

**Southeastern Minnesota Synod Council
Executive Committee
Minutes
March 14, 2006**

Members present: Bishop Harold Usgaard, Vice president Shirley Gangstad, Treasurer Jeff Setterlund, Secretary BettyAnn Hernke, Ann Beatty, and Rev. Scott Olson.

Staff present: Deborah Norrie, Recorder

Vice president Shirley Gangstad called the meeting to order at 3:05 PM in the conference room of the synod office, Assisi Heights, Rochester, Minnesota. Bishop Usgaard led devotions.

Ms. Gangstad shared the annual report of Christ thru Hands, one of the synod's ministry partners. Deb Timmers, director of Christ thru Hands, was at the Cannon River Conference Assembly. She wanted to thank the synod for their support of Christ thru Hands. Without it, many children would never "hear" the good news of Jesus Christ.

BettyAnn Hernke presented the minutes of the meeting January 24, 2006. Ms. Ann Beatty made a motion to approve the minutes.

Voted

EC06.03.01 to approve the minutes of the Executive Committee meeting January 24, 2006.

There was no formal treasurer's report. The books have just been closed for 2005 and the preliminary audit report is not done yet. Deborah Norrie reported that the audit is going well. Total 2005 mission support is \$2,148,137. Mr. Setterlund passed out the historical Mission Support spreadsheet.

There was general discussion of the historical mission support and what this downturn may mean for the future. The committee thinks it is important to keep the synod's finances visible to the synod. They have requested that the income be reported in each *River Crossings* each month. They would also like to continue to feature ministry partners and the synod's support of those partners through the synod budget.

BettyAnn Hernke made a motion to accept the treasurer's report.

Voted

EC06.03.02 to approve the treasurer's report.

Budget Discussions

2006 Revised budget discussion. Bishop Usgaard presented three options for revising the 2006 Adopted Budget:

1. Use actual 2005 income of \$2,150,000
2. Use the revised 2005 budget
3. Use actual 2006 intents from congregations of \$2,210,000

After discussion of the three options¹ it was decided to present the Synod Council with three options to revise the 2006 budget:

1. Actual 2005; \$2,150,000
2. 2005 actual income plus 1.5%; \$2,182,250
3. 2006 intents from congregations; \$2,210,000

The Executive Committee will recommend the \$2,182,250 option.

The Executive Committee met in executive session to discuss the 2006 salary proposal for the synod staff.

2007 Proposed Budget

The Executive Committee agreed on a proposed 2007 budget of \$2,276,300 which is the 2006 intents + 3%. This figure will give the council some room to revise the budget next year if necessary.

Other Business – Old & New

Designation of the synod assembly offering. Bishop Usgaard proposed supporting LSS' Camp Noah in the gulf coast disaster area. This would be a way of focusing outside of ourselves. Ms. Beatty made a motion to designate the offering.

Voted

EC06.03.03 to designate the offering of the 2006 Synod Assembly to the Camp Noah programs LSS will offer in the Gulf Coast disaster area.

Discussion of May 19/20 synod council meeting. Friday evening, May 19th will be an orientation time for new council members. This will include the 7 new council members, Executive Committee, synod staff and any other council members that would like to attend.

Saturday, May 20th the Synod Council will meet from 9:00 to noon. Worship with communion, led by the Lay & Clergy Leadership Development Team will be at 12:45 and team will meet beginning at 1:30. Teams will adjourn as they complete their work.

¹ The decision was made to delete the Sabbatical line from the budget and fund 2006 and 2007 sabbaticals from the Clergy Continuing Education Restricted Fund.

Church Mutual insurance renewal.

The committee asked Deborah Norrie to get recommendations from the ELCA regarding some suggested additions to the synod's liability insurance. The council had already approved these additions:

1. Automatic Increase (Inflation Guard) on the replacement coverage of our office contents has been added at a cost of \$17/year.
2. The \$10,000 limit on extra operational expenses and loss of business income after an insured loss has been increased to \$30,000.

Rob Thoma's, ELCA Risk Manager suggested the low cost of increasing the limits of coverage for sexual misconduct and molestation would make it "prudent" to increase the coverage.

Jeff Setterlund made a motion to increase the coverage for sexual misconduct and molestation.

Voted

EC06.03.04 to increase the liability coverage policy with Church Mutual for sexual misconduct and molestation to \$500,000 each claim; \$500,000 annual aggregate.

The Church Mutual representative suggested looking at the limit of coverage from destruction, disappearance, or theft of money, notes and securities and the limit for loss by dishonest acts of employees, officers and volunteers. Rob Thoma's comment was that it depends on the risk. We do not have notes and securities and very little cash exposure. It was decided to not increase this coverage at this time.

The Executive Committee is responsible for nominating two people for each officer position. Jeff Setterlund has recruited two people for treasurer: Mark Bradley, Zumbro, Rochester and Linda Gentling, Bethel, Rochester. Bishop Usgaard has recruited Jean Ellingson, Zumbro, Rochester as a secretary nominee and BettyAnn Hernke has agreed to serve another term if re-elected.

The committee received recommendations from Katie Butler, Communications Director. Ms. Butler would like to offer a page on the synod's web site to post job opening. The following policy is proposed:

Job listings may be posted on the website (www.elca.org) only. Only ELCA or ELCA-affiliated organizations are eligible to list job openings on the website. This would include Southeastern Minnesota Synod ELCA congregations and ministry partners (colleges, seminaries, camps). If your organization has an opening, please email it to butler@semnsynod.org. These openings will not be published in either *River Crossings* or the synod E-news. You are responsible for notifying the synod (butler@semnsynod.org or call 507-280-9457 or 800-426-6376 (MN only)) once the position has been filled.

The committee approved the job postings but would like the policy statement to clarify that only jobs within the synod will be posted and no pastoral vacancies will be included.

Ms. Butler also asked for clarification on the publication policy of the synod. She proposed the following disclaimer on the synod events pages:

These events have been submitted to the Southeastern Minnesota Synod office by ELCA or ELCA-affiliated entities. The synod is not responsible for the accuracy of the information. Listing of an event does not necessarily mean that the views expressed are those of the synod.

The committee approved adding this disclaimer to the events page.

The committee also edited the Publication Policy as adopted as follows:

Event listing criteria

We are happy to promote events on our web site, and, if space allows, in our print publication, provided they meet the following criteria:

1. The event is sponsored by an ELCA or ELCA-affiliated entity.
 - Examples of this:
 - ~~An event taking place at an ELCA church or institution~~
 - An event featuring an ELCA-affiliated group (i.e. the St. Olaf Choir)
 - An event sponsored by an ELCA church or group
 - An event sponsored by a ministry partner of the synod (i.e. Minnesota Council of Churches, LSS, etc)

Ms. Butler also offered to create a page of non-ELCA events. The Executive Committee decided that a non-ELCA events page is not necessary.

Ms. Norrie raised two questions about items that came up in the audit.

1. Interest from the Thrivent Restricted Fund and the Mission Development accounts is credited to Unrestricted Interest Income. This has been the practice for several years. This interest was used to accumulate money in the Board Designated Operating fund.

That has not been the practice in the last few years. Does the Executive Committee wish to continue this? The committee agreed that since the board designated operating fund will be tapped for the synod office work to be done in 2006, it will be important to be able to repay any funds used over the amount that has been set aside for the office construction/decorating.

2. Because the accountants/auditors have never received different instructions, they have included interest from the Land Rover MIF and Land Restoration MIF to unrestricted interest income. Ms. Norrie doesn't believe that is the intent of the Global Mission Committee and has asked them to have the committee minutes

reflect that the interest is to stay in those accounts. The auditors have agreed to do this.

Bishop Usgaard reported that Mayo Clinic Facilities Services staff has begun to work on possible floor plan changes. It looks like we won't have to do much construction work to better use the space. This will save a lot of money since construction at Assisi Heights is expensive.

The meeting adjourned at 5:50 PM and closed with the Lord's Prayer.

BettyAnn Hernke, Secretary
Deborah Norrie, Recorder

Next meeting: June 20, 2006: 4:00, Shirley Gangstad, devotions