

ENGLISH DISTRICT BOARD OF DIRECTORS MEETING

August 12–14, 2022

Location: Epiphany Lutheran Church, 4219 Park Lane, Dorr, MI 49323

Attendance: Voting Members - Mr. Lucas Fitzgerald, Ms. Carol George, Ms. Gail Grieser, 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. 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. **Guest:** Rev. Wayne Morton. **Absent:** Rev. Jeffrey Miskus.

FRIDAY – AUGUST 12, 2022

Call to Order: Secretary Luke Zimmerman called the meeting to order at 2:05pm, noting his temporary chairing of the meeting due to the lack of a Chairperson and Vice-Chairperson.

1. Roll Call

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

2. New Member Welcome & Opening Devotions

President Jamison Hardy commented on the change of the membership of the Board. He noted the different character that this meeting of the Board would have compared to other meetings.

President Hardy led noon-day prayers, supplying a message based on 2 Corinthians 9:8. His message spoke of the ability that God has to carry out His work through individuals who are not capable in themselves. In all things we will have the sufficiency to perform the good work that God has given for us, including our District, to accomplish. Prayers for several pastors in the District and for blessing of the Board's work were offered.

Following noon-day prayers, Board members and District staff were given opportunity to introduce themselves, beginning with those who were elected to the Board at the 2022 District Convention.

3. Approval of Agenda

Secretary Zimmerman introduced the meeting agenda for approval. Motion: *"To approve the agenda as presented."* Motion carried.

4. Approval of June 2022 Meeting Minutes

Secretary Zimmerman presented draft minutes of the June 2022 Board of Directors meeting to the Board for approval. Motion: *"To approve the minutes as presented."* Motion carried.

5. Approval of Convention Final Day Minutes

Secretary Zimmerman presented draft minutes of the June 22, 2022 session of the 2022 District Convention for approval. Motion: *"To approve the minutes as presented."* Motion carried.

6. Introduction of 2022–2025 Triennium Theme

President Hardy spoke about the theme identified for the 2022–2025 triennium: *"God in all things... without borders."* The theme is based on 2 Corinthians 9:8. He noted that this theme is what he carries out to the congregations of the District. It will guide the agenda that he wishes for the District to carry out in the triennium. Part of "God in all things" includes having God's Word and its teaching involved in all the District's work. The District's activity will be the good work that God would have it do.

7. Election of Chairperson & Vice-Chairperson

Rev. Wayne Morton, past Chairperson of the Board of Directors, was invited by the Board to conduct the election of Chairperson and Vice-Chairperson for the 2022–2025 triennium.

Nominations for Chairperson were solicited from the voting members of the Board. The following individuals were nominated for Chairperson and consented to stand for election:

- Mr. Terry Leu
- Rev. David Petersen

Board members discussed the role of Chairperson and qualities desired for it. Following discussion, voting members conducted a ballot for Chairperson, which resulted in *Mr. Terry Leu being elected* as Chairperson of the Board for the 2022–2025 triennium.

Nominations for Vice-Chairperson were solicited from the voting members of the Board. The following individuals were nominated for Vice-Chairperson and consented to stand for election:

- Rev. David Petersen
- Mrs. Kristin Wellik

Voting members conducted a ballot for Vice-Chairperson, which resulted in *Rev. David Petersen being elected* as Vice-Chairperson of the Board for the 2022–2025 triennium.

8. Board Membership Orientation

Rev. Morton led the Board members through an orientation about their roles.

Board members were presented with the 2022 Conflict of Interest declaration forms.

Rev. Morton mentioned the matter of confidentiality in Board matters. The general rule is to maintain confidentiality of Board actions. Discussions of pending or active legal and business matters need to be kept in confidence. When actions are noted to be presented to the public, it is to be spoken of as the Board's action by all members, even by Board members who may have voted differently than the final decision.

Rev. Morton noted the importance of establishing policy by the Board of Directors. Establishing policy may take the form of proposing bylaw changes or adopting internal policies.

Rev. Morton reviewed the Board activities prescribed by the District Bylaws. He highlighted requirements established for meetings and special provisions for conducting electronic ballots. The budget approval process was also explained for Board members.

Rev. Morton also drew attention to the relationship between the Board and the District Endowment Fund. Discussion about Board oversight was provided for Board members. The significance of the majority of Endowment Fund assets being Board-designated funds, which means that the Board has the ability to withdraw and expend those assets.

Rev. Morton spoke about the District Board of Directors policies. The policies outline the limits that have been placed on the District President by the Board. Requirements established by policies have been placed within a calendar flow chart for easy reference. Board members asked questions about how evaluations of the District President take place, as noted within the policies. Board members were also appraised about the policy that District Staff are under the sole supervision of the District President.

9. Policy-Based Governance & Role of End Statements

New Board members were provided with two books that address Board members' roles within policy-based governance boards: (a) *The Policy Governance Model and the Role of the Board Member* by John Carver & Miriam Carver and (b) *Doing Good Even Better* by Edgar Stoesz.

Rev. Morton also briefly introduced the topic of the role of End Statements in the governance of the District.

10. Recognition of Service

Board members noted Rev. Wayne Morton's years of service to the District, including his multiple terms as a member of the Board of Directors. Motion: *"To thank Rev. Wayne Morton for his 13 years of service on the District Board of Directors."* Motion carried.

11. Dinner Break

At 6:00pm, the Board entered into recess. Board members were provided dinner at the church building.

Members were informed that the meeting would reconvene on Saturday, August 12 at 8:30am.

SATURDAY – AUGUST 13, 2022

12. Morning Devotions

Chairman Terry Leu called the meeting to order at 8:30am.

President Hardy led morning devotions, providing a message based on 2 Corinthians 9:6-7, applying its principles to various planned District actions.

13. Governing Documents Review

Secretary Zimmerman provided Board members with a paper entitled *English District Governing Documents & Their Relation to the English District Board of Directors*. The paper helped Board members to understand the various Synod and District governing documents that establish and empower the Board of Directors. Discussion about various aspects of the Board's duties and responsibilities ensued. Within that discussion, question was raised by a Board member about residency restrictions for a District President. Secretary Zimmerman was tasked to report at the December 2022 meeting about residency restrictions established by other LCMS Districts and where such restrictions are found within the various Districts' governing documents.

14. Appointment of District Treasurer

President Hardy noted that EN Bylaw 4.1.4 requires the District Treasurer to be appointed by the District Board of Directors. Motion: *"To appoint Sally Naglich as District Treasurer."* Motion carried.

Discussion ensued about future processes of selecting a District Treasurer. Motion: *"That Secretary Zimmerman report at the December 2022 meeting on various processes of selecting a District Treasurer."* Motion carried.

15. Selection of District Advisory Representative to 2023 LCMS Convention

Secretary Zimmerman informed the Board that Synod Bylaw 3.1.4.5(a) establishes how the Board of Directors to be represented at the 2023 Synod Convention by two advisory representatives, one who is a member of the board and one who is a member of the District executive staff.

Two candidates were nominated:

- Mr. Lucas Fitzgerald
- Rev. Luke Zimmerman

The voting members conducted a ballot which resulted in *Rev. Luke Zimmerman being elected* as the advisory representative for the Board of Directors.

President Hardy appointed *Mr. Albert Amling* as the District executive staff member representative.

16. Election of Board Member to Endowment Fund Board of Managers

Chairman Leu informed the Board about the need to appoint a Board Member to serve on the Endowment Fund Board of Managers. Chairman Leu was nominated to serve in that role. Motion: *"To elect Mr. Terry Leu to the Endowment Fund Board of Managers."* Motion carried.

17. 2022 District Convention Review

President Hardy began a review of the 2022 District Convention held at Concordia University in Ann Arbor, MI. He commented about challenges raised by the hot, humid weather. He spoke positively about the speakers at the Convention. One negative noted was the attendance rate by congregational delegates compared to previous years. Another negative is that financial costs will be high, particularly due to the travel costs for delegates; travel costs from the Western Region was particularly high. It was noted that 60% of the District congregations are within driving distance of Ann Arbor, MI.

Board members shared several comments about the Convention:

- Holding conventions on Concordia campuses is a positive.
- Live-streaming of the Convention sessions worked well.
- Organization by District Staff made attending and participation easy for delegates.
- University staff was helpful to meeting needs of convention attendees and participants.
- Youth representatives were fully engaged in the activities provided for them.

18. District LCEF VP Report

Rev. Daniel Lepley, English District LCEF Vice-President, highlighted some data points about LCEF's activities within the United States:

- LCEF loans are being issued at rates that were available from other lending entities 6–8 months ago.
- Church workers at LCMS congregations can currently receive 2.5% interest for up to \$10,000 in a Church Worker StewardAccount.
- Ministry solutions such as feasibility studies and revitalization assessments are available for congregations.
- Real estate solutions for congregations to evaluate how property can be utilized for their long-term financial benefit are being provided.

President Hardy informed the Board that the Canada Corporation can continue to issue loans to Lutheran congregations in Canada. However, LCEF cannot be involved in promoting products until the bankruptcy settlement for the Alberta-British Columbia District Church Extension Fund is completed.

A Board member asked whether adjustable rate loans would be expected to rise in the near future. Rev. Lepley indicated that no rises should be expected in the next 12 months because rates are tied to the investment level within LCEF. If the investment levels would increase, there may not be interest rate rises after 12 months.

Board members commented positively about the cooperative nature of LCEF with Synod entities to work to meet loan requirements, particularly where some financial difficulties have been encountered.

19. District President's Report, Part 1

President Hardy directed the Board's attention to his written report. He informed Board members that his calendar is based on what was known at the time his report was drafted. Changes have taken place since that drafting.

President Hardy updated the Board concerning sales of church properties:

- A potential sale of the Akron, OH property has fallen through; the property remains on the market.
- Our Savior – St. George, UT is closing in early September; the property will be sold.
- Trinity – San Dimas, CA has been closed; its property is on the market.

President Hardy asked for the Board to adopt a formula to designate funds raised by the impending sale of the properties in Akron, OH; St. George, UT; and San Dimas, CA that were ceded to the District. Motion: *“That the Board authorizes the District President and District Staff to implement the following formula to designate funds raised by the sale of properties in Akron, OH; St. George, UT; and San Dimas, CA that were 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.”* Board members raised questions about how the percentages identified in the resolution were determined. Others asked about how potential operational funds would be utilized. Board members were informed that this resolution would supersede the June 2022 decision of designating up to \$500,000 from proceeds for mission starts and congregational replanting within the Fiscal Year Ending January 31, 2023 [cf. *Item #9 of June 2022 minutes*]. However, President Hardy stated that he would attempt to honor the Board’s desire expressed in its June 2022 decision as much as possible. Board members also suggested the need to establish a policy about gifts received. Following comprehensive discussion, the motion carried.

President Hardy shared with the Board some of the angst caused by the delay in Concordia University Wisconsin/Ann Arbor in delaying its election of its president. Issues are raised with real people’s lives. In light of the potential change in the officeholder of District President, Board members also raised the question about potential residency requirements for the District President. It was recommended that Secretary Zimmerman provide a report at the Board’s next meeting about any residency requirements that other Districts place on their District President.

President Hardy provided a brief update on the revitalization project at St. John the Divine – Chicago, IL. He noted that Rev. Dr. Isaac Nicholson will be installed at the congregation on August 27. Positive developments in terms of attendance and participation at mission churches in Hayden, ID; Hazelwood (Pittsburgh), PA; and Clarksburg, WV were highlighted.

20. District Staff Reports, Part 1

Mr. Albert Amling, District Education Executive, informed the Board about his goal to improve the relationships among principals and school teachers within the District; developing a conference of school leaders may be a potential way to do this. He stated that there is a severe shortage in the number of Lutheran-trained personnel eligible for calls to LCMS schools.

21. Lunch & Recess

Chairman Leu declared the meeting to be in lunch recess at 12:05pm. Following lunch, Board members heard a presentation from the pastor of the host congregation, Rev. Ryan Beffrey. Rev. Beffrey spoke about the congregation’s history as a District mission plant, as well as ways that it was serving its community, particularly in human care ministries.

Chairman Leu reconvened the meeting at 1:10pm.

22. Executive Session 1

The Board entered into executive session at 1:10pm to discuss legal matters.

The Board exited executive session at 2:10pm.

23. District Staff Reports, Part 2

Rev. Derek Mathers, District Mission Executive and Assistant to the Bishop, spoke to the Board about aspects of mission efforts taking place in the District. The Confessional Lutheran Church of Pakistan and the Farsi Fellowship at St. Luke – Toronto, ON have received mission grants to assist their work. Other recipients include campus ministries sponsored by the District and two mission congregations: Blessed Sacrament – Hayden, ID and Holy Cross – Hazelwood, PA.

Rev. Mathers also informed the Board about activities tied to his role as Assistant to the Bishop. One activity will be a retreat for English District pastors in Canada involving the LCMS President and personnel from the LCMS President's Office dealing with church relations. Topics of discussion will include the current protocol agreement between LCMS and Lutheran Church–Canada. Representatives from the LCC have been invited to participate; confirmation of their participation was not yet received.

Rev. Mathers also discussed the work of the Ministerial Health Commission, noting an increase in pastor and pastor wives' counseling since the COVID-19 pandemic. He emphasized that individual cases involved with the Ministerial Health Commission remain confidential within the commission.

Mr. Ron Grimm, District Planned Gift Coordinator, highlighted some of his efforts among the congregations of the District to arrange legacy gift plans by parishioners.

25. District Treasurer's Report

Treasurer Sally Naglich presented the Board with the Statements of Financial Position as of May 31, 2022, and 2021, and the Statements of Activities for the four months ended May 31, 2022. Treasurer Naglich highlighted the various assets and liabilities found in the statements for the Board members. She also spoke about the various sources of revenue and expenses during that period.

Treasurer Naglich also presented members with a Statement of Financial Position for the Canadian Church Extension Fund (Canada Corporation) and Statement of Activities for the four months ended May 31, 2022.

Treasurer Naglich presented the Cash/Investment Register as of June 30, 2022 and June 30, 2021.

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

26. District Endowment Fund Report

Treasurer Naglich presented the Endowment Fund Board of Managers Report to the Board. The report provided data on the value of the Endowment Fund as of July 31, 2022, and data on the value of the fund at the end of 2018, 2019, 2020, and 2021.

27. Preliminary Budget Assumptions for FYE January 31, 2023

President Hardy introduced the draft Ministry Plan for the Fiscal Year Ended January 31, 2023. This was accompanied by a set of budget assumptions that factored into the development of the ministry plan. Board members inquired about the past comfortability with approving ministry plans with deficits; replies indicated that comfortability has increased with the track record of actual budget performances during the current administration.

28. Adoption of Triennial End Statements

Chairman Leu presented the Board members with preliminary thoughts concerning the development of end statements related to the triennial theme based on 2 Corinthians 9:8 adopted by President Hardy: *"God in all things...without borders."*

Board members evaluated the preliminary thoughts, offering multiple comments to each. The Board acted as a committee of the whole, crafting and developing draft end statements.

Motion:

"To adopt the following end statements for the 2022–2025 triennium:

ALL GRACE

Empowering and enabling the sharing of God's grace and love to all in existing congregations and schools and new starts.

ALL SUFFICIENCY

- Providing resources to Church workers that promote joy and foster positive mental, physical, spiritual, education, and financial health.*
- Encourage congregations to identify and recruit well-qualified seminary and professional church worker candidates.*

ALL THINGS

Our president and his staff will recognize and respond to the ever-changing ministry needs of district congregations and schools."

Motion: *"To amend the motion by adding 'provisional' before 'end statements' and 'to be confirmed at the November 2022 meeting' after 'triennium.'" Motion carried.*

The amended motion was put to a vote:

"To adopt the provisional end statements for the 2022–2025 triennium to be confirmed at at the November 2022 meeting:

ALL GRACE

Empowering and enabling the sharing of God's grace and love to all in existing congregations and schools and new starts.

ALL SUFFICIENCY

- Providing resources to Church workers that promote joy and foster positive mental, physical, spiritual, education, and financial health.*
- Encourage congregations to identify and recruit well-qualified seminary and professional church worker candidates.*

ALL THINGS

Our president and his staff will recognize and respond to the ever-changing ministry needs of district congregations and schools."

Motion carried.

29. District Loan Committee

Individuals to serve on the District Loan Committee were identified. Motion: *"To appoint the following individuals to English District Loan Committee for the 2022–2025 triennium: Wayne Morton, Bill Magill, Sally Naglich, Daniel Lepley."* Motion carried.

30. Appointment of Endowment Fund Board of Manager (Lake Erie)

President Hardy announced that a vacancy on the Endowment Fund Board of Managers for the Lake Erie Region existed. Following the requirements of EN Bylaw 6.2.5(a), President Hardy put forward Jim Thielen as a nominee to fill the vacant post. Motion: *"To appoint Jim Thielen to the Endowment Fund Board of Managers for the Lake Erie Region."* Motion carried.

31. Selection of Dates & Locations of Future Meetings

Dates and locations for future Board meetings were identified:

- DEC 2-3, 2022 in Atlanta, GA [Travel on DEC 1. Proposed site: Ascension – Atlanta, GA.]
- FEB 18-19, 2023 in Los Angeles, CA [Travel on FEB 17. Proposed site: Immanuel – Orange, CA.]
- MAY 8-9, 2023 in Fairlawn, OH [Travel on MAY 7. Proposed site: Fairlawn – Fairlawn, OH.]

Meeting dates and locations for the remainder of the triennium would be determined later.

32. Closing Prayer & Adjournment

With all required business items on the agenda deemed to be completed, President Hardy conducted closing prayer for the Board.

Without objection, Chairman Leu adjourned the meeting at 5:35pm.

Submitted,

Rev. Luke Zimmerman
Secretary, English District–LCMS