

Summary of LCC, East District Board Meeting of January 30/31, 2017

Monday January 30, 2017

Rev. Timothy Teuscher led the Board in opening devotions.

Approval of Minutes:

Motion: That the minutes of the Board meeting of September 26-27, 2016 be approved as presented. **M/S/C**

Motion: That the minutes of the special Board meeting of October 24, 2016 be approved as presented. **M/S/C**

Report from the Synodical President:

President Bugbee presented his report, updating the Board on various matters including the status of the ABC District issues, foreign missions, interchurch dialogues, LCC restructuring.

Financial Report from Synodical Treasurer:

Mr. Dwayne Cleave reviewed with the Board the financial position of synod for the year end of January 2016. He also discussed the 2017/2018 synodical budget. The problems in the ABC district have resulted in substantially higher legal expenses. Going forward their directors insurance coverage costs will be greatly increasing.

The Board clarified with him that the amount we budget for remittance to synod each year is based on 40% of the unrestricted revenue received during the current year. It may therefore be more or less than the figure shown in the budget. Mr. Cleave requested that for fiscal 2016-2017 we remit the budgeted amount of \$455,000 in full and asked us to consider providing an amount of \$425,000 for fiscal 2017-2018. The chairman indicated that the Board would consider this request later in our meeting.

The chairman thanked President Bugbee and Mr. Cleave for coming to our meeting.

Business arising from the Minutes:

The Board reviewed the list of action items from previous meetings.

Governance Committee:

There were no issues to discuss.

Chairman's Report: Mr. Reg Tiegs

1. Marriage – SCC Decision, 2004

The chairman pointed out that the decision states, "Nothing in this Act affects the freedom of officials of religious groups to refuse to perform marriages that are not in accordance with their religious beliefs." Therefore our pastors cannot be forced to marry people of the same sex.

2. Restructuring & the CEF

The chairman presented a report on how the current CEF might be reconstructed as a corporate entity, using the current East District Corporation, should the current proposals for restructuring LCC be approved. Rev. Bublitz and the Chairman will review this document further.

3. LCC Planning Conference Report

The chairman reported on the LCC planning conference held in Winnipeg in December, which he and Rev. Bublitz attended. The report was received.

4. LCC Convention – 2017

The chairman tabled the letter from synod advising that the Board may have one advisory delegate at the convention. This will be discussed at the next Board meeting, by which time it should be clear which Board members have been chosen by their circuits as voting delegates. Note that the deadline for submitting names is April 13. The Board also needs to designate a staff representative. As well, there was some discussion regarding whether there should be a district hospitality suite. This will all be discussed at the March Board meeting.

5. CEF – Loans Outside the East District

The Board considered the report from the chairman regarding loans to entities outside of Ontario and agreed with his recommendation that we develop a policy regarding this in case we might decide in the future to consider such loans.

Motion 17-004:

Whereas the ABC District may no longer operate a CEF program as mandated by the courts, and
Whereas the Board of Directors has considered loans to congregations in the ABC District in the past; which however, did not meet our lending policies, and
Whereas we are federally incorporated and are legally able to lend/loan mortgage funds to congregations outside our district boundaries, and
Whereas our Department for Finance would not have a member from a circuit with knowledge of a given congregation outside our district, be It
Resolved that the Department for Finance be asked to develop policies and procedures that would allow and authorize the loaning of funds outside our district to Lutheran Church – Canada congregations, and that such policies would include procedures that would require additional information, if needed, in order to develop the necessary information to make qualified decisions for such loans, and that the Department report back to the Board on their recommendations.

M/S/C

District President's Report: Rev. Paul Zabel

The President reviewed his report with the Board and updated some items. The report was received for information.

Properties Committee: Mr. Kent Schappert

The Board was updated on the renovations to the district Office building. These renovations included a new roof and modifications required to make the building handicapped accessible as required by Provincial legislation. The report was received.

Mission Executive Report: Rev. Ron Mohr

The report of the Mission executive was received.

Treasurer/Business Manager: Mr. Ray Taylor, Mr. Darryll Holland

1. Mission & Ministry Contributions

Concern was expressed that there are congregations who have not made any contributions this year. It also appears that there are congregations which do not forward mission offerings as they are received but hold onto them until the end of the year. President Zabel will draft a letter to be sent to all congregations and will also raise this matter at the next Circuit Councillors' meeting.

2. Financial Statements

The Board reviewed the statements for the year-to-date (end of December 31, 2016). There were some discrepancies and the business Manager will provide a corrected version. It was also agreed that since the office renovations are being funded by means of a CEF loan, that the figures to date shown regarding office building expenses, need to be adjusted. The Board also reviewed the request made by the LCC Treasurer regarding the remittance to LCC.

Motion 17-005: That, regarding the East District remittance to Synod for the budget year 2016/2017, the Business Manager be authorized to take from the CEF fund balance the amount necessary in order to forward to synod at year end the total amount budgeted, namely \$455,400.00 M/S/C

The chairman will write to President Bugbee advising him of this decision.

3. Report re Loan to Hope Lutheran Church

The Business Manager reviewed with the Board his report which responded to questions raised regarding the status of loan payments. The report was received.

New Business:

CLS, Edmonton 'give 25' promotion

The information regarding the fund-raising activities of Concordia Lutheran Seminary, Edmonton, was received.

The meeting was recessed for the day and Rev. Teuscher led in closing devotions

Tuesday, January 31, 2017

Rev. Timothy Teuscher led the Board in opening devotions.

Department Reports:

Finance

1. Change in CEF Interest Rates

Motion 17-006: That the Board approve the recommendation of the Department for Finance that the CEF reduce their depositors' interest rate by ½ % across the board effective February 1, 2017, resulting in the following rates:

Savings accounts – 1.5%

1 year term notes – 2.5%

3 year term notes – 3.0%

5 year term notes – 3.5%

M/S/C

2. Loan to Redeemer Lutheran Church, Waterloo

Motion 17-007: That the Board approve the recommendation of the Department for Finance to grant a loan of up to \$ 297,000 to Redeemer Lutheran in Waterloo for repointing the church exterior and the parsonage, the amount to be added to their existing mortgage.

M/S/C

3. Regarding the Loan of Messiah Lutheran Church, Waterloo

Motion 17-008: That the Board approve the recommendation of the Department for Finance to reduce the monthly payments on the loan to Messiah Lutheran Church, Waterloo to \$1,000 from \$2,500.

M/S/C

It was noted that Messiah Lutheran made a lump sum payment of \$ 200,000 against their mortgage in June 2016. The remaining amount is now under \$60,000.

4. DFF Minutes - Nov. 28, 2016

The minutes were received.

5. 2017/2018 Preliminary Budget

The Board reviewed the preliminary budget.

The Board considered the information presented by the synodical President and the synodical Treasurer in their reports.

Motion 17-009: That the draft budget for 2017/2018 be revised to set the amount for LCC at \$425,000 and further that we commit to sending them the greater of \$425,000 or 40% of unrestricted receipts.

M/S/C

The chairman was asked to send a letter to President Bugbee advising him of this decision.

6. Partner to Partner Matching Funds

It was noted that in the minutes of the Department for Finance the department is recommending that CEF depositors be asked to consider giving their interest earned

to the Partner to Partner Program and further that it be highlighted that all donations will be matched by the CEF up to \$200,000 annually. It was pointed out that this matching had only been approved for the fiscal year 2016/2017 by way of inclusion in the budget and that no overall policy regarding this matching had been approved. It appears that this matching has helped increase donations.

Motion 17-010: That the Department for Finance review the CEF surplus distribution policy and the recommendation for matching funds with the Partner to Partner program and recommend to the Board any revisions to the policy.

M/S/C

It was agreed that publicity regarding matching grants should be put on hold until this review is done.

7. Request for Advance on Loan re Good Shepherd, Barrie

The Board received a request from Good Shepherd, Barrie and 220 Steel St. Inc. for a \$200,000 advance on their \$400,000 loan to pay certain bills. The Board noted that not all of the conditions for loan approval had as yet been met.

The Secretary was directed to reply to their request and indicate that as soon as all of the conditions outlined in the original motion regarding the loan approval were met, the District would start forwarding them money.

Outreach:

1. Department Chair Report – Mr. Paul Otterman

The recommendations in the report were noted. These will be dealt with at the March meeting when the final budget is before the Board.

2. DFO Minutes – Nov 15-16, 2016

The minutes were received.

3. DfO Summary Report

It was agreed that Rev. Bublitz will vet the report and then contact the Administrative

Parish Services:

- 1.** The Department is requesting two new members to replace the Hanover circuit representative (resigned) and the Hamilton circuit (still vacant). The Board noted their recommended names and by consensus it was agreed that President Zabel would contact the Circuit Councillors for Hanover and Hamilton re nominations for the Department for Parish Services and report back to the March Board meeting.

Regarding the resignation of the Hanover Circuit representative, it was noted that the resignation letter should be forwarded to the Board.

- 2. Minutes of the DPS meeting**

The minutes were not available. President Zabel was asked to ensure that the minutes, when available, are forwarded to the Board members.

Personnel Committee: Mr. Kent Schappert, Mr. Reg Tiegs

President Zabel declared a conflict of interest and left the meeting for the discussion on this item.

The Board had before it a confidential report regarding salaries. The Board approved the recommendations in the report regarding staff salaries. In addition it was noted that the proposed salaries for the District President and the Mission Executive are in accordance with Board policy for these positions and are based on the approved Salary Guidelines for 2017. All approvals are effective January 1, 2017.

East District Archivist: Mrs. Carol Nagel, Archivist

The report of the Archivist was received.

Committee on Constitution/Membership, Committee on Communication Services, Abuse Prevention Committee, Handbook Committee:

There were no reports from any of these committees.

Other Business:

1. Second Worker for the Atlantic Canada Ministry

The Board was once again reminded of the great need for this position.

Motion: That the Board approve calling a second worker for the Atlantic Canada Ministry.
M/S/C

For budgeting purposes it was agreed that the start date would be July 1, 2017.

Discussion ensued regarding the possible funding sources for this position. However, the District's current budget is already strained to the limit. It was pointed out that when the CEF was formed, individuals and congregations made deposits to support Word and Sacrament ministry and this is still the aim today. With this in mind, the following motion was moved and seconded:

Motion: That the CEF designate \$300,000 from the fund balance to be used for a second Atlantic Canada worker.

M/S

Motion: That the previous motion (17-015) be referred to the Department for Finance for consideration in preparing the 2017/2018 budget.

M/S/C

2. Resolutions for the 2017 Synodical Convention

The Board discussed possible resolutions for the 2017 synodical Convention and will consider this further at the next Board meeting.

3. Position Description - Business Manager

A revised position description was presented by Mr. Tiegs, which incorporated revision suggested at the last Board meeting.

A number of minor changes were recommended. With these changes, the Board by consensus approved the revised position description. The chairman will make those revisions and circulate a final version.

Next Meeting: March 27 & 28, 2017

Devotion Leader: Rev. Schieman

Special Board Meeting to discuss restructuring: May 1, 2017

June Board meeting: June 19 & 20, 2017 (finish by noon on the 20th)

The meeting was adjourned at approximately 2:30 p.m.