



Summary of Board of Directors Meeting March 12&13, 2018

Monday, January 12, 2018

Opening Devotions

President Zabel led the board in opening devotions.

Adoption of Agenda

The agenda was amended by adding the following items:

- Letter from President Teuscher
- Letter from President Teuscher re nominations
- Communication from President Teuscher re restructuring issues.
- CEF Budget

Motion 18-015: That the agenda as amended be adopted. **M/S/C**

Declarations of Conflict of Interest

There were no conflicts declared.

Approval of Board Minutes of January 15-16, 2018

Motion 18-016: That the minutes of the Board meeting of January 15-16, 2018 be approved as presented. **M/S/C**

Chairman's Report: Mr. Reg Tiegs

Letter from President Teuscher

The chairman read a letter from President Teuscher regarding nomination procedures. The board received the letter for information.

Letter from President Teuscher re Nominations

Motion 18-017: As requested by President Teuscher, the board request the Commission on Nominations and Elections (CNE) to be responsible for managing the nominations and elections process for the positions of Regional Pastor, Circuit Counsellor, and Regional Mission & Ministry Council for the 2018 district convention. **M/S/C**

Communication from President Teuscher re restructuring issues

Motion 18-018: That Rev. Bublitz and Lois Griffin be designated as the two East District representatives on synod's restructuring "working group. **M/S/C**

The chairman will communicate the above names to President Teuscher and will also submit the various information regarding District programs and mission expenditures as requested by the President. The chairman was requested to copy all board members on the above.

Business arising from the Minutes:

Status of Action Items from previous meeting(s)



The board reviewed the list and the status of the items.

Restructuring

Proposed Bylaws

On behalf of the committee (Reg Tiegs, Lois Griffin and Rev. Bublitz) Rev. Bublitz presented the draft revised bylaws for the East District Corporation, necessitated by the synodical restructuring. A number of minor editing points were raised and will be reflected in the next draft.

Motion 18-019: To accept these documents and forward them to the Handbook Committee for their consideration. **M/S/C**

Once the bylaws have been reviewed by the Handbook Committee and amended as necessary, the revised bylaws will be posted on the district website and will also be presented at a series of circuit meetings. The revised bylaws will have to be approved at the upcoming District convention.

The following issues/suggestions were raised during the discussion:

- The MOU with synod should include i) provision for being allocated space in the synodical publication on a regular basis for corporation matters ii) an ability to correspond with East District congregations and individuals (e.g. regarding CEF matters) even if they are not members of the corporation iii) agreement regarding rental issues & subsidies for congregations who rent property and/or buildings from the district
- Congregations should consider having the same delegate for the synodical convention and for the annual meeting of the corporation
- The policy and procedures manual should include procedures regarding the conduct of elections for directors and the size of slate proposed by the board. There was consensus that the slate should have 6 clergy and 8 lay people. With a total board size of 9, this should allow for some new blood as well as the continuation of some existing members so that there would not be a total turnover of board members at any election. There would still be provision for the slate to be added to by nominations from the floor.
- While the District Abuse Prevention Committee will be deleted from the bylaws, the Synod should be advised that they will need to set up such a committee.
- Regarding the vote on the Synodical constitution changes, the synodical President should be advised to pass on to the district Presidents the names of those congregations voting "no" to see if there are concerns that can be alleviated. It would be beneficial to have these resolved before the district convention.

The Board concurred with the secretary that while the nominations committee had been advised as to what their role would be in seeking nominations for the convention, information regarding nominations for the board of the corporation not be solicited



from the membership until after the meetings regarding bylaw changes had been held with the circuits.

Bylaw Presentation Preamble

The preamble is intended as part of the presentation at the circuit meetings. The board reviewed it and made some suggestions for change. Rev. Bublitz will make revisions as suggested.

Since Mr. Klages could not attend the Tuesday session because of a funeral he was attending, the board agreed to alter the agenda to deal with the various financial issues at this time.

Department Reports

Finance

Department Liaison Report – Mr. Robert Klages

(i) Rental Rates for District Owned Properties

The Department for Finance was recommending that the rental rates for congregations renting church facilities and property from the district be increased to 80% of fair market rental rates as of Feb.1, 2018 and that their subsidies be adjusted accordingly.

In discussing this matter the board felt it would be more beneficial to show the full fair market rental rate and then subsidize them accordingly, as this would provide synod a better idea of how large the subsidies are to these congregations.

Motion 18-020: That the Business Manager prepare a report showing 100% of Fair Market Rental Rates for the district owned properties being rented and also note what the current rent actually being paid is and that this information be shared with the affected congregations, and with synod administration. **M/S/C**

(ii) Repayment of Loan for Office Building Renovations

The renovations to the office building were being paid by a loan from the CEF. The annual budget then included a line item for loan repayment. Since the East District will have no congregational Ministry and Mission receipts starting in fiscal year 2019, it would be appropriate to clean this item from the balance sheet now.

Motion 18-021: That the board approve the recommendation of the Department for Finance that the remaining loan of approximately \$89,000 for accessibility renovations to the East District office building be paid off using the East District reserves on deposit in the CEF. **M/S/C**

(iii) Loan Request of First Lutheran Church, Windsor

Motion 18-022: That the following motion adopted by e-mail vote be ratified: *That the board approve the recommendation of the CEF and DfF to grant the bridge loan to First Windsor up to \$400,000 with the following conditions.*



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- *that the current mortgage be amended to reflect the total principal increasing from \$880K to \$1,280K.*
- *that the DfF require a security document drafted indicating that the proceeds of the land sale once received must first be applied towards this bridge loan of \$400K.*
- *that all the necessary paperwork be properly filed with the business manager.*

M/S/C

(iv) Policy re Payment of Mortgages upon Sale of the Property

The Department for Finance was asked by the board to develop a policy for situations where a property with an outstanding mortgage is sold and the sale revenue does not cover the cost of the outstanding mortgage.

Motion 18-023: That the board approve the DFF proposal as follows:

In situations where a property with an outstanding mortgage is sold and the sale revenue does not cover the cost of the outstanding mortgage

- (a) When properties are owned by the CEF, the CEF will absorb any loss
- (b) When a congregation or school owns the property and the CEF holds the mortgage, the congregation/school is liable to pay CEF the balance of the mortgage.

M/S/C

(v) Amendments to the Investment Policy

There was some confusion regarding the proposed changes to the policy as it applies to cash levels in short-term cash. Therefore the motions were referred back to the Department for Finance for clarification and resubmission to a future board meeting.

(vi) CEF Surplus Policy

The Board raised the issue of the CEF surplus policy. It was suggested that this policy be deleted as the revised corporation may need to use some of these funds to fund its continued operation. Also many aspects of the current policy will no longer apply after restructuring takes effect in 2019.

Motion 18-024: That the DfF review the CEF surplus policy and that the board suggests it should be deleted. **M/S/C**

Department Chair Report – Mr. Hugh Weltz

There was no report.

Minutes – February 26, 2018

The minutes were received for information.

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

Current M&M Contributions

The yearend report regarding mission contributions was received for information. It was noted that contributions were very close to 2017 levels.



M&M Contributions Historical Review

The above-noted report was received for information.

ED Financials Summary Act & 2018 Budget

Received.

ED Financials Detail Act & 2018 Budget

The board reviewed the detailed figures and requested an updated version to vote on at the Tuesday session. The updated version will show the total gross budget and the revenue re missions from sources other than the core budget. In addition the cost of paying off the debt for the office renovations will be deleted. (See motion 18-021).

Restricted Fund Balances

The board received the report of Darryll Holland regarding restricted funds.

Motion 18-025: That a committee of Rev. Bublitz, Mr. Bob Klages, and the Business Manager, Darryll Holland review all of the restricted funds and make recommendations to the board regarding what should happen to these funds before restructuring changes take place in January of 2019.

Amherstburg and Cobourg

The Business Manager reported on discussions that have taken place regarding the district owned properties in Amherstburg and Cobourg. The report was received for information. The chairman will meet with members of the Cobourg congregation.

District Office

The report of the Business Manager was received.

CEF Budget 2018

The board requested that a revised budget be prepared for the Tuesday session showing full market rent on District owned properties and offsetting revised subsidy figures.

District President's Report: Rev. Paul Zabel

Report

The report of the president was received for information.

Emeritus Crucis Nominee

As per the request of the Seminary President, the board member recommended a name for this award.

Properties Committee: Mr. Kent Schappert

Mr. Kent Schappert reported on a meeting held with representatives of Bethel. Both the committee and Bethel will continue to get further information and report back at the next meeting. It is necessary for us to decide what the space requirements might be for the corporation after January of 2019.

The board recessed for the evening and President Zabel led the board in a closing prayer.



Tuesday, March 13, 2018

Opening devotions were conducted by Rev. Ron Mohr.

Mission Executive Report: Rev. Ron Mohr

Report

The board received the report from the Mission Executive regarding his activities since the last board meeting. As requested by the board, the ME also submitted a report regarding his recommendations on the Canadian mission direction for LCC.

Motion 18-026: That the board endorse the report of the ME "Mission Direction for Lutheran Church – Canada" and forward it to synod for their information. **M/S/C**

Missions List & Letter

As requested, the Mission Executive provided a report outlining the subsidies for various mission projects. The district has been providing 3-year approvals on a staggered basis. The chart shows the amount that has been approved up to 2020, since the last year for providing 3-year approvals is 2018. The chart needs amending to show funding for Strathroy for all 3 years. It was agreed that the chart should be amended to show the subsidies provided through the CEF by way of rental rates below market level for those congregations renting either buildings or property or both (see motion 18-020 for additional details). Also the board recommended showing the subsidy being provided to the Triparish of Birmingham for French Ministry (see motion 18-027). This information will be shared with synod along with the accompanying letter prepared by Pastor Mohr requesting Synod to honour these commitments when they assume responsibility in 2019 for the work previously done by districts.

Partner to Partner Year End Report

The Mission Executive reported that all of the 2017 money plus any carry over from years prior to 2017 was spent for projects in 2017. A new brochure is being printed for 2018 and this year starts fresh with no money left over from previous years.

Department Reports (continued):

Outreach:

Department Liaison Report – Rev. Marvin Bublitz

The board was apprised of a proposal regarding outreach to the francophone community by the Tri-parish of Buckingham. The board was also in receipt of a report from the Mission executive outlining the details of the proposal. Rev. Somer will be the supervisor.

Motion 18-027: That the DfO recommendation regarding outreach to the francophone community in the Gatineau area by the Tri-parish of Buckingham be approved at a



cost of \$30,000 with funding to come from the profits of the sale of the Gatineau property that were returned to the District fund balance. **M/S/C**

Department Chair Report – Mr. Paul Otterman

The report of the chair was not included with the docket but was subsequently forwarded to board members. The item for board approval however was dealt with as part of the board liaison report.

DFO Minutes – February 20, 2018

The minutes were not available at the time of the meeting but were subsequently forwarded to the members.

Parish Services:

There has not been a meeting of the DPS since the last board meeting and so no reports or minutes were available.

2018 Budget (continued)

The board received revised budget figures as requested in the Monday session.

Motion 18-028: That the revised 2018/2019 budget in the total amount of \$1,944,357 be approved. **M/S/C**

CEF Budget (continued)

The board received a revised CEF budget as requested in the Monday session.

Motion 18-029: That the revised 2018/2019 CEF budget in the total amount of \$1,539,993 be approved. **M/S/C**

New Business:

NYG-Funding Letter-2018March

The above letter was received in response to the Board's decision to not provide funding for the National Youth Gathering in 2019. The board reconfirmed its previous decision.

East District Convention

The President advised that Rev. Dr. Gary Zieroth would be the essayist for the convention. The board felt that there would be sufficient business to necessitate the 3 days allotted. Information to congregations regarding delegate selection should be sent out immediately.

Lutheran Church–Canada: Rev. Timothy Teuscher

No report

East District Archivist: Mrs. Carol Nagel, Archivist

No Report



Committee on Constitution/Membership: Rev. Robert Morley
No report

Committee on Communication Services:
No Report

Abuse Prevention Committee: Mrs. Jane Ryan
No Report

Handbook Committee: Rev. Marvin Bublitz, Chairman

Rev. Bublitz reviewed with the board the ruling that the Handbook Committee provided in response to the request from the board. The ruling was as follows:

It must be noted that the current restructuring of Synod and the resolution 17.01.05 to discontinue working with the 3 separate district corporations to deliver services to the members of LCC as of January 1, 2019 has created a special circumstance for the District. As such, there are some matters that will need to be handled differently than in normal times. Our rulings below reflect that need. Sanctified common sense should prevail in these matters.

1) Can the term of office for all elected entities be deemed to continue until the October 2018 ED Convention?

Ruling: We see no issue in the elected positions continuing until the District convention. Bylaw 17 states that “directors shall be elected for a term of three (3) years”. It should not be understood that this 3 year stipulation is intended to be exactly 3 years of 365 days. Rather, it is the intent of the Bylaws to elect directors for one convention cycle. Under normal circumstances we would have done this in May 2018. However, due to the time constraints of restructuring, the convention was moved to October 2018. Thus, all elected individuals and officers are to serve for the complete convention cycle which ends in October 2018.

Since Synod will no longer work through the district corporations to provide services to the members of Synod as of January 1, 2019, it would not make sense to elect positions in October that would no longer exist in January. Therefore using sanctified common sense we further rule that: Since the Regional Pastor, Circuit Counsellors and Regional Mission and Ministry Council will officially begin to operate on January 1, 2019, all current (pre-2018 convention) elected individuals, appointed officers, department members and appointed committee members shall remain in their respective positions until December 31, 2018.

2) If not, could the terms be extended by an ED Annual meeting prior to the convention?

3) If not, what needs to be done?

There is no need to rule on these since they are addressed above.

4) Since Synodical representatives have indicated that the new Regional Pastor, to be elected at the 2018 ED convention will not take office until January of 2019, what action is required, if any, to extend the term of the current ED President to Dec. 31st of 2018. The same action may possibly be necessary for the Circuit Counsellors.



These are addressed above. Please note that the Handbook Committee has no issue with the Circuit Counsellors remaining in office until the new ones officially take office on January 1, 2019. This, however, may be a matter more properly addressed to Synod. Our Regulation 8.10H states that the newly elected Circuit Counsellors would assume office immediately following the Convention of the District. However, Synod has indicated they will officially begin functioning on January 1, 2019. Therefore, we rule that the current Circuit Counsellors should remain in their office until December 31, 2018.

Regarding the nomination process for other positions, we rule that the Committee on District Nominations not solicit names for President, Vice-Presidents or Secretary. The Committee on District Nominations shall be instructed to only solicit names for the new Board of Directors in accordance with the proposed new Bylaw. Since the current Board will function until December 31, 2018, the newly elected Board of Directors will begin their official duties on January 1, 2019. Since the new positions in the restructured synod are not part of our bylaws, the following request shall be made to the Synodical Commission on Nominations and Elections:
“That the CNE be responsible for managing the nominations and elections process (see Synodical Bylaws 2.521 to 2.534) for the positions of Regional Pastor, Circuit Counsellor, and Regional Mission & Ministry Council for the 2018 district convention.” (per the request of President Teuscher)

Personnel Committee: Mr. Kent Schappert, Mr. Reg Tiegs
No report

New Business - Barrie, Request for Transition Funding

The Business Manager reported that a request for transition funding has been received from Good Shepherd, Barrie. The Board previously approved stage 2 funding.

Motion 18-030: That the Board approve Stage 3 transition funding of \$15,000 subject to all necessary documentation having been received. **M/S/C**

It is the understanding of all parties that the entire \$30,000 of transition funding will be repaid once revenue from the building project begins.

The board moved in camera to deal with some personnel issues.
The board then moved out of camera.

Next Meeting: June 18 & 19, 2018
Devotion Leader: President Zabel

On motion the meeting was adjourned. President Zabel closed the meeting with prayer.

For further information on any of these items, contact the Board Chair, Mr. Reg Tiegs at:
tiehm868@gmail.com

-from Lois Griffin, Secretary
LCC, East District



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