

**Board of Directors
Minnesota South District
September 22, 2006**

Minnesota South District Mission Statement

The purpose of the Minnesota South District is to glorify God by: 1) assisting congregations in building up the body of Christ, and 2) providing mission vision, leadership and opportunities to the people and congregations of the District, so that all people might be reached with the saving Gospel and become disciples of Jesus Christ.

OPENING DEVOTION

Mr. Karl Baumann provided the opening devotion. He spoke on the words of Joshua: "As for me and my house, we will serve the Lord." We must preach and teach the Gospel with confidence, because God will give us the strength to do this task. We should not allow the troubles within the church to distract us, nor should we ever be ashamed to preach the Gospel. Let it go out, and it will reach people. He concluded the devotion with a prayer.

PARLIAMENTARY OBLIGATIONS

Call to Order

The meeting was called to order at 8:43 a.m. by the President, Rev. Dr. Lane Seitz, in the name of the Father and of the Son and of the Holy Spirit.

Roll Call

Board Present: Lane Seitz, Daryl Gehlbach, Lu Clemmensen
Klemet Preus, Mark Johnson, Robert Van Gundy, Glen Meints,
Gerhard Bode, Tom Braun, Dale Ortloff, Steve Krause,
Larry Griffin, James Heining, John Moorhouse, Ted Tews,
Evan Schiller, Robert Schulze, Scott Halverson, Karl Baumann,
Lynn Henry, Richard Eyerly

Staff Present: Kurt Fuhr, Peter Meier, David Roth

Excused: Thomas Acton

Adoption of Agenda

President Seitz distributed copies of the revised agenda, which was amended to change the adjournment time to 2:30 p.m. It was adopted as amended.

Approval of Minutes

It was moved, seconded and carried to approve the minutes of the May 2, 2006, Board meeting as printed.

It was moved, seconded and carried to approve the minutes of the June 8-10, 2006, Board meetings as printed.

Correspondence

Dr. Seitz referred the Board to the following items of correspondence, which are filed with the protocol copy of the minutes.

1. Letter from Dr. Gerald Kieschnick to reconsider our 2006-2007 commitment for Synod work - June 2, 2006
2. Letter from Mr. Ron Schultz regarding a visit with the BOD - July 11, 2006
3. Letter from Dr. Raymond Hartwig regarding nominations for vacant position on Board for Mission Services - August 2, 2006
4. Letter from Dr. Gerald Kieschnick granting exception to the Blue Earth Circuit for the 2007 Synod Convention - August 18, 2006
5. Letter to Mr. Ron Schultz regarding his request to meet with the BOD - August 29, 2006
6. Memorandum to the congregations of the Blue Earth Circuit regarding their exception for the 2007 Synod Convention - August 29, 2006
7. Letter from Saving Grace Lutheran Church, Delano, MN, requesting membership in the Synod – September 12, 2006

VISIONING/STUDY ITEMS/PRESENTATIONS

Report on the Third District Theological Conference

President Seitz directed the Board to the report of the Theological Conference Planning Committee, which was included in the information packet. He asked the Board members for their feedback concerning the report and suggestions for future theological conferences in the District. A lively and thoughtful discussion followed.

At the end of the discussion period it was moved, seconded and carried to ask the District President to appoint a subcommittee of the Board to consider the feedback and bring forward a proposal regarding the continuation of theological conferences.

Blue Ribbon Task Force for Funding the Mission

President Seitz explained that the plan was to have Mr. Ron Schultz attend the December Board meeting and discuss the Task Force report. This was to be a time for the Board to discuss the report and formulate questions for Mr. Schultz. However, he is unable to attend the December meeting and will be rescheduled for February. The Board agreed to postpone this item to the December meeting.

Church Development Partners

President Seitz invited Rev. Peter Meier, Assistant to the President for Missions, and Mr. Kurt Fuhr, LCEF Vice-President to provide a report on the Church Development Partners (CDP), which assists new ministries in acquiring land. The following is a summary of their presentation.

CDP is a non-profit organization and a recognized service organization of the LCMS. Its motto is “delivering space and place for ministry at the lowest possible price.” The process is as follows: CDP purchases property in an area where a new ministry plans to locate. They offer the new ministry the best parcel on which to build. CDP then sells the other parcels to like-minded developers with the hope of providing the new ministry with property at little or no cost, but there is no guarantee.

The Lutheran Church Extension Fund (LCEF) has agreed to participate in this process. The benefit is that CDP is in a good financial position to secure LCEF loans, whereas a new ministry may not have the assets to qualify. CDP will confer with the LCEF prior to any decision whether or not to complete the purchase of the property and will only move forward with an approved loan through the LCEF.

The proposal is that our District, jointly with the Minnesota North District, covenant with CDP in order to purchase property for the Monticello mission start. There are two payments of \$100,000, which are due whether or not the property materializes as expected. The payments will be included in the amount of the loan.

“IT’S TIME TO FISH” CAMPAIGN REPORT

Ms. Sherylea Downes, Development Director, and Rev. Peter Meier reported. The following is a summary of their presentation.

The financial goal is to raise \$750,000 during the 2006-2009 triennium. The mission goals are to plant 50 new congregations, provide mission training, and build up the future of missions and of support for our District mission endowment fund.

Board members are encouraged to participate in this initiative by promoting it in their congregations and providing a personal financial commitment.

As of the Board meeting the District has received \$67,368.17 toward reaching the goal for this triennium.

POLICY REVIEW AND FORMATION

Revised Board Policy Manual

Rev. Daryl Gehlbach, District Secretary, directed the Board to the updated policy manual and minutes of the Policy Review Committee meeting. He noted the editorial changes that were made in order to improve consistency in the way policies are divided and structured. He also

reported that the committee recommends two changes. The first change dealt with the language of policy 3.21.05.

It was moved, seconded and carried to amend the last sentence in Policy 3.21.05 1) by changing the words “are reported” to “shall be reported.”

The second change was to restore the final sentence of the original policy governing the Ulbricht bequest. President Seitz explained the history and purpose of the Ulbricht bequest and the reason the Board initially included the second sentence.

It was moved and seconded to amend Policy 4.11 to restore the second sentence: “This policy is to remain in effect until changed by the Board of Directors.”

Proposed Policy Concerning Email Discussions

Secretary Gehlbach explained that committee is recommending no policy governing email communication among Board members. The committee proposed that the current process be followed, to wit, that all email correspondence for Board discussion be sent to the District President, who in turn will mail a printed copy to all the Board members.

INFORMATIONAL AND DECISION ITEMS

Mission Committee

Church Development Partners Covenant of Cooperation

It was moved, seconded and carried to approve the CDP Covenant of Cooperation for the purpose of supporting the Monticello Mission.

Finance Committee

1. Fraud Risk Assessment Report

Mr. Steve Krause, committee chair, directed the Board to the Fraud Risk Assessment Report, which was included with the Finance Committee report.

It was moved, seconded and carried to approve the Fraud Risk Assessment Report (A copy of this report was included with the Finance Committee report.)

2. 2007 Preliminary Budget

Ms. Lu Clemmensen, Treasurer, walked the Board through the preliminary 2007 budget and answered members' questions.

It was moved, and seconded to approve the preliminary 2007 budget.

The chair was turned over to 1st Vice President Gerhard Bode. President Seitz, the executive and professional staff excused themselves from the room.

The Board then discussed the 2007 salary for the District President and the executive and professional staff. Based upon the recommendation of the Personnel Committee the Board took the following action:

It was moved and seconded to approve for 2007 a 4% increase in salary for the District President and a 3% increase for the executive assistants. (This results in a salary of \$85,384 for the District President and \$75,218 for the Executive Staff.)

After some discussion a motion to cease debate was adopted, and the motion concerning the salary increase was adopted.

President Seitz resumed the chair. The Board was declared in recess for lunch, following which the Board again took up its business.

2. 2007 Preliminary Budget (continued)

After some additional discussion and questions the preliminary 2007 budget was approved as presented.

3. Change the District's Fiscal Year End

Treasurer Clemmensen explained that having the fiscal year end on January 15 allowed a congregation to have its December giving to the District credited to the calendar year. However, the auditors suggested making the fiscal year December 31.

It was moved, seconded and carried to change the end of the District's fiscal year from January 15 to December 31, beginning with 2006.

Ministerial Health Committee (no decision items)

Schools/Commissioned Ministers Committee (no decision items)

Mr. David Roth, Assistant to President for Schools/Commissioned Ministers, updated the Board on Minnesota Council for American Private Education (CAPE). A summary of his report was distributed to the Board and is included with the protocol copy of these minutes.

Congregational Services Sub Committee (no decision items)

Communications Committee (no decision items)

Constitution and Membership Committee

Rev. Evan Schiller, 3rd Vice President and Committee Chair, briefly updated the Board on the Constitution and bylaws for Saving Grace Lutheran Church, Delano, MN. The committee worked with congregation so that it would be ready to apply for membership in Synod at the September Board meeting.

Continuing Education Committee (no decision items)

Administration

1. Approve Constitution (C) and/or Bylaw (BL) Changes

It was moved, seconded and carried to approve the revisions to the Constitutions and/or bylaws of Trinity, Carver (BL); Emanuel, Inver Grove Heights (C/BL) and Saving Grace, Delano (C/BL).

2. Approve Application for Membership – Saving Grace, Delano

It was moved, seconded and carried to approve the application for membership in Synod submitted by Saving Grace Lutheran Church, Delano.

3. Response to Rev. Dr. Gerald Kieschnick regarding our 2006-2007 commitment for Synod work

President Seitz explained: It is the District in Convention which directed that 50% of congregational receipts be given to Synod for its work. Thus the Board has no control over the final amount sent to Synod. The amount forwarded will vary depending on how much is received from congregations.

It was moved, seconded and carried that President Seitz respond to President Kieschnick's letter.

4. Questions to be addressed to Mr. Ron Schultz at the December BOD Meeting

Mr. Schultz is not able to attend the December Board meeting. Hopefully, he will attend the February meeting. The Board had no questions at this time.

5. Nominations for vacant position on the Board for Mission Services

The Board made no nominations.

6. 2007 Board of Directors Meeting Dates

It was moved, seconded and carried to approve the following Board meeting dates for 2007:

- a) February 20, 2007 (Backup date - February 22, 2007)
- b) May 8, 2007
- c) September 10-11, 2007
- d) December 4, 2007 (Backup date - December 6, 2007)

7. Set Date and Location for the 2009 District Convention

It was moved, seconded and carried to approve holding the next District Convention on June 11-13, 2009, at Concordia University, St, Paul, MN.

The Board discussed ways to allow for additional time to discuss resolutions. President Seitz explained that much of the time is taken up by required reports. He will discuss with Concordia the availability of space if we need to move up the start time of the Convention.

8. Adjust 2006 Housing Allowances

It was moved, seconded and carried to increase the 2006 housing allowance for President Seitz by \$5,000.

It was moved, seconded and carried to increase the 2006 housing allowance for Mr. David Roth by \$4,000.

9. Advisory Convention Delegates

It was moved, seconded and carried that we do not send a Board member as an advisory delegate to the 2007 Convention of the Synod.

It was moved, seconded and carried that we do not send a staff member as an advisory delegate to the 2007 Convention of the Synod.

10. District Committee Appointments by Board of Directors

The Board of Directors made the following appointments:

Missions Committee

Mr. Robert Van Gundy (chair)

Ministerial Health Committee

Mr. Karl Baumann (chair)

Congregational Services Committee

Rev. Dr. James Heining (chair)

Mr. Ted Tews

Rev. Klemet Preus

Handbook Committee

Rev. Roger Mackie (chair)

Mr. Calvin Kuhlman

Mr. Herman Wentzel

Mr. Neil Breitbarth

Constitution & Membership Committee

Rev. Evan Schiller (chair)

Mr. Dan Utter

Mr. Gary Volberding

Camp Omega Board, Staff Representative

Ms. Lu Clemmensen

Schools/Comm. Ministerers Comm

Rev. Robert Schulze (chair)

Finance Committee

Mr. Steve Krause (chair)

Communications Committee

Mr. John Moorhouse (chair)

Mr. Scott Halverson

Mr. Jonathan Breitbarth

Rev. Tom Evans

Mr. Chuck Groth

Mr. Chris Roth

Ms. Maria Hendrickson (adv)

Mr. James Weispfenning

Endowment Committee

Mr. Duane Helm

Ms. Carol Olson

Mr. Ervin Kurth

11. Ratify District President's Committee Appointments

It was moved and seconded to ratify the 2006-2009 committee appointments proposed by President Seitz.

After some discussion a motion to cease debate was adopted, and the appointments were ratified. The appointments are as follows:

Missions Committee

Mr. Will Bartley
Mr. Duane Behrens
Rev. Thomas Braun
Ms. Pamela Moksnes
Rev. Mark Press
Ms. Faith Rattei
Rev. Andrew Ritchie
Ms. Bobbie Roegge
Ms. Lu Clemmensen (Advisory)

Schools/Comm. Ministers Committee

Mr. Derrick Broten
Mr. John Chilman
Mr. Allen Dutcher
Mr. Richard Eyerly
Ms. Jane Klahsen
Mr. Joel Landskroener
Mr. Jon Leonard
Mr. Corey Nelson
Ms. Mavis Smith
Rev. Michael Wallace
Mr. Rob Wilkening

Ministerial Health Committee

Rev. Richard Carter
Rev. Jack Dahl
Ms. Jennifer Hafkey
Rev. Marlin Harris
Ms. Ingrid Huelsnitz
Ms. Carol Ianelli
Rev. Lyle Kath
Ms. Deb Kelzer
Mr. Dale Ortloff
Rev. Lowell Wessel

Finance Committee

Rev. Paul Biebighauser
Mr. Duane Helm
Ms. Lynn Henry
Mr. Ervin Kurth
Ms. Kristi Lueth
Mr. Glen Meints
Mr. Michael Melchert
Mr. Lane Nordquist
Ms. Carol Olson
Mr. Kurt Fuhr (Advisory)

Executive Committee

Rev. Lane Seitz (President)
Ms. Lu Clemmensen (Treasurer)
Rev. Daryl Gehlbach (Secretary)
Mr. Karl Baumann
Mr. Stephen Krause

Personnel Committee

Rev. Klemet Preus (Chair)
Ms. Lynn Henry
Rev. Dr. James Heining

Policy Committee

Rev. Lane Seitz (Chair)
Rev. Daryl Gehlbach
Rev. Evan Schiller

District Archivist

Rev. Glenn Offermann

REPORTS

Treasurer's Report

Lu Clemmensen walked the Board through the Treasurer's Report dated August 15, 2006. She explained a number of items and answered Board members' questions. The report was filed subject to audit.

LCEF Loan Activity Report and Delinquent Loan Report

Kurt Fuhr reviewed the LCEF report on loans. He noted that we only have two loans that are considered delinquent.

Questions Regarding Reports (none)

Special Reports (none)

ROUNDTABLE

(1) Daryl asked for prayers on behalf of a recent adult convert to the Christian faith. (2) Gerry asked for prayers on behalf of our military personnel. (3) Peter asked for prayers as he continues studies to receive a DMin degree. (4) Mark asked for prayers for the mission outreach of his congregation. (5) Klemet asked for prayers on behalf of the persecuted Christians in Norway and Sweden. (6) Glen asked for prayers on behalf of the campus ministries within our District and around the world. (7) Dale asked that we pray for continued blessings for the Board and the work that it's doing. (8) Bob Schulze asked for prayers on behalf of his son's wedding and for little Gracie.

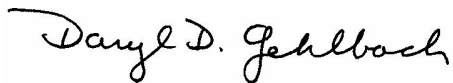
MEETING ADJOURNED/CLOSING PRAYER

Karl Baumann offered the closing prayer.

It was moved, seconded and carried to adjourn the meeting.

Dr. Seitz declared the meeting adjourned at 3:22 p.m.

Respectfully Submitted,



Daryl D. Gehlbach, Secretary