

**Lutheran Church–Canada, East District
Summary of Board Meeting of June 19/20, 2017**

Monday June 19, 2017 — 9 a.m.

Opening Devotions

Deacon David Faerber led the Board in opening devotions.

Adoption of Agenda

By consensus the agenda was adopted as presented.

Declarations of Conflict of Interest

Mrs. Lois Griffin and Mr. Reg Tiegs declared a conflict of interest regarding the item under Department for Finance regarding rules for Board members related to the Church Extension Fund.

Approval of Board Minutes

Motion: That the minutes of the March 27-28, 2017 Board meeting be approved as presented. **M/S/C**

Motion: That the minutes of the May 1, 2017 special meeting of the Board be approved as presented. **M/S/C**

Business arising from the Minutes

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

LCC Restructuring

Correspondence with LCC BOD Chairman & Response

The correspondence was received for information.

Discussion on Restructuring

The Board agreed on a list of questions to be asked of President Bugbee when he meets with the Board at the Tuesday Session.

Personnel Committee

There was no report.

Chairman's Report

There was no report.

District President's Report

Report

The report was received.

Mission Goals Encouragement Letter

The Board was satisfied with the letter drafted by President Zabel and requested that it be sent out.

Properties Committee

Mr. Kent Schappert reviewed with the Board the progress being made regarding the renovations to the District office building. The report was received.

Mission Executive Report

Report

The Board received the report of the Mission Executive as well as his addendum report.

Deanery Model

This model is being presented at Winkels for discussion.

Motion: That the Deanery Model be referred to the CTCR for their theological opinion regarding the model. **M/S/C** The chairman will write to the CTCR.

Models for Struggling Congregations

The information was received.

Urban Outreach Conference

The report from the Mission Executive regarding the Urban Outreach Conference held in February was received.

Treasurer/Business Manager

Report/Financial Statements

The Board reviewed the Congregational Mission and Ministry Receipts, the historical review of the receipts and the budget and year to date figures. A question was raised regarding the liability insurance for Board members. The Business Manager advised that there is \$5M of Board liability insurance. By consensus the Business Manager and Reg Tiegs will review whether the amount should be changed.

Audited Financial Statements

The Business Manager discussed the issues related to the auditors and the statements for 2016/2017 which have still not been finalized. One outstanding issue relates to how the auditors entered the proceeds from the sale of the Gatineau property.

Motion: That the approximately \$500,000 in the CEF fund balance be returned to the East District fund surplus (CEF Account) as repayment on the East District original investment regarding the Gatineau property. **M/S/C**

A letter will be sent to the auditors to explain the Board's position, including the motion the Board approved in 2013 regarding how the money from the sale of the property should be disbursed.

By consensus it was agreed that a special meeting of the Board would be called to approve the audited financial statements (June 29th at 9 a.m. by conference call). The Annual Meeting of the LCC East District Corporation will be held on July 25th at 11 a.m. The Treasurer, Ray Taylor, will attend to answer any questions regarding the statements. When the statements are available, they will first be reviewed by the Audit Committee prior to the Board meeting.

New Business

Request for Department dockets & all exhibits for Board meetings

This information is now being provided electronically to Board members at the same time as the Board docket is sent out.

Appointment of Department Members

Deferred to the Tuesday session.

Department Reports

Finance

Department Liaison Report

Mr. Klages led the Board through the following DfF issues requiring Board approval.

i) Receipts for Missions

Motion: That the Board approve the DfF recommendation that the East District office periodically include in the Eden report a reminder to congregations to submit

receipts for Mission and Ministry in a timely manner and also include an encouragement to congregations to send their mission goals to the Business Manager. **M/S/C**

ii) Information in Eden Reports

Motion: That the Board approve the DfF recommendation that a copy of the Mission and Ministry receipts by congregation be included in the Eden Report after the 2nd and 3rd fiscal quarters. **M/S/C**

iii) Early Withdrawal of CEF Deposits

Motion: That the Board approve the policy recommendation of the DfF that for new CEF deposits, if early withdrawal of notes involving aggregate sums exceeding \$50,000 is requested, the CEF reserves the right to take up to 6 months to complete the transaction, and will include the current early withdrawal interest penalty. **M/S/C**

iv) Mission and Ministry Endowment Fund

Motion: That the Board approve the following recommendation of the DfF; *Whereas the DfF has reviewed the documentation available regarding the Mission and Ministry Endowment Fund and whereas the fund has never in 20 years achieved the goals of raising either \$250,000 or \$1M that the Endowment Fund be discontinued and that the funds be used by the DFO over a period of 5 years using roughly the same amount each year.* **M/S/NOT CARRIED.**

Motion: That the District retain the Mission and Ministry Endowment Fund and do more to promote it. **M/S/C**

Note: This fund has approximately \$116,000 in it.

v) Conflict of Interest re CEF Decisions

Motion: That the Board approve the recommendation of the DfF that members of the Board of Directors, the DfF and the CEF Committee who, with their spouses, have aggregate amounts of \$100,000 or more invested in the CEF be considered as having a conflict of interest and therefore should not vote on interest rate decisions. **M/S/C**

Mrs. Lois Griffin and Mr. Reg Tiegs declared a conflict of interest on this matter since they have investments in the CEF, and did not vote on this matter.

vi) East District Funds Invested by LCC Financial Ministries (LCCFM)

Motion: That the Board adopt the recommendation of the DfF to transfer the CEF investments held by LCC Financial Ministries to the Rae Lipskie management portfolio. **M/S/C**

It was noted that the LCCFM investment policies allow riskier investments than the CEF policy provides for.

Motion: That in consideration of the above action, the Board approve a one-time management fee payment of \$20,000 to LCCFM. **M/S/C**

Mr. Kent Schappert asked to be recorded as opposed to this motion.

vii) Regarding the CEF Policy on Interest Rate Charges

The DfF requires clarification on what rate is used as the benchmark for the policy which reads: *"Interest rate charged on loans cannot be more than 2.5% above the interest rate paid on deposits....."*

By consensus the Board agreed that the rate for a 5-year note should be the rate that is used as the benchmark rate.

Department Chair Report

The report was received.

DFF Minutes – May 29, 2017

The minutes were received.

The meeting closed for the day with the Lord's Prayer.

Tuesday, June 20, 2017 — 9 a.m.

Opening Devotions

Deacon David Faerber led the Board in opening devotions.

Outreach

Department Liaison Report

There was no report.

Department Chair Report

The report of the chair, Mr. Paul Otterman, was received as well as his summary report.

It was noted that the DfO chair is the only chair preparing summary reports. The Board chairman was asked to write a letter of thanks to Mr. Otterman and also remind other chairs of their reporting responsibilities.

DFO Minutes – May 31, 2017

The minutes were received

Parish Services

Department Liaison Report

The Board received the department liaison's report.

Department Chair Report

There was no report.

DPS Minutes – June 10, 2017

The minutes were not available. The Board requested that the minutes be circulated to the Board as soon as they are available.

Appointment of Department Members

This item was deferred from the Monday session.

Motion: That Mr. Paul Otterman, Mr. Jim Lang and Rev. Jody Rinas be reappointed to the Department for Outreach for the circuits of Hamilton, London, and Hanover respectively for a 3-year term beginning on July 1, 2017 and ending June 30, 2020, subject to their concurrence. **M/S/C**

Motion: That Mr. Mark Higenell and Mr. Phillip Pakrul be reappointed to the Department for Finance for the circuits of Stratford and Toronto respectively for a 3-year term beginning on July 1, 2017 and ending June 30, 2020. **M/S/C**

A nominee for the Windsor circuit is still required. The Secretary will contact the circuit counsellor.

Motion: That Mr. Ron Groskleg and Mr. Karl Witzke be reappointed to the Department for Parish Services for the circuits of Ottawa and Kitchener respectively for a 3-year term beginning on July 1, 2017 and ending June 30, 2020. **M/S/C**

Regarding the Niagara circuit, a lay nominee is required in order to maintain the proper balance of lay and clergy on the Department for Parish Services. The circuit had sent only a clergy nominee. The secretary will contact the circuit counsellor to request another nominee.

Lutheran Church–Canada

President Rev. Dr. Robert Bugbee & Vice-President Rev. Nolan Astley were in attendance. President Bugbee updated the Board on various national and international issues. He and Rev. Astley then updated the Board on various restructuring issues and answered questions from the Board.

East District Archivist

There was no report

Committee on Constitution/Membership

There was no report.

Committee on Communication Services:

There was no report.

Abuse Prevention Committee

There was no report.

Handbook Committee

There was no report.

Other Business**Communications Committee**

President Zabel advised the Board that members for Communications Committee are needed. If anyone has suggested names, please forward them to President Zabel.

Restructuring

The Board discussed advising members of the East District Corporation on any of the implications to the corporation regarding restructuring. By consensus it was agreed that once the convention workbook is available the Board will review what communication with corporation members may be necessary and whether a special Board meeting is required.

Next regular Board Meeting: September 26 & 27, 2017

Devotion Leader: Kent Schappert

Conference Call Meeting: June 29 at 9 a.m. to review the audited statements.

East District Corporation Annual Meeting: July 25th at 11 a.m.

By motion duly moved and seconded the meeting adjourned at 1:15 p.m.

For further information on any of these items, contact the Board Chair, Mr. Reg Tiegs at:

tiehm@rogers.com

-from Lois Griffin, Secretary
LCC, East District