch Break: The Board recessed at 12:20 p.m. for a dine-in meal. Rev. Scudder offered the meal prayer. The meeting resumed at 12:51 p.m.

15. Unfinished Business (cont.):

C. Camp IoDisECa Update and BOD participation in Capital Campaign: Moved and seconded to accept the Camp Board's report with thanks. Motion carried.

D. Investment review: Treas. Nuehring, referring to the Treasurer's Report (Exhibit A), reviewed IDE's investments, annuities and debts. As of December 31, 2010, there were currently \$40,680.13 in Temporarily Restricted Assets, \$587,143.41 in Permanently Restricted Assets and around \$800,000 in undesignated assets. The investment policy goal is to have a balance of 60% in equity funds and 40% in income funds. Investments gained 11.26% in 2010. Those funds held at Wells Fargo have averaged 5.5% per year over their lifetime.

Concerning the annuities held by IDE, the Treasurer pointed out that as the cash value investment of each annuity reaches the death benefit it may be cashed out. IDE loans total \$1,315,416.83. The average interest rate paid for all loans is currently under the average investment gain.

The BOD discussed options and the premise of stewardship in having investments versus making use of the funds. The Chairman will appoint an ad-hoc committee to look at developing a purpose statement for the District's investments.

16. New Business:

A. Change September BOD meeting date: There is a conflict with the COP meeting for September 20th BOD meeting. By consensus the Board changed the September Board meeting to September 27th.

B. CTCR nomination: LCMS Secretary Hartwig sent a call for a lay position to the CTCR. April 6th is the deadline for nominations. Nominations will be discussed at the March meeting.

C. Mission Committee vacancy: The Mission Committee recommended Rev. Arthur Rickman, Immanuel, Grand Mound to replace Rev. David Gerke who was called out of IDE. Moved and seconded to appoint Rev. Rickman to the Mission Committee. Appointment approved.

D. BCS Committee vacancy: Chairman Rich Balvanz has resigned from the Board. The BCS recommended Rev. Michael Holmen, Peace, Oelwein and Our Redeemer, Independence. Moved and seconded to appoint Rev. Holmen to the BCS. Appointment approved. Moved and seconded to appoint Rev. Joshua Reimche, Zion, Wilton as BCS chairman. Appointment approved.

Vacancies remain on the Camp Board, Mission Committee and Youth Committee. The BOD will wait for recommendations from those boards or committees.

E. Other Business: The Board of Constitutional Review submitted their approval of the constitution from St. Peter, Riceville. Moved and seconded to verify the approval for the constitution of St. Peter, Riceville.

16. NEXT MEETING:

Tuesday, March 15, 2011 9:00 a.m. at the District Office.

Devotional leader: Rev. Daniel Krueger

17. Adjournment: Moved and seconded to adjourn. Motion carried. Meeting was declared adjourned at 2:00 p.m.

18: Closing prayer was offered by Rev. Scudder.