
**CALIFORNIA-NEVADA-HAWAII DISTRICT
THE LUTHERAN CHURCH-MISSOURI SYNOD
BOARD OF DIRECTORS MEETING**

December 12, 2009

CALL TO ORDER

1. OPENING DEVOTION - The December meeting of the CNH District of the Lutheran Church - Missouri Synod was opened with prayer by Chairman, Rev. Dr. Tom Zelt. In his prayer, Rev. Zelt acknowledged the recent passing of District Treasurer Art Kroeger, offering thanks for God's faithful presence in his life, and for his service to the District and Church.

2. BOARD ROLL CALL √ = present

* = voting member

District Officers:

- √ *President: Rev. Dr. Robert Newton*
- √ *1st Vice President: Rev. Dr. Thomas Zelt**
- √ *Secretary: Rev. John Standley*
- Treasurer: Vacant*

Regional Vice Presidents:

- √ *Rev. Jim Beyer**
- √ *Rev. Paul Hoffmann**
- √ *Rev. Rick Rice**
- Rev. Mark Kliewer**
- √ *Rev. Bruce Betker**

Regional Directors:

- Mrs. Kathie Lundquist* (Southern)*
- √ *Mr. Jack Adolphson* (Northern)*
- √ *Mr. Timothy Kramer* (Pacific)*
- √ *Mr. Henry Wentzlaff* (Nevada)*
- √ *Mr. Pedar Wold* (Hawaii)*

Commissioned Minister Director:

- √ *Ms. Marla Kuefner**

CEF Representative

- √ *Rev. Robert Fickenscher*

District Staff

- √ *Rev. John Whaley - Exec. Dir., Asst. to Pres.*
- Rev. Ted Hartman - Mission Counselor*
- Mr. Joel Koerschen - Director Of Educational Services*
- Mr. Brian Hyde, Wills and Estate Planning*

MANAGEMENT REPORTS

3. CEF REPORT & LOAN INFORMATION - CEF representative to the Board Rev. Robert Fickenscher offered a confidential overview of CEF's loan portfolio in order to acquaint the board with the scope of the work that CEF is involved with.

Rev. Fickenscher spoke of the loan that was worked out for the Lutheran High school in Carson City. This was a joint effort between the CNH District CEF and CEF from the Michigan District, making available 4.3 million dollars for the project. He reported that Lutheran High school in Elk Grove has reorganized with new leadership and is working to reconcile their financial difficulties.

CEF is still actively searching for a CEO to replace Rev. Ted Iverson. Several candidates have been interviewed. Bill Swift is providing good leadership in the interim. Profitability is building after the market drop. Rev. Fickenscher noted that CEF is available to help schools and congregations with questions of a financial nature.

POLICY REVIEW & GOVERNANCE ISSUES

4. REVIEW & ADOPTION OF PROPOSED OUTCOME POLICIES - Chairman Zelt reviewed the Outcome Statements that were developed at the September meeting of the BOD. Members of the Board were asked to consider if the Metrics that were crafted in response to the Outcome Statements were effective in measuring the results of those statements.

President Newton spoke of our role as a prophetic voice to the Post-Church culture and asked if the proposed statements reflected this mission. Board Member Marla Kuefner suggested that the Outcomes would serve as a foundation, and that the Metrics will require change as the ministry develops. Discussion followed during which time minor changes were made to the Outcome Statements and Metrics.

Chairman Zelt called for adoption of the proposed Outcome statements and Metrics. A motion for adoption was moved and seconded. Discussion and clarification followed. A sixth outcome statement was added to reflect a need to support new mission starts. The proposed Outcome statement reads as follows.

OUTCOME #6 -- *"The CNH District will support congregations and other ministries in identifying and planting new mission endeavors in partnership with each other."*

METRIC #1 -- *"10 of 20 circuits have started a new mission."*

After further discussion it was agreed that the positioning of Outcome #5 and #6 would be switched. The motion was approved as amended. The adopted Outcomes and Metrics are as follows:

OUTCOME #1 -- *The CNH District will be a vocal advocate for reaching people for Christ in a Post-Church world within the district, across the synod, and beyond.*

METRICS

1. Pres. Newton freed up to accept speaking engagements outside the district a minimum of four times per year.
2. CNH personnel engaged in speaking engagements.
3. President addresses every circuit forum and educators' conference at least once per triennium.
4. Distribution of the message in a variety of formats.
5. President publishes theological resources.

OUTCOME #2 -- *The CNH District will promote ministry renewal within its congregations for accomplishing the mission of Christ through the revitalization process, Transforming for Mission.*

METRICS

1. The staff will have led a minimum of 60 TFM consultations by 2012.
2. The staff will have provided at least 12 resource events by 2012 including a minimum of one per region.
3. 30 congregations will have added at least 1 holistic small group by 2012.
4. 18 Congregations will have new *outreach* ministry starts by 2012.

OUTCOME #3 -- *The CNH District will support the ministry of Lutheran schools and their congregations, challenging and assisting them to be disciple-making ministries and quality educational institutions in a post-church world.*

METRICS

1. A list of resources including the areas of marketing, curriculum, management, instruction, technology, leadership, accreditation, staffing, finances, legal issues, governance, and consultation.
2. The development of training for outreach and disciple-making in a post-church world that will result in 15% of our un-churched families being baptized and professing Christ.
3. 75% of our schools have completed "Pass the Baton" training by 2012
4. Increase the number of schools that are WASC & NLSA accredited.

OUTCOME #4 -- The CNH District will provide the training and resources needed for church workers and laity to accomplish the mission of Christ in a multi-cultural and post-church era.

METRICS

1. The president reports regularly on
 - a. number of training events
 - b. number of church workers & laity participating
 - c. the list of training and resources needed and that are being provided.
 - d. cross-cultural specific training events and opportunities.
2. The establishment of a coordinating structure.
3. Two new methodologies identified and developed to provide resources by 2012.
4. A developed list of identified churches & leaders who can serve in leadership or resource capacities.
5. 100 pastors & 100 church workers & laity have participated in continuing education event/training.

OUTCOME #5 -- The CNH District will support congregations and other ministries in identifying and planting new mission endeavors in partnership with each other.

METRIC

1. *"10 of 20 circuits have started a new mission."*

OUTCOME #6 -- The CNH District will promote a unity of the body in a post-church world exemplified by confessional faithfulness, mutual trust and cooperation.

METRICS

1. *Determine the top two reasons why we are not unified.*
2. *Determine & discuss doctrinal issues arising from operating in a post-church era.*
3. *Provide (5) regional forums for discussion & possible resolution.*
4. *Increased participation by pastors in Circuit Winkels.*
5. *Lower number of charges filed against pastors & congregations.*

MONITORING

5. REPORT ON OUTCOME POLICIES - *(See President Newton's Report)* President Newton reported that his days are essentially defined by the Outcome Statements. He referred the Board to a report prepared by Rev. Hartman which gives insight to the process of the Revitalization process. (See Attachment) President Newton went on to discuss items of concern that are highlighted in Rev. Hartman's report. Of special note were questions concerning the relationship between congregation members and their pastors. These questions need to be addressed.

6. FINANCIAL - *(See Attached Financial Reports)* Chairman Zelt asked for a time of silence to be observed to thank God for Treasurer Art Kroeger and the work that he carried out on behalf of the BOD and the District. His presence will be greatly missed.

Executive Director, Rev. John Whaley walked the Board through the financial reports. While the expenses were close to budget, income was low closing at approximately 91% for the year to date period. Rev. Whaley expects that figure to improve as yearend gifts are received.

The Executive Director noted that each year expenses arise that cannot be foreseen, but must still be covered. This past year, legal fees have been unusually high. These fees have been met by a special gift that was received as a trust given for general operating purposes.

INFORMATION ITEMS

7. CONCORDIA KINGSBURG & ELCA DISCUSSION - President Newton informed the Board that Concordia Lutheran Church in Kingsburg, CA has approached the District concerning the possibility of joining in fellowship with the LCMS. Concordia recently voted to split with the ELCA due to changes in that church body. President Newton has been in contact with the ELCA Bishop that presides over Concordia Lutheran concerning this matter. Executive Director John Whaley has been working with representatives from the congregation.

8. CNH BOD GOOGLE GROUPS - District Secretary, Rev. John Standley gave an online introduction to the Board's Google Group web site. It is hoped that when fully operational the site will give the Board the ability to communicate more easily between quarterly Meetings. Rev. Standley will be available to assist Board Members to get connected.

9. WORKING LUNCH - CEF President and representative to the Board, Rev. Bob Fickenscher led the members and staff in prayer before the lunch break.

BUSINESS

10. APPROVAL of 2010 BUDGET - Rev. John Whaley directed the Board to look at the narrative explanation of the District's 2010 operating budget. (See attachments) It was noted that the discretionary fund which had previously been overseen by the president has been moved to the office of the Executive Director who is more in touch with the budget on a day to day basis. It was also noted

that the expenses for the Richmond property will be assumed by the District until the outcome of that property has been determined.

Included in the budget are funds for Consulting Services. Under the proposal, Rev. Mike Lange will be contracted by the District to work with congregations participating in revitalization process to assist in developing their vision for ministry. Rev. Lange has served as a Church Planter and is well suited for the position.

A prospectus for the part-time position for the Revitalization staff member was distributed by John Whaley.

Director Whaley pointed out that the 2010 budget is proposed as a deficit budget, meaning that expected income is less than the projected expenses. It was also noted that funds from the sale of the Vallejo property would be included as income as part of a five year plan for funding the Revitalization program.

Questions concerning various funds were raised by members of the Board and were explained by the Executive Director. In response to concern by many of the Board members in relation to the deficit budget, Rev. Whaley explained that there are funds that may be released by the Board to the General Fund in order to balance income and expenses. One such fund was "Touching Hearts" which has been dormant for several years. The Board agreed by consensus that these funds could be used if needed to bring about a balanced budget. The Director also mentioned that the purchase of a vehicle to be used by the Director of the Revitalization program was included in the operating budget rather than the Capital Purchase budget as has been done in the past.

Director Whaley went on to offer an overview of the proposed budget, explaining specific line items to the Board. After excusing the President and Executive Director, there was considerable discussion concerning a proposed 3% increase in salaries for Executive and Administrative staff. It was noted that many of the District's congregations and schools are experiencing budget shortfalls which has caused many to forego raises for staff, and in some instances, compensation has been cut. It was also noted that the Cost of Living index has been at 0% or lower recently.

Discussion on the budget was temporarily suspended, staff was invited to return.

11. PROPERTY UPDATE ON TRINITY, RICHMOND, & LSS PRESENTATION - (See Attachment)

Barbara Droher Kline, President and CEO of Lutheran Social Services of Northern California presented a proposal for use of the Richmond property whereby LSS would take possession of the property which would be used for housing for veterans and their families. The Board was given material on the programs and work of LSS. A former client of LSS spoke about the success she has enjoyed with the help of programs of the LSS. The Board was asked to consider the request and respond as soon as possible so that LSS will know whether or not to proceed with planning on the project. Discussion continued on this issue later in the meeting. No Action was taken.

12. APPROVAL of 2010 BUDGET (Continued)- President Newton and Executive Director Whaley were once again excused from the meeting as discussion on the issue of compensation resumed. After two failed motions and considerable discussion a substitute motion was made and seconded to follow the formula that was used in the past, to set the percent increase for the President and Executive Staff, not to exceed 3%. The president will use his discretion in setting the administrative staff's compensation. The motion was approved. Although not stated as such in the motion, it was the consensus of the Board that the compensation of the Executive Staff would not decrease should the resulting percentage be negative. It was also noted by consensus that staff be directed to use "Touching Hearts" funds should they be needed to bring about a balanced budget.

President Newton and Executive Director Whaley were ask to rejoin the Board. Chairman Zelt explained the motion that had been passed concerning compensation. He also stated that the board was sensitive to the financial struggles of our congregation and asked that this be considered in decisions to be made. Rev. Zelt noted that although it had not been voted on, it was the desire of the Board that this be a balanced budget using funds that are already included and other funds such as Touching Hearts" to bring that about. Chairman Zelt put the Budget before the board for approval , with all the discussion and parameters that were added to it. The Budget was approved.

13. STAFF HOUSING ALLOWANCE - In further business, a motion was made to accept a resolution setting the Housing Allowances for Theodor Hartman, Erick Johnson, Joel Koerschen, Robert Newton and John Whaley. The motion was seconded and approved. The resolution is on file in the District office.

14. REQUEST FOR LOAN - (See Attached Document) A request was made by Theodor Hartman for a loan in the amount of \$50,000.00. Following discussion a motion was made and seconded to accept the request as detailed in the documentation from Rev. Hartman with the understanding that this action would not set precedence for further requests. The motion was approved.

15. APPOINTMENT OF TREASURER FOR THE DISTRICT - President Newton asked for feedback from the Board concerning the appointment of the District Treasurer to fill the vacancy left by the passing of Treasurer Art Kroeger. He asked if he should be looking for someone that would serve only for the interim, not looking for a long term commitment - or, should the appointment go to someone that would be open for election to serve as an incumbent? The consensus of the Board was that there was no preference for either scenario.

16. BOD ADVISORY DELEGATE TO THE SYNODICAL CONVENTION - A motion was made to authorize District Secretary Standley to serve as the BOD Advisory Delegate to the Synod's Convention in Houston in 2010. The motion was seconded and approved. Rev. John Whaley will serve as the delegate representing the District Executive staff.

CONSENT AGENDA

17. ITEMS REMOVED FROM CONSENT AGENDA - Chairman Zelt removed all items from the Consent agenda to deal with specific issues. Those items were handled as follows;

1. A motion was made to accept the minutes of the September meeting. The motion was seconded and approved.
2. A motion was made to accept the Changes in the District. The motion was seconded and approved.
3. A motion was made to Change the September 11th meeting to September 18th, and to change the December 11th Meeting to December 4th. The motion was seconded and approved.

CHANGES WITHIN THE DISTRICT

CALLS & CONTRACTS ACCEPTED:

REV. NATHAN HARTKE, Mt. Olive, Milpitas, CA to St. John, Orchard Park, NY as pastor.
SANNA KLIPFEL, St Paul, Merced, CA to Lamb of God, PSW as an Administrator

CALLS & CONTRACTS EXTENDED:

REV. JOSEPH BYRD, candidate, by Bethany, Lompoc, CA as pastor.

CALLS & CONTRACTS DECLINED:

REV. DAVID GROTH, Good Shepherd, Watertown, WI to Bethlehem, Carson City, NV as pastor.
REV. PETER WOODWARD, St. Peter, Lodi, CA, assistant pastor to Faith, Woodland Park, CO as pastor.

CHANGE IN STATUS:

STEVEN CHRISTOPHER, Our Savior, Livermore, CA from active to candidate.

PLACEMENT:

GETABICHA DIRASSE, Concordia Theological Seminary, Ft. Wayne, IN to Northern California Region of Bethesda Lutheran Homes and Services as Parish Ministry Consultant.
JOLENE CRAWFORD, Concordia, Seward to Grace, San Mateo, CA as a Teacher
NICOLE CANTRELL-HANTEL, Concordia, River Forest to St Mark, Kaneohe, HI as a Teacher
BETHANY MADDICK, Concordia, Seward to St. Mark, Kaneohe, HI as a Teacher
AMY RONNING, Concordia, Irvine to St Luke, Reno, NV as a DCE

VICARS:

SOUN SEE, Concordia St. Louis, EIIT, to Grace, Visalia, CA.

REMOVAL FROM THE ROSTER:

PATRICIA HOLIAN

CALLING CONGREGATIONS:

Bethlehem, CARSON CITY, NV
 Our Saviour, CARUTHERS, CA
 Our Saviour, DELANO, CA
 Trinity, GARDNERVILLE, NV
 Grace/Bethlehem, GRIDLEY/COLUSA, CA
 Christ, HILO, HI
 Emmanuel, KAHULUI, HI
 Bethany, LOMPOC, CA
 Mt. Olive, MILPITAS, CA (Senior pastor)
 Faith, PLEASANT HILL, CA
 Canaan, SAN FRANCISCO, CA
 St. Andrew, STOCKTON, CA (Associate pastor)
 Peace, TAFT, CA
 Good Shepherd, TURLOCK, CA (Associate pastor)
 Vineyard of Faith, WINDSOR, CA

FUTURE MEETING DATES

March 13, 2010	March 12, 2011	March 10, 2012
June 12, 2010	June 11, 2011	
September 18, 2010*	September 10, 2011	
December 4, 2010*	December 10, 2011	

* *Date Change*

CLOSED SESSION

18. LITIGATION UPDATE - The Board Members briefly entered into Closed session to hear updates on matters of a confidential nature.

ADJOURNMENT Board of Director's Chairman-Rev. Dr. Thomas Zelt

20. CLOSING DEVOTION - the Meeting was closed with singing of the Advent hymn, "*The King Shall Come When Morning Dawns*". A devotion was offered by Rev. John Standley based on Luke Chapter 3 verses 1-2, pointing to the historicity of the biblical record against the backdrop of the current worldview of Christmas.

Respectfully submitted,

Rev. John M. Standley, Secretary