

ENGLISH DISTRICT BOARD OF DIRECTORS MEETING

November 4, 2023

Meeting Location:

St. John the Divine Lutheran Church, 10511 S. Oakley Avenue, Chicago, IL 60643.

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. Rod Lane, Mr. Terry Leu, Mrs. Kristin Wellik, Rev. Luke Zimmerman (*via telecommunication*). **Non-Voting Members** - Rev. Jeffrey Miskus, 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:** Rev. Michael Morehouse (*attending funeral of Lucas Fitzgerald*).

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

1. Opening Devotions

Rev. Jeffrey Miskus conducted morning devotions, leading Board members in Responsive Prayer 1 from *Lutheran Service Book*, including a reading of John 14. Prayers were offered in thanksgiving for the earthly and spiritual blessings granted to Board Member Mr. Lucas Fitzgerald, who had died in October, and for his family who mourn his death.

2. Roll Call and Determination of Quorum

Chairman Terry Leu provided information about the presence of Board members, noting that a quorum of voting members was present.

3. Introduction of Ordained - Midwestern/Western Region Board Member

Chairman Leu introduced Rev. Todd Arnold to the Board. Rev. Arnold was appointed at the August 2023 meeting [*cf. AUG 2023 Minutes - Item #5*] to fill the Ordained Minister-Midwestern/Western Region seat vacated by Rev. David Petersen. Rev. Arnold spoke briefly about his chemistry background prior to attending seminary, the Western Region congregations that he has served as pastor, and his past service as Western Region Vice President.

4. Approval of August 2023 Meeting Minutes

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

5. Notification of Use of Electronic Ballot

Secretary Zimmerman informed the Board of the use of an electronic ballot from October 23-26 by voting members to conduct a business item, as permitted by EN Bylaw 9.3.6: *Appointment of Rev. Philip Gai and Rev. David Young to serve as District Reconcilers for the 2023-2029 term*. Voting Board members affirmed the ballot's conduct and result.

6. Review of Prior Meeting

Chairman Leu began a review of the August 2023 meeting, which was held in Alexandria, VA. Board members noted the character of the congregation, including its school and the number of young families and 20/30-somethings attending. Board members also noted the benefit of being with congregations when they are going through transitions. Positive statements from congregational members toward the Board were shared.

7. District President's Report

President Jamison Hardy began his report by speaking about the last two months of the District calendar, which was marked by the four regional pastoral conferences during the past five weeks. That does bring extra demands on travel for District Staff. Each region has its own characteristics: this year, the Eastern Region provided programming for pastors' wives. Thought is being given to possibly having joint regional meetings for Fall conferences or having one general Fall conference in future years.

President Hardy reported the resubmission of a transfer request by Peace in the Valley - Benson, AZ. This renewed request was made on October 14 following President Hardy's visitation with the congregation since the August 2023 BOD meeting. The congregation's membership is convinced that it can be better served by the Pacific Southwest District, despite the English District having a higher presence within Southern Arizona than the Pacific Southwest District. President Hardy's belief is that the main issues facing the congregation won't be resolved by transferring between districts, but there is no reason for the Board to deny transfer. A board member inquired how an SMP pastor was assigned to the congregation: background information was shared about past recruiting of four SMP pastors for Ascension - Tucson, AZ, though not all would serve there; deployment of the SMP pastors to other congregations was a way of trying to utilize their services. Another board member inquired whether the Board had previously declined transfer requests; past declinations by the Board were reported. Motion: ***"To approve the transfer of Peace in the Valley - Benson, AZ to the Pacific Southwest District."*** Motion carried, with Rev. Arnold voting in the negative.

President Hardy informed the Board that transfer requests from several congregations in the Texas District and Southeastern District are being initially submitted or renewed. No Board action will be taken until those Districts act positively on those requests.

President Hardy presented an opportunity for the District to support the family of Lucas Fitzgerald following his death. He noted that the Fitzgerald Family would like to continue to send their daughters to a Lutheran high school closer to their residence, which they are not currently able to afford. A scholarship fund for them is being developed by the Pacific Southwest District to support high school and/or possible future college costs; LCEF has committed a \$10,000 matching grant. Motion: ***"To approve the contribution of up to \$10,000 from undesignated funds to provide scholarships for the daughters of Lucas Fitzgerald to complete Lutheran high school."*** Motion carried. During discussion, Board members noted that opportunities for future financial support of the family may arise, which they are inclined to endorse.

President Hardy nominated Mr. Keith Vieregge to fill the vacancy on the Board created by the death of Lucas Fitzgerald. He noted that Mr. Vieregge had served a partial term as a Board member during the 2018-2022 term. Motion: ***"To appoint Mr. Keith Vieregge to the Board of Directors, filling the vacant Commissioned Minister seat."*** Motion carried.

President Hardy gave a brief update on the Arizona Campus Christian Center legal proceedings. Recent submissions to the judge to review and revise previous rulings have been favorably received. The District's position continues to be seeking fair market value compensation for the percentage of the center owned by the District. He remains optimistic that the final outcome will ultimately be beneficial to the District.

President Hardy informed the Board that the LCEF's proposed reconfiguration of the Canada Corporation may be completed during the Third Quarter of 2024. The length of the process may cause some difficulty: the potential sale of the property and repayment of the mortgage loan issued to Hope - Kitchener, ON could cause future cash flow problems for the Canada Corporation. Questions were raised about what is causing the delay in the reconfiguration process; thoughts tended toward identifying an issue of trust versus control on the part of the Synod Board of Directors in relationship to LCEF's activities.

President Hardy reported that the Nazareth - Buffalo, NY property has required expenditure of \$40,000 prior to sale due to necessary roof and boiler repairs and security matters. This will reduce some of the ultimate profitability of the sale, but it will still be financially beneficial to the District.

A Board member inquired about the 2019 closure status of Gloria Dei - Mechanicsburg, PA remains listed as pending in the District President's Official Acts Report: August-October 2023. Delays in congregational closures are frequently attributable to legal processes with state governments (e.g. *dissolution of the non-profit corporation*) not being concluded.

Another member inquired about the matter of an offer being made to purchase the District Office. A meeting may be held with the party in the near future to further examine and assess their offer.

A board member asked about the status of the venture capital fund being organized by Concordia University Wisconsin and any District investments with the venture capital fund. No investment of District Endowment Fund monies will be possible until the new year, as the venture capital fund is still within its organizational stages. President Hardy informed the Board that no action is being sought to invest District funds at this time.

8. District Staff Reports

Rev. Derek Mathers, Executive Assistant for Missions, directed Board to his written report's information about 16 mission project grants distributed from proceeds gained by the District through the sale of properties ceded by closing congregations. These are referred to in his report as "30% Grants," reflecting the formula established by the Board during such sales [*cf. AUG 2023 Minutes - Item #9b*]. He also highlighted some activities that were publicized in recent issues of the *Servant-to-Servant*, including dedication of a worship space for the Gold Valley, AZ mission congregation. The Mission Action Team concept was rolled out to District pastors at their recent regional conferences. A Board member inquired whether the reigniting effort of "1-1-1 Dollar for Missions" has led to increased contributions. So far, there are no reportable increases in congregational participation or contributions.

Rev. Daniel Lepley, LCEF District Vice-President, highlighted that nine school expansions or builds between English District and SELC District involving LCEF loans are being developed. He emphasized the need for LCEF to raise investment capital to issue loans. That has led the LCEF to create new offers for investment opportunities for LCMS congregations and their members. Emphasizing the mission nature of LCEF investments are a way to encourage new and increased investments.

Mr. Albert Amling, Executive Assistant for Education, spoke about the development of regional conferences for early childhood directors and principals; these may be held in collaboration with the geographic districts. He also highlighted the parish school starts that have been recently approved by congregations or in development.

Mr. Ronald Grimm, District Planned Giving Coordinator, mentioned that his work with District congregations and their members have taken him to many different regions of the District. Initial meetings will be held at new congregational settings in 2024.

9. Canada Corporation Report

Mr. Jim Thielen, Chairman of the Canada Corporation, informed the Board that all current loans in Canada are performing. The corporation's annual general meeting was held via teleconference on September 28, 2023. The corporation also provided funding grants to English District pastors in Canada to attend a conference with Lutheran Church–Canada pastors. His report also included a summary of LCEF CEO Bart Day's update on the status of the repositioning and restructuring of the Canada Corporation, which is anticipated to be completed in Summer 2024.

10. Constitution Committee Report

President Hardy submitted the District Constitution Committee's Report, which recommended approval of the revised constitutions and bylaws from Angelica - Allen Park, MI and St. Paul - St. Clair Shores, MI. Motion: *"To approve revisions to the constitutions and bylaws from Angelica - Allen Park, MI and St. Paul - St. Clair Shores, MI."* Motion carried.

11. District Endowment Fund Report

Chairman Leu reported that the Endowment Fund Managers met on November 1. The Endowment Fund currently has undistributed funds available for grants in the current fiscal year. He encouraged that ministries seeking grants submit proposals in the near future. Board members were directed to note the amount of Endowment Fund investments currently held in an LCEF StewardAccount [\$1,018,821.26]. This will be available for investing, particularly if an anticipated market downturn may permit for strategic investing at low points. That is similar to previous years.

12. Recess & Lunch

At 11:25am, Chairman Leu declared the meeting to be in recess. Lunch was held with representatives from congregations of the Chicago Circuits, who shared observations about ministries being conducted in their locations, including parish and parochial school revitalization efforts. Board members were provided a tour of the campus of St. John the Divine and heard about the ability for the congregation to continue operations due to District subsidy.

13. Afternoon Devotions

Chairman Leu brought the meeting to order at 1:50pm.

Rev. Jeffrey Miskus conducted afternoon devotions, leading Board members in Responsive Prayer 2 from *Lutheran Service Book*, including the praying of Psalm 46 and the reading of John 15.

14. District Treasurer's Report

Treasurer Sally Naglich presented a multi-faceted report for the Board's review:

- Statements of Financial Position as of September 30, 2023, and 2022, and the Statements of Activities for the eight months ending September 30, 2023, for United States and Canadian funds.
- Statement of Financial Position as of September 30, 2023, and 2022, and the Statement of Activities for the eight months ending September 30, 2023, for the Church Extension Fund–Canada.
- Listing of Restricted Funds held by the District (net assets without donor restrictions and net assets with donor restrictions).
- Convention/Conference Assessment Analysis for the Three-year Cycle [2023-2026].
- Board of Directors Meeting Costs History [2015-2023].
- Record of Dissolutions - Gift/Property Sale Summary and Grants Issued [2022-2023].

As part of the Treasurer's Report, Board members conducted their required annual review of Board Designated Fund listings and balances. *Following its review, the Board took no action to change the Board Designated Funds listings.*

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

15. Adoption of Ministry Plan for the Fiscal Year Ending January 31, 2025

President Hardy submitted the proposed Ministry Plan for the Fiscal Year Ending January 31, 2025 to the Board for approval. Prior to discussing the proposal, he directed Board members' attention to the set of Preliminary Budget Assumptions used when drafting the Ministry Plan. No material changes to the proposed Ministry Plan were made since its initial presentation at the AUG 2023 Board meeting.

Within discussion of the proposal, Board members inquired about the potential risks to District income. Others asked about how to encourage congregational contributions, particularly from those which are not currently contributing. Efforts have been made to inform congregations that other sources of income beyond direct contributions will be necessary to support operations both of the District and its congregations. Other comments highlighted the significant share of the proposed budget designated for Synod subsidy and for District missions/ministries.

Motion: *"To approve the proposed Ministry Plan for the Fiscal Year Ending January 31, 2025."* Motion carried.

16. 2024 Housing Allowance Approval

Secretary Zimmerman presented the 2024 housing allowance designations for two District employees for Board approval, reminding Board members of this annually required task tied to adopting the budget. Motion: *"Pursuant to IRS Code Title 26, Subtitle A, Chapter 1, Subchapter B, Part III, Section 107, the following amounts are requested to be designated as Housing Allowances for the respective employees for the 2024 calendar year: Rev. Dr. Jamison Hardy - \$40,000; Mr. Albert Amling - 70%."* Motion carried.

17. District Treasurer Task Force Report

Mr. Thomas Honebrink updated the Board on the Task Force's attempt to draft separate job descriptions for the District Treasurer and the Executive Assistant-Business & Finance. Initial draft proposals were shared with the Board to show the progress of Task Force's work on this matter.

Commentary on the Task Force's work and proposed edits were provided by Board members, including concern over the negative possibility of creating two salaried positions. The Task Force anticipates fuller discussion of its initial work at the next Board meeting. A potential alternative direction of action was also identified: to have the Board submit proposals to the 2026 Synod Convention to permit Districts to duplicate the model of the Synod Chief Financial Officer as listed in Synod Bylaw 3.4.1ff.

18. Review of Board Flow Chart

Chairman Leu reviewed the Board Flow Chart. All required tasks were noted as being completed.

19. Future Meetings

President Hardy informed the Board that the meeting dates previously selected for the 2024 Winter Quarter meeting conflict with the Synod Council of Presidents' meeting schedule. Discussion about new dates ensued, leading to the selection of JAN 30-31. Location is still tentatively set for Orange, CA, which will be confirmed as soon as possible.

Date and location of the 2024 Spring Quarter meeting were confirmed: APR 29-30 at Zionsville, IN.

Discussion about the 2024 Summer Quarter meeting led to tentative scheduling: AUG 9-11 in Canada.

Discussion about the 2024 Fall Quarter meeting led to tentative scheduling: NOV 1-3 in Lititz, PA.

20. Bible Study on Israel & Palestine

A study of the current situation in Israel and Palestine—"Caught in the Middle"—authored by Rev. Nabil Nour, 4th Vice-President of the Synod, was shared by President Hardy with Board members. Rev. Nour is a Palestinian Christian who was born in Nazareth. The central thought of the study focuses on a peace that only Christ can give to a conflict that has existed since the times of the Patriarchs.

21. Adjournment

Chairman Leu adjourned the meeting without objection at 4:25pm.

Submitted,

Rev. Luke Zimmerman
Secretary, English District—LCMS