

**Conference of Delegates
Special Meeting
Wednesday, March 27, 2013
7:00 PM**

Conference of Delegates Meeting Agenda

1. Opening Devotion Chairman, Pastor Shaun Arndt

2. Mission Statement Review
We assist parents and area WELS congregations in training their children in the Lord by keeping Christ in high school education.

Therefore, Luther High School will:
 1. faithfully proclaim and apply the Word of God through the teaching of classes, life skills, and activities in accordance with the Lutheran Confessions.
 2. promote spiritual growth and maturity through the proper use of God's Law and Gospel.
 3. encourage and train students to share their faith throughout their lives whether in personal or public ministry.
 4. instill a desire for knowledge, understanding and wisdom while taking "every thought captive and making it obedient to Christ."
(2 Corinthians 10:5)

3. PURPOSE OF MEETING: To better inform the Conference of Delegates the status of building project and available funding.

4. Review of Pastor Arndt's letter (attached)

5. Review of Building Fund Background and Update -1997-2013 (attached)

6. Review of March 13, 2013 Financial Account Summary (attached)

7. Closing prayer

Dear brothers and sisters in Christ,

"Encourage one another and build each other up, just as in fact you are doing." (1 Thessalonians 5:11)

Following the February 6, 2013, Conference of Delegates meeting, the Board of Control became aware that a resolution made at the meeting caused a great deal of confusion and misunderstanding. Consequently, the Board of Control met with members of the Lift High the Cross Committee. Both the Lift High the Cross Committee and the Board of Control felt it would be beneficial to share the following information with you. The goal of this communication is to bring clarification and correct any misunderstandings.

Please allow some background information. At their May 14, 1997, meeting the Conference of Delegates authorized the construction of Phase II (chapel/auditorium) and Phase III (classrooms) when funding was available. At the February 9, 2011, meeting of the Conference of Delegates a committee was established to encourage gifts to the building project. This committee, named the Lift High the Cross Committee, began its work in May, 2011.

As the Board of Control Finance Committee made visits to association congregations in September 2011, it received numerous concerns from congregational leaders about funding the building project when there were concerns with funding the general operating budget and providing tuition assistance for families. While it has been well noted, tuition increases have not been driven by capital improvements, but by declining congregational support. At its May 9, 2012, meeting the Conference of Delegates directed to suspend soliciting funds by the Lift High the Cross Committee. Congregations were still encouraged to support not only the Tuition Assistance Fund, but also the General Fund. This decision did not prevent anyone from contributing to the building fund, but simply halted the committee's efforts to actively seek funds.

Since that meeting two events led to a renewal of interest in the building project. One was the knowledge that early in 2013, Luther High would receive a large gift of approximately one million dollars designated for the building fund. The second was that before he was called home to the joys of heaven with his Savior, Pastor Mark Bartling wrote a passionate letter encouraging Luther High School to move forward. In his letter Pastor Bartling advised against playing two areas important to the school against one another, but rather encouraged contributions and attention to both the building project and ongoing tuition assistance.

After a review of Pastor Bartling's letter, a delegate offered the following motion

which was seconded and passed by the COD: "to reactivate the Lift High the Cross Committee fundraising with newly collected funds split evenly between building fund and tuition assistance." When it became clear this resolution had caused much misunderstanding and confusion, the Board of Control scheduled a special meeting with the committee members who had served on the Lift High the Cross Committee. Several misunderstandings and concerns were addressed.

Concern: This resolution was passed to try to delay or derail the building project, taking a step backward.

Reality: The individual who made the motion was also present at the meeting. He and other Board members did not consider the intent of the motion to be a step backwards, but rather a step forward, to begin actively soliciting funds so that the building project might become a reality sooner.

Misunderstanding: The Board of Control is against any building project.

Reality: The Conference of Delegates has already authorized the building project (1997) when funds are available. This information and the history of the building project need to be set more clearly before the Conference of Delegates so that with the Lord's help they may make the best informed decisions they can. In addition, the majority of the Board members would like to see more current information on building costs to see if the funding is now available to proceed with Phase 2, as authorized by the May 14, 1997 COD resolution. To better inform the Conference of Delegates the status of building project and available funding, the Board passed a motion to schedule a special meeting of the Conference of Delegates on March 27 at 7:00pm. Please watch for forthcoming information.

Concern: This resolution limits a person's ability to direct their gift to the building project.

Reality: The motion only dealt with gifts that would be solicited by the refocused Lift High the Cross Committee. Gifts may be given directly to the building fund, with the full amount going there if a person so designates. Donors may direct their gifts to Luther High School through the Heritage Fund. (Also please note, all past gifts to the Lift High the Cross Committee remain designated as the donor directed). The Board of Control in no way wants to limit anyone's ability to direct his/her gifts in response to the Lord's love.

Concern: This resolution makes the work of the Lift High the Cross Committee unclear and only causes confusion by seeming to duplicate the Heritage Fund. In addition it's not clear whether the tuition assistance support would be directed to current tuition assistance or the Student Tuition Endowment Fund (STEF).

Reality: This is truly a valid concern. The Board feels the Conference of Delegates need to

spend time at a future meeting to clarify the purpose, the direction and the need (if any) for the Lift High the Cross Committee to function according to the resolution. The Board and the Lift High the Cross committee members felt that until such clarification occurs, the Lift High the Cross committee should wait to reform.

One further item has come up to cause misunderstanding due to an accident that occurred in the most recent Easter mailing for Luther High School. Though the letter speaks about the Heritage Fund, mistakenly Lift High the Cross envelopes were placed with the letters. To make sure donors gifts are directed where they want, personal contact will be made to verify donor intent with any who contribute using those envelopes in the next several months.

Finally, let us all take time to give thanks to God for a very generous gift that was just received for the Luther High Building Fund. Though the gift was expected to be completed earlier this year, the official news that it would soon be completed only came to the Board of Control and Conference of Delegates from the Foundation during the COD meeting. -On February 13, 2013, the gift of \$1,095,000.00 was received. Praise be to God for His generosity and the generosity He works in the hearts of His grateful people through the good news of sins forgiven.

*"Encourage one another and build each other up, just as in fact you are doing." Only a handful of verses beyond these words God inspired Paul to write these words which are a fitting conclusion to this entire consideration: "Be joyful always; pray continually; give thanks in all circumstances, for this is God's will for you in Christ Jesus."
(1 Thessalonians 15:16-18)*

Thank you for taking time to read through this letter. If you know of anyone who is still under any of the misunderstandings this letter addresses, please share it with them. If you have further questions please contact Principal Paul Wichmann (phone: 608-783-5435 ext.100 or e-mail wichpaul@luther.k12.wi.us) or me (phone 608-526-4829 or e-mail herrarndt@yahoo.com). Your questions will be further addressed by the Luther High School Board of Control.

In Christ,

Pastor Shaun Arndt

Luther High School Board of Control Chairman

Building Fund Background & Financial Accounts Update

1997 At its May 14, 1997 meeting the Conference of Delegates authorized the building of the Association Center, which consists of a gymnasium, chapel/auditorium and classrooms.

After receiving a \$1 million matching fund grant, plans began for a new building project: Phase I – gymnasium (\$1.5 million); Phase II- chapel/auditorium, 535 seats (\$890,000); Phase III – classrooms (\$565,000)”

(Luther High School Anniversary The Second 25 years, page 11)

10% of gifts to the Association Center Phase I were directed to a perpetual maintenance fund to make sure that sufficient funds are available to cover ongoing expenses related to this building addition.

August 20, 1999 “Dedication of Phase 1 (The Association Center) was held August 20. Luther received \$1,030,000 in pledges and \$1.1 million in matching funds.”

(Luther High School Anniversary The Second 25 years, page 12)

March 2000 – Funding for Phase II (chapel / auditorium) of the Association Center began in March 2000 with a gift of \$150,000. By Conference of Delegates directive, construction of all phases of the Association Center is subject to adequate funding.

1999-2011 - During this timeframe gifts for Phase II continued to be received. The balance in the Chapel/Building Fund as of June 1,2011 was \$439,584.85

February 9, 2011

Conference of Delegates Meeting

The donors prefer that this gift be used for capital improvement projects. The donors supported the consideration that this gift may be utilized as a matching gift opportunity for the Luther High Association. The donors do not desire this gift to be directed to the General Fund. With grateful hearts we acknowledge the donors for this generous gift and also express our gratitude to God for this blessing

April 7, 2011 - At the first meeting of the Lift High the Cross Committee the reported estimated costs of Phase II (Chapel/Auditorium including furnishings) was \$1.5 million and the estimated cost of Phase III (Classroom addition without furnishings) was \$350,000. (The estimated budget numbers are double what they were on 4/1/99.) *(Lift High the Cross Committee meeting notes, April 7,2011)*

May 11, 2011 Luther High School Conference of Delegates Minutes Association Center Building Project

Phases Two and Three - Funding for Phase Two of the Association Center, consisting of a chapel/auditorium began in March 2000 with a gift of \$150,000 in the name of John H. and Adeline E. Rice. **By Conference of Delegates directive, construction of all phases of the Association Center is subject to adequate funding.**

As of **June 1, 2011** the Building and Chapel Funds totaled \$439,584.85. "Lift High the Cross" is the theme of the current building project which will include a chapel / auditorium and three additional classrooms as God grants sufficient funding.

While **the estimated cost of this project is between \$1.8 and \$2 million**, the Lord has already provided significant financial blessings. Currently there is \$439,584.85 in the bank for this purpose and a gift of \$1.1 million is coming in January of 2013! **By Conference of Delegates directive, construction of all phases of the Association Center is subject to adequate funding.**

Second Computer Lab - With Phase 2 & Phase 3 of our building program moving forward, part of that construction would be a 2nd computer lab. Since the building program was approved over 10 years ago it was not foreseen that we might benefit more from a wireless network vs. a stationary computer lab. Because the benefits of a wireless network can begin to be realized both now and in the future when the building project is complete it would be desirable to purchase the wireless network at this time with available building funds. In terms of priority this would move this project from Phase 3 to Phase 2 construction. Cost estimates for the wireless network are aligned with what a stationary lab would cost - \$70,000. This includes the wireless infrastructure, 30 laptops, storage cart, software and training.

Expansion of Scope of Association Center Project - As part of Phase 3 of the Association Center (three additional classrooms) funding, perhaps this may be an advantageous time to consider expanding the scope of the building project to include several other projects, which might include the following;

- a. Paving of the parking lot adjacent to the Chapel/Auditorium (estimated cost of \$68,000)
- b. Adding bathrooms to the Classroom portion to better serve bathroom needs during indoor and outdoor athletic events and other events in the ACE gymnasium. (Cost TBD)
- c. Constructing an athletic storage facility near the football field. In 1996, changes were made on the track and football field. Expanding the track from 6 to 8 lanes and providing room for long jump, triple jump and pole vault required an expansion of 60 feet into the wooded area on the north side of the football field. The small storage shed was demolished to make room for this expansion. Since that time football and track equipment have been stored in west mezzanine of the ACE gym. Having a storage area in closer proximity to the football and track facility would not only better accommodate those needs, but would also allow for other storage uses of the west mezzanine. (Cost TBD)

It is understood any expansion of the scope of the Association Center project would need to comply with the Conference of Delegates directive that construction of all phases of the Association Center is subject to adequate funding. *Gathering more input and information from our Luther High Association, may also provide valuable insights as to how we make wise building plans and exercise God-pleasing stewardship of resources.*

November 9, 2011 **Conference of Delegates Meeting**
Association Center Prioritized Project List Recommendations from Capital Campaign Committee (Lift High the Cross Committee)

The committee recommendation to the Board of Control and subsequently to the Conference of Delegates is that in addition to the Chapel / Auditorium and classrooms the

following be determined as the prioritized project list subject to funding

1. Furnishings for new classrooms \$100,000
2. Bathrooms in new classroom area \$ 80,000
3. Tuition assistance funding \$100,000
4. NW parking lot \$ 81,000
5. JV SB parking lot \$ 66,100

Fundraising - The Association Center's "Lift High the Cross" capital campaign will cover 3 years. 2011-2013.

Friends of Luther Newsletter

Winter 2011

John Roellich

"A survey was taken of the LHS association members and 148 responses were received. We learned that after the chapel auditorium. Our members felt that classrooms for life skills courses, availability of technology and upgrades to lavatory facilities were most important."

"At the November 2011 COD meeting, the Luther High School Conference of Delegates authorized the expenditure of an additional \$100,000 for perpetual maintenance and \$70,000 for wireless Internet access. Should there be adequate funding the Conference of Delegates may subsequently approve these projects: \$100,000 for classroom furnishings, \$80,000 to include bathrooms in the new classroom area, \$100,000 for tuition assistance and \$147,000 for surfacing parking lots. The total cost of these plans is approximately \$2,500,000. Currently we have \$1,500,000 in cash and pledges. Our goal is to raise \$1,000,000 to complete capital expansion."

February 2012 "We currently have \$429,000 in cash and \$1,114,000 in pledges toward our project goal of \$2.5 million. Keep this project in your prayers as we ask the Lord to bless our efforts to expand the physical facilities and the mission here at Luther High School."
(*Cymbal, February 2012*)

June 2012

Cymbal

Pastor Mark Wessel

On May 9, 2012 the Conference of Delegates voted to defer the building project of a chapel and/or three classrooms for 2 years, amending a recommendation from the Board of Control. This action also defers for two years special fundraising efforts for the project that were approved in November 2011.

Why not right now? Here are some factors. The need for tuition assistance per family was at an all-time high. Total anticipated need is \$320,000 for the coming school year. Total available funds (grants and gifts) would fall roughly \$100,000 short of that. Luther High has not traditionally met all anticipated needs in the past and won't again this year. Rising tuition assistance is a topic that will need our attention in coming years.

This trend seems to reflect what members of the Board of Control's finance committee were hearing as they visited a number of our congregations recently. They listened to concerns about raising funds for a building project when congregational commitments remain fixed, when tuition

needs are rising, and **funding the everyday operation of the school needs full attention.**

Money for maintenance is also a concern. The current fund is all but depleted and replacement projects such as the ACE roof loom in the future. A \$200,000 maintenance fund for the new building is seen as a minimum amount.

Indicators like these moved the conference to put active fundraising for the project on hold and concentrate rather on the STEF assistance fund, general tuition assistance and funding for operating Luther High. Simply put, it was shifting our focus back to these fundamental areas of our ministry for the present time.

January 15, 2013 The total in the Chapel/Building Fund is \$495,602.87

The total rent income from gifted properties is \$118,879.10

February 12, 2013 Estimated total received from sale of properties

\$1,095,000.00

TOTAL **\$1,709,481.97**

March 2013 Currently the Perpetual Maintenance Fund has a balance of \$18,548.72.

March 14, 2013 - Financial Account Summary

	<u>Princeton</u>	<u>Mauston</u>
Rent Income	59,684.10	77,049.10
Sale Income	495,990.00	599,990.00
Total - cks to Schmocker 3/12/13	555,674.10	677,039.10
Total both properties		1,232,713.20

Taxes to be paid on property ?

Building balance 2/28/13	150,596.21
Chapel balance 2/18/13	354,569.23
gifts from Feb sent to Schmocker 3/13/13	7,420.00
Total building and chapel funds	512,585.44

Total properties and current balances **1,745,298.64**

Undesignated Estate Money 3/14/13	63,195.83
Cell Tower Balance 3/14/13	69,221.74
Total Cell and Estate	132,417.57

	2010	2011	2012	2013 - so far
Tuition Assistance				
Families	88	91	81	13
Students	112	121	104	16
Total tuition for those asking for aid	512,400.00	569,250.00	522,279.00	81,114.00
Amount Families are asking for in aid	380,175.00	405,344.00	385,959.00	59,314.00
FACTS Aid calculation of need	268,236.00	308,726.00	367,394.00	38,989.00
Amount given in Aid	167,558.79	130,365.00	154,571.65	

Grants for Tuition are now optional

Luther High School Grant	325.00
Good Steward Grant	175.00
Friends of Luther Grant	75.00
STEF Grant	60.00
Total per student if elected to use	635.00

Current balance in Tuition Assistance	94,628.69
Estimate of Big Knight Tuition Assistance	50,000.00
Total Tuition Assistance	144,628.69

