

**METROPOLITAN WASHINGTON D.C. SYNOD OF THE ELCA
SYNOD COUNCIL MEETING – FEBRUARY 28, 2012
TELEPHONE CONFERENCE**

Present: Bishop Richard Graham
Vice President Dr. John White
Secretary Pr. John Bradford
Treasurer John Handley
Pr. Emmanuel Grantson
Pr. Terry Hannon
Pr. Gerry Johnson
Pr. Margrethe Kleiber
Pr. Charles Oberkehr
Pr. Christine Stephan
Pr. Michael Wilker
Deacon Katherine Miller-Holland
Wendell Anderson
Jim Brookshire
William Johnson
Bob Schilpp
Margretta Williams

Staff: Assistant to the Bishop, Pr. Amy Thompson-Sevimli
Administrator, Associate in Ministry Harold Sargeant
Assistant to the Bishop, Pr. Phil Hirsch

Absent: Rachel Carle
Shirley Gibbs
Bonnie Priebe
Ruth Manchester
Amanda Wahlig

Dr. White called the teleconference meeting to order at 7:06 pm.

Bishop Graham opened with prayer.

Dr. White invited Treasurer John Handley to introduce the topic for this conversation. Mr. Handley offered the following:

Shepherd of the Hills (Soth) has been in the process of finding financing for the new facility they would like to build just north of Haymarket. The synod has already agreed to cosign a mortgage in the amount of \$1M as well as provide the congregation with a \$50,000 grant from the Faith Fund.

The congregation developed a plan based on that support as well as fundraising activities within the congregation. Because of an excess in the amount of site work that has to be done and a decrease in the value of the land on which they will build, they are now seeking to finance a project that no longer meets their bank's loan requirements. Virginia Commerce Bank (VCB) is the bank with which Soth is working. At this point, Soth is about \$300,000 short.

VCB has indicated that they are willing to bridge the \$300,000 gap if someone is willing to keep \$300,000 on deposit at their bank and pledge the asset against the Soth loan. Soth has asked if the synod is willing to support the project by holding \$300,000 at VCB.

While the synod has more than \$300,000 invested in various places, it is not particularly simple or advisable to pledge assets that support other uses. The synod has less than \$100,000 in unrestricted, undesignated funds, clearly not enough to support this project. And that money is needed to fund normal cash flow.

The synod does have about \$250,000 in unrestricted, but designated, funds. These assets are held to support the causes that are detailed on schedules 3 and 4 of the Treasurer's regular reporting. The synod also holds just over \$1M in permanently restricted funds. These support the four endowment funds (schedule 5). While it would not be prudent to interrupt the investments of the Mission Endowment Fund or the Faith Fund, the two smaller endowments (Campus Ministry and Mission Development Trust) are invested in money-market-like funds and could be moved. The two corpuses of the two smaller endowment funds, however, total only about \$80,000.

The only other source of investable funds that can be anticipated in the near future is the proceeds from the sale of the Bethany, Forestville building. These funds need to be invested somehow once we receive them, so investing a portion of them at VCB is an option. While we would need to pledge the assets in support of the building loan, this option would not be a grant to Soth. If all goes well, the assets would be released from the pledge once Shepherd of the Hills qualifies for the loan without the assets. The investment would earn interest in the same way that other money market funds earn.

The use of the Bethany funds is preferable to the use of other designated or restricted funds because the pledge of the assets could make access to the funds problematic. The Bethany funds are already designated for new and renewing missions.

If we take this route, then VCB can take the loan package to the committee that approves loans at their meeting on Thursday, March 1. If the loan is approved at that meeting, Soth would have up to 90 days to close the loan. That means we would need to close the Bethany sale no later than late May. That seems likely, but is not a sure thing.

Motion SC 02.28.01: The Synod invest \$300,000 of the Bethany, Forestville, Maryland proceeds at Virginia Commerce Bank in support of the financing of Shepherd of the Hills Lutheran Church, Haymarket, Virginia. These funds would be held at Virginia Commerce Bank until Shepherd of the Hills qualifies for an 80% loan-to-value without the \$300,000.

The motion passed unanimously.

The session adjourned with prayer at 7:32 pm.

Respectfully submitted,

A handwritten signature in black ink that reads "John C. Bradford". The signature is written in a cursive style with a large initial "J" and "B".

The Rev. John Bradford
Secretary of the Synod