

ENGLISH DISTRICT BOARD OF DIRECTORS MEETING

May 8-9, 2023

Meeting Location:

Fairlawn Lutheran Church, 3415 W. Market Street, Akron, OH 44333.

Attendance: Voting Members - Mr. Lucas Fitzgerald, Ms. Carol George, Mr. Thomas Habitz, Rev. Jamison Hardy (*Pres.*), Mr. Thomas Honebrink, Rev. Robert Kieselowsky, Mr. Rod Lane, Mr. Terry Leu, Rev. David Petersen, Mrs. Kristin Wellik, Rev. Luke Zimmerman. **Non-Voting Members** - Rev. Jeffrey Miskus, Rev. Michael Morehouse, Mrs. Sally Naglich, Rev. Robert Rogers, Rev. Douglas Spittel, Mr. Jim Thielen. **Staff** - Mr. Albert Amling, Mr. Ronald Grimm, Rev. Daniel Lepley, Rev. Derek Mathers.

MONDAY – MAY 8, 2023

Call to Order: In the absence of Chairman Terry Leu, Vice-Chairman David Petersen called the meeting to order at 1:05pm.

1. Opening Devotions

Rev. Douglas Spittel, Eastern Region Vice-President, conducted afternoon devotions, utilizing the Noon Prayer service from Daily Prayer for Individuals and Families. He read a portion of Christ's High Priestly Prayer recorded in John 17.

2. Roll Call and Determination of Quorum

Following Opening Devotions, Chairman Leu assumed presiding duties of the meeting.

Secretary Luke Zimmerman called the roll of Board members, noting that a quorum of voting members was present.

3. Approval of Meeting Agenda

Chairman Leu presented the agenda to the Board members for approval. Motion: *"To approve the agenda as presented."* Motion carried.

4. Approval of February 2023 Meeting Minutes

Secretary Zimmerman presented draft minutes of the February 2023 Board of Directors meeting to the Board for approval. Motion: *"To approve the minutes with the addition of the name Rev. Daniel Galchutt in the notice about the Office of National Mission appointment listed in Item 6."* Motion carried.

5. Review of February 2023 Meeting

Chairman Leu began a review of the Board's meeting in February 2023. Board members commented favorably concerning the hospitality and welcome provided to them by the host congregation, Our Savior - Hartland, MI.

6. Membership Item – Midwestern Region Lay Member

Chairman Leu announced to the Board the April 24, 2023 resignation of Ms. Gail Greiser as the lay member for the Midwestern Region. Board members were reminded that District Bylaw 6.2.3 prescribes the manner by which a vacancy on the Board of Directors is to be filled: *“A vacancy on the Board of Directors shall be filled by the voting members of the Board, in consultation with the Committee on Nominations.”* President Jamison Hardy suggested that the Board postpone discussion of appointment until later in the meeting.

7. District President’s Report

President Hardy began his report to the Board by commenting that he believes that a struggle is going on within the Synod against the English District. His conclusion has come after reviewing the correspondence connected to denials of congregational transfer requests to the English District, interactions with other District Presidents, and comments from other Synod leaders. This seems to be mostly an overt move. At the same time, the District is involved in partnerships with other Districts in calls and dual parish arrangements; recent examples of this with the Ohio District and Pacific Southwest District were provided. His comments led to questions from Board members about reasons for congregations seeking transfer and why relationships with their Districts are strained.

President Hardy provided a brief legal update concerning the Arizona Campus Christian Center. Depositions have been taken. From the depositions, it appears that the Methodist ministry group had not invoked their reversionary clause. Judgment is expected in the latter part of 2023. Board members will be informed when that judgment is rendered. Location of LCMS campus ministry at the University of Arizona is currently undetermined; however, District funding for campus ministry is available.

President Hardy directed the Board’s attention to a closing congregation within the District. He is visit of Living Water - San Diego, CA will include discussion about distribution of their assets from future closure. President Hardy asked the Board to affirm a formula for designating funds received from closing congregations, so that he could present it to the members of Living Water - San Diego, CA. After Board members engaged in a thorough discussion about the matter, the following proposal was crafted: *“That the Board authorizes the District President and District Staff to implement the following formula to designate funds received from Living Water - San Diego, CA: 10% to be given to the Synod with or without designation; 60% to be invested in the District Endowment Fund; 30% to be received as undesignated net assets of the District. The Board further endorses the District President’s use of undesignated net assets for the support of mission projects within the District.”* Motion carried.

President Hardy spoke openly to Board members about the work currently required to maintain the level of visitation with congregations and institutions of the District, as well as encouraging their ministerial work. Current levels of visitation, which are positively received by District members, is due to efforts by himself and his staff to carry out these visitation objectives. He informed the Board members that he may need to relocate within the Detroit metropolitan area. Comments from Board members commended him for his work, as well as showing concern for how to assist him in bringing those objectives to fulfillment.

President Hardy commented briefly about the presenters who would speak to the Professional Church Worker Conference held later in the week.

President Hardy also mentioned his work at the Synod level, including involvement with Floor Committee 7 in the upcoming Synod Convention. This committee deals with higher education matters

within the Synod, which are in a controversial state, particularly due to actions taken by Concordia University Texas to withdraw from Synod oversight.

Connected to the District President's work, Chairman Leu introduced the matter of automobiles owned by the District and the suggestion of purchasing a new vehicle for the District President. Board members were informed that purchase of a new vehicle may take four months to complete. Chairman Leu put forward a motion: *"To approve the District President to spend \$30,000 of District assets plus the trade-in value of the current vehicle for the purchase of a new vehicle for his official use."* After brief discussion about how the vehicle is used and what trips are conducted by automobile versus air travel, the motion carried.

In a time of more open comment, Board members raised concerns about mission funding from the District, particularly the possibility of rethinking about how they are funded, the length of mission funding (e.g. the *"standard practice"* of grants limited to three-year terms), and whether new starts should be the only initiatives funded.

President Hardy informed the Board of a joint meeting held between leaders of the Lutheran Church–Canada (LCC) with LCMS leaders. This included his presence alongside the SELC District President Wally Vinovskis. Through these discussions, approval was granted concerning two different issues involving the District: (a) to receive an independent Lutheran congregation in Canada into the English District and (b) to receive ethnic ministries connected to extant English District congregations as self-standing congregations within the English District. Board members from Canada indicated positive developments in the relationship between the District and the LCC.

8. District Staff Reports

Rev. Derek Mathers, Executive Assistant for Missions, shared information with the Board about grants issued to District congregations to support ministry efforts in the field. For many recipients, availability of such contributions are not expected. His assessment is that recipients are bolstered by these grants, even if not extremely large.

Rev. Mathers also informed the Board that the District Mission Council has been disbanded. However, a new entity—currently unnamed—within the District is being organized for the purpose of assisting congregations and circuits in the matter of planting new mission starts. This entity will be involved in helping District congregations and circuits implement the *"Church Planting Simplified"* model that the Synod has developed. The new entity will be under his oversight.

Rev. Daniel Lepley, LCEF District Vice-President, noted the positive developments that are being found in congregations reaching out for resources that LCEF offers.

Mr. Albert Amling, Executive Assistant for Education, highlighted the expansion of school ministries at Fairlawn – Fairlawn, OH and Advent – Zionsville, IN. Two preschools in the Chicago suburbs will soon reopen after closure. He stressed that church workers are the primary recruiters of future church workers; a lack of church worker candidates, especially teachers, is a growing concern. The Synod's newly-begun *"Set Apart to Serve"* initiative is an attempt to identify candidates. Chairman Leu spoke positively about the Synod *"YouthLead"* leadership development program that he attended with three District youth members. District congregations should be encouraged to identify potential attendees.

Mr. Ronald Grimm, District Planned Giving Coordinator, updated the Board about his activities. He currently has 15 gift plans in development.

9. Canada Corporation Report

Mr. Jim Thielen, Chairman of the Canada Corporation, informed the Board about the financial activities and the financial status of the organization at the end of April 2023. He reported to the Board about the Synod's Commission on Constitutional Matters (CCM) March 2023 opinion concerning the proposed reorganization of the Canada Corporation. From the opinion, the matter will not receive approval by the CCM as it currently stands: *"As it currently stands, the commission cannot approve the proposed CanCorp Articles and Bylaws."* This led to a discussion about the status of the Canada Corporation reorganization, as well as how to respond to the opinion.

10. District Endowment Fund Report

Chairman Leu noted that the recent market performance of the Endowment Fund is low given the current economic situation. However, new money placed into the corpus of the fund has boosted the overall value of the Endowment Fund.

11. Recess & Dinner

At 4:25pm, Chairman Leu indicated that the Board would stand in recess until 9:00am on Tuesday morning. Vice-President Spittel offered a short concluding prayer prior to dismissal.

TUESDAY – MAY 9, 2023

Call to Order: Chairman Leu reconvened the meeting of the Board at 9:00am.

12. Morning Devotions

Vice President Spittel conducted morning devotions, utilizing the Morning Prayer service from Daily Prayer for Individuals and Families. He read a portion of 1 Thessalonians 5 and offered requested petitions for individuals.

13. LCEF / Canada Corporation Update

President Hardy informed the Board that LCEF CEO Bart Day had met with Synod Secretary John Sias and other individuals concerning potential bylaw change proposals to permit the Canada Corporation reorganization. The LCEF Board of Directors will submit a late overture to the 2023 Synod Convention to propose bylaw changes that would permit lending to partner church bodies. He informed the Board that it may be called on in a future meeting to submit a similar overture to the Convention. If the proposal is not adopted by the Convention, LCEF has pledged support to the District to conduct lending in similar ways as are currently taking place.

14. District Treasurer's Report

Treasurer Naglich presented the Statement of Financial Position as of March 31, 2023 and the Statement of Activities for the two months ended March 31, 2023 to the Board. A question was asked about how funding for the purchase of a new vehicle will fit into the financial statements: cash assets

would be used to make the purchase; the value of the vehicle would be placed within the Property & Equipment category, minus the value of the currently owned vehicle. Within her report, she highlighted the decrease in the amount of Notes/Loans Payable due to payments made against the LCEF line of credit that used to make loans to Lutheran congregations in Canada. Treasurer Naglich also provided the Board a report concerning the church properties sales and disbursements. Motion: ***“To accept the Treasurer’s Report.”*** Motion carried.

15. District Audit Review

Treasurer Naglich submitted to the Board the Audited Financial Statements for the Fiscal Years Ended January 31, 2023 and 2022. Mrs. Kristin Wellik led the Board in a discussion of the May 1, 2023 report provided by the Synod Internal Audit Department, highlighting various aspects of the report.

The report included the following opinion from the Internal Audit Department (*p. 1 of report*):

We have audited the accompanying financial statements of the English District of The Lutheran Church–Missouri Synod, which comprise the statement of financial position as of January 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the English District as of January 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Motion: ***“To accept the District Audit report for the Fiscal Years Ended January 31, 2023 and 2022.”***

During discussion, a Board member asked about the cost of the audit; the cost was reported as \$15,000, after being competitively bid out to several vendors. Board members were advised about the process used to conduct the audit. Other Board members asked about auditing or financial review services offered for congregations. Following this discussion, motion carried.

16. 2025-2028 Regional Alignment Discussion

Vice President Jeffrey Miskus brought forward the matter of Regional Alignment for the 2025-2028 triennium to fulfill the requirements of District Bylaw 3.3(a): *“The President and Vice-Presidents of the District and the Board of Directors acting jointly shall determine the membership of the four regions 24 months prior to Conventions of the District.”*

Vice President Miskus summarized the Vice Presidents’ joint opinion that maintaining the current four region alignment would be preferable to a more significant realignment into three regions. The recommendation from the Vice Presidents included two parts: (a) that the four region alignment be kept for the 2025-2028 triennium and (b) the Indiana Circuit (Circuit 14) be transferred from the Midwestern Region into the Lake Erie Region.

President Hardy shared with the Board that he frequently receives some complaints about the Lake Erie Region being the largest of the regions in terms of number of congregations. The complaints tend to be tied to elections at District Conventions.

Motion: ***“To maintain the current four region alignment for the 2025-2028 triennium and to transfer of the Indiana Circuit (Circuit 14) from the Midwestern Region to the Lake Erie Region.”*** Motion carried.

17. Treasurer Taskforce Update

Mr. Lucas Fitzgerald, member of the task force, led Board members through an analysis of how various financial duties are assigned within various Districts. This showed how different financial duties are distributed among District Treasurers, District Boards, and District Staff. The task force intends to bring a proposed framework for organization to the Board at its August 2023 meeting.

18. District Office Property Improvements

President Hardy informed the Board about needed improvements to the District Office property. The parking lot was resurfaced over 12 years ago and may need to be replaced instead of resurfaced. Bids are being submitted for both resurfacing and replacement. He requested that the Board authorize funding for these improvements. Motion: *"To authorize the District President to spend up to \$70,000 from Board-designated funds designated for property improvements to repair the District Office parking lot."* During discussion, Board members raised questions about the type of repairs intended, as well as the necessity/benefit of having a District office building. Suggestion was made to have a committee appointed to evaluate the necessity/benefit of a District office building and other options besides building ownership (e.g. *leasing*). Motion carried.

19. Funding of Vicar Attendance at Professional Church Worker Conferences

Secretary Zimmerman brought forward the question whether attendance expenses of vicars to Professional Church Worker Conferences should be covered by the District, similar to how the attendance expenses of pastors and other church workers are covered. From discussion, it appeared that the lack of covering attendance expenses by vicars was inherited without any intentional decision having been made. President Hardy indicated that attendance costs for vicars at future Professional Church Worker Conferences would be covered.

20. Recognition of District Service

Vice President Morehouse suggested that congregations be thanked annually for their church workers and lay members who are serving as Board members. Suggestion was made that this be transmitted to the congregations by the Board chairman.

21. Optional Payments of Single Rooms for Lodging

Mr. Fitzgerald proposed a change in how single rooms for lodging are paid for. Motion: *"To establish as policy that Board members no longer be required to pay for single room lodging to attend meetings."* After being informed that payment for single room lodging was not required by policy, the motion was withdrawn.

22. Review of Board Flow Chart

Review of the Board Flow Chart indicated that appointment of a President's Salary Review Task Force and a Personnel Review Task Force was necessary. Chairman Leu indicated that these were combined in the previous year. Action: *"Chairman Leu appointed Carol George, Thomas Habitz, and Kristin Wellik to serve in this dual task force capacity."*

23. Future Meetings & Locations

Chairman Leu reminded Board members of the dates and locations of meetings in 2023:

AUG 18-20 Immanuel - Alexandria, VA

NOV 4-5 St. John the Divine - Chicago, IL

24. Closing Prayer & Adjournment

Motion: *"To adjourn the meeting."* Motion carried.

Vice President Spittel offered prayers of thanksgiving and blessing for the Board's decisions and actions and for the subsequent Professional Church Worker Conference, as well as safe return travel.

Submitted,

Rev. Luke Zimmerman
Secretary, English District-LCMS