

ENGLISH DISTRICT BOARD OF DIRECTORS MEETING

April 29-30, 2024

MONDAY – APRIL 29, 2024

Meeting Location:

Advent Lutheran Church, 11250 North Michigan Road, Zionsville, IN, 46077.

Attendance: Voting Members - Rev. Todd Arnold, Mr. Christopher Cassel, Ms. Carol George, Mr. Thomas Habitz, Rev. Jamison Hardy (*Pres.*), Mr. Thomas Honebrink, Rev. Robert Kieselowsky, Mr. Terry Leu, Mr. Rod Lane, Mr. Keith Vieregge, 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.

Call to Order: Chairman Terry Leu called the meeting to order at 1:05pm.

1. Opening Devotions

Rev. Robert Rogers led opening devotions according to the order of Morning Prayer from *Lutheran Service Book*, providing a homily based on John 15:1-8, which focused on the work that Christ performs in His people who abide in Him and His Word.

2. Roll Call and Determination of Quorum

Secretary Luke Zimmerman called the roll of members. From that roll call, a quorum of voting members was determined to be present.

3. Approval of January 2024 Meeting Minutes

Secretary Zimmerman presented draft minutes of the January 2024 Board of Directors meeting to the Board for approval. Motion: *"To approve the minutes as presented."* Motion carried.

4. Approval of March 2024 Meeting Minutes

Secretary Zimmerman presented draft minutes of the March 2024 Board of Directors teleconference meeting to the Board for approval. Motion: *"To approve the minutes as presented."* Motion carried.

Following the approval of the past meeting minutes, Secretary Zimmerman informed Board members that approved Board meeting minutes from the current triennium are being posted to the District website, fulfilling the policy established by the Board at its January 2024 meeting [*cf. JAN 2024 Meeting Minutes - Item #17*].

5. Review of Prior Meetings

Chairman Leu began a review of the Board's meeting held in Orange, CA. Board members commented favorably about the hospitality that was provided to Board members through Lutheran Church Extension Fund (LCEF). A Board member raised a question concerning the scholarship money

appropriated by the Board for the family of the late Lucas Fitzgerald [cf. NOV 2023 Meeting Minutes - Item #7]; President Jamison Hardy informed the Board that there is no present need for the scholarship money to be disbursed because both daughters are currently being provided free tuition at the Lutheran schools they attend. When an opportunity for providing financial support arises, the appropriated money can be distributed.

Another question was raised by a Board member concerning tracking past actions taken by the Board. Motion: ***"To modify the Flow Chart for Major, Repetitive English District Board of Directors Activity to include both a quarterly business item of ongoing concerns and an annual review of past actions taken by the Board."*** Motion carried.

6. District President's Report

President Hardy began by noting that his report to the Board is minimal this quarter due to recently extensive travel for activities involving both District and Synod entities.

President Hardy informed the Board that he had visited St Thomas - Magnolia, TX, the congregation recent added to the District. That mission start is currently being served by visiting clergy. The District has also received applications and inquiries about new congregational starts, which may be presented for Board action prior to its regular quarterly meeting in August.

President Hardy spoke highly about a visit to the Concordia Historical Institute archives. He informed Board members that the Concordia Historical Institute holds 40 boxes of unprocessed materials from the English District at the archives. He is authorizing the Concordia Historical Institute to begin processing those materials. Motion: ***"To affirm the District President's decision to release the materials for processing by Concordia Historical Institute."*** Motion carried. Following this action, President Hardy announced that the District will become a sponsor of Concordia Historical Institute this year.

President Hardy informed the Board that documents from the District's end necessary to concluding the sale of the former Nazareth - Buffalo, NY property have been signed. The due diligence period has closed. Actions are necessary from the purchaser's end to complete the sale. It is hoped that this might be concluded in the near future. He also informed the Board that a tenant's 12-month lease agreement for a house in Buffalo that has not been sold reaches conclusion at the end of June. Motion: ***"That the Board authorize the District President and the District Treasurer to negotiate with the current tenants either to extend their lease agreement by 12 months or to enter into a purchase agreement with the District."*** Discussion ensued about monthly rent rates and mortgage interest rates that would be offered, as well as the number of mortgage loans currently held by the District. Motion carried.

President Hardy updated the Board about the Arizona Campus Christian Center legal case. The other party in the dispute has moved that the judge reconsider his recent order about the deed restriction. One issue that exists is that the other party does not currently have the funds to buy out the District's portion of the property. This may lead the entity to declare bankruptcy or to pursue selling the property. A third option would be for the District to offer a loan to the other party with the property being held as mortgage collateral. Board members inquired about the financial status of the other party and the motives of the other party to continue in the dispute. Board members also asked whether the District would operate within the center with the Methodist/Wesleyan ministries groups present; President Hardy's response was that the District would be back operating within the building only if the District fully owned it.

President Hardy reported that the LCMS Commission on Constitutional Matters is currently holding up approval of LCEF documents involving the Canada Corporation. This has prolonged the process for the LCMS Board of Directors to grant permission for LCEF operations in Canada. Canadian investors have been contacted that their investment certificates will be redeemed by the Canada Corporation.

President Hardy informed the Board that a United States Equal Employment Opportunity Commission (EEOC) complaint was filed against the District concerning Rev. Kenneth Gee, who had been pastor at Chatham Fields - Chicago, IL. This complaint has been dismissed by the EEOC, since entities with fewer than 15 employees are exempt from EEOC regulations.

President Hardy reported that LCEF desires to limit the line of credit held with them by the District. The limitation will reduce the line of credit from \$2,000,000 to \$500,000. Board approval is necessary to accept the changed terms. Motion: *"To approve the resolution 'To Approve a Revised Loan from Lutheran Church Extension Fund.'"* [See Attachment A.] Motion carried.

7. District Staff Reports

Rev. Derek Mathers, Assistant to the Bishop and District Mission Executive, highlighted the number of developing missions within the District. Congregations now participating in the Church Planting Simplified process are being offered \$100,000 matching grants. Developing congregations in Gold Canyon, AZ, West Olive, MI, and Magnolia, TX are being qualified to access this grant. Potential developing congregations in Uniontown, PA and Celebration, FL may be considered for this grant. Rev. Mathers also spoke about the plan that Hope - Kitchener, ON is developing to replant the congregation through the Church Planting Simplified process, while also selling its current property.

Rev. Daniel Lepley, District LCEF Vice-President, informed Board members that LCEF investments continue to grow at a 2-3% rate, but the loan demand has spiked. Requirements for borrowers are being tightened to limit the number of loans being issued. New investors are needed to raise money to be loaned out to ministries. A target to raise at least \$150 million in investments would allow for loaning capability to come closer to meeting loan demands. LCEF is offering a new Ministry Improvement Loan of up to \$150,000 with graduated interest to congregations.

Mr. Albert Amling, District Education Executive, updated the Board on the Synod's Set Apart to Serve initiative; thirteen (13) individuals from the District are entering church ministry studies this Fall. The 2024 Lumen Christi awards are being delivered to parish educators this Spring. A task force has been established to determine Lutheran education possibilities in Southern Arizona.

Mr. Ronald Grimm, District Planned Giving Coordinator, spoke about the locations where he is working with individuals to develop gift plans. Gift plans are being developed with people in Arizona, Georgia, Indiana, Michigan, Missouri, and Pennsylvania. A new matter that he is encountering are contacts asking where needs exist; some of those discussions have led to testamentary gifts being established with the English District as a beneficiary.

8. District Constitution Committee Report

The District Constitution Committee recommended that the Board approve the revised governing documents from Ascension of Christ - Beverly Hills, MI and West Portal - San Francisco, CA. Motion: *"To approve the revised governing documents from Ascension of Christ - Beverly Hills, MI and West Portal - San Francisco, CA."* Motion carried.

9. Canada Corporation Report

Mr. Jim Thielen informed the Board that the Canada Corporation held several digital meetings from January–April 2024 to establish annual interest rates on loans. A process to redeem investor certificates began on March 11, 2024; a letter has been sent to holders of investor certificates requesting response within thirty (30) days of receipt. A deadline for the Canada Corporation to conform to Canadian law is October 19, 2024; restructuring and repositioning of the Canada Corporation is desired to be completed by that deadline, as well as completing the redemption of all investor certificates. A statement of activities comparing 2023 to 2024 was also presented to the Board as part of this report.

10. English District Endowment Fund Report

Chairman Leu informed the Board of the Endowment Fund Board of Managers' desire to continue use of Mr. Rande Casaday as the Endowment Fund's financial advisor. Since Mr. Casaday has moved from Stifel Nicolaus to Confluence Financial Partners, the Endowment Fund Board of Managers has recommended moving firms to maintain a working relationship with him. Motion: *"To adopt the resolution, 'To Authorize the Opening of an Investment Account for English District Endowment Fund Holdings with Confluence Financial Partners.'" [See Attachment B.]* Board members were provided further details about the background and rationale for the Endowment Fund Board of Managers' recommendation. Motion carried.

11. District Audit Review

Results of the LCMS Accounting and Financial Services' audit of the District's financial statements for the Fiscal Years Ended January 31, 2024 and 2023 were shared with Board members. Results were published with a date of April 11, 2024. Mrs. Kristin Wellik and Mr. Thielen shared their positive reflections of the auditing process. President Hardy also informed the Board that the costs for the audit from LCMS Accounting and Financial Services was comparable with proposals from other firms.

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023."*
Motion carried.

12. District Treasurer's Report

Treasurer Sally Naglich presented the Board with The Statement of Financial Position as of March 31, 2024 and March 31, 2023 and the Statement of Activities for the two months ended March 31, 2024 and 2023. The Statement of Financial Position - U.S. reflects an increase in net assets of \$15,617.41 for the first two months of the fiscal year. The Statement of Financial Position - Canada reflects that net assets have increased by \$8,739.33.

President Hardy reviewed with the Board all the grants issued in 2023 and 2024 to various District entities from funds obtained via congregational dissolutions and property sales. These disbursements conform to a formula previously adopted by the Board: 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.

Motion: *"To accept the Treasurer's Report as presented."* Motion carried.

13. Appointment of Registered Illinois Agent

Board members were informed that Mr. Paul Barbahen, the District's attorney who also served as the District's Registered Agent in Illinois, recently died. Ms. Mary Rinda, an attorney and former Board member who is a member of Trinity - Villa Park, IL, was contacted about potential service as the District's Registered Agent in Illinois. No response has yet been received concerning her interest in serving or to offer other suggestions. Board members will be updated when a response is received.

14. Presidential Performance Review Discussion

Chairman Leu introduced the matter of Presidential Performance Review by the Board. Mr. Christopher Cassel suggested that the Board employ a Likert Scale method to provide review of the performance of the District President, as was done in the past. Mrs. Wellik spoke about research of expectations that past Boards had established for review of the District President. President Hardy emphasized that three required areas of review are: (1) care for workers, (2) visitation of congregations, and (3) management of the corporation.

Mr. Cassel recommended that the Board use the 2020 Evaluation of District President Performance as a standard for review. Motion: *"To adopt the '2020 Board of Directors Evaluation of District President Performance' (uploaded to app.mycommittee.com as DistrictPresidentEvaluationSurvey.2020.docx) as the executive performance evaluation tool."* Question was raised about how the Board could wrestle with the matter of the future of the District. That was deemed to be beyond the matter of Presidential Review, though it may be beneficial to the District. Following discussion, motion carried.

15. 2025 District Convention Preparation

President Hardy announced that the 2025 Convention will be held at Concordia University-Ann Arbor, MI from June 26-28, 2025. He informed the Board that he is appointing a Convention Planning Committee with Rev. Jeffrey Miskus as its chairman.

16. Review of District BOD Flow Chart

Chairman Leu reviewed the Flow Chart for Major, Repetitive English District Board of Directors Activity. He announced that the required President's Salary Review Task Force and the Personnel Review Task Force will be appointed this week.

17. Items for Next Meeting

Several items of business were identified for the August 2024 meeting agenda, including items listed in the Flow Chart for Major, Repetitive English District Board of Directors Activity:

- Analyzing a “test run” of District President Performance Review Process
- Setting the District President’s Salary
- Discussing Personnel Reviews
- Reviewing Budget Draft

18. Future Meetings

The date and location for the August 2024 meeting was confirmed: AUG 10-11, 2024 at Peace - Windsor, ON. Board members were informed about the requirements for traveling across the United States/Canada border and being prepared to do so.

Board members were informed that a teleconference meeting of the Board may be scheduled for later in May 2024 to address items of business that could not be completed at its April meeting.

19. Adjournment

Motion: *“To adjourn the meeting, with the possibility of Board members being called by the Chair to convene during the morning of Tuesday, April 30, 2024.”* Motion carried without objection. Rev. Rogers provided a closing prayer at 4:50pm.

TUESDAY – APRIL 30, 2024

Meeting Location:

Home2Suites, 8930 Wesleyan Road, Indianapolis, IN, 46268.

Attendance: Voting Members - Rev. Todd Arnold, Mr. Christopher Cassel, Mr. Thomas Habitz, Rev. Jamison Hardy (*Pres.*), Mr. Thomas Honebrink, Rev. Robert Kieselowsky, Mr. Terry Leu, Mr. Rod Lane, Mr. Keith Vieregge, 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. **Not Attending** - Ms. Carol George.

Call to Order

Chairman Leu called the meeting to order at 9:30am.

20. Opening Prayer

Rev. Todd Arnold provided an opening prayer.

21. Constitution Committee Chairman Resignation

President Hardy informed the Board that Rev. Marcus Zill has resigned from the District Committee on Constitutions and Membership. Secretary Zimmerman has been appointed to serve as interim chairman until a new Committee Chairman is appointed. More committee members may also be appointed.

22. Update on New Congregation Applications

Two congregations that have submitted application for membership within the Synod through the English District are having their governing documents reviewed. That process will need to be completed prior to the Board acting on their applications. Board members were informed that at least one teleconference meeting will be called prior to the regular quarterly meeting scheduled for August 10-11, 2024 to take action on the applications.

23. Advent - Zionsville, IN School Expansion and LCEF Loan

President Hardy updated the Board about the expansion of the school at Advent - Zionsville, IN. He and Rev. Lepley attended a congregational meeting on the evening of April 29 about the planned building expansion to accommodate the school. The District may consider offering financial assistance for the congregation to provide tuition grants to school enrollees.

24. District Professional Church Worker Conference

President Hardy provided a summary of the agenda for the District Professional Church Worker Conference that is being held at Advent - Zionsville, IN from April 30–May 2, 2024. Two highlighted events during the conference are (1) the presentation of the Roger D. Pittelko Award and (2) CTSFW President Lawrence Rast’s discussion of the English District’s role within the Seminex movement.

25. Adjournment

Motion: *“To adjourn the meeting.”* Motion carried. Chairman Leu adjourned the meeting at 9:50am.

Submitted,

Rev. Luke Zimmerman
Secretary, English District–LCMS

ATTACHMENT A
To Approve a Revised Loan from Lutheran Church Extension Fund

WHEREAS, the Borrower signed a Letter Agreement and an Assignment, Pledge and Security Agreement dated as of May 1, 2021, in favor of Lutheran Church Extension Fund-Missouri Synod ("LCEF") in the amount of \$2,000,000.00 for the purpose of providing loan capital to The English District of The Lutheran Church - Missouri Synod (Canada Corporation); and

WHEREAS, the Borrower desires to borrow the sum of up to \$500,000.00 for the purpose of renewing and decreasing its existing loan #9990065865 and refinancing it as a line of credit (with a current balance of \$0.00) with Lutheran Church Extension Fund-Missouri Synod; and

WHEREAS, Lutheran Church Extension Fund-Missouri Synod has offered to make a loan in such amount to the Borrower;

NOW THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the Borrower borrow the sum of up to \$500,000.00 from Lutheran Church Extension Fund-Missouri Synod which loan is to be evidenced by one or more Letter Agreements and Assignment, Pledge and Security Agreement providing for interest rates and terms as determined by the loan approval letter.
2. That the said loan be secured by a Commercial Security Agreement and a UCC-1 filing on inventory, accounts receivable, leasehold improvements, furniture, fixtures, etc. of the Borrower.
3. That the legal signers as specified in the Articles of Incorporation and/or the Constitution and Bylaws of the Borrower or, if not specified, the President and Secretary or, in the absence of the Secretary, another Officer, of the Borrower are hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Borrower a Commercial Security Agreement, a Loan Agreement, and a Letter Agreement as above provided, and said Officers are further authorized, empowered and directed to do all such acts and things to execute and deliver all such documents as may, in the discretion of said Officers be deemed necessary, proper or convenient to carry out and comply with the provisions and terms upon which said loan is being made to the Borrower and the same are hereby approved in all respects.

ATTACHMENT B

To Authorize the Opening of an Investment Account for English District Endowment Fund Holdings with Confluence Financial Partners

WHEREAS, The Governing Documents of the English District Endowment Fund establishes a duty of the Endowment Fund Board of Managers *“to review and recommend to the Board of Directors any changes in the Endowment Fund investment policy and management agreement”* (English District Endowment Fund Governing Documents 5.2.2); and

WHEREAS, The Governing Documents of the English District Endowment Fund states: *“The Board of Managers shall research and give guidance in the investment of Fund moneys. Final responsibility for such investment lies with the Board of Directors of the District.”* (English District Endowment Fund Governing Documents 7.0); and

WHEREAS, The Investment Policy of the English District Endowment Fund states: ***“Use of Outside Advisor:*** *The EDEF Board of Managers shall be authorized to hire outside investment advisors as needed”*; and

WHEREAS, The English District Endowment Fund Board of Managers at its April 17, 2024 meeting approved the following action: *“to move our American Funds investment portfolio currently invested at Stifel to Confluence”*; therefore, be it

Resolved, That the English District Board of Directors affirm the April 17, 2024 decision of the English District Endowment Fund Board of Managers to transfer the English District Endowment Fund’s holdings currently invested at Stifel Nicolaus to Confluence Financial Partners (a Raymond James Company); and be it further

Resolved, That the English District Board of Directors terminate the English District’s current management agreement with Stifel Nicolaus; and be it further

Resolved, That the English District Board of Directors authorize the District Treasurer to establish an investment account and management agreement for English District Endowment Fund holdings with Confluence Financial Partners; and be it finally

Resolved, That the English District Board of Directors authorize the District Treasurer to transfer all English District Endowment Fund holdings currently held with Stifel Nicolaus to Confluence Financial Partners at the earliest practical date.