

REPORT OF LUTHER COLLEGE OF REGINA

Dear delegates to the 2007 National Church Convention of the Evangelical Lutheran Church in Canada (ELCIC):

Overview

Luther College, Regina, a corporation of the ELCIC, operates two campuses: a high school campus, including a residence, in west Regina, that enrolled over 450 students this past September; and a university program, including a residence, on the University of Regina (U of R) campus, where Luther College students can earn degrees in arts, fine arts, and science, as well as pursue pre-professional studies. Approximately 750 students registered at our university campus during the fall semester, and more than 150 students were living in our residence. In addition, many other university students take courses offered by Luther College's faculty. The college continues to dedicate itself to its core mission of providing an excellent quality education within a "Christian context."

Despite a general demographic decline in the number of youth in Saskatchewan, we are pleased to report that our high school enrolment remains at capacity. Meanwhile, student registrations at the university campus continue to show modest declines. The declines are, in our view, multifactorial: first, there is a decreasing number of students entering the Saskatchewan university system, as suggested by the above-mentioned demographic trend in the province; second, student interest in "liberal arts" degrees is waning, and finally, the traditional methods the college uses to attract students may be becoming less effective.

Beginning with winter semester 2007, the U of R changed its registration policy for undergraduates entering the Faculty of Business Administration to direct entry only, rather than the majority of students taking a pre-professional program in arts prior to admission to the faculty. This change will result in a one-time reduction of between 5 to 10% in the university student population at the college.

Following an approximate 10-year period of steady growth in student teaching at the university campus of the college, the U of R unilaterally imposed a significant (*ca.* 15%), year-over-year reduction in class enrolments on the college for the 2006–07 academic year. (A similar reduction was imposed on our sister institution, Campion College.) This has created financial hardship for the college due to reduced tuition revenue, and has severely strained relations with the U of R. With a recent change in the most senior leadership of the U of R we are cautiously optimistic that relations can be repaired.

The college, particularly the high school campus, continues to receive much-appreciated financial assistance from alumni and friends, in the form of donations and pledges, to support our work. The major capital campaign to provide for renewal of the high school campus buildings is making steady progress, but is not yet to the point of where we can initiate a major project. In addition, progress is hampered by rapidly escalating construction costs.

In recent years, the results of operations have provided modest surpluses that we have been able to set aside for contingencies, including capital spending. However, because of the above-mentioned, imposed reduction in teaching, the university campus is not expected to see a surplus during the current academic year, and if not, will be forced to forego the majority of its capital spending plans and set-asides in the near-term.

While most of Luther College's students are from Saskatchewan, our high school campus remains very attractive to students from afar, especially overseas. This year, the high school campus has students from 14 countries besides Canada. Similarly, the population of our university residence is becoming

increasingly diverse. The cultural, social, and economic diversity of our student population provides a rich context for the educational experience at the college.

The “Christian context” of the college can be seen in terms of formal programs, such as chapel services, chaplaincy programming, peer support and courses in religion and ethics. We make a concerted effort to hire highly-qualified faculty and staff who personally exemplify Christian values and who can provide a supportive and caring presence for our students and for each other. The “Christian context” is further reinforced by having full-time chaplains at the high school and university campuses. We are grateful for the service of Pastor Larry Fry and Pastor Cheryl Toth, respectively, in these roles, whose positions are now fully-funded from the operating revenues of the college.

High School Campus

The high school campus of Luther College continues its tradition of excellence in academic and co-curricular programs. Consistent with recent history, a very high (90+) percentage of last year’s graduates immediately went, or have near-term plans to go, on to post-secondary education, including a significant number as student-intercollegiate athletes. Co-curricular programs that are accessible to the public continue to capture attention, including the Fall Musical, the Candlelight Service, and the Luther Invitational (Senior Boys Basketball) Tournament (LIT). These events showcase the talents of many of our students, either “on stage” or behind the scenes.

University Campus

At Fall Convocation, Luther College was honoured by Ms. Megan Nell, one of our students and the recipient of the President’s Medal as top graduate at the U of R. Megan, whose parents live in Francis, SK, was also in residence at Luther College for a number of years. More broadly, students continue to be highly complimentary about the quality of instruction provided by our university faculty, including those hired on a class-by-class basis. In other significant developments, the Luther College residence did experience some recovery in year-over-year occupancy rates, following a surge in campus-wide dormitory capacity in 2005. In addition, our cafeteria operation has gained some notoriety for its menu items, and has become a more appealing destination for walk-in clientele. Finally, our university campus hosts an increasing number of summer programs: this year’s ‘Riders training camp was, once again, based at the college; other visitors included several university groups from China, student groups from Hungary and Quebec, the Regina Music Festival, the Aboriginal Police College, and the Junior National Women’s Volleyball Team.

College Personnel

June marked the retirement of Mr. Gerry Harris after 31 years of teaching at the high school campus. Gerry retains his personal ties to the college and was this year’s honoured guest at the LIT. Mrs. Berbel Knoll, Principal at the high school campus since 1994 and teacher since 1975, has announced she will be retiring at the end of June, 2007. Mrs. Barb Wright, math teacher at the high school campus, has indicated that she too will retire at the end of this academic year, after 30+ years at the college. Finally, Ms. Susan Stinson resigned her position as Coordinator of Recruitment and Admissions at the high school campus this past fall to pursue a career in the private sector.

Board of Regents

Luther College continues to be well-served by its Board of Regents. Our board is led by Chair Dr. Peter Whitmore. Other continuing board members are Randy Beattie, Dr. Martin Bergbusch, Shirley Blythe, Carole Bryant (Chair, Academic and Administrative Committee), Maryellen Carlson, Pastor Trent

Felstrom, Helga Hein (Chair, Governance Committee), Murray Hilderman, Floyd Manz, Dr. Reid Robinson (Secretary), Karl Tiefenbach (Vice-Chair and Chair, Finance and Audit Committee), Dianna Waffle, and Morley Wagner. In addition, the board welcomed Gavin Semple (HS '63) as a new member in November. This and other matters of the board are dealt with in more detail in a supplementary report to the convention.

Respectfully submitted,

Bruce Perlson, PhD
President

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LUTHER COLLEGE - SUPPLEMENTARY REPORT

The original report from Luther College indicated that a nomination for a new board member and other matters related to the board would be dealt with in the supplementary report.

Current board membership is fourteen elected and ratified members (plus the president, selected bishops of the church as advisory members, and observing staff members).

Elected and ratified members of the board are: Randy Beattie, Dr. Martin Bergbusch, Shirley Blythe, Carole Bryant, Maryellen Carlson, Pastor Trent Felstrom, Helga Hein, Murray Hilderman, Floyd Manz, Dr. Reid Robinson (Secretary), Karl Tiefenbach (Vice-Chair), Dianna Waffle, Morley Wagner, and Dr. Peter Whitmore (Chair).

Early in 2007, Floyd Manz stepped down as vice-chair of the board, for family reasons, and by a unanimously-approved resolution of the board, Karl Tiefenbach was appointed vice-chair.

At the last corporation meeting a resolution was passed to permit expansion of the board by two elected members, at the board's discretion. The board requests the corporation meeting to ratify the board's appointment of the following person to a new board position in November 2006, to a four-year term, filling one of the positions approved at the corporation meeting in 2005:

Mr. Gavin Semple

Biographical information on this candidate has been provided separately.

In accordance with our constitution and bylaws, the addition of any new board members after this year's corporation meeting will be reported at the next corporation meeting.

Respectfully submitted,

Bruce Perlson, PhD
President, Luther College

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**LUTHER COLLEGE
BOARD OF REGENTS NOMINEE BIOGRAPHY**

Gavin Semple

- Congregation: Non-active member of the Evangelical Lutheran Church in Canada, SK Synod.
- Past Experience: Attended Luther College (high school campus) as a resident student —1959 to 1963, and had an extremely positive experience. Brother (Jim) and sister (Helen), another brother's son, and two grandsons also attended/are attending Luther College.
Has been an active volunteer for, and financial supporter of, the college since graduation. My diverse professional experience and contacts are directly applicable and helpful to the long-term well-being of Luther College.
- Gifts: Is the president and principal owner of the Brandt Group of Companies, a highly-successful, agricultural and industrial equipment sales and service conglomerate, headquartered in Regina, with ca. 1000 employees. Has been a business and community leader in Saskatchewan for many years; currently serving on 2 boards of directors of significant enterprises. Has been a member of the Spirit Campaign (a capital campaign) Committee of Luther College since its inception.
- Hopes for the Church: As a mission of the church, I have personal experience that Luther College is an excellent school. I believe the values the college promotes, and the education it provides, are worth preserving and encouraging. I am personally committed to the long-term viability and vitality of this mission of the ELCIC.

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REPORT OF THE LUTHERAN COLLEGIATE BIBLE INSTITUTE (LCBI) HIGH SCHOOL

LCBI is a coed residential high school operating as a school of the church for 90 plus years and offers its students Grades 10 thru 12, a high quality education coupled with a strong residential, sports and fine arts program overlaid with the Christian message. Life skills of serving and cooperation are a major element of learning in this environment. The following will illustrate and make reference to this fact.

The highlights of this work for the kingdom of God are as follows:

- Student enrollment stands at 103. Inquiries indicate there is growth for next year.
- Two additional electives introduced in 2006/07 school year are Norwegian language arts classes and Interior Design. Norwegian is an evening and weekend class. The Interior Design class has received offers for the student's practicum, homes within the town of Outlook offer a portion of their houses for a decorative uplift.
- In the academic department LCBI is blest by a family that assisted the school financially for the employment of two educational assistants. They have proven to be very valuable in assisting foreign students with ESL, and students that needed some extra help in their academic program. We are thankful for this addition to our teaching staff.
- Post-secondary education bursaries are being awarded to several of our students, ie: Greystone Scholars Society of the University of Saskatchewan.
- Bursary dollars are at a premium relative to the needs of many parent(s).
- Community Service: We have two initiatives that nurture life training and life skills. The "Mexico Mission", is a ten day experience with 16 of our youth assisted by four adults who go annually to the San Quentin Valley region of Mexico. There is an orphanage where our students lead and assist in various forms of service, from sharing and leading with work chores and classes, to playing and babysitting the children.
- The second service and skill training is through the 'once a month' "Take Out Tuesday" program. This is an afternoon away from the classrooms. We want our students to appreciate what goes into making and keeping a strong community. This work involves asking for opportunities to be of service. This is solicited from Outlook and area and as far away as Saskatoon. A schedule is developed with team leaders assigned along with the numbers of students needed to accomplish the work. The work varies from duties at the elementary school in Outlook, the senior's home and the hospital, Friendship Inn-Saskatoon, to cleaning sidewalks of ice and snow for the aged who live in their own homes. The students enjoy this and the feedback is very positive. Sask Energy has presented their 2007 Share the Warmth Community Spirit Award to LCBI, along with a \$500.00 check. This is a model of community service they indicate will be used in their promotion of this program.
- We have our "Campus Life" (CL) staff in diploma training programs equipping them to deal with the challenges that face the youth of today. We have added two full-time staff to the CL department to support the work. Our intern program under the supervision of our chaplain developing youth leaders is working well. Interns come from Bible schools that have an internship program for youth ministry training and development.
- Extracurricular programs in sports and fine arts include drama, choir, basketball, football, soccer, badminton, and volleyball.
- We continue to be blest with our constituency supporting us financially while developing programs and maintaining facilities.

Thanks to God for his abundance of grace!

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REPORT OF ELCIC GROUP SERVICES INC. (GSI)

Mission Statement

The mission of GSI is to effectively manage the pension and benefits plans in the best interests of the members, ELCIC and the employing congregations.

This is accomplished by:

- a) Establishing a sound strategic direction and operational framework to manage the plans in compliance with contractual, legislative and regulatory requirements as well as ethical standards.
- b) Providing accurate, timely and friendly administrative services plus effective ongoing communication that meets the needs of members and employers in a cost efficient manner.
- c) Ensuring the Pension Plan investments are managed prudently to maximize long-term returns within acceptable risk levels and the plan's investment policies and objectives.

Board of Directors

The Board of Directors consists of ten individuals of whom three are ordained ministers and three are lay persons selected by convention for appointment, with the remaining four directors appointed by National Church Council.

Board members that have served since the last convention are:

Rev. Boyd Molder, Chairperson	Rev. Loretta Jaunzarins
Mr. John Wolff, Vice-Chairperson	Rev. Douglas Kramer
Mr. Daniel Skaret, Treasurer	Mr. George Sawatzky
Mr. Ken Hanssen, Secretary	Mr. Bill Kuehnbaum
Mr. Kurt Von Schilling	Ms. Yvonne Myerhaug (resigned Oct 2006)

Committees are appointed by the Board of Directors from among their numbers, in order to gain some depth in discussing issues and provide efficiency to the board meetings. The committees are: Executive, Finance and Audit, Investment, Benefits and Communications. The terms of reference and specific responsibilities are defined in *GSI's Governance Manual*. This manual is reviewed on an annual basis.

The Board of Directors met for regular meetings in Winnipeg three times in 2005 and two times in 2006 plus a telephone conference call meeting in 2006.

Description of the Pension Plan

The Pension Plan is a defined contribution plan for clergy and lay workers of the ELCIC, its congregations, related institutions and agencies. It is registered as a Multi-Unit Pension Plan under the *Alberta Employment Pensions Plan Act* and Canada Revenue Agency. The Pension Plan is a Registered Pension Trust as defined in Section 149(1)(o) of the *Income Tax Act, Canada*.

GSI is the Administrator of the Pension Plan. GSI has engaged an executive director and support staff to handle day-to-day administrative matters. GSI has also engaged the services of investment fund managers, an investment consultant, as well as a trustee and custodian.

Accounts

A portion of the Pension Plan's assets are held in the Members' Accumulation Account (MAA) for the credit of the individual members' accounts. Currently there are 1,075 member accounts, of which 670 members are actively contributing on a monthly basis. At any point in time, the aggregate individual members' account balances equal the value of the assets in the MAA.

The Retired Benefit Account (RBA) holds the assets set-aside to pay the pension annuities for retirees. Prior to July 1, 2003, the Pension Plan entered into annuity contracts with plan members upon their retirement to provide the retirees with a fixed monthly pension income. Currently there are just over 500 individuals in receipt of a monthly pension. An actuarial valuation is carried out to determine the required reserve for the retirees' annuity commitments. The assets in the RBA together with the retirees' annuity commitments make up the retired life portion of the Pension Plan.

It should be noted that plan members at retirement now purchase a life annuity or other approved registered products from a licensed financial institution. Individual counselling is available regarding options, along with various group arrangements for the purchase of a retirement income.

Pension Plan Investment Policy and Performance

The Investment Committee reviews the investment policies and performance of the plan on a regular basis.

Member Accumulation Account

In 2005 the asset mix policy was changed to increase the target for equity investments from 55% to 60%, to bring our fund more in line with other Canadian pension plans, and recognize that over the long-run, equities are expected to outperform fixed income investments. In 2006, after a review of the long-term objectives of the plan and in light of the foreign content restrictions being lifted, the asset mix policy was changed again to increase the target for foreign equity investments from 30% to 35% and the overall equity target from 60% to 65%.

Concurrent with the change in the foreign content target, the committee further reviewed the performance of the domestic managers as it related to their foreign equity mandates and concluded that the performance was lagging. The committee then undertook a manager search for the foreign equity mandate and engaged Mercer Investment Consulting to assist in the process. After the interview and selection process was complete, Grantham Mayo Otterloo (GMO) headquartered in Boston Massachusetts was appointed.

Retired Benefit Account

The total equity target and foreign content target for the RBA will not be changed at this time. We continue to pursue a more conservative investment strategy for this plan to minimize market volatility given the unfunded liability challenge.

Performance

Individual member accounts were credited with an investment return (net of expenses) of 10.3% in 2005 and 11.4% in 2006. The RBA had a rate of return of 10% in 2005 and 9.9% in 2006.

Unfunded Liability in Retired Life Portion of the Pension Plan

The Actuarial Valuation Reports for both December 31, 2005 and 2006 indicated an unfunded liability in the retired life portion of the pension plan, being the difference between the retirees' annuity commitments and the RBA assets.

The unfunded liability, when determined on a going concern basis was \$9,344,596 at December 31, 2005, and \$7,190,041 at December 31, 2006.

We have completed the third year in the 15 year plan to pay for the unfunded liability by way of additional contributions from ELCIC congregations and other employers participating in the plan. We remain on track to eliminating the unfunded liability over the planned 15 year period at this time. Long term interest rates continue to stay at historically low levels and any further drop in these rates would result in new challenges in eliminating the liability over the 15 years.

Please read the *Annual Report* of the Pension Plan for more details regarding the valuations.

Group Benefits Plans

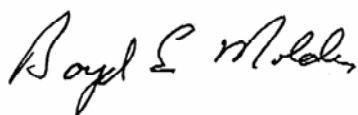
All employees of participating ELCIC employers are enrolled in the benefit program (based on eligibility). Coverage includes: life insurance, long term disability (LTD), accidental death and dismemberment (AD&D), employee and family assistance programs (EFAP), extended health and dental coverage (H&D).

The life insurance, LTD, AD&D and EFAP are fully paid by the employer at a combined premium of 3% of salary. The first three benefits continue to be insured with Co-operators, while Shepell.fgi provides the EFAP. The H&D plan has been insured with Manulife, since June 2003. The H&D plan premiums, which may be cost shared with the member based on each synod's guidelines, are determined annually based on the claims experience that varies by province of residence. The renewal at January 1, 2005 required an overall increase of 3.2% and the January 1, 2006 renewal actually saw a small overall reduction in the rates. Premiums for the calendar year 2007 are going to increase for the extended health benefit and decrease for the dental benefit. The experience varies materially by province, and therefore the premiums are set specifically for each province. Improvements were made to the paramedical benefit starting in 2007 and the related cost has not been passed on to the membership in the 2007 premiums due to favourable claims experience in previous years.

Communications

GSI publishes newsletters which provide information regarding decisions made at board meetings, investment performance results, benefit renewal information and other general health articles. An *Annual Report* is published for the Pension Plan. All publications are mailed to all members and employers (treasurers) and are also archived on our website for reference.

Respectfully submitted,



Rev. Boyd Molder
GSI Board Chair



Hildy Thiessen CA
Executive Director

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**REPORT OF THE
EVANGELICAL LUTHERAN WOMEN (ELW) OF THE EVANGELICAL CHURCH IN
CANADA INC.**

Like the ELCIC, ELW has been in existence for 20 years. Due to aging demographics and a fast changing societal climate in terms of operating organizations, it has become timely and critical to undertake an in-depth review of all aspects of ELW.

As a starting point, in January 2006 a survey was sent to all congregational ELW's in order to receive feedback on the use of ELW resources and purposes for gatherings including the Bible study, *Esprit*, Program Resources, Fall Leadership events, Praise Offering Service and general information such as ages, numbers participating in groups and events, and amount of usage of ELW produced materials. There was a 32% return of the surveys, an excellent percentage for survey response. Much appreciation and thanks is extended to those who took the time and gave their input into this part of the redevelopment process.

This is a very short report of the gleanings from that survey. We learned that:

- The Bible study remains a vital, life giving resource and gathering time.
- People want short programs.
- Availability of enthusiastic leadership is dwindling. (People have been doing it for years.)
- Fellowship is the main reason for getting together whether it is for Bible study, fall leadership events and other events.
- The program resource package is being purchased by approximately 50% of congregational ELWs and many don't even know about it. Of the 50% purchasing it, fewer are using the resources in that package, often only 1 time/year (primarily the Advent resource). Note: there are a minority of congregational ELWs who actively use many programs.
- The words 'tired' and 'old' were used very frequently in the comments of the survey.
- When asked the question to stop producing the program resource package—the response was inconclusive—leading to the belief that perhaps this should be considered.

What was not considered within this survey is a structure review of the whole organization. This conversation and deliberation is being considered as well.

In 2007 as a continuation of the redevelopment process focus groups will be held across the ELCIC which will involve a variety of people: women, men, young adults, community members, pastors, National Church Council members, ELW participants and those not so familiar with ELW. A set of questions will be considered in each of the focus groups and the responses will be collected and analyzed by a consultant. It might help to know that focus group participants will not be meeting to discuss ELW as it currently is. They are being asked for input about an organization as it might be!

Over the past twenty years ELW has played a significant role in the lives of individuals and at all levels of the church. It has been important to look at the organization and the contributions it has made to the ELCIC and beyond. It is possible that there is new life, freedom to do new things and to contribute in different ways. As the organization is examined and many are consulted, it is with eyes and ears on God's call to us in this journey. How is God calling the ELCIC to respond to ELW and the changes it is making? How is God calling ELW to respond to changes within the church, its membership and society? What are the doors that are opening that we might enter as an organization that are faithful to being *A People Called?*

While this organizational redevelopment is in a heightened information seeking time, the ELW office continues to produce resources each year that are available to everyone. Our plan is to produce a top

quality topical resource that can be used for small group discussions or retreats. The Bible study will continue and in 2008 more resources will become available for free on the website.

ELW looks forward to continuing its partnership across the church—in congregations, conferences, synods and nationally. ELW has a wealth of resources available on many topics that are not just for women but can also be used by congregational study groups, youth groups and even Sunday schools. HIV/AIDS, violence issues such as bullying, Bible studies on ecumenism and prayer are just a few of the interesting topics. Another resource titled *No Place Like Home* is in production stages. Lutheran Planned Giving (LPG) and ELW have partnered to produce *What's Enough? Making faithful decisions in a consumer society*.

ELW staff have the expertise and leadership abilities to assist in facilitating the planning for events in your area that might focus on particular topics from a faith perspective (past topics have included the BSE crisis, water, commercial sexual exploitation). Please do not hesitate to call the ELW office to inquire about program or leadership availability even if your congregation does not have an ELW.

The *Esprit* magazine won three awards at the 2006 Canadian Church Press Convention. The stories, poetry and Bible study continue to inspire, educate and challenge the readership. Does your congregation have a subscription to this award winning magazine?

Over the past twenty years ELW has provided the ELCIC with \$2,154,440. In 2006 alone it contributed \$113,500. These Praise Offerings are only a part of the ELW picture. Aside from those funds, ELW gathers enough money to hold synodical conventions every two years; national conventions every four years; the support for five synodical boards to meet twice yearly; and support enough for three professionally paid staff persons, office needs as well as resource production. Many local agencies in Canada also benefit from gifts designated by congregational ELWs. As well in 2006, \$17,240 was given to the Human Rights and Health Project in Mozambique through CLWR. This is amazing based on approximately 385 Congregational groups that average about 10 participants each.

Women across Canada continue to meet for regular spiritual renewal, conversation and to serve others in so many ways. *A People Called?* Yes! We invite you to partner with us to be people of God in mission.

Respectfully submitted
on behalf of all ELW participants and the National ELW Board,

Ruth Vince
Executive Director

ELW is a Christ-centred community of women who are committed to nurturing faith and spiritual strength to enable us to be people of God in mission.

We respond to the reality of the world around us.

We support and affirm each other by accepting our differences, appreciating our varying abilities and by mentoring and enabling each other.

We develop leadership.

We work toward justice and peace.

We nurture our faith and spiritual growth through prayer, Bible study and caring for each other.

(Excerpts from the ELW mission and vision statements.)

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