

EASTERN DISTRICT BOARD OF DIRECTORS MEETING
MINUTES - APPROVED
FRIDAY-SATURDAY FEBRUARY 7-8, 2020

Friday, February 7, 2020

Hope Lutheran Church-1301 Vintage Lane, Rochester, NY 14626

Attending: Mark Erbedling, Chris Wicher (Guest: Barb Williams), Terry Miller, Carl Prostka, Carl Frethold, Cyndi Alviani, John Plngel, Brian Smith, Susan Bell, Jon Allen, Garrett Nash. *Via teleconference: Melissa Fultz, Jim Carr. (Excused: Dan Hahn and Fred Hoover)*

Meeting called to order, 1:01pm

OPENING DEVOTION [Susan Bell]

(Psalm 23) Susan spoke of God's providence through the experience of a her neighbor who was struggling with a kidney disease. A Facebook post led to a much-needed kidney transplant, and the grieving family was blessed to know their loved one's gift would live on in someone else. *Hebrews 11:3 "By faith we understand...."* At church, a soloist for January 5 fell through, but a replacement was found who, in turn, called in with a cold the day before. A soprano was located the day before the service; it was the first anniversary of her mother's death and she dedicated her singing of The Lord's Prayer to her mom. It was God's plan that she should sing!

BOARD BUSINESS [Erbelding]

- **Approval of Minutes.** Two corrections were made. Minutes of the October meeting accepted as corrected and approved.
- **Approval of Agenda.** Pioneer meeting will be moved to Saturday, with other agenda items moved up to today. (6:30pm dinner at T.C. Hooligans 200 Center Place Drive in Greece, opposite the hotel, beyond Rte 390) Motion by Carl Prostka, second by Terry Miller to approve the agenda. Approved.

PRESIDENT'S REPORT [Wicher]

- **Written report summary:** Chris distributed the updated Circuit reconfiguration & copies of The Lutheran Witness with attention to the article on the State of Synod; in particular, he noted the Eastern District has the 4th most students enrolled at Concordia Seminary in St. Louis.
 - **Lawsuit update.** The first case was a 1978-1982 incident with a DCE from First Trinity in N. Tonawanda; the case is in the "discovery phase" and we're scheduled for court in January, 2022. The second case: a summons was issued to the District President on December 23 2019 with a case against the same DCE in the same time period noted above. At present, there is very little documentation on this case. [Our major argument regards direct supervision in the parish; unlike the Roman Catholic Church, our District does not have direct supervision of parish activities.] A third case was brought against St. John's in Rome, dated 1965-1972. Our attorneys spoke to the secretary who served at that time, and they have advised acquiring an affidavit from her as soon as possible. After research, we have not found applicable insurance coverage from that time period. We cannot budget for this until August, when we can begin to determine the course and cost of action, perhaps \$100,000-\$200,000 in legal expenses. The District assets (i.e., building) total perhaps \$500,000 which is taken into consideration in litigation.

- **Barna Research Webinar** Chris shared an invitation by email (Jan. 22 at 2:08pm) to this event, hosted March. 20, 24, 26. The District has paid for participate and anyone (incl. members of the Board of Directors) may call in to Ruth Marzano for the code to register. Barna Research Group conducts faith-based surveys and offers information to support churches in their ministries. Topics: (3/20) “Demographic Trends in the Northeast” (e.g. Pittsburgh to Boston – the most unchurched/de-churched region in the U.S.). (3/24) “Mobilizing the Church for Mission” in a post-Christian culture. (3/26) “How to reach out the Ethnic Communities”.
- **CCM (Commission on Constitutional Matters) Policies follow-up.** Since our District did not respond, the CCM has dropped the matter. The Eastern District established a committee at the October 2019 meeting, which is no longer necessary.

Motion to dissolve the CCM committee pursuant to the President’s report; moved by Jon Allen, second by Susan Bell. Motion approved

- **Upcoming calendar items:** Jon Allen has been presenting on the subject of sabbaticals at the Regional Presidents’ meetings. Jon’s leadership has proven helpful, especially as a lay leader. Retirement seminar coming up on May 2. All Workers’ Conference in October (Clergy & Commissioned Ministers, such as Teachers/DCE’s) in Reading, PA. October 24 Workshop for congregations wanting to form a Safety Team/Board to consider safety issues for the church: facilities, policies, active shooter training, child safety, background checks, etc. Insurance companies are providing tools.
- **Constitution Review Committee:** 4 recommended for approval (Faith-Easton, Trinity-Wellsboro, Christ Church-Forrest Hills & Trinity-Monroeville), 1 still pending (St. Matthew’s-North Tonawanda)

Motion to approve 4 constitutions as per Committee recommendation: moved by Carl Prostka, second by Garrett Nash. Approved.

- **District Reconcilers:** Pastor Barry Keurulainen was nominated to be one of our 4 District reconcilers. Motion to accept Pastor Keurulainen as a District Reconciler; moved by Susan Bell, second by Cyndi Alviani. Approved.
- **District staff reviews were conducted** at the end of the year, with records kept. (The D.P. is annually reviewed by the Board-see details below).
- **Vacancies & Deacons:** We still have 8 (non-ordained) Deacons in our District who have been re-engaged for the year to serve “Non-Word & Sacrament Ministry on a regular, consistent basis.” (At present, we have about 16 vacancies and we are able to fill those gaps, occasionally borrowing workers from other districts; six pastors are retiring from the District, but plan to stay and help out as needed.)

(Break-2:20pm)

DISTRICT BUDGET 2020

The budget as presented is virtually identical to the preliminary budget presented in October. At the end of 2019, we finished \$13,000 over budget due to congregations giving beyond expectation! We've lowered expenses over the years due to decreased congregational giving, but this year has been a blessing. Pioneer will receive a \$13,000 grant from the District. LCEF proceeds are \$150,000 which go to Rick Porter and his programming. Also LCMS Foundation provides funds. We're still awaiting Pioneer to pay back the \$75,000 line of credit extended in 2018. We also had a \$30,000 line of credit 2 years ago to give Pioneer a grant going into 2018, a total of \$115,000. Barb Sigafoos hopes to clear out the \$30,000 line of credit this year so that we are debt-free in 2021. Convention assessments are \$2.50 per communicant member as a bill. At present, 110 congregations have paid. We budgeted a 3% salary increase across-the-board. Barb Williams works with Barb Sigafoos on the accounting provided by the Synod; the process works well. A share is paid to the audit and to insurance by Pioneer; at present-without payment-we don't have the complete 2018 audit. (A more pressing concern for Pioneer than District BOD).

Motion to approve the 2020 Budget as presented; moved by Carl Prostka, second by Jon Allen. Approved.

Motion to dissolve the Committee approved at the October 2019 Board of Directors meeting to explore joint ownership of Pioneer and options for its continued relationship with Eastern District; moved by Susan Bell, second by Terry Miller.

PIONEER DISCUSSION

The Eastern District Board of Directors is a distinct group and is in a position to make decisions regarding Pioneer Camp and Retreat Center in Angola, NY. The Board President (Nick Gatto) and Interim Director (Brian Srienowski) will join us tomorrow and give a synopsis and provide an overview of plans for 2020 events. Some organizational considerations:

Eastern District is the called workers and congregations of the District. The District has no say on the property of Pioneer and will not be able to use those funds for its own purposes. The District elects the BOD.

Pioneer, Inc. is an affiliate (language from our audit) of the Eastern District. The Eastern District doesn't own Pioneer. The Members of Pioneer, Inc. holds the deed for Pioneer. Even though both are separate corporations with their own directors, treasury and budgets, membership and governing documents E.D. and Pioneer have a close cross-relationship particularly since the Treasurer of the District is named as the Treasurer of Pioneer. In short, Pioneer, Inc.-alone can approve the sale of the property and manage the proceeds. As long as Pioneer, Inc. exists the proceeds from the sale of the property do not go to the Eastern District. This is significant with regard to the current lawsuits. Since the District is a separate legal entity from Pioneer, Inc., the assets are protected in our thinking.

Pioneer Board of Directors is elected by the Members of Pioneer, Inc. and the Board is in charge of operations at Pioneer. If the Pioneer Board decides to cease operations/program, the property falls to the Members of Pioneer, Inc. for decision-making.

Important questions to address:

1. What do you see as the purpose for Pioneer?
2. What should be our objectives for the property?

The articles of incorporation suggest Pioneer exists for the pleasure of the members of the Eastern District as an outdoor ministry; however, this doesn't seem to be the current purpose. What is the dream for Pioneer: endowment for students? Other ministry? The current business model has proven unsustainable.

As Nick Gatto's letter points out, money is not the only contributing factor. Other factors include decreased overall use of Pioneer, aging facilities and infrastructure, and declining donor support and declining usage by congregations and the people of the Eastern District. Nick said "Our aim is to close Pioneer by the end of the year, short of a miracle." A long-term solution rather than a quick-fix is needed. Barb Williams affirmed that Pioneer's Board of Directors has addressed questions like these, all of which seem to be leading toward closure. The loss for 2019 is significant (approximately \$200,000) and the figures have been updated in the most recent report that was distributed today. A suggestion was made to establish a payment plan for vendors. Barb Williams shared the goal is get the 2018 audit released as they cannot start the 2019 audit. The auditors wanted to have a statement involving the "going concern" since both boards come together with side-by-side financials. We've turned over nearly everything we can with regard to financials. There is a social media and other efforts to provide funds that would serve as a bridge loan to cover expenses for Pioneer; as a loan, these would be repaid upon disposition of the camp property.

Carl Prostka asked if there is a successful model of a camp reinventing itself? Barb Williams referenced NLOMA (National Lutheran Outdoor Ministries) as an example. Unfortunately, the current business model at Pioneer (suggested by the Pioneer Rebirth Action Team in 2013) has proven unsustainable. Again, the question -What is the purpose of Pioneer? – is paramount.

Pioneer's Board of Directors has invested a great deal of effort in reviewing these problems over the years, but the end result is that the problems-at this point-seem insurmountable. John Pingel shared that a number of people who spoke with him are unaware of the amount of outstanding debt, not loans, but owed to vendors.

Melissa Fultz pointed out that the District-wide efforts invested in Pioneer (with a mission that isn't entirely clear) might better be directed toward other needs or missions.

Carl raised question about Alex Knowles' circumstances. Chris noted that Alex is currently serving St. John's in Angola and continues to oversee Shoreline Catering, which provides the food service for Pioneer Camp and for Weddings. Brian Smith shared that Alex seemed to be in a good place and has remained at Pioneer to help with the transition.

Chris suggested we consider a meeting (mid-Lent?) as a follow-up:

A motion was made by Susan Bell and seconded by Cyndi Alviani that the District President investigate and plan a special meeting of the Pioneer Owners to consider and respond to the 2 questions above. Approved.

Action items:

1. Motion to approve the 2020 housing allowance designation for the District President (\$24,000) as per IRS regulation; moved by Cyndi Alviani, second by Terry Miller. Approved.
2. St. Matthew's-Rochester property. The District, in lieu of accepting an immediate balloon payment for the property, will extend the payment 15 years, allowing a decrease of monthly payment from \$1,300/month to \$1,000/month for Free Deliverance Church. Motion by Carl Prostka, second by Susan Bell to approve the changes to our contract with Free Deliverance Church for the property mortgage at the former St. Matthew's Lutheran Church in Rochester, NY. Approved.

UPDATE ON NEXTCHURCH TASK FORCE: Recommend a Full-Time D.P. Staffing changes. Changes to the physical building (renovation), to be postponed to the next triennium.

STAFF REVIEW OF DISTRICT PRESIDENT: Mark Erbedling and Jim Carr met with Chris in January and discussed his review of top goals and performance, contributions, challenges, etc. Our meeting resumes tomorrow morning, 8:30am at the Marriott Hotel: 1890 West Ridge Rd in Rochester (Greece), 14615. 585-225-6880

Dinner, 6:30pm at T.C. Hooligans - 200 Center Place Drive #4010

Closing Prayer at 4:59pm

Saturday, February 8, 2019 (Marriott Hotel) meeting resumed at 8:30am

Attending: Mark Erbedling, Chris Wicher (Guest: Barb Williams), Terry Miller, Carl Prostka, Carl Frethold, Cyndi Alviani, John Plngel, Brian Smith, Susan Bell, Garrett Nash. *Via teleconference: Melissa Fultz, Jon Allen. (Excused: Dan Hahn and Fred Hoover)*

MORNING PRAYER/DEVOTION (Carl Frethold)

Carl shared "A Taste of Worship" by Ravi Zacharias as a follow-up to a conversation on "What is worship?" James 5:13-16 "Is anyone among you in trouble..." Definition of worship as "the submission of all of our nature to God, the quickening of the conscience to his holiness, the nourishing of the mind with his truth..." Worship is the most powerful evangel in today's post-modern world and we are instruments of replenishment in a world full of trouble; it's the power of a people in one mind – hope. In a meeting with Atheist that closed with prayer, we concluded with a sobering silence of whose presence we were in. One person commented about having stayed up late to talk and how he went back to his room, giving his life to Christ. Praying with someone often is more powerful than preaching to them. Pat answers don't change the mind; prayer does!

Meeting adjourned at 8:46am.

Meeting called to order at 10:07am

MISC. BUSINESS

- Circuit reconfiguration: The Eastern District has 16 circuits (clusters of congregations each with a Circuit Visitor), which should coincide with Electoral Circuits; every 3 years there are electoral circuits of 1,500 or more congregant that meets every triennium in order to vote. Suggestion was to move from 16 Electoral Circuits to 12, which is a more comfortable fit. An updated reconfiguration was distributed by email.
 - Philadelphia takes on more congregations to be a more robust circuit
 - Binghamton churches are pulled into the Susquehanna Circuit
 - Central New York becomes one large circuit
 - Buffalo loses one (smaller) circuit
 - Niagara County remains the same overall with small changes due to density of churches
 - Pittsburgh moves from 4 circuits to 2 circuits

President Wicher's task going forward is to communicate these changes as convention approaches so delegates are made aware well in-advance. Looking forward the Board will be asked to approve the reconfiguration a required before the convention. The end result is that we have a smaller representation at the Synod Convention.

Our next meeting (May 8-9) is at Christ-Memorial in Malvern.

Meeting evaluation – comments were shared

Motion to adjourn by Jim Carr, second by Carl Frethold.

Meeting adjourned at 10:22am