

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

-PROCEEDINGS-
March 15, 2008

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

1. CALL TO ORDER-First Vice President-The Rev. Dr. Thomas Zelt

2. OPENING DEVOTIONS- Commissioned Minister Cynthia Rothas provided a devotion based upon "Passion Week." Emphasis was placed on the thought: Holy Week recounts events of a very un-holy week in the life of our Lord by the treatment He endured for our salvation.

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

GUEST: Rev. Milton Fricke, representing the Hawaii Circuit

4. BOARD CHAIRPERSON’S OPENING COMMENTS

First Vice President Zelt called attention to the need to review “Policy/Governance Issues,” in particular Policy 3.1.2. Additionally, the Board would be spending considerable time in “Training” for soliciting feedback and mission strategizing.

5. APPROVAL OF THE AGENDA

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

MANAGEMENT REPORTS

6. Update on Ministry Center Sale of 2780 Constitution Drive-Newton

President Newton reported that the “condoizing” of the Ministry Center facilities was complete. Due to timing, the District will be responsible for paying the current property tax assessment (approximately \$56,000.00), though this will be refunded to us later! The anticipated close of the sale should be the end of March 2008.

7. Ministerial Training Fund-Kroeger

District Treasurer Art Kroeger noted that as of January 1, 2008, the Ministerial Training Fund was no longer under the California-Nevada District’s budgetary supervision. A letter from Treasurer Kroeger has been conveyed to Denise Lo in the District Office and Floyd Oatman of the Ministerial Training Fund advising of the separation of finances and oversight and recommending to the Fund managers that a separate not-for-profit organization be established.

It was moved and seconded to direct President Newton to take the necessary steps to remove the CNH District’s non-profit number from the accounts of the Ministerial Training Fund. The motion carried.

8. Ethiopian Outreach: Call status of Dereje Fantaye-Newton

By consensus the discussion was tabled until the June 2008 meeting.

9. CNH BOD –CNH CEF Future Relations Task Force-Newton/Zelt

A meeting has taken place between President Newton, First Vice President Zelt, CNH CEF President Iverson, and CEF Board member Fickenscher. After attending this meeting and the annual CEF Conference, President Newton has decided to continue meeting with CEF Board.

Cooperative strategies and approaches were discussed, working together with congregations in a collaborative movement necessary for funding and mission work, as well as ministry development secured with loans from CEF. A primary question discussed in the four person meeting above revolved around CNH CEF joining with LCEF or remaining independent.

10. CEF Report-Fickenscher

CEF Representative Fickenscher reported that the loan application to finance the balance of the Ministry Center debt once the sale of 2870 Constitution Drive in finalized had been approved by CNH CEF. CEF President Iverson will be retiring in 2009. A search for a new President is beginning. The transition phase with current staff has begun. Several problematic loans were discussed. An operational/management audit tool is being developed. Reflecting on the meeting noted in “Number 9” above, he noted the collaborative work that was beginning was deemed very beneficial. LCEF President Merle Freitag will visit with CNH CEF in May 2008 to discuss a merger of the two entities. The current view of CNH CEF is that the Board and ministry is operating well independently. A CNH District Convention would be the responsible body for any changes in CEF status.

11. Convention Business: Staff Youth Mission Counselor-Newton

In discussions with Director of Educational Services Koerschen, a job description for this position will require a major reconfiguration from the “old model” to youth discipleship: becoming critical players in the post-church world. Chap Clark, a consultant to youth and DCEs, will be an essayist at the 2009 CNH District Convention. As a consultant he emphasizes youth as a mission field and youth with missionary potential. President Newton noted he is securing a replacement to serve as chair of the Youth Committee. The President also recommended that this position not be funded during this Convention triennium and further recommended that it be removed from Agenda consideration for the remainder of the current BOD term.

It was moved and seconded to accept President Newton’s report on this issue and defer further action to his discretion, keeping in mind the 2006 Convention Resolution. The motion failed.

It was moved and seconded to table this matter until the June 14, 2008 meeting of the Board. The motion carried.

POLICY REVIEW/GOVERNANCE ISSUES

12a. Review of Section 3-Board and Executive Relationship Policies-Zelt

It was moved, seconded, and carried to approve the following changes and additions to Policy 3.1.2

3.1.2 The Board shall *primarily* address ~~only~~ broad levels of issues in policies of purpose and *executive limitations* ~~governance of constraint~~, leaving lesser levels to the discretion of the District President. *At the request of the District President or First Vice-President as Board Chairman, opportunity for the Board to provide feedback in the development of mission and ministry strategy, staffing, and the use of resources shall be provided.* The District President may develop guidelines, rules, or procedures and may make decisions in any way he deems fit as long as all activities are in compliance with policies adopted by the Board.

12b. Review of Section 1-Outcome Policies-Zelt

The review of “Outcome Policies” at the mid-tem of each triennium is a calendared issue. Upon review of the eight “Outcome Policies” a new bullet was added to “Outcome Policy 7: Congregations were assisted in calling mission-focused ordained and commissioned ministers.”

The new bullet becomes letter “c.” The previous letter “c” now becomes letter “d.”

“c. Staff and appointed personnel have aggressively pursued recruitment of mission-minded candidates at our colleges, universities, and seminaries.”

It was moved seconded and carried to expand the “Outcome Policies,” with this additional bullet.

MONITORING

13. Report on Outcome Policies-Newton

President Newton referred to his two pronged training approach: Church Planting Movement Track (CPMTRAK) and Revitalization Track (REVTRAK). CPMTRAK has been moved into the ministry of Ed Krueger working out of St. Paul, Tracy, CA The REVTRAK emphasis will remain in the office and be the primary responsibility of Mission Counselor Hartman. District strategizing energies will focus on revitalization. The President provided a document from MC Hartman (see handout dated March 12, 2008) detailing his work as a Mission Coach for “Transforming for Mission” consultations. In commenting on his visiting with the Circuits that had held Convocations earlier this year, the President believes the responses he received indicated it was a valuable opportunity and good use of his time as District President for getting his vision for mission out to congregational leaders. In regards to financial matters, President Newton stated a \$20,000 loss was carried forward from 2007 into the current budget year.

14. Financial Statements–(Policy 3.5.2.3)-Kroeger

(See attached “Financial Statements for the Month Ended February 29, 2008” prepared and submitted by Denise C. Lo, March 7, 2008.)

CNH DISTRICT OPERATING REPORT (For two months ending February 29, 2008)

	MTD Actual	YTD Actual	YTD Budget
Income	\$ 162,733	\$ 301,782	\$ 378,200
Expenses	\$ 171,749	\$ 330,838	\$ 378,200
Net Income/(Loss)	\$ (9,016)	\$ (29,056)	\$ -

The majority of the operating loss is due to low congregation remittance in January 2008. Congregation remittance in January is expected to be the lowest of the year. In January, congregation remittance was \$126,311, which was \$44,522 less than one-twelfth of the annual congregation remittance budget.

A preliminary audit report will be reviewed March 18, 2008 with President Newton, First Vice President Zelt, Denise C. Lo, and Art Kroeger.

15. Selection of External Auditors

After some discussion, the following two decisions were made:

It was moved and seconded to utilize the LCMS Auditors for the 2008 Budget Year. The motion failed.

It was moved and seconded to establish a Task Force to select an external auditor for the 2008 Budget year. The motion carried.

16. “Fan into Flame” funding Update-Newton

(See Administration Report-March 15, 2008, page 1, number 1, letter “e”) President Newton reported the following: Synod’s “Fan into Flame” reports (January 2008) \$27,811,932 pledged with \$11,318,147 in cash. That represents approximately \$18 million in major/individual gifts and \$10 million through congregational appeals.

President Newton commented on the three Regional Vice Presidents being a tremendous help to him and the District regarding “Fan into Flame.” Much “spading” work remains to be done. A DVD has been sent to each congregation to encourage “Ablaze!” opportunities. “Fan into Flame” is being scheduled for CNH in the late summer/early fall of 2008 simultaneous to PSW’s campaign. So far, \$1.8 million has been pledged for the CNH District.

17. 2008 Salary Guidelines-Zelt

The work of the Salary Task Force (Jon Coyne, Charles Froh, and Tom Hurley) and their proposed process utilizing “comparative area” guidelines was reviewed and compared with the previously used matrix for church workers. Task Force members will be invited to attend the September 2008 meeting of the BOD to demonstrate their recommendations. The District President’s salary was also reviewed in light of the “CNH Operations Manual” to clarify the process and be certain the BOD was in compliance.

It was moved and seconded to raise the District President’s salary to \$116,740 (based on the average of the thirty-five (35) District President’s salaries as published each year by Synod’s Department of Human Resources, plus thirty percent (30%). (Policy 6.10) (Approximately \$89,900 times 1.30) The motion carried.

It was moved and seconded to reexamine the District salaries at the September 2008 BOD meeting, evaluating the 130% of the average for District President salaries versus the CNH Salary Task Force recommendations, as well as the 85% of the District President’s salary designated for the Executive Staff. The motion carried.

BUSINESS

18. Board Training for Effective Communication

The Board designated considerable time to brainstorming how to be a “listening post” as well as a venue for soliciting feedback from the congregations and individuals. The previous evening, President Newton and the Vice Presidents: Zelt, Hoffmann, Beyer, and Lange worked on a strategy “Continuing Education for Mission.” This discussion formed the full Board’s discussion.

The purpose for this discussion was for learning, buy-in, feedback, partnerships, “how to’s,” and innovation. Through a series of “contact points” the Board intends to secure written feedback in each “contact point” event, and find anecdotal feedback relative to the events. Discussion entailed “How to do this?” and “Who owns this?” as well as desiring to present to the District President, prior to the 2009 District Convention, suggestions for ongoing solicitation and reception of feedback. This strategic process was outlined as follows:

- Circuit Counselors Conference (April 9-10, 2008) with the Board as invitees
 - Revitalization Process to be presented by MC Hartman
 - Post-church mission...what does it look like?

- BOD: June meeting to set dollars for grants (send information to MACs)

- Circuit Counselor and Circuit Delegate meeting (in conjunction with fall 2008 BOD meeting)
 - Information providing: Revitalization, post-church missions, and “churched missions”
 - Listening: receiving feedback from above meeting(s)
 - Results sent to pastors in “tension,” and with MAC proposals
 - The Circuit Counselors and Delegates meet with every congregation in order to build “bridges” to the community, provide tools for feedback and open-ended responses from the congregations.

- MACs: provide education with “clarity” regarding the types of post-church projects; tasked to solicit and evaluate responses:
 - post-church
 - church projects

- Circuit Forums (winter/spring 2009)

It was moved and seconded to conceptually adopt the process (outlined above) for soliciting feedback (as a strategic process). The motion carried.

CONSENT AGENDA

It was moved and seconded to accept and approve the Consent Agenda consisting of the (1) Minutes of the E-mail Ballot regarding a new CEF Loan, February 20, 2008, (2) The Minutes of the December 8, 2007 CNH Board meeting, (3) Changes in the District, and (4) Future meeting dates. The motion carried.

19. CHANGES WITHIN THE DISTRICT

CALLS & CONTRACTS ACCEPTED

REV. PHILIP BEYER, Mt. Hope, Rancho Santa Margarita CA to Redeemer, Atascadero CA as pastor.

REV. MICHAEL FRANCKOWIAK, Trinity, Exeter CA to First, Yuba City CA as pastor.

REV. EVERETT GARWOOD, missionary at large, River of Life, Dayton NV to River of Life/Faith, Dayton/Yerington NV as pastor.

KURT GOLCHERT, reinstated to St. Peter, Lodi CA as teacher.

CALLS & CONTRACTS DECLINED

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

REV. PAUL JOHNSON, Trinity, Georgetown CA to St. Paul, Susanville CA as pastor.

REV. JONATHAN LANGE, St. Paul, Merced CA to St. Paul, Rochelle IL as pastor.

REV. MATTHEW THOMPSON, Candidate, CNH District, to St. John, Willits CA as pastor.

CALLS & CONTRACTS EXTENDED

REV. JOSEPH BYRD, Candidate, CNH District, by St. John/St. Luke, Valley, Home/Oakdale CA as pastor.

REV. JEDIDIAH MASCHKE, Candidate PSW District, by First, Concord CA as pastor.

Rev. STEPHEN SOHNS, Resurrection, Spring TX has been extended a call by Bethany, Vacaville CA as pastor.

CHANGE IN STATUS

KARI PENROSE, Active to Candidate

PAULA TIBBOTT, Non-candidate to Candidate

STEPHEN WOOLERY, Candidate to Iowa District West.

PAMELA WOOLERY, Active to Non-candidate

CHARLES SEMONIOUS, removal from the roster.

CALLING CONGREGATIONS:

St. John, BAKERSFIELD CA (Associate pastor)

First, CONCORD CA

Trinity, EXETER CA

Grace, GRASS VALLEY CA

Holy Cross, LOS GATOS CA (Senior pastor)

St. Luke/St. John, OAKDALE/VALLEY HOME CA

Redeemer, REDWOOD CITY CA (Associate pastor)

Peace, SACRAMENTO CA

Canaan, SAN FRANCISCO CA

Lutheran Church of the Holy Spirit, SAN FRANCISCO CA (Associate pastor)

Zion, SAN FRANCISCO CA

St. Paul, SUSANVILLE CA

Good Shepherd, TURLOCK CA (Associate pastor)

Bethany, VACAVILLE CA

Concordia, VISALIA CA

Waikoloa, WAIKOLOA HI

St. John, WILLITS CA

Vineyard of Faith, WINDSOR CA

Future Meeting Dates

June 14, 2008
September 13, 2008
December 13, 2008
March 14, 2009
June 13, 2009
September 12, 2009
December 12, 2009
March 13, 2010
June 12, 2010
September 11, 2010
December 11, 2010

20. ADJOURNMENT- First Vice President Rev. Dr. Thomas Zelt adjourned the meeting with thanks for all of the hard work detailed in the day's agenda!

21. CLOSING DEVOTION- CNH District Secretary Mark Haas provided the closing devotion based on then next day's Palm Sunday Epistle lesson, Philippians 2:5-11, regarding "form" (morph) of God and "form" (schAmati) as a human being. "Humility and humble" based on the text were noted as the Divine Drama of Holy Week begins!

Next Meeting: June 14, 2008

Respectfully submitted,

Mark W. Haas, Secretary

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

-PROCEEDINGS-

“E-mail Ballot”

February 20, 2008

- 1. 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

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Commissioned Minister Director

- √ Mrs. Cynthia Rothas, Teacher*

CEF Representative

- √ The Rev. Robert Fickenscher

2. ITEM FOR DISCUSSION

With the sale of one-half of the Ministry Center, the property known as “2780 Constitution Drive, Suites A & B, Livermore, CA 94551,” there remains an existing indebtedness on the property known as “2772 Constitution Drive, Livermore, CA 94551,” of at least \$300,000.00. There may be other repayment costs associated with the sale of the prior listed property.

It was recommended to the Board of Directors of the California-Nevada-Hawaii District, TLCMS, that the residual existing loan be refinanced with the California-Nevada-Hawaii District Church Extension Fund (CEF). The proposed loan would be for up to \$350,000.00 to be repaid over 25 years. The loan interest rate would be at the current “Cost of Funds” and adjusted every three years. The interest rate would never exceed 10%. Initial payments would be approximately \$2,192.00 per month. (Previously the payment rate was \$14,200.00 per month.)

An e-mail ballot, "yes" or "no," was solicited among the Board members. A copy of the loan application was provided for review.

Those voting "yes:" Tom Hurley, Mike Lange, Jim Beyer, Jack Adolphson, Cyndi Rothas, Kathie Lindquist, Paul Hoffmann, and Tom Zelt. (Three responses indicated support for repaying the loan debt earlier than 25 years.) Non-voting affirmation was also indicated by Art Kroeger, Robert Fickenscher, Robert Newton and Mark Haas.

There were no "no" votes cast!

The loan process was "Approved" by the CNH Board of Directors and the letter loan application sent to CEF for its approval.

Respectfully submitted,

Rev. Mark W. Haas

CNH District Secretary