

**MINUTES
BOARD OF DIRECTORS**

**Hilton St. Louis Airport
September 12–13, 2019**

1. Call to Order and Opening Devotion

Anticipating election of the board's officers later in the board's first meeting of the triennium, Chief Administrative Officer (CAO) Frank Simek called the board's September meeting to order with members Ed Everts and Keith Frndak absent. Present were all other members, including Mr. Andrew Grams, Dr. Jan Lohmeyer, and Dr. Jesse Yow, as well as First Vice-President Rev. Peter Lange, all newly elected by the 2019 Synod convention (which also returned Christian Preus to the board, as well as President Matthew Harrison and Secretary John Sias). The Great Lakes regional lay seat formerly held by James Carter, who resigned as of August 31, 2019, remained vacant, a call for nominations having been issued August 30. Also in attendance were Chief Financial Officer (CFO) Jerald Wulf, General Counsel Sherri Strand, and Matt Buesching of Thompson Coburn. CAO Simek called upon Pastor Hoem to offer opening devotions, which he did on the basis of Heb. 10:11–25, on Thursday afternoon, and Heb. 12:18–24, on Friday morning.

2. Adoption of Agenda

The meeting agenda (p. 9–10/182 of the printed board docket, attached to the protocol copy of the minutes) was moved and adopted. Noted was an electronic action taken by the board on August 31, 2019, to approve the minutes of the final session of the convention, to be published in the 2019 *Convention Proceedings*. It was noted that, due to absences, there would be no Audit Committee or Chief Mission Officer presentation.

3. Personal Introductions and Election of Board Officers and Executive Committee

Chief Administrative Officer Simek facilitated the introduction of returning and new board members and the board's selection of its chairman, vice-chairman, and at-large executive committee member in accordance with Board of Directors (BOD) Policy 2.6 (p. 111/182), the board members already having been queried as to their willingness to allow their names to stand for election to the various board offices for the 2019–2022 triennium.

Only Michael Kumm allowed his name to stand for chairman. With no further nominations offered, it was moved and seconded that he be re-elected chairman by acclamation; the motion carried unanimously.

With Rev. Dr. Kumm assuming the chair and thanking the board for its confidence, the slate for vice-chairman was presented, consisting of Ed Everts and Joe Hoem. By a majority vote in an electronic ballot, the board re-elected Ed Everts to serve as board vice-chairman.

The Executive Committee of the Board of Directors consists of the chairman and vice-chairman of the board, the President and Secretary of the Synod, and one other voting member elected by the board. The Chief Administrative Officer, the Chief Mission Officer, and the Chief Financial Officer serve as advisory Members. Ed Everts, Keith Frndak, Larry Harrington, Joe Hoem, Christian Preus, and Jesse Yow allowed their names to stand for election for the at-large position; Ed Everts was removed from the ballot due to prior election. By a majority vote in one electronic ballot, the board also returned Christian Preus as the at-large member of the board's Executive Committee.

4. Consent Agenda

The meeting's consent agenda (pp. 11–12/182) was moved and adopted:

WHEREAS, The Board of Directors has adopted a policy allowing for the use of a consent agenda;
and

WHEREAS, The Board policy reads

3.6.2 Consent Agenda

- 3.6.2.1 The Board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
- 3.6.2.2 The consent agenda should consist of routine matters that require board action. Typically, these items include approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and acceptance of routine or non-controversial action items.
- 3.6.2.3 The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
- 3.6.2.4 Any item which appears on the consent agenda may be removed from the consent agenda by a member of the Board. Items removed from the Consent Agenda will be considered at another time during the meeting as determined by the Chairman. The remaining items will be voted on by a single motion. The approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

therefore, be it

Resolved, That the Board of Directors herewith accept this consent agenda which includes the following:

- Officer Reports
 - Report of the President
 - Report of the Secretary
 - Report of the Chief Administrative Officer
 - Report of the Chief Mission Officer
- Administrative Services Reports
 - Human Resources (Confidential)
 - Information Technology
 - Facilities Management
- Financial Services Reports
 - Accounting
 - Internal Audit
 - Risk Management
- Board of Directors Committee Reports
 - Governance Committee
 - Personnel Committee
- Action Items
 - Approval of July 23, 2019, Minutes

and be it further

Resolved, That the minutes of this meeting reflect the acceptance of the reports and other items as listed above.

5. President Harrison’s Report

Chairman Kumm called upon President Harrison to extend upon his written report (pp. 16–18/182). President Harrison recalled for the board Article II of the Synod’s Constitution, and its testament to the inerrancy and sufficiency of the Scriptures and to the Book of Concord as faithful exposition of the Word of God. He pointed out the importance of Synod’s Church workers and laypeople being familiar with, at least, the essential portions of the Book of Concord: the Augsburg Confession, the first fourteen articles; the Smalcald Articles; and the Formula of Concord, Epitome.

Having attended the 150th anniversary of CPH on Sept. 11, Harrison noted our publishing house’s faithfulness and survival in a sea of many denominational publishing houses that have lost both their fidelity and their business. Harrison stressed the importance of the boards, officers, and agencies of the Synod maintaining their faithfulness to the confession in the midst of managing the complex array of agencies that comprise the Synod’s operations. This board, constitutionally, handles property matters—“all kinds of nitty-gritty challenges” involving many institutions in many challenging situations. The board must do everything in the most excellent legal and financial fashion, with transparency and propriety. But we are also to see to it that we act according to Article II of the Constitution, according to our very clear public confession of the faith, which is as simple as the Small Catechism. Having rehearsed its chief parts, Harrison noted it is “our mandate” to hold fast this confession “in all we do.” “We must be who we are in our constitution and our confession.” May God give us, Harrison implored, the spirit of Luther himself to say—with eschatological emphasis—“we will stand before the judgment seat on this confession.”

Harrison noted his particular role as ecclesiastical supervisor. Despite “many weaknesses across Synod,” he noted that it is “much better than it used to be.” “Insist on integrity and excellence; let us do so with the confession in view. It is our gift to bear witness to this confession before the world—grace alone, faith alone, scripture alone—everywhere, with everyone we come into contact. God will help us to do this.”

Harrison thanked the board members for their service, noting that his service on the board has been a pleasure and that the board has worked very effectively. First Vice-President Lange has been appointed to the Concordia Seminary, St. Louis, board of regents as the President’s representative, taking the place of Dr. Daniel Preus. Noting his responsibility to see that Synod resolutions are carried out, Harrison catalogued a few of significance, falling primarily to his area: Planning for the 175th anniversary of Synod in 2022 (Res. 4-05); clarifying certain partner churches’ relationship with the Lutheran World Federation (Res. 5-07); elevating continuing education for pastors (Res. 6-04); advancing the prior review process for Concordia college and university presidents (Res. 7-05A) and enhancing supervision of these schools (Res. 7-08). Harrison noted that some controversy remains surrounding ecclesiastical supervision bylaws developed at the direction of the 2016 convention (2016 Res. 12-14), and that he intends to work with the Commission on Constitutional Matters (CCM), Secretary, and Council of Presidents “to come to 2022 convention with some kind of understanding in which we can all go forward.” Harrison noted a “very good” CCM opinion that “face-to-face,” in the requirements for initiating a formal dispute or allegation, indeed means “face-to-face,” and also noted that the Commission on Theology and Church Relations has finished its study of Article VI, dealing with unionism and syncretism.

Ecumenically speaking, Harrison noted an upcoming December meeting with the Wisconsin Evangelical Lutheran Synod and the Evangelical Lutheran Synod. Talks with the North American Lutheran Church will continue with the body’s newly-elected leadership. Harrison will also, with LCMS Church Relations Acting Director Darin Storkson, be visiting church partners in Europe where there are many new and emerging partnerships, to get to know leaders and church bodies in their contexts. The International Lutheran Council will be meeting in the Philippines in October. Work in India continues to be challenging.

Chairman Gerhard Mundinger of the Concordia University System board is working with guidance from the Lutheran Church Extension Fund to devise a means of regular financial reporting for the board to receive from the Concordia institutions that would provide necessary insight into operations and viability.

In the area of national mission, the President noted the church worker recruitment effort being advanced under the Office for Pastoral Education. The number of church workers presently at hand “is not going to be sufficient,” with half of clergy expected to retire in the next fifteen years. Over the past 45 years, the number of churches has increased while the number of congregants has declined; perhaps 30% of congregations “do not have [a permanently called], or are on the edge of sustaining, ministry.” A significant need for teachers continues, especially where there are voucher systems in place. The Office of National Mission is retooling for its next major mission and ministry emphasis, established by the convention in Res. 4-03A: “Making Disciples for Life,” focusing on retention “from baptism to grave.”

In discussion, board members and Harrison discussed the several presidential search processes underway or recently concluded at Concordia universities. In Portland, regents have been asked to address issues of Lutheran identity and governance before a permanent appointment proceeds (progress is reported). Dr. Brian Friedrich (formerly president of Concordia University, Nebraska) has accepted a call as president of Concordia University, St. Paul. Harrison is “very pleased” with Concordia University Chicago’s new president, Dr. Russell Dawn, installed Aug. 25. The prior approval list for Concordia University, Irvine, has just been approved to go to the regents, who plan to elect a president the first week in October.

A board member asked, and President Harrison briefly addressed a few questions about multi-congregation parishes and bi-vocational pastors.

6. Financial Report

Chief Financial Officer (CFO) Jerald Wulf extended upon his written report (pp. 24–26/182) and that of the Accounting Department (pp. 63–81/182). Wulf noted that the Synod’s annual audit is presently underway with Brown Smith Wallace. Wulf noted that June 30, 2019, financial statements, as included in the board docket, reflect an updated not-for-profit reporting model promulgated by the Financial Accounting Standards Board, complicating direct comparison of FY19 and FY18 financial statements. As happened once before in connection with implementation of the 2010 restructuring, FY19 audited statements will not be presented in comparative format; this should return for FY20.

The Accounting Review Steering Committee continues to address matters raised in the Accounting System Review and is presently focusing on unifying the accounting systems and processes for the National Office and the Office of International Mission regions.

Wulf noted that at July 31 (updating the June 30 financials presented in the printed docket), the Synod had \$19.6 million (M) in cash, down from \$30.3M June 30, reflecting increased investment of funds with the Foundation (\$11.9M). Net unrestricted assets increased from \$12.1M (June 30), to \$15.9M at end of July, primarily due to the receipt of the second-last annual payment (\$2.4M) from Gateway Creative Broadcasting (Joy FM) on July 2, and \$1.8M in funds not yet disbursed for convention and Youth Gathering expenses. Wulf noted that \$19.7M in unrestricted funds remain designated by the board for specific purposes, while the deficit in unrestricted, undesignated funds has been reduced to \$9.2M as of July 31 (this stood at \$13.0M as of June 30). Available board-designated funds are, therefore, now far in excess of the unrestricted, undesignated fund deficit. The donor-restricted fund balance decreased by only an insignificant amount. Convention and Youth Gathering bills are not all in (historically, these sometimes lag into December), so surpluses / deficits of those events cannot yet be reported.

Financial ratios are all improving since June 30. The program spending ratio, based on the formula consistent with new FASB standards, will be close to 80% or even above, compared to 70% by the old method. (The remainder is comprised of Mission Advancement, Human Resources, and other Management and General expenses.)

Concordia Plans / Plan Services and the LCMS Foundation have both begun revisions of bylaws to reflect Res. 9-09, “To Amend Bylaws to Change the Board of Directors’ Means of Representation on Synodwide Corporate Entities’ Boards of Directors,” with routine business otherwise.

CFO Wulf underscored, considering challenges ahead, that over 40% of 18 accounting department employees are at or near retirement age, and a tight job market could make them difficult to replace when their time comes. In response to a board question on the preparedness of the Concordia Plans / Plan Services (CPS) to handle many expected retirements across the Synod, Wulf reported that CPS reports being on trajectory for full funding within 10 years. President Harrison noted that the strength of the education sector in the Synod is a boon to the wellbeing of Synod’s worker benefit plans.

7. Personnel Committee Report

Larry Harrington reported for the board’s Personnel Committee. Harrington noted the appointment processes presently underway: for Concordia University System (CUS) members, a CUS board of directors vacancy, and LCMS Foundation member delegates. Harrington noted a paucity of nominees, especially for LCMS Foundation members, and noted that additional nominations were received subsequent to the Personnel Committee meeting. Secretary Sias noted that the nomination processes to which we are accustomed and directed by policies are no longer reliably providing sufficient names, and his suggestion that a more open and persistent nomination process be developed. Until a better approach can be taken, district boards of directors and others authorized to nominate are urged to thoughtfully, prayerfully, and diligently offer up the talent needed to administer and oversee Synod’s many agencies.

The President shared with the board the new appointments intended to be made by the Praesidium to the boards of various Concordia institutions, in order to fulfil, so far as the Board of Directors is concerned, the consultation required by Bylaw 3.10.6.2 [5].

Chairman Kumm shared an update on former board member Jim Carter’s condition. Carter sent his greetings and regretted not being able to gather with the board at the convention. Carter had noted that he and Janet “give thanks for every good and perfect gift from God, through faith in Jesus Christ.” The “stinkin’ board of directors,” as Carter referred to it on occasion, is grateful for and will miss Jim’s participation.

8. Legal Report

The board entered executive session, with CAO Simek and Attorneys Strand and Buesching present, to hear the report of legal counsel (pp. 89–110/182).

8X. Executive Session IA: Legal Report

9. Committee Assignments

The board returned from executive session. Chairman Kumm, having reviewed previously distributed and received surveys regarding board member qualifications and interests, assigned members to the board’s three committees, as follows:

<u>Personnel</u>	<u>Governance</u>	<u>Audit</u>
Harrington	Preus	Frndak
Hoem	Grams	Everts
Lohmeyer	Yow	(vacant)

Each committee is responsible to select a chair and to coordinate with CAO Simek on issues needing addressed between meetings and facilitating meetings.

Chairman Kumm noted Res. 7-03, “To Direct a Collaborative Process to Propose a New Governance Plan” [for Concordia University System (CUS) schools]. The convention put the board of directors “in the driver’s seat” on the CUS governance revision task force, as delineated in the resolution to involve “the President of the Synod, the Concordia University System (CUS) Advisory Council (CUS institution presidents), the CUS Board of Directors, the President of the CUS, the institutions’ respective boards of regents, and others as needed,” with the plan requiring the concurrence of the CUS Advisory Council and CUS Board. Kumm appointed Christian Preus chairman of Res. 7-03 Task Force, and Keith Frndak and Jan Lohmeyer as members, with CAO Frank Simek and Lori Leighton serving as administrative support. Kumm noted work already begun by a group from CUS schools, which will be forwarded to the task force chair for consideration.

10. LCMS National Housing Support Corporation

The board entered executive session, with CAO Simek and Attorneys Strand, Buesching, and Mark Bossi (also of Thompson Coburn) present, as well as Barb Below, to discuss a matter related to the LCMS National Housing Support Corporation (NHSC). After some preliminary discussion by the board, NHSC board chairman David Benke and president Janet Johnson joined the board for conversation.

10X. Executive Session IB: LCMS National Housing Support Corporation

11. Governance Committee Report

The board having returned from executive session, Christian Preus reported for the board's Governance Committee. Under Bylaw 3.3.4.1, the elected Board of Directors is enabled to augment its membership with up to three appointed members "to obtain needed additional skill sets." Board policy charges the Governance Committee to assess the board's strengths and propose any such augmentation. With the aid of the completed board survey, while noting that the direction was difficult to discern, the committee recommends that the board not appoint additional members at this time. Even with a vacancy remaining to be filled, the board was felt to have the necessary talent; the board has also worked well together at its elected size. It was noted that this augmentation can occur at any time, should the board reconsider.

Preus also noted the item assigned in July to a committee comprised of himself, Joe Hoem, and Frank Simek to propose a policy to ensure the avoidance of deficit spending. Uneven patterns of cash flow through the year may require more than a simple prohibition. The committee plans to consult with the Audit Committee so to bring a properly developed proposal to the board at a later meeting. Simek noted the relationship of undesignated and board-designated funds, which the board can re-designate at any time to resolve a deficit in unrestricted, undesignated net assets.

Chairman Kumm noted the need for a joint effort of the Governance and Audit Committees to provide a standard template for the program units to use to present their strategic plans, as a November board resolution requires to be submitted in the budget process. The effort should also address how these will be submitted and reviewed prior to, and in comparison with, the budgets submitted. It was suggested that a joint meeting of the committees (by Zoom, before November, and possibly including the chairman) may be necessary.

12. Convention Report

Chairman Kumm called upon Secretary Sias to report to the board on results of the 2019 LCMS convention, focusing especially on those areas calling for the board's attention. Sias noted that the *Convention Proceedings* would be released within the next week, online and for print publication, and that work on the 2019 *Handbook* is well underway. He noted the following for the board's attention, with a presentation made available for further reference by board members and committees on the board portal.

- Res. 9-05, "To Amend the Constitution to Address Individual Membership and Advisory Representation," initiated a constitutional amendment ratification process, underway with the voting congregations of the Synod, affecting Articles V, VI, IX, XII, and XIII to "address accumulated unclarities and contradictions resulting from piecemeal amendment of the Constitution over many years, while maintaining the essential substance of the Constitution." His office is available to address any questions.
- The board needs to see to appointments under Res. 7-01A, "To Amend Bylaws Related to Structure and Governance of the Concordia University System," to the Concordia University System (CUS) board, and determine whether it will re-designate its representation on other synodwide corporate entity boards, as allowed by Res. 9-09, "To Amend Bylaws to Change the Board of Directors' Means of Representation on Synodwide Corporate Entities Boards of Directors." (Until such time as such appointment(s) and designations are made, the Chief Financial Officer continues to serve.) With reference to the CUS appointments, a board member noted the board's opportunity to be helpful by appointing CUS board members with skills in assessing financial and business situation of higher education institutions.
- The board will be able to amend slates presented by the Bylaw 3.2.5 "Standing Committee on Nominations," due to Res. 9-02, "To Amend Various Bylaws to Address Practical Considerations."
- The board's role in Res. 7-03, "To Direct a Collaborative Process to Propose a New Governance Plan" was already noted above. The board discussed its role in Res. 7-03, and the undertaking in earnest of development of the plan directed by the convention of the Synod. The board has had, to

this point, no input or even knowledge of existing attempts to develop a plan, begun prior to Res. 7-03; nor have other groups whose input is required by the resolution. Chairman Kumm underscored that it will be important for the group assembled by Res.7-03 begin to move together in a systematic manner toward the proposal directed. Christian Preus is the chairman of the board's 7-03 task force and can determine how to execute effective meetings, drawing on the groups mentioned as needed.

- The board has responsibility for development of policies in connection with Res. 4-06A, "To Amend Bylaw Section 6.2 to Revitalize Synod's Recognized Service Organization [RSO] Program," and 4-07, "To Commend Actions to Synod Boards and Offices to Revitalize Synod's Recognized Service Organization Program." The implementation of the new model for Synod-RSO relationships will be a gradual one. Secretary Sias noted in particular that board policies on the "RSO Standing Committee" are dated and may well be revisited.
- The board is to set before the member congregations "defined mission outcomes" to be funded through a "1.1.1" funding model, as suggested in Res. 8-02, "To Encourage a Synodwide 1.1.1 Funding Model for Defined Mission Outcomes."
- Res. 9-06, "To Add Bylaw 3.3.4.10 to Clarify Access by the Board of Directors to Information of Synod Agencies," has clarified the board's right to information needed in its oversight work on behalf of the Synod's congregations; now, policy and procedures for information assimilation, review, and monitoring may need to be reviewed or created.
- The final *resolve* of Res. 9-04A, "To Amend Bylaw 3.1.8 to No Longer Require Publication of Delegate Mailing Addresses," should be addressed in board policy regarding the ownership and use of lists.
- Res. 6-01, "To Support and Participate in the Comprehensive Church Worker Recruitment Initiative," calls upon the board, with "all [other] constituents" of the Synod to "commend, financially support, and directly participate in" this all-hands-on-deck effort to secure future church workers.

Sias noted that Omnibus A assigned a number of topics to the board for it to *consider* suggested (or related) actions within its areas of responsibility. The board briefly discussed Ov, 5-05, "Ov. 5-05: To Revise Paragraph 3(a) of the Operating Agreement Between the Lutheran Church—Canada and The Lutheran Church—Missouri Synod," assigned to it and to the Office of the President. It was noted that any negotiation would be for the President / Church Relations to carry out, with the board responsible (under the terms of the original agreement, and with the board of Lutheran Church—Canada) for approving any mutually-agreeable amendment of the agreement.

13. LCMS Human Resources Assessment Briefing

Chief Administrative Officer Simek reported on an assessment of the LCMS Human Resources (HR) Department (pp. 146–56/182). This follows the assessments completed within the last 18 months in Information Technology, Building Operations, Accounting and Internal Audit, and the Mail/Copy Center. Simek noted the progress made in these various areas in the last 18 months, resulting in approximately \$1M in annual savings for the Synod.

The evaluation of LCMS Human Resources was, after a request for quotes, performed by Thompson Coburn, the cost being split between corporate Synod, the Lutheran Church Extension Fund, Concordia Plan Services, and the LCMS Foundation, the principal (but not exclusive) users of LCMS Human Resources services (others include the other Synodwide entities, National Housing Support Corporation, and the Lutheran Center for Religious Liberty, among others), for a total of 638 full-time and 40 part-time employees served.

The review involved comprehensive review of documents as well as interviews with HR staff and executives and others interacting with the HR department. The very positive review, which noted no significant issues in providing services, noted strong leadership and staffing with "outstanding"

professionals, but limited staffing (six persons total), challenged in scope and volume, considering the services provided to a broad range of customers. It was recommended, along with a few other operational recommendations, to add two additional staff for organizational development and administrative capacities, respectively. The report has been shared with the LCMS Operations Team and Human Resource Committee; the Human Resources department will develop a proposed action plan, for review by these groups and subsequent implementation.

Val Rhoden-Kimbrough, Executive Director of LCMS Human Resources, responded to the assessment with words of appreciation for her team and for the support of the Operations Team in moving the work forward. She noted some of the complexities involved in serving organizations with various approaches and systems and opportunities to resource, to the extent possible, the broader Synod. In response to a question, Rhoden-Kimbrough noted that the LCMS and its entities have an outstanding employee retention rate, but as a result also are mature organizations; succession planning is a priority.

Chairman Kumm noted appreciation for the continued assessments conducted by the Chief Administrative Officer and for Rhoden-Kimbrough's and LCMS Human Resources' eagerness to receive an assessment pointing toward continuous improvement.

14. Concordia University System Update

The board welcomed Dean Wenthe, President of Concordia University System (CUS), and Gerhard Munding, CUS board chair, to update the board on developments related to Concordia University System institutions. Wenthe spoke positively of three building projects recently completed, totaling about \$90M. He noted that CUS is eager to support the board in its execution of Res. 7-03, and to be at the call of Preus' committee. Wenthe requested from the board suggestions of names of financial experts who could assess institutions suffering, or potentially suffering, impairments. Previously, internal CUS institution CFOs have been used, but a broader approach backed by the board is thought to, perhaps, to have more potential. Wenthe complained that CUS faces reluctance, on the part of the institutions, to provide necessary information and hopes the board will be more successful in obtaining such.

Dr. Munding noted years of work to develop a collaborative relationship with institution presidents, and excellent progress in this regard. He noted the importance of the work the presidents have done, with members of the CUS board, in connection with 2016 Res. 7-02B, "To Preserve Concordia Colleges and Universities as Institutions of the Church and Strengthen Their Structural Bonds with Synod," and 2013 Res. 5-01A, "To Encourage Continued Faithful Witness by Concordia University System." Presidents are "committed to the Lutheran ethos and to being servants of the church." They have proposed a process and it is being offered to the board as a possible governance model; CUS encourages this approach.

A board member noted that it is important that the new governance model begin with the convention's charge, as stated in Res. 7-03. The groundwork already laid is not the foundation for the convention's directive, but the convention's directive must be the foundation for any new governance model. Munding noted the exuberance of the presidents to begin developing a model as borne of an interest in serving the church.

Munding seconded the importance of having the board's financial expertise to visit Concordia institutions at Bronxville and Portland, both of which have presented recently with financial issues. Chairman Kumm noted that LCMS board members' schedules and abilities may not accommodate a thoroughgoing evaluation of a campus. It was suggested that professional resources drawn on by the board to perform its accounting assessment, with some specialized legal and education expertise, might be helpful for a more focused review. It was later suggested that the lending expertise of the Lutheran Church Extension Fund (LCEF) also be involved.

A board member noted the viability standards that the board helps establish (Bylaw 3.6.6.5 [d]), which CUS is to monitor. Munding noted CUS adopted a resolution to work with LCEF to develop an ongoing, quarterly *pro forma* of critical data. A board member noted that if monies have been borrowed without

authorization by CUS and the Synod board of directors, that is a serious governance issue, which must be immediately addressed. It was also noted that first-quarter information college and university information shared with the board showed no immediately apparent indications of danger, and that quarterly *pro formas* without a comprehensive understanding of the business and operational models upon which performance relies will also be less than useful. Wenthe noted that CUS feels the authority is with Synod board. A board member noted that CUS must be a part of such monitoring, at very least to better establish its authority with the institutions. Chairman Kumm suggested a further meeting to structure an effective visitation.

15. Chief Financial Officer Appointment Process

After some introductory thoughts about the board’s November 2018 discussion of a potential restructuring of the Chief Administrative Officer (CAO) / Chief Financial Officer (CFO) responsibilities, which did not get to the point of proposing bylaw changes, Chairman Kumm, noted the recently-announced, upcoming retirement of CFO Jerald Wulf, announced Sept. 3, 2019, and effective as of the end of Wulf’s present term on January 31, 2020 (followed by a six-month transition period). He invited Val Rhoden-Kimbrough to describe the vacancy and appointment process (pp. 169–71/182). CAO Simek would assume the interim role on February 2, 2020. Rhoden-Kimbrough presented a proposed timetable for a call for nominations and selection process which could result in having a new CFO in place by July 1, 2020. The search committee would be composed of the BOD chairman and Personnel Committee, with support by Executive Director, HR. Candidates would be prepared for the November board meeting, with preliminary interviews in February and final interviews and selection in May.

16. Action Items

Chairman Kumm presented to the board the action items scheduled for the present meeting.

(A) Board of Directors Regular Meeting Dates 2019–2022 Triennium

Chairman Kumm introduced the proposed meeting schedule for the current triennium (p. 115/182). Kumm noted the intention to continue with one-day meetings whenever possible and that the board has determined to conduct its November 2019 meeting in conjunction with the LCEF Fall Conference, and that the schedule as composed continues this through the triennium. The value of meeting together was noted, with the cost being the conflict of many meetings occurring at that time.

It was moved and adopted:

WHEREAS, The Board of Directors has traditionally determined and subsequently published its meeting dates for the upcoming triennium at its first meeting after the LCMS convention; and

WHEREAS, The Board of Directors in its August 2009 meeting concluded that it would meet only one each triennium in conjunction with the LCEF Fall Conference (the first year of the triennium); therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod adopts the following Triennial Regular Meeting Schedule for 2019–2022:

2019	2020	2021	2022
	Feb. 28–29	Feb. 19–20	Feb. 18–19
	May 15–16	May 21–22	May 20–21 ¹
	Aug. 28–29	Aug. 27–28	Sep. 8–10 ²
Nov. 21–22 [#]	Nov. 19–20 ³	Nov. 18–19 ³	Nov. 17–18 ³

[#] Previously adopted by the board (Sept. 2016)

¹ tentative, dependent on scheduling of floor committee weekend

² tentative, dependent on scheduling of new board/commission member installation

³ scheduled in connection with the LCEF Fall Conference
and

Resolved, That the above meetings be conducted in the first scheduled day if possible, and only extend to the second scheduled half-day if the planned agenda requires; and

Resolved, That the Board of Directors, as determined in its July 2019 meeting, meet in November in conjunction with the LCEF Fall Conference; and

Resolved, That the Triennial Calendar of Activities and Policy Manual Review Table in the Board Policy Manual be updated as necessitated by the above; and

Resolved, That this schedule be published and made publicly available by the Chief Administrative Officer and the Secretary, as appropriate, to comply with the spirit of 2007 Convention Resolution 7-05B, “To Promote Transparency in Governance of Synod and Its Institutions,” and Bylaw 1.5.3 which states, in part, “All agencies shall announce their upcoming meetings.”

(B) Rosa J. Young Endowment Fund

Chairman Kumm next directed the attention of the board to a resolution authorizing LCEF to establish a fund to continue the legacy of Rosa J. Young through the offering of scholarships for LCMS African-American students who are studying for full-time church work at a Concordia University (p. 116/182). The fund may receive additional gifts. The board’s authorization for the original donation is required under Bylaw 3.6.4.4.1. It was moved and adopted:

WHEREAS, The Lutheran Church Extension Fund (LCEF) long supported the work of Concordia College Alabama, including financially supporting the college through the closure; and

WHEREAS, LCEF desires to see the legacy of Rosa J. Young continue beyond the walls of any one institution; and

WHEREAS, LCEF has set aside \$550,000 of its net assets for the purpose of establishing the Rosa J. Young Endowment Fund (Fund); and

WHEREAS, The Fund will be used to provide scholarships for LCMS African-American students who are studying for full-time church work vocations at a Concordia University; and

WHEREAS, The Fund will be owned and managed by the LCMS Foundation with Concordia University System overseeing the annual distribution of the funds; therefore be it

Resolved, That the LCMS Board of Directors authorize LCEF to gift \$550,000 of its net assets for the purpose of establishing the Rosa J. Young Endowment Fund, to be owned and managed by the LCMS Foundation.

(C) Appointments to Concordia University System Council of Members

The Personnel Committee having previously reported the nominations received and its recommendations for the board’s regular appointments to the Concordia University System Council of Members (p. 119–20/182), it was moved and adopted:

WHEREAS, The LCMS Board of Directors Policy Manual 5.7.2.1 directs that appointments for the Concordia University System – Council of Members be made at the first meeting of the LCMS Board of Directors following national conventions; and

WHEREAS, The Concordia University System has informed the LCMS Office of the Secretary that it will be necessary for the LCMS Board of Directors to make appointments for three layperson positions to be filled (2019–2022), and has provided a description of the responsibilities and desired qualifications of these council of members, included with this nomination information; and

WHEREAS, The LCMS Office of the Secretary sent out a call for nominations on April 1, 2019 for responses by May 31, 2019; and

WHEREAS, The LCMS Office of the Secretary with the assistance of the LCMS Human Resources has compiled information on all nominees and/or incumbent nominees; and notified that only one of the incumbents have reached the end of their term limit: and

WHEREAS, The Personnel Committee of the Board of Directors, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of August 28 made the following recommendation, consisting of all three submitted nominees consenting to serve:

1. Kilcrease, Bethany
2. Knox, Tammy Lynn
3. Schulteis, Marvin

therefore be it

Resolved, That the LCMS Board of Directors accept the recommendation of the Personnel Committee, making appointments as indicated above to fill three (3) Concordia University System – Council of Member positions; and be it finally

Resolved, That the Secretary notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(D) Vacancy Appointment to Concordia University System Board of Directors

Having previously received the report of the three candidates conveyed by the Standing Committee on Nominations (consisting of the Mark P. Braden, Dearborn, Mich.; James R. Holowach, Madison, Miss.; and William C. Weinrich, Fort Wayne, Ind.) and the recommendation of its Personnel Committee (p. 121–22/182), the board, by one electronic ballot and from the slate of nominees submitted, elected Mark P. Braden to the vacant minister of religion—ordained seat on the Concordia University System Board of Directors. It was moved and adopted:

WHEREAS, The LCMS Board of Directors Policy Manual 5.7.2.2 directs that appointments for midterm vacancies in positions initially filled by election at the synod convention shall follow the process outlined in the LCMS Handbook (Bylaw 3.2.5 and 3.12); and

WHEREAS, The chairman of the Concordia University System Board of Directors has informed the LCMS Office of the Secretary that due to the resignation of Rev. Dr. Byron Northwick, it will be necessary for the LCMS Board of Directors to make an appointment to fill the vacancy position on the Concordia University System Board of Directors: (1) one minister of religion—ordained position (for the remainder of the term 2016–2022); and

WHEREAS, The LCMS Office of the Secretary sent out a call for nominations on April 1, 2019 for responses by May 31, 2019; and

WHEREAS, The LCMS Office of the Secretary with the assistance of the LCMS Human Resources has compiled information on all nominees and/or the slate of candidates from the previous convention; and

WHEREAS, The Bylaw 3.2.5 Standing Committee on Nominations, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, has provided the following list of candidate names; and

WHEREAS, The LCMS Board of Directors Policy Manual 5.7.2.2.2 states that the slate of candidates provided by the Bylaw 3.2.5 Committee shall be provided to the board in its entirety and shall not be modified (floor nominations are not allowed under Bylaw 3.2.5 [d]); and

WHEREAS, The Personnel Committee of the Board of Directors, having evaluated all submitted nominations, biographical sketches, and confidential evaluations of these candidates, in its meeting of August 28 made its recommendation to the board; and

WHEREAS, The board, having received the above, did elect Mark Braden; therefore be it

Resolved, That the LCMS Board of Directors appoint

Braden, Mark P. — Dearborn, Mich. (EN)

as indicated above to fill the one minister of religion—ordained vacancy position; and be it finally

Resolved, That the Secretary notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(E) Appointments to LCMS Foundation Membership

The board having noted the earlier report of the Personnel Committee and Secretary (pp. 123–24/182 and pp. 158–68/182), which indicated the difficulty encountered in obtaining a timely and sufficient slate of nominees for the five positions and one alternate to be appointed to the membership of the LCMS Foundation, it was moved and carried to refer this matter to the board’s Personnel Committee, given the dearth of candidates, to bring an action to the board prior to the November meeting. A board member noted the need to obtain more nominations of qualified individuals.

(F) Approval of Changes to Foundation Articles of Incorporation

The board received a request for review and approval of changes proposed to the LCMS Foundation Articles of Incorporation, as required by Bylaw 3.6.1.7, to modify the same as suggested in a recent Commission for Constitutional Matters review. It was moved and adopted:

WHEREAS, The Synod in Convention directed in 2016 Res. 9-02A that the Commission on Constitutional Matters (CCM) review the articles of incorporation of Synod agencies and Synodwide corporate entities for compliance with Bylaw 1.5.3.6; and

WHEREAS, The CCM report of September 14–15, 2018 states: “Agencies lacking the required language in their articles are reminded to revise their documents into compliance with Bylaw 1.5.3.6 and 2016 Res 9-02A”; and

WHEREAS, In the specific review of the Foundation governing documents, that CCM report noted that the eighth article of the Articles of Incorporation of The Lutheran Church—Missouri Synod Foundation does not indicate the required prior review and approval by the CCM when changes are proposed to the organization’s governing documents; and

WHEREAS, The LCMS Foundation is working toward modifying our Articles of Incorporation to fulfill this request made by the Commission on Constitutional Matters resulting from this review; therefore be it

Resolved, that the Articles of Incorporation of The Lutheran Church—Missouri Synod Foundation be modified as shown below, to reflect and incorporate the change requested by the Commission on Constitutional Matters, namely that the eighth article of the Foundation’s Articles of Incorporation contain the statement speaking to required prior review and approval that must be provided by the CCM when changes are proposed to the organization’s governing documents.

PRESENT/PROPOSED WORDING

EIGHTH: The Articles of Incorporation may be amended by the Board of Trustees adopting a resolution by majority vote approving the proposed amendment(s) and directing that such be submitted to a vote at a meeting of delegates of the Members. All proposed amendments shall

be submitted to the Commission on Constitutional Matters of The Lutheran Church—Missouri Synod for prior approval. The Members may also initiate amendments. The proposed amendment(s) shall be adopted in the following manner: a two-thirds (2/3) majority vote of the delegates of all Members represented at such meeting is required to amend the Articles of Incorporation, except that a two-thirds (2/3) majority vote of the total number of all delegates representing The Lutheran Church—Missouri Synod whether present or not at such meeting and a two-thirds (2/3) majority vote of the delegates of all other Members represented at such meeting, each group voting separately, is required to amend Article Third (objects and purposes of the Corporation), Article Fifth (distribution of net assets in the event of dissolution), Article Seventh (establishing Members of the Corporation) and Article Eighth (procedure for amending the Articles of Incorporation). In addition, any amendment to Article Fifth (distribution of net assets in the event of dissolution) shall require a majority vote of The Lutheran Church—Missouri Synod assembled in convention. Written notice of the proposed amendment(s) shall be given to the Members no fewer than ten, nor more than sixty, days prior to the meeting at which such amendment(s) shall be considered. Notwithstanding the foregoing references to a meeting of the Members, any vote of the Members to amend the Articles of Incorporation pursuant to this ARTICLE EIGHTH may be taken by written ballot, without a meeting.

(G) Approval of Changes to Foundation Bylaws

The board also received a request for review and approval of changes proposed to the LCMS Foundation Bylaws, as required by Bylaw 3.6.1.7, to modify the same as required by 2019 Resolution 9-09. It was moved and adopted:

WHEREAS, The Board of Trustees of The Lutheran Church—Missouri Synod Foundation desires that the language in its own bylaws is consistent with the Synod’s bylaws as recently modified by 2019 Resolution 9-09, related to the LCMS Board of Directors’ means of representation on Synodwide corporate entities; and

WHEREAS, 2019 Resolution 9-09 allows the LCMS Board of Directors the ability to designate a representative of the BOD other than the CFO to participate in the board meetings of Synodwide corporate entities; and

WHEREAS, The current version of the bylaws of the LCMS Foundation directs specifically that the Synod CFO (alone) is the one who serves as a non-voting member of the Board of Trustees, with no provision for another person to represent the LCMS Board of Directors; therefore be it

Resolved, That the bylaws of The Lutheran Church—Missouri Synod Foundation be modified as shown below, with new text highlighted in yellow, and deleted text also highlighted and marked with strike-through indication, to reflect and incorporate the change in the means of representation of the LCMS Board of Directors on the boards of the Synodwide corporate entities as allowed by 2019 Resolution 9-09.

PRESENT/PROPOSED WORDING

ARTICLE II.) The Board of Trustees: Officers

Section 1.) The Board of Trustees of the Foundation shall be composed of the President of The Lutheran Church—Missouri Synod (the “Synod”) or his designated representative, the Chairman of the Board for National Mission, or his/her representative from that Board, Trustees (as specified in the Bylaws of the Synod) to be elected by the Synod in convention; a representative designated by the Board of Directors of The Lutheran Church—Missouri Synod who shall be a non-voting Trustee; and at least seven Trustees appointed by the Members.

The number of Trustees appointed by the Members shall not exceed twice the number of Trustees elected by the Synod in convention (including the President of the Synod and Chairman of the Board for National Mission). ~~The Chief Financial Officer of The Lutheran Church—Missouri Synod shall be a non-voting Trustee.~~ One of the Trustees elected by the Members shall be an ordained or commissioned minister from the roster of ministers of The Lutheran Church—Missouri Synod and at least five of the Trustees elected by the Members shall be laypersons experienced in financial, investment, or marketing matters.

The terms of elected Trustees shall be staggered so that approximately one-third of the Trustees are elected annually. No more than two Trustees elected by the Members can be from the same District of The Lutheran Church—Missouri Synod, and all Trustees must be communicant members of congregations which are members of the Synod.

No delegate of a Member of the Foundation, nor any member of the Board of Directors of the Synod, may serve as an elected member of the Board of Trustees of the Foundation.

17. Meeting Review

Chairman Kumm noted, from the Secretary's convention report, that the board will need to act on designating representatives for the synodwide boards on which the Chief Financial Officer presently serves and on appointing members for the Concordia University System Board of Directors. The Personnel Committee was assigned to prioritize the filling of these positions, to define expectations for the board's representation, and to propose initial names, with input from CFO Wulf and Barb Below in the President's Office, reporting recommendations to the board at its November meeting.

The board entered executive session, with all non-members excused, to review the meeting according to its policies.

17X. Executive Session III: Meeting Review

18. Adjournment

With the agenda concluded, Chairman Kumm adjourned the meeting. The board would participate in the board and commission orientation and installation service, to be conducted the following day.

John W. Sias, *Secretary*