

## Summary of Board of Directors Meeting of June 18 & 19, 2018

**Monday, June 18, 2018**

### **Opening Devotions**

Rev. Paul Zabel led the Board in opening devotions.

### **Adoption of Agenda**

The following items were added to the agenda:

- Minutes of the Board meeting of April 24, 2018
- Bequests
- Policy and Procedures Manual
- Report re disposition of Various Restricted Funds
- Source of funding for Canadian ME (re Motion18-031)
- Worker Benefits

**Motion 18-033:** That the agenda as amended by the addition of the above items be adopted.

M/S/C

### **Declarations of Conflict of Interest**

Reverend Bublitz declared a conflict of interest regarding item 4.3 as he is the pastor of Redeemer Monkton. Mrs. Griffin declared a conflict regarding item 13.2.1 to the extent that it refers to Our Saviour Lutheran Church Etobicoke, as she is a member there.

### **Approval of Board Minutes:**

#### **BOD Minutes, March 12-13, 2018**

It was noted that the date on page one of the minutes should read Monday March 12.

**Motion 18-034:** That the minutes of the board meeting of March 12/13 2018 be approved as presented, subject to the date being corrected. M/S/C

#### **BOD Minutes, April 24, 2018**

**Motion 18-035:** That the minutes of the board meeting of April 24, 2018 be approved as presented.

M/S/C

### **Chairman's Reports: Mr. Reg Tiegs**

#### **Report – St. Paul's, Cobourg**

The chairman reported on his meeting with members of St. Paul's Cobourg.

**Motion 18-036:** That the church of St. Paul's Cobourg be authorized to negotiate a new lease with the city and report back to the board. M/S/C

The chairman will write to St. Paul's Cobourg to convey the motion.

### **Letter to LCC BOD Chair**

The board received the letter written by Mr. Tiegs wherein he expressed some personal views to the LCC Board.

### **Report – Redeemer, Monkton/First Logan**

The chairman reported on a meeting he had with the congregations of Redeemer, Monkton and First Lutheran Church, Logan. Rev. Bublitz answered some questions for clarification and then left the meeting for the discussion. The report was here for information. No action is required at this time.

### **Report – East District Defined Benefit Pension Accrued Debt**

The chairman reported that the Board has received a request from the Synodical Treasurer that the board consider paying off its share of the solvency deficiency of the pension fund.

(\$446, 482.23). It was noted that at the moment this is only a paper deficiency and may well disappear in a few years if interest rates rise. The board continues to pay a portion of the deficiency each year as part of the employer pension payment rates. By consensus, the board authorized the chairman to write to the Synodical Treasurer and tell him that the Board is not interested in paying off its portion of the solvency deficiency.

The Board also directed the Business Manager to track the East District portion of the solvency deficiency on an ongoing basis and report to the Board as necessary.

### **Report – LCC Logo**

The chairman reported that the LCC logo is a registered trade mark and hence going forward the East District Corporation may not be able to continue its use on its letterhead, etc.

The secretary will contact Rev. Astley to have this issue added to the agenda of the Restructuring Working Group in order to determine the Synod's position on this matter.

### **Business arising from the Minutes:**

#### **Status of Action Items from previous meeting(s)**

The Board reviewed the status of the various items.

### **Restructuring**

#### **Working Group Report**

Report received for information

#### **Working Group- Approved Minutes-April 10, 2018**

Minutes received for information

#### **Working Group- Approved Minutes-May 8, 2018**

Minutes received for information

#### **Working Group- Draft2 Minutes-June12, 2018**

Minutes received for information

### **Restructuring (continued)**

Revisions to Draft Bylaw 2018 – Report – 18Jun12

The Board had before it the proposed bylaw, commentary on the changes recommended as part of the circuit meetings, and proposed resolutions for the Board to adopt.

The board approved the following additional changes to the Bylaws:

(i) alter the wording in the last paragraph of 11 by deleting "delegate. For business to be conducted," and replacing it with "delegate, and "so that the paragraph reads *"Except as provided in section 12, quorum for annual meetings of the members of the Corporation shall be three (3) Class V members present in person or, in the case of a member congregation, by a delegate, and quorum must be maintained throughout the course of the meeting."*

(ii) Amend 15 by replacing the word "books" with "books or records", and amend 44b by replacing the word "books" with "books and records".

### **Resolution 18-037:**

**WHEREAS** the synod has indicated that effective January 1, 2019 they will be providing services to congregation directly and no longer working through districts; and

**WHEREAS** it is necessary to amend Bylaw 2015 of the East District Corporation to take this change into account; and

**WHEREAS** meetings have been held for all the East District circuits to explain the changes and get input; and

**WHEREAS** the amendments have been reviewed by the District Handbook Committee

**BE IT RESOLVED THAT, SUBJECT TO APPROVAL OF THE MEMBERS OF THE CORPORATION:**

Bylaw 2018 be approved and become effective on the date of approval by the members of the corporation, and the directors of the Corporation be authorized and directed to file a copy of Bylaw 2018 with Industry Canada. **M/S/C**

**Resolution 18-038:**

**WHEREAS** the synod has indicated that effective January 1, 2019 they will be providing services to congregation directly and no longer working through districts; and

**WHEREAS** Regulations 2015 of the East District Corporation contain many ecclesiastical regulations that will no longer be relevant with the synodical structure change: and

**WHEREAS** those provisions in the regulations that are still relevant have been included in Bylaw 2018; and

**WHEREAS** meetings have been held for all the East District circuits to explain the changes and get input; and

**WHEREAS** these changes have been reviewed by the District Handbook Committee

**BE IT RESOLVED THAT, SUBJECT TO APPROVAL OF THE MEMBERS OF THE CORPORATION:**

Regulations 2015 be repealed effective on the date of approval by the members of the corporation. **M/S/C**

Before presenting bylaw 2018 to the convention, the bylaw will be vetted by a lawyer.

The secretary will put the above resolutions in an appropriate format for submission as an overture to the convention.

The Board has suggested to the President that in forming convention resolution committees, that one committee deal only with the proposed bylaw 2018 changes and the membership for that committee be the Handbook committee members plus the Board Chairman.

**Bequests**

Questions have been raised by a number of congregations regarding how to unlock dedicated funds (bequests) which have been specified as to their use when that use is no longer pertinent or when only the interest has been allowed to be used. The answer will depend on whether or not the bequest has been part of a will. By consensus it was agreed to have our lawyer approach the charities directorate to seek guidance for congregations.

**Revision to the Policy and Procedures Manual**

In light of restructuring, the Policy and Procedures Manual will have to be revised to remove those areas no longer applicable to the corporation as of January 2019 and add those items identified during the review of the bylaws that should be incorporated into the Manual rather than keeping them in the bylaws. By consensus it was agreed that the Governance Committee take on this task. The revised manual should be available in time for the October Convention for the information of the members.

**District President's Report:** Rev. Paul Zabel

The report of the president was received for information.

**Properties Committee:** Mr. Kent Schappert

There was no written report.

The Business Manager is to get costs of leasing other areas, amount of space required, etc. and report back as well as talking to other potential tenants of the district office building.

**Mission Executive Report:** Rev. Ron Mohr

Rev. Mohr reviewed his report with the Board. He again stressed the need for a second worker in Atlantic Canada.

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

**Current M&M Contributions**

The report was received for information.

**M&M Contributions Historical Review**

The report was received for information.

**ED Financials Summary as of May 21, 2018**

The report was received for information.

**Restricted Fund Balances**

The report was received.

**Amherstburg & Cobourg**

The report updated the board regarding the parsonage in Amherstburg and the property in Cobourg.

**Audited Financial Statements**

The Board reviewed the audited financial statements for the fiscal year 2017/2018.

There was a question regarding the item on page 7 listed "Impairment realized on Church Extension Fund loans" of \$168,200. This relates to the loan to the Grace Evangelical Lutheran School Society and represents the difference between the proceeds of the upcoming sale of the land and the outstanding debt on the loan.

**Motion 18-040:** That the Business Manager write to the Grace Evangelical Lutheran School Society to remind them of the outstanding debt on their loan of \$168,2000 after the realized proceeds of the land sale and requesting them to pay this outstanding debt and suggesting they may wish to contact those parties connected with the school for assistance. **M/S/C**

It was noted that Note 2 on page 10 is incorrect.

**Motion 18-041:** That the audited financial statements for the fiscal year 2017/2018 be approved subject to amending Note 2 to read " **Future Event** –Lutheran Church Canada will discontinue working with the 3 district corporations (the Alberta-British Columbia District, the Central District, and the East District) to separately deliver services to the members of LCC as of January 1, 2019. "

**M/S/C**

The board reviewed the letter from the Auditors that accompanied the audited statements.

**Motion 18-042:** That the letter from the auditors be referred to the audit committee for their information, that the Audit Committee be directed to implement recommendation 1 on a twice yearly basis, and that regarding recommendation 3 reconciliations be done on a quarterly basis and that the Audit Committee report back to the Board on these recommendations. **M/S/C**

**Delinquent Loan Policy**

The Business Manager presented a draft of a delinquent loan policy.

The policy will be presented to the Department for Finance for their review and approval and then brought back to the Board for final approval.

**First Windsor Loan/Land Sale**

The report was received for information.

**Minutes of the Sub-Committee reviewing the Restricted Funds**

The Board reviewed the various restricted funds and the recommendations from the committee regarding what should happen to them before the end of 2018. The discussion was tabled until the next day.

The meeting was recessed. Closing devotions were held.

**Tuesday, June 19, 2018 9 a.m.**

The meeting opened with devotions led by Rev. Bublitz

## **New Business:**

### **East District Convention**

The President reported on the convention plans.

### **Proposed Overtures from Board**

The Board had a report from Pastor Bublitz on suggested overtures that the board might propose for the convention. The Board recommended the following amendments:

Regarding the 2nd overture, remove reference to "auxiliaries" and replace with "organizations" Regarding the 4th overture re thanking departments and committees, amend the last "whereas" to read "Whereas over the years many have volunteered and served on the following Departments and committees"

Regarding the 5th overture encouraging LCC members to work together to make the new structure work, amend "good news" to "Good News" in the 2nd Resolved, and amend the 3rd resolved by adding the word "Heavenly" before "Father".

**Motion 18-043:** That the overtures as amended be approved for submitting to the convention. **M/S/C**  
The secretary will make the necessary revisions and provide titles and submit them to the President.

Two additional overtures were recommended: 1) overture requesting synod to publish summaries of its Board meetings 2) overture requesting synod to establish a moving fund for all three regions. Pastor Bublitz will draft these for the board's approval.

### **Signing of Worker Benefits Agreements**

All employers with workers enrolled in the Worker Benefits Plans must sign new agreements with WB relating to both the Pension Plan and the Benefits Plan.

**Motion 18-044:** That the President and the Secretary be authorized to sign the new agreements on behalf of the Corporation. **M/S/C**

## **Department Reports:**

### **Finance:**

#### **Department Liaison Report – Mr. Robert Klages**

The DFF liaison, Mr. Klages, presented the various actionable items from their Department meeting.

(i) **Motion 18-045:** That the board approve the recommendation from the Department for Finance that regarding the CEF investment policy, Appendix A be modified to read as follows:

Short-Term Investments - Minimum \$500,000, Target 5%, Maximum 5%

Equity Investments - Target 45% **M/S/C/**

(ii) **Motion 18-046:** That the Board approve the recommendation from the Department for Finance that the CEF Surplus Distribution Policy be suspended effective immediately. **M/S/C**

(iii) **Motion 18-047:** That the Board approve the recommendation from the Department for Finance that promotion of the Mission & Ministry Endowment Fund, with an approximate value of \$125,000, be deferred as LCC will assume responsibility for this type of work after restructuring and further that this fund be transferred to LCC when they assume ecclesiastical supervision in 2019.

**M/S**

(iv) **Motion 18-048:** That motion 18-047 be tabled and the Board obtain legal advice regarding whether there is any way to transfer assets to LCC without those assets becoming vulnerable because of the ongoing law suit which LCC is involved in regarding the ABC Church Extension Fund. **M/S/C**

Mr. Klages further clarified that regarding the motion from item 8.1.2 within DfF meeting minutes of Feb. 26, 2018, the funds freed up by the reduction of Short-Term Investments would be invested in Canadian Equities that produce dividend income. This does not involve a change in the CEF investment policy.

Finally the DFF recommended the establishment of a CEF committee that would report to the Board under the structural changes being implemented on January 1, 2019 and that this be reflected in the

amended bylaw for the corporation. This has already been done and is included in bylaw 2018 approved by the board.

**Department Chair Report – Mr. Hugh Weltz**

The report was received.

**DFF Minutes – May 28, 2018**

The minutes were received.

**Outreach:**

**Department Liaison Report – Rev. Marvin Bublitz**

There was no report

**Department Chair Report – Mr. Paul Otterman**

The report was received.

**DFO Minutes – May 29, 2018**

The Board reviewed the item in the minutes regarding the priority listing of the work of the MALs.

By consensus, the Board approved the priority listing and directed the chairman to send this information to the Synodical President and the Chairman of the synodical Board. The Board also concurred that in order to comply with labour law, the Chairman send a letter to all MALs informing them that as of January 1, 2019 the corporation would no longer have the authority to fund the MALs as the corporation's ecclesiastical authority would be ended. Prior to sending the letter, the chairman will personally contact each missionary to explain the situation and advise them of the letter that will be coming.

**Parish Services:**

**Department Liaison Report – Mr. David Faerber**

The report was received.

**Department Chair Report – Mr. Karl Witzke**

The report was received.

**DPS Minutes – May 12, 2018**

The minutes were received.

**Lutheran Church–Canada:** Rev. Timothy Teuscher

There was no report.

**East District Archivist:** Mrs. Carol Nagel, Archivist

There was no report.

**Committee on Constitution/Membership:** Rev. Robert Morley

There was no report.

**Committee on Communication Services:**

There was no report.

**Abuse Prevention Committee:** Mrs. Jane Ryan

There was no report.

**Handbook Committee:** Rev. Marvin Bublitz, Chairman; Mrs. Lois Griffin

There was no report.

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

Mr. Tiegs provided a verbal update on some matters.

**Committee Report re the Disposition of Restricted Funds (continued)**

**Motion 18-049:** That regarding fund 2595 as much of this as possible be expended against mission work in 2018 and the budget be adjusted accordingly. **M/S/C**

After some additional discussion, by consensus the report was referred to the Business Manager with a request that further reports be prepared for the next board meeting as follows:

- (i) a report that shows for each fund the financial data to the end of 2018 along with the recommended disposition of the fund
- (ii) a report that shows only the funds with a non-zero balance, grouped according to their suggested disposition, so that the board can see what funds will be available going into 2019.

**Other Business:**

**Bequests**

Some additional discussion was held.

**CEF Signatories**

A question was raised as to who the CEF signatories would be on term deposits, etc. after January 1, 2019. The Business Manager will report back.

**Next Meeting: August 27, 2018 10 a.m.; Devotion Leader: Rev. Schieman**

**Conference Call meeting: October 2, 2018 10 a.m.**

On motion duly moved, seconded and carried, the meeting was adjourned at 11:58 a.m.

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

[tiehm868@gmail.com](mailto:tiehm868@gmail.com)

-from Lois Griffin, Secretary  
LCC, East District