

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

**-PROCEEDINGS-**

June 13, 2009

AT: CNH District Ministry Center  
2772 Constitution Drive, Suite A  
Livermore, California 94551-7566

(Note: Prior to the “Call to Order,” those present, both “old” and “new” Board members were introduced and a warm, welcome granted by the Chairman!)

**1. CALL TO ORDER-** by Rev. Dr. Tom Zelt, recently re-elected First Vice-President who also commented on the day’s need to transition the District’s business with “both” Boards present!

**2. OPENING DEVOTIONS-** were provided by Northern Regional Vice-President, James Beyer. He produced his personal copy of “My Prayer Book,” a confirmation gift to him. After referencing Colossians 4:2ff. which contain St. Paul’s personal instructions beginning with being “steadfast in prayer,” a series of seven prayers were read by Board members, noting for whom the prayers were spoken!

**3. BOARD ROLL CALL**   √ = present  
                                  \* = voting member

**District Officers**

- √ President - The Rev. Dr. Robert Newton
- √ First Vice-President - The Rev. Dr. Thomas Zelt \*
- √ Secretary - The Rev. Mark Haas
- √ Treasurer - Mr. Art Kroeger

**Regional Vice-Presidents**

- √ The Rev. Mike Lange (Southern Region)\*
- The Rev. Paul Hoffmann (Pacific Region)\*
- √ The Rev. James Beyer (Northern Region)\*

**Regional Directors**

- √ Mrs. Kathie Lindquist (Southern Region)\*
- Mr. Tom Hurley (Pacific Region)\*
- √ Mr. Jack Adolphson (Northern Region)\*

**Commissioned Minister Director**

- √ Mrs. Cynthia Rothas, Teacher\*

**Staff**

- √ Mr. John Whaley, Mission Counselor
- Rev. Ted Hartman, Mission Counselor
- Mr. Joel Koerschen, Director of Educational Services
- Mr. Brian Hyde, Wills and Estate Planning

**Committee Chairpersons**

- Evangelism -                               Vacant
- Human Care Ministries –               Rev. Phil Zabell
- Ministerial Health Committee -       Rev. Harold Draeger

Parochial Schools -	Mr. Larry Tietmeyer
Stewardship -	Rev. Thomas Norris
Student Aid & Recruitment -	Rev. Robert Weller
Parish Education –	Vacant
Youth -	Jennifer de la Motte
Constitutional Matters -	Rev. David Poganski

### **CEF Board of Directors Chairperson**

√ Rev. Robert Fickenscher

**GUESTS (Of the out-going Board):** Rev. Norm Milz from Circuit 10 (Sierra Nevada), and Rev. Bruce Betker from Circuit 11 (Hawaii)...also now Hawaii Regional Vice-President-Elect

**GUESTS (Representing the New Board):** Marla Kuefner-Commissioned Minister Director-Elect; Pedar Wold-Hawaii Regional Director-Elect; Henry Wentzlaff-Nevada Regional Director-Elect; John Standley-Secretary-Elect; Rick Rice-Southern Regional Vice-President-Elect; and Tim Kramer-Pacific Regional Director-Elect.

**ABSENT (Representing the New Board):** Mark Kliewer, Nevada Regional Vice-President-Elect.

## **4. APPROVAL OF THE AGENDA**

By consensus, the Agenda, as presented by the Chairman, was accepted.

## **5. Opening comments-Zelt**

The Chairman once again welcomed the “new” Board members. He then proceeded to give an overview of a modified “Policy Based Governance” which has guided the Board’s operations the previous triennium. His comments included what the Board sees as “good” in PBG in its supervisory role as it sets “boundaries” for the District President, to which he responds at each regularly scheduled Board meeting with summaries of how he was able to meet Board outcomes and work within limitations. With the use of a modified PBG, the “bad” effect is that the Board lacks a sense of ownership. The strategy for carrying out the Board’s policies is in the hands of the President. The Board has a generative function that requires constant evaluation as it reviews portions of the policies each Board meeting. Accountability and input from the now five regions of the District will be sought to keep the Policies functional.

A few Policies were reviewed to give a summary of the Board’s functions. Policy 2.2 identifies the four types of written policies that the Board shall maintain: Desired Outcome, Board Self-Governance, Board and Executive Relationship, and Executive Limitations. Policy 3.1.2 asks for Board “feedback in the development of mission and ministry strategy, staffing and the use of resources shall be provided.” And, Policy 2.6.2.4 looks for a preliminary budget from the President, as well as a strategy and potential financial implications in September each year, with the final budget to be presented in December for ratification. The four Agenda sections for each Board meeting are set to address “Management Reports, Policy Review/Governance Issues, Monitoring, and Consent Agenda,” and keep the PBG skeletal to each meeting.

## **MANAGEMENT REPORTS**

### **6. Report on Re-organization of Regions-Whaley**

(See Attached) Executive Director John Whaley distributed a document to the new Board members identifying “Who’s in what region?” Lists of pastors, congregations by circuits, and congregations by cities in the now five regions should help identify “Who is my responsibility?”

## **7. Approval of 2008 Audit-Kroeger**

(See Attached) Treasurer Art Kroeger noted that the final audit report of May 11, 2009 (document dated March 4, 2009), indicated a “clean audit,” noted that the report and subsequent telephone conversation identified that Denise Lo had done a “great job,” the previous year, that there were no control issues or suggestions to prepare for the next’s audit differently.

It was moved and seconded to accept the 2008 Audit as received. The motion was tabled. (An incomplete copy of the Audit had been distributed.)

In further discussion as to whether we should have internal (LCMS) or external auditors conduct the 2009 audit, the Treasurer stated both options have done good work for us, Synod’s auditors are more expensive, however they are more thorough as they “know” us better.

John Whaley distributed a document listing the current investments of the CNH District (May 31, 2009), both short and long term. (See Attached)

## **8. CEF Report and Report on Search for New CEF President-Fickenscher**

CNH-CEF Board Chairman, Robert Fickenscher distributed a CEF “Memo” to the new Board members for information and background on CEF activities and investments, regulations, etc. (See Attached)

Other comments in the verbal report identified that CEF has \$6M in current investments; a total capitalization of \$57M; and net assets of \$6M. The LCEF model for capital adequacy is 11%; currently CNH is at 9.7% which is above the national standard of 5% and above LCEF’s current 8%! CEF assets have increased since the previous Board meeting following a “preservation of capital” stance taken by CEF. It has recouped about one-half of its losses; no current assets are at risk. CEF continues to work with several congregations in financial distress. The CNH-CEF goal is to be loaned out at 85-90%; currently at 65% due to the economic slowdown.

In the search for a new president for CEF, an offer had been made and a response is pending. A backup plan has been formulated should an interim occur, utilizing current Board members and their expertise.

## **POLICY REVIEW/GOVERNANCE ISSUES**

### **9. Familiarization, Review, and Evaluation of Past Triennium Outcomes-Zelt**

CNH District First Vice-President (Board Chairman) Tom Zelt led a lengthy review of “Outcome Policies,” dated January 3, 2007, numbers 1-6 of the eight. This portion of the meeting was intended to gather input from the old Board and clarify for the new Board the “metrics” or measures needed for further evaluation beyond “attitudinal” changes as reflected in the strategic plan of the District President. No changes were made at the present time.

(See Attached) A “Mid-Year Update” from Mission Counselor Ted Hartman was distributed, providing a prescription profile and commentary on “Transforming for Mission,” (Revitalization) half-way through the second year in the CNH District.

It was recommended that the “Transforming for Mission” DVD shown at the District Convention in Fremont be made available to congregations who need information on Revitalization.

**MONITORING**

**10. Financial Statements–(Policy 3.5.2.3)-Kroeger**

(See attached “Financial Statements for the Months Ending April 30 and May 31, 2009” prepared and submitted by Denise C. Lo, June 05, 2009.)

**CNH DISTRICT OPERATING REPORT  
(For Five Months ending May 31, 2009)**

	<u>MTD</u> <u>Actual</u>	<u>YTD</u> <u>Actual</u>	<u>YTD</u> <u>Actual</u>
Income	\$ 145,711	\$ 788,839	\$ 917,463
Expenses	\$ 167,783	\$ 911,969	\$ 904,545
Net Income/(Loss)	\$ (22,072)	\$ (123,130)	\$ 12,918

Note: Overall, the disbursement balances for most of the items are within the budget limits.

The current financial statement is ten pages long. Treasurer Kroeger provided commentary on a few items to assist new Board members to understand the documents. On p.6, the **% of YTD Budget** should be 100%. This fluctuates month to month, however trends should be noted, e.g. current Revenue is 87.62% and current Expenses are 102.84%. On p.4, Expenses, President, is included in the Budget Line Item: President’s Office. He has a “Discretionary Fund” that is over-run currently by items e.g. “overwater relocation” related to the Hawaii Region when pastors leave Hawaii. On p.5, Mission Support, the salary paid for six months is actually spread out over 12 months in the Budget; and, Communication, is affected by the loss of the 50% Partnership with CEF and Percept Service, amounting to a Budget over-run. Extensive reports like these are made available at each Board meeting and often between meetings by Denise Lo. Through May 31, 2009, we appear to be on course!

It was moved and seconded to accept the Financial Reports of June 5, 2009. The motion carried.

(See Attached) John Whaley distributed two documents for information. The first was a “Seller’s Estimated Closing Statement” for the sale of the First Lutheran, Vallejo, CA property. And the second was the “2009 Convention Financial Report as of May 31, 2009.”

**11. Feedback to President Newton/Strategies for Continuing Education-Newton**

(See Board of Directors-Administration Report, p.6, paragraphs three and four) Discussion ensued regarding the President’s goal to develop a comprehensive continuing education system for pastors and people. The Floor Committee on Missions at the May 2009 District Convention led the way by providing a directive for the convention to adopt. What does this look like? What staffing and costs are involved? We need to re-cast for the post-church world. It is a long, comprehensive, and deliberate process. Revitalization is the key. In order to reach the desired outcomes, “How do we get there?” we will need to empower all the saints to reach the lost. Continuing education clusters, learning communities, modules for stewardship, worship, outreach, governance, and leadership will be necessarily set in “teams” of pastors and people. The President will work with staff this summer to prepare potential continuing education plans...that can assist the Board’s outcomes and metrics discussion of the Board at its September 2009 meeting.

## **Business**

### **12. Proposed CNH Board of Directors Planning Meeting-Zelt**

Based on the previous discussion and groundwork laid earlier in the session, Chairman Zelt proposed an extended meeting of the Board at its next regularly scheduled session. It was proposed to meet on Friday, September 11, 2009 at 9:00 AM through Saturday, September 12, 2009 at 3 PM

The proposal was accepted by consensus.

### **13. Issues Necessary for the 2010 LCMS Convention-Newton/Zelt**

President Newton reminded the Board of his offer to provide dialog opportunities during August and September around the District to discuss the recommendations presented at the District Convention, May 15-17, 2009 in Fremont by Rev. Robert Greene, representing the LCMS Blue Ribbon Task Force on Synod Structure and Governance. These will be scheduled through President Newton's office at five locations. It was also noted that whoever is elected as pastoral and lay delegates this fall to the July 2010 LCMS Convention, will also need to attend a regional caucus consisting of the delegates and members of the BRTFSSG, January 29-30, 2010 in Newport Beach, CA to further discuss the final report of the Task Force due out in October 2009.

### **14. Reconsideration of the 2008 Audit Report**

John Whaley distributed a complete version of the 2008 Audit Report (see Number 7 above). After a brief discussion, noting that on p.1 of the Audit, there was "conformity" with accounting principles generally accepted in the United States of America, the 2008 Audit was presented for reconsideration.

It was moved and seconded to accept the 2008 Audit Report. The motion carried.

### **15. Issuance of Calls to the President's Staff-Newton**

It was moved and seconded to extend calls to the currently called staff of the President's Office: Mr. Joel Koerschen, Director of Education Services, and Rev. Ted Hartman, Mission Counselor. The motion carried.

### **16. President's Appreciation to "Old" Board Members-Newton**

President Newton verbally expressed his gratitude and appreciation to all the Board members whose terms essentially expired with this meeting. He provided and distributed personalized (name imprinted) copies of the "Lutheran Service Book-Gift Edition" to those present. "New" and returning Board members can look forward to similar gifting in the future, continuing a tradition established by former President, Walter Tietjen.

### **17. Requests from the District Committee on Constitutional Matters-Haas**

Secretary Mark Haas received an email from DCCM Chairman, Rev. David Poganski, to have recommendations of the DCCM approved, regarding the Bylaws and Constitution of two District churches.

1. The District Committee on Constitutional Matters recommends that an addition Peace Lutheran, Arroyo Grande, CA submitted to the DCCM as an addition to their Bylaws be approved.(The addition involves the establishment of an endowment fund).
2. The DCCM recommends that the constitution of Holy Cross, Los Gatos, CA, submitted to the DCCM be approved.

It was moved and seconded to approve these two congregations requests as recommended by the DCCM. The motion carried.

### **18. CNH District Convention, May 15-17, 2009, Minutes, Fifth Session-Haas**

It was moved and seconded to accept the minutes of the fifth session of the CNH District Convention, May 15-17, 2009 in Fremont, CA. The motion carried.

### **CONSENT AGENDA**

It was moved and seconded to accept and approve the Consent Agenda consisting of (1) The Minutes of the March 14, 2009 CNH Board meeting, (2) Changes Within the District, and (3) Future meeting dates. The motion carried.

It was moved and seconded to amend the Minutes of the March 14, 2009 meeting, p.3, Number 7, to insert the word “Internal” between “LCMS” and Auditors.” The motion carried.

### **19. Closing Comments-Zelt**

Chairman Tom Zelt addressed the Board present in the context of Ephesians 4:11ff. referencing the Greek text, that God selected “certain” people for the roles of ministry as gifts to the church. It was no haphazard selection, but a unique choosing of people to serve where He best wanted them! He then thanked all for their “certain” roles completed and for the ones who will continue in service to the Board, new or returning!

### **20. CHANGES WITHIN THE DISTRICT**

#### **CALLS & CONTRACTS ACCEPTED:**

REV. STEVE BARCKHOLTZ, St. Mark, Elko NV to Valley of Peace, Hailey ID as pastor.  
REV. MATTHEW HILPERT, St. John, Fallon NV to St. Mark, Kaneohe HI as pastor.  
REV. ED KRUEGER, associate pastor, St. Paul, Tracy CA to Emmanuel, Clovis CA as pastor.  
REV. SCOTT PERRY, associate pastor, Holy Cross, Los Gatos CA, to Holy Cross, Los Gatos CA as senior pastor.  
FRED BRAUER, Candidate to Our Savior, Livermore as a Teacher  
MELISSA CANTAU, Emmanuel, Kahului to Zion, Brighton CO as a Teacher  
JONATHAN CLEVELAND, Trinity, Portland OR to Trinity, Garderville NV as a DCE  
SCOTT MYERS, Grace, Modesto to Trinity Bellingham, WA as a DCE  
CRAIG OLDENBURG, Candidate from Kansas to Mt. Cross, Felton as a DCE  
MARY OLDENBURG, Nebraska District as a Non-Candidate

#### **CALLS & CONTRACTS EXTENDED:**

REV. LES SETO, by Waikoloa Lutheran Church, Waikoloa HI as pastor

**CALLS & CONTRACTS DECLINED:**

REV. JIM BEILSTEIN, Peace/Shepherd of the Hills, Taft/Lake Isabella CA to Peace, Taft CA as pastor.

**CHANGE IN STATUS:**

REV. KARL BACHMAN, Non Candidate to Non Candidate.  
REV. WAYNE BROCKMAN, Trinity, Richmond CA to pastor emeritus.  
REV. BRUCE NEFF, candidate to pastor emeritus.  
CHRIS ANDERSON, Active Trinity, Wahiawa to Non-Candidate  
FRED BRAUER, Reinstated as Candidate  
TROY DE LA MOTTE, Non-Candidate to Non-Candidate  
GWEN EATON, Active Prince of Peace, Fremont to Non-Candidate  
ABBY EINSPHAR, Active Grace, Modesto to Candidate  
KURT GOLCHERT, Active St Peter, Lodi to Emeritus  
PATRICIA LEMMER, Active Our Savior, Aiea to Candidate  
KRISTIAN MYERS, Active Grace, Modesto to Northwest District as Candidate

**PLACEMENTS:**

RYAN ALVEY, Concordia St. Louis, to Peace, Sacramento CA.  
JOSE CERVANTES, Center for Hispanic Studies, to St. Paul, Mountain View CA  
CHRISTOPHER NG, Concordia St. Louis, to Lutheran Church of the Holy Spirit, San Francisco CA  
DAVID PRILL, Concordia St. Louis, to Resurrection, Brentwood CA.  
FELIX RENTERIA, Center for Hispanic Studies, to Trinity, Watsonville CA.  
ERIC ROBINSON, Concordia St. Louis, to Redeemer, Redwood City CA  
VINCENT SHAW, Concordia Ft. Wayne, to Mt. Olive, Sebastopol CA  
MARTIN URENA, Center for Hispanic Studies, to St. Andrew, Stockton CA  
PETER WOODWARD, Cross Cultural Ministry Center, to St. Peter, Lodi CA

**VICARAGES:**

LONNIE FELCHER, Concordia St. Louis, to Vineyard of Faith, Windsor CA  
CHARLES HOFFMAN, Concordia St. Louis, to Mount Olive, Milpitas CA  
JAIME NAVA, Concordia St. Louis, to Light of the Hills, Cameron Park CA  
JONATHAN OETTING, Concordia St. Louis, to Good Shepherd, Hayward CA  
STEPHEN PREUS, Concordia Ft. Wayne, to Trinity, Palo Alto CA  
DAVID ROSS, Concordia St. Louis, to Lutheran Church of Arcata, Arcata CA

**DEATHS:**

REV. MARCUS T. LANG, pastor emeritus.  
REV. ALFRED F. VOLMER, pastor emeritus.  
REV. ALFRED J. HINZ, pastor emeritus.  
REV. CARVEL V. PLITT, pastor emeritus.  
MARTIN BORKENHAGEN, teacher emeritus.

**CALLING CONGREGATIONS:**

Bethlehem, CARSON CITY NV  
Our Saviour's, CARUTHERS CA  
Our Saviour, DELANO CA  
St. Philip, DUBLIN CA  
Trinity, GARDNERVILLE NV  
Faith, PLEASANT HILL CA  
Canaan, SAN FRANCISCO CA  
Peace, TAFT CA  
Good Shepherd, TURLOCK CA (Associate pastor)  
Waikoloa, WAIKOLOA HI  
Vineyard of Faith, WINDSOR CA

**Future Meeting Dates**

September 11-12, 2009  
December 12, 2009  
March 13, 2010  
June 12, 2010  
September 11, 2010  
December 11, 2010  
March 12, 2011  
June 11, 2011  
September 10, 2011  
December 10, 2011

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

**22. CLOSING DEVOTION–Fickenscher**

The closing devotion was taken from the devotional book, "God's Little Lesson for Leaders," a devotion on "Confusion" that would have been better titled, "encouragement," regarding taking a "bold leap of faith" by those chosen to be leaders in the Lord's church!

**Next Meeting:** September 11-12, 2009

Respectfully submitted,

Mark W. Haas, Secretary