

ENGLISH DISTRICT BOARD OF DIRECTORS MEETING

August 19, 2023

Meeting Location:

Immanuel Lutheran Church, 1801 Russell Rd, Alexandria, VA 22301.

Attendance: Voting Members - Mr. Christopher Cassel, 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, Mrs. Kristin Wellik, Rev. Luke Zimmerman. **Non-Voting Members** - 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.

Not in Attendance: Rev. Jeffrey Miskus

Call to Order: Chairman Terry Leu called the meeting to order at 9:00am.

1. Opening Devotions

Rev. Robert Rogers, Midwestern Region Vice-President, conducted morning devotions, offering a homily based on the themes stated in the Old Testament Reading for Proper 15A: Isaiah 56:1, 6-8.

2. Roll Call and Determination of Quorum

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

3. Approval of Agenda

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

4. Introduction of Midwestern Region Lay Member

Chairman Leu introduced Mr. Christopher Cassel, who had been appointed at the June 2023 Board Meeting [*cf. JUN 2023 Meeting Minutes - Item 2*] to replace Ms. Gail Greiser. Mr. Cassel spoke about various lay leadership roles held by him at his home congregation (*Redeemer - Lincoln, NE*) and his past service on the Board from 2015-2022.

5. Resignation of Board Member & Replacement Appointment

Chairman Leu informed the Board that Rev. David Petersen, Ordained Member - Midwestern/Western Region, resigned his position on August 8, 2023, due to his election to the Synod Commission on Theology and Church Relations.

Following this notification, President Jamison Hardy and Chairman Leu nominated Rev. Todd Arnold to fill the vacancy created by Rev. Petersen's resignation. Motion: *"To appoint Rev. Todd Arnold as Ordained Member - Midwestern/Western Region."* Discussion followed about Rev. Arnold's qualifications, as well as the number of Board members from one Circuit. Motion carried.

Chairman Leu informed the Board that Rev. Petersen's resignation from the Board also led to the vacancy in the Vice-Chairman position. Two nominees were proposed by Board members to serve as Vice-Chairman for the remainder of the triennium: Mr. Christopher Cassel and Rev. Robert Kieselowsky. Balloting was conducted, resulting in *Rev. Robert Kieselowsky being elected as Vice-Chairman*.

6. Approval of May 2023 Meeting Minutes

Secretary Zimmerman presented draft minutes of the May 2023 Board of Directors meeting to the Board for approval. Motion: *"To approve the minutes as presented."* Motion carried.

7. Approval of June 2023 Teleconference Meeting Minutes

Secretary Zimmerman presented draft minutes of the June 2023 Board of Directors teleconference meeting to the Board for approval. Motion: *"To approve the minutes as presented."* Motion carried.

8. Review of Prior Meeting

Chairman Leu led the Board in a review of its meeting in May 2023. Comments were shared about the Professional Church Worker Conference that was held following the Board meeting. Board members shared that the host congregation participation was excellent and beneficial, while the speakers were good. Treasurer Sally Naglich reported that the attendance at the conference was lower than usual, while noting that it was the first held following COVID-19 suspensions. Further comment was made that being able to conduct Board business in one day is beneficial.

9a. District President's Report

President Jamison Hardy began his report by informing the Board that his family has purchased a new house in the Detroit metropolitan area, while his current house is about to be sold in short order. He also shared some details of his family life.

President Hardy distributed copies of his recently published book, *Pastoral Leadership: Shepherding and Caring for God's People*, to all members of the Board. He informed Board members that the book will be used by Concordia Theological Seminary Fort Wayne (CTSFW) in pastoral theology courses, as well as by some instructors in the Wisconsin Synod.

President Hardy spoke about the recent death of Mr. Walter Dissen, a lay member of Faith - Chesapeake, VA and longtime servant within the Synod. He will be attending the funeral for Walter Dissen to be held at CTSFW on August 27.

President Hardy informed the Board that Vice-President Jeffrey Miskus had conducted a three-day visitation with the pastor and parishioners of Jacob's Well - Fort Wayne, IN. Laity from the congregation reported that the congregation's pastor had not been sharing information from the District with them. Some further details about ecclesiastical supervision conducted by Vice-President Miskus were shared.

President Hardy updated the Board about some of the fallout from the 2023 Synod Convention's actions regarding Concordia University Texas and the atmosphere among LCMS members in the Texas District. This may have repercussions concerning potential work in Texas, including mission starts that may organize and desire to be affiliated with the English District.

President Hardy reported that Rev. Keith Speaks has resigned as pastor of Hales Corners - Hales Corners, WI. His resignation was part of taking up training as an Intentional Interim Pastor. He is being assigned to serve as interim pastor at Faith - Arlington Heights, IL, an English District congregation.

President Hardy offered some summary reflections about the activities taken by the 2023 Synod Convention. He emphasized the high percentage votes taken on actions by the Convention, particularly in connection with the resolutions on higher education, including Concordia University Texas. Other Board members gave their sentiments about the Convention's actions. District delegates were provided with two breakfasts where guest speakers presented on various matters that were facing the Convention delegates.

X. Executive Session 1

The Board moved into executive session at 10:25am to discuss legal matters. The Board exited executive session at 11:15am.

9b. District President's Report (continued)

President Hardy informed the Board that he will be meeting with Rev. Bart Day, chairman of Lutheran Church Extension Fund, to begin discussions between LCEF and the Canada Corporation.

President Hardy reported that Nazareth - Buffalo, NY has ceded its property to the District, which includes church buildings and houses. Part of the property is being listed for sale. Motion: *"That the Board authorizes the District President and District Staff to execute the sale of the property and to implement the following formula to designate funds raised by the sale of property in Buffalo, NY that was ceded to the District: 10% to be given to the Synod, 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.

In response to a Board member's question, President Hardy updated the Board about congregational transfer requests from the District. Both Peace in the Valley - Benson, AZ has withdrawn its request to transfer to the Pacific Southwest District. Additionally, Peace of the Desert - Palm Desert, CA is no longer actively considering a request for transfer to the Pacific Southwest District.

10. District Staff Reports

Rev. Derek Mathers, Executive Assistant for Missions, directed the Board's attention to his written report. He highlighted the fact that the District has already started to meet the requirements of Resolution 1-06A adopted by the 2023 Synod Convention. He informed the Board that initial explorations are being made about the potential of a mission congregation being started in Harrisonburg, VA, which the Southeastern District is not targeting. Other inquiries have been made about a new congregation being started out of Celebration - Jacksonville, FL by a separating group from the current congregation. Hope - Kitchener, ON is evaluating its financial status. The mission at Shepherd of the Canyon - Gold Canyon, AZ has found a semi-permanent home in a rented building.

Rev. Daniel Lepley, LCEF District Vice-President, reported that education space is a growth opportunity for new mortgages and capital campaigns, highlighting the capital campaigns conducted at Fairlawn - Fairlawn, OH and Crosspoint - Sahuarita, AZ. School opening at Advent - Zionsville, IN is the impetus for a capital campaign at that congregation. Loans in process would be an increase of 50% over the

current amounts currently held by English District congregations. The increase in loans being issued is also necessitating raising more investments in LCEF. New CD interest rates have been raised to solicit investments.

Mr. Albert Amling, Executive Assistant for Education, highlighted the fact that the *Set Apart to Serve* Initiative has moved out of its pilot phase and is being implemented in the Synod. He also noted that Immanuel Lutheran School - Alexandria, VA and West Portal Lutheran School - San Francisco, CA received accreditation renewal by organizations during the past school year; ILS received exemplary status in the CCLE model of accreditation. Board members asked about reasons for the lack of movement on the association school concept in Tucson, AZ and about any effects of state education tuition vouchers limiting activities of Lutheran schools.

Mr. Ronald Grimm, District Planned Giving Coordinator, noted that the amounts listed in his reports were fluid, depending upon decisions made by individuals in finalizing their planned giving actions.

11. Recess & Lunch

The Board went into recess at 12:00pm for lunch. Vice-President Rogers offered prayer and table blessing.

Following lunch, the Board reconvened its meeting sessions at 1:00pm. Vice-President Rogers led Board members in noon prayers, reading the Gospel Reading for Proper 15A: Matthew 15:21-28.

Rev. Christopher Esget provided Board members with a tour of the congregation's facilities, which highlighted renovations to the church completed in recent years and the ILS school building.

12. Constitution and Membership Committee Report

President Hardy presented the report of the Committee on Constitutions and Membership. Motion: *"To approve the revisions to the governing documents of Peace of the Desert - Palm Desert, CA."* Motion carried.

President Hardy presented application of a congregation for membership within the Synod from First - Kingsville, ON, currently a congregation of Lutheran Church-Canada. Motion: *"To receive First - Kingsville, ON as a member congregation of The Lutheran Church-Missouri Synod within the English District, assigning it to the Canada-West Circuit (Circuit 8)."* Motion carried.

13. 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 June 2023. He noted that the decline in loans and mortgages receivable is primarily due to congregations more aggressively repaying their loans. Mortgage interest rates for Peace - Windsor, ON and Peace - Tillsonburg, ON were reviewed and reset. An additional loan request for Hope - Kitchener, ON for physical plant improvement was reviewed; longer term sustainability of the congregation is being pursued by its members, which may include possible sale of the current property.

Mr. Thielen reported that dialogue with LCEF leadership continues to determine the next steps for the proposed reconfiguration of the Canada Corporation. Due to issues with legal structures and requirements of LCMS governance, reconfiguration is anticipated to take approximately a year to complete.

14. District Endowment Fund Report

Chairman Leu reported that performance of the Endowment Fund balance reflects the current economic environment. Increases in principal can be attributed to additions to the fund via asset transfers from the sale of closed congregation properties.

President Hardy spoke about the ability of investing Endowment Fund corpus within venture capital endeavors. Motion: *"To amend the Investment Policy for English District Endowment Fund by adding the item 'venture capital endeavors' within the category of 'Types of Investments.'"* After not receiving a second, the motion was withdrawn.

15. District Treasurer's Report

Treasurer Naglich presented the Statement of Financial Position as of June 30, 2023 and the Statement of Activities for the five months ended June 30, 2023 to the Board. Her report provided a comparison of these to the corresponding status on June 30, 2022. A significant increase in total liabilities and net assets held by the District has been seen from June 2022 [\$5,830,796.88] to June 2023 [\$9,212,072.41]. A portion of this increase is tied to the reception and sale of ceded property from closed congregations.

Various questions about the report from Board members were addressed by Treasurer Naglich. Motion: *"To accept the Treasurer's Report."* Motion carried.

X2. Executive Session 2

The Board moved into executive session at 2:15pm to discuss matters connected to personnel review and establishing of the District President's salary for the Fiscal Year Ending January 31, 2025. The Board moved out of executive session at 3:25pm.

16. Treasurer Task Force Report

Mr. Thomas Honebrink presented the Task Force's August 2023 update. Task force members encouraged comment and feedback from Board members. The task force anticipates providing proposed policy revisions to the Board at its November 2023 meeting for review.

17. Preliminary Budget Assumptions for FYE January 31, 2024

President Hardy introduced the draft Ministry Plan for the Fiscal Year Ended January 31, 2023. This was accompanied by a set of Preliminary Budget Assumptions for Fiscal Year Ended January 31, 2025 that factored into the development of the ministry plan. Updates to the preliminary budget are likely to be provided to Board members prior to the November 2023 meeting.

18. Updates on District Office Property Improvement

President Hardy updated Board members about the status of property improvements previously approved by the Board [*cf. MAY 2023 Meeting Minutes - Item 18*]. The parking lot has been resurfaced. The office's WiFi system has been greatly upgraded, allowing for more remote and deployed communications when warranted.

19. Appointment of District Reconcilers

Secretary Zimmerman informed Board members of the duty to appoint and maintain a roster of four District Reconcilers through a report dated August 17. Motion: *"To appoint Mr. Rick Crain and Mr. Charles Porter as District Reconcilers and to have the Vice-Presidents of the District encourage their respective region's Circuit Visitors to recommend potential nominees by October 1, 2023."* Motion carried.

20. English District Endowment Fund Investment Policy Revision

The matter of the English District Endowment Fund Investment Policy was reintroduced. Motion: *"To amend the Investment Policy for English District Endowment Fund by adding the item 'alternative investment-venture capital' within the category of 'Types of Investments.'"* Discussion was held about adding the category to the policy. Motion carried.

21. Identification of Items for Next Meeting

Board members identified business items for the NOV 2023 meeting:

- Treasurer Review Task Force Update
- Ministry Plan for Fiscal Year Ending January 31, 2025

22. District Office Sale

Treasurer Naglich informed the Board that an unsolicited inquiry from a church in Farmington, MI was received whether the District Office building would be for sale. President Hardy asked that the Board would allow him and District Staff to explore the possibility and to report back to the Board with any proposal that would be deemed reasonable and beneficial. No objection was made by the Board.

23. Future Meeting Dates and Locations

Chairman Leu reminded Board members of the established dates and locations of future meetings:

NOV 4-5, 2023 St. John the Divine - Chicago, IL
FEB 6-7, 2024 Immanuel - Orange, CA

President Hardy informed Board members of the date for the Spring 2024 Board meeting held in conjunction with the Professional Church Worker Conference:

APR 29-30, 2024 Advent - Zionsville, IN

25. Closing Prayer & Adjournment

Motion: *"To adjourn the meeting."* Motion carried. Vice-President Rogers offered a closing prayer.

Submitted,

Rev. Luke Zimmerman
Secretary, English District-LCMS