

**MINUTES
BOARD OF DIRECTORS**

**Embassy Suites Phoenix Scottsdale
Phoenix, Arizona
November 18–19, 2022**

277. Call to Order and Opening Devotions

Chairman Michael Kumm called the board's November meeting to order with all members present. Also in attendance were Chief Administrative Officer (CAO) Frank Simek, Chief Financial Officer (CFO) Nathan Haak, Chief Mission Officer (CMO) Kevin Robson, and General Counsel Matt Buesching of Thompson Coburn. Pastor Hoem attended only Friday due to a pastoral care responsibility. First Vice-President Peter Lange offered devotions, on Friday, on Isaiah 65:17–25, especially verse 24, and, on Saturday, focusing on the commemoration of Elizabeth of Hungary and Genesis 18:1–8.

278. Adoption of Agenda

The meeting agenda (p. 10/554) was moved and adopted.

279. Consent Agenda

The meeting's consent agenda (pp. 12–13/554) 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 and related Strategic Reports
 - Office of the President, First Vice-President, and Church Relations
 - Secretary, Rosters, CCM, COH, and Conflict Resolution
 - Council of Presidents
 - Chief Administrative & Chief Financial Officers
- Board of Directors
- Legal, Risk Management, External Audit
- Accounting
- Human Resources
- Internal Audit
- Operations / Information Technology
- Chief Mission Officer & BNM, BIM
 - International Mission

- National Mission
- Pastoral Education
- Mission Advancement
- Communications
- Commission on Theology and Church Relations
- Concordia Historical Institute
- Concordia University System
- KFUE Radio
- Board of Directors Committee Reports
 - Governance Committee
 - Personnel Committee
- Action Items
 - Approval of August 26, 2022, LCMS Board of Directors Minutes

and be it further

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

280. President's Report

President Harrison extended briefly upon his written report (pp. 26–32/554), reflecting, after his recent trip to Germany, on how worldwide Lutheranism came to be in its present state, beginning with sixteenth-century philosophical presuppositions—which tended toward Platonism and strongly influenced the “fanatical” side of the Reformation—and running through the political and personal connections of the various parties. By 1560, Wittenberg had “gone liberal,” being dominated by crypto-Calvinist leanings. In later years, the three largest Lutheran churches, in Prussia, the Palatinate, and Saxony, all had Reformed leaders; the King of Saxony became Roman Catholic to secure the crown in Poland. This severely weakened Lutheranism, as did the rise of pietism and rationalism. In 1817 the Prussian King forced a union between his realm’s many Lutheran and few Reformed congregations, which has corroded German Lutheranism “to an absolute desert, a loss of the Gospel.” The Missouri Synod, among others, rose out of a reaction to the Prussian Union, in an awakening of appreciation for the Scriptures and the Lutheran Confessions, for truly Lutheran doctrine and practice. The twentieth century saw Prussia continue expanding, and Hitler finally forcing on all Germany, this union. After the war, German Lutherans hoped for an end to the union, but the *Evangelische Kirche in Deutschland* (EKD) was formed in 1948 as one communion, one union—a move which, sadly, various Missourians supported at crucial points. The descendant of the Prussian Union in America is the United Church of Christ, the first to endorse rejection of the Trinity and early to support abortion and other aberrations. The *Book of Concord* has been outlawed since about 1810 in Wittenberg. There, the Luther statue at the *Rathaus* was dedicated by the King of Prussia the day after the declaration of the union, Reformation Day, 1817. “The very crowd that eliminates Luther’s teaching puts up the most statues. Now,” Harrison concluded, “you know the rest of the story.”

At the chairman’s request, the First Vice-President offered a brief update, noting pastoral and commissioned colloquy as his major activities, in which major policy revisions are being tackled. Pastoral colloquy has conducted about 85 interviews in the past three years and hopes to “land the plane” of policy revisions before the 2023 convention. Commissioned colloquy, which involves almost entirely teachers, has been tackling even larger policy and process issues complicated by the involvement of CUS schools, district education executives, and long-term “autopilot” with largely independent operation of CUEnet over the last twenty years. The committee has spent two years in study and fruitful contact with Concordia placement directors. Lange plans to join district education executives at their conference to discuss commissioned-side policy revisions hoped for in the next triennium.

Lange also noted spending much time in board, committee, and commission meetings, which are “great learning experiences,” and looking forward to his role in the upcoming convention.

281. Financial Report

Chief Financial Officer (CFO) Haak presented a “high-level” financial update (pp. 534–41/554) spanning the first four months of FY23 (July 1, 2022–October 31, 2022). He noted that year-to-date financials are behind schedule due to personnel transitions in Accounting in the July–October timeframe and the need to prioritize the year-end close for FY22.

Haak reported revenue below budget in the period, with gift activity reduced in number and size of gifts, reflecting a generally acknowledged softening across the entire philanthropic sector. Cash receipts for July–October, excluding Youth Gathering, are slightly negative (2%) relative to FY22, though the “upside” of a conservative investment income budget partially offsets risk in the gift budget. He described an approach of “balancing prudent fiscal response with trust in the response of God’s people to the needs of the church.

Haak explained that expenses will be well below budget, conservatively estimating, by \$2.5 million (M), not including any reduction in spending due to underfunding. Expected unrestricted underspending of \$1.5M more than offsets anticipated unrestricted revenue shortfall, though any significant shortfall in key restricted revenue areas could negatively impact this unrestricted bottom line.

Corporate Synod’s financial position and liquidity remain strong, having weathered the summer well, with cash and equivalents steady at \$13M as we approach primary “giving season.” Synod’s current ratio stands at 4.1, with 401 days of cash on hand (100 days excluding investments), and the program spending ratio at 80.3%. Interest income on cash accounts is beginning to rebound. Market volatility continues, with September 30 valuations near market lows but October proving to be the best market month in more than four decades.

On headcount, Haak noted the hiring of ten new full-time positions in FY23, with full-time equivalent (FTE) headcount still ten below the maximum approved level of 197 due to vacancies; management desires flexibility to hire “greatest needs” as opposed to only filling vacancies. Headcount currently stands at 187; authorization of ten fills to be used where “greatest needs” are felt would restore headcount to FY20 levels after a drop to 173 in FY21. Four additional part-time positions are desired to obtain efficiencies, drive revenue-generating activities, or fill gaps.

Haak presented analyses of anticipated unrestricted and restricted revenues and total expense, bridging budgets to projections. He identified various significant factors and potential outstanding upsides and downsides, noting that projections reflect midpoint “best guesses” in broad ranges of possibilities, based on economic uncertainty and market softness (projected reductions of up to 25% due to market decline since budget). Management is tracking these reductions and monitoring concerns, while noting that budget conservatism and slow pace of headcount increase (assuming ten proposed yet to come) are likely to result in underspending that will at least match pace with reduction in revenues, preserving some amount of a projected net surplus. In response to a question regarding philanthropic contraction, Haak noted that, while this is understood to be due principally to market conditions, LCMS Mission Advancement Executive Director Mark Hofman is seeing some reductions in giving by smaller donors, which may be due to inflationary reduction in effective or disposable income. Markets have rebounded slightly from a very low June 30 close. These unrealized gains are not figured into spending plans.

Haak presented FY22 net assets without donor restrictions, standing at \$35.5M (\$20.0M in board-designated; \$4.6M in property, plant, and equipment; and \$10.9M in undesignated/unrestricted funds), showing the first year-end positivity in the latter category and an increase in the total from only \$3.0M in FY10 and \$4.2M as recently as FY18. The \$10.9M increase in undesignated/unrestricted funds was a result principally of \$22.4M in one-time favorable items offset partially by a \$11.1M negative market adjustment.

282. Audit Committee Report

Audit Committee Chairman Keith Frndak reported on his committee’s meeting earlier in the morning. The committee:

- received the report of the Armanino auditors. Staff involved in the audit included CFO Nathan Haak, Accounting and Financial Services Executive Director Ross Stroh, and Jim Ehlers. Frndak highlighted that this was “not a bad year,” but that LCMS’ cash position has benefited significantly from transfers from consolidated entities, as well as from other significant non-recurring, non-operating components. Regarding consolidated net worth, he noted impairment of certain CUS assets and risks of consolidation with foreign entities.

- received a report on international schools and related entities.
- noted a discussion with the Governance Committee regarding policies on authorization of release of board designated funds, the committee suggesting that beyond some level of materiality management should seek explicit authorization to release such funds. This matter will be commended, with suggested language, to the Governance Committee for incorporation in policy.
- heard a report from interim Internal Audit Department executive director Chris Wood.
- reviewed financials of Concordia Universities, noting some concerns with schools “struggling in operations and compensating by releasing endowment proceeds.”

283. Personnel Committee Report

Personnel Committee Chairman Larry Harrington reported on his committee’s internet conference meeting of October 27 (pp. 358–59/554), noting there are no vacancies to fill at this board meeting. Meeting together with Christian Preus, the committee reviewed the results of the Chief Administrative Officer competency survey, which the board reviewed in later business.

Human Resources Executive Director Nathan Thomas reviewed with the committee plans for the annual performance review of the Chief Financial Officer, to be initiated in December and reported on at the board’s February meeting. He also presented a draft FY24 salary recommendation report, along with district salary results that indicate average actual salary increases of 4.5% in FY22 and projected salary increases of 4% in FY23. Increases at the synodwide corporate entities were also noted. Finally, he noted that corporate Synod has filled the first ten new positions authorized in the FY23 budget (4 in Mission Advancement, 2 in the Office of National Mission, 2 in the Office of Pastoral Education, 1 in the Office of National Mission, and 1 in Communications). Key leadership positions in National Mission and Accounting area are a current focus.

284. Corporate Synod and Consolidated Entities Annual Audit Review

Janet Ramey, Tommy Hill, and Michael Dudley of Armanino, LLP, presented the audit report on the consolidated financial statements for Synod and consolidated entities for FY22 (presentation, pp. 542–54/554; report attached to the protocol copy of the minutes).

Supervising manager Michael Dudley noted the audit reflects an unmodified opinion on the consolidated financial statements. No material weaknesses in internal controls were reported. Required communications were made to the audit committee. Auditors reported a “smooth audit process” with no adjustments and interactions with a “skilled, experienced, knowledgeable and engaged management team and Audit Committee.” He thanked staff for a good audit process.

Hill, senior manager, presented a five-year financial statement analysis for corporate Synod, excluding consolidated entities, noting a near-doubling in net assets since 2018. (A board member later noted that half of this increase was due to one-time, non-operational items.) Market decline in FY22 resulted in reduced income, for LCMS as typical of other organizations audited. Hill noted significant one-time contributions in FY22.

Hill noted operating reserve calculations (p. 546/554), which have, for the first time in recent history, gone significantly positive (from -5% in FY21 to 17% in FY22) in the unrestricted, undesignated category. The broader measure of operating reserves including designated assets that could be released by the board has grown from 36% to 48%. Hill did note the general trend of an increase in restricted assets, as opposed to unrestricted, noting that the flexible funding of future operations likely requires increasing the proportion of support and revenue that is unrestricted; an upward trend in temporarily restricted funds shows growth but not growth in flexibility.

Hill summarized FY22 as a “really good year” for support revenue, although significant, offsetting investment losses were suffered. District pledges, gifts and grants, and bequests were all up year over year. District revenue passed on to Synod increased for the first time in several years.

Synod's program spending ratio has increased to 80.3% from 75% the year before. The 75–80% range is considered to be a good target for nonprofits, so LCMS is performing well.

Trending topics of interest in the nonprofit sector include means of accepting and realizing value from cryptocurrency donations; being cognizant of environmental, social, and governance (ESG) initiatives (an approach on which board discussion, given market pushback, favored caution); leveraging technology through robotic process automation; and enhancing customer/stakeholder “digital experience.”

In response to the presentation of the FY22 Audited Consolidated Financial Statements, it was moved and adopted:

WHEREAS, The Audit Committee of the Board of Directors met with representatives of Armanino LLP and management to discuss the audited consolidated financial statements of The Lutheran Church—Missouri Synod for the year ended June 30, 2022, and made inquiries of them regarding the audit; and

WHEREAS, The Audit Committee received a summary of the required communications from representatives of Armanino LLP in accordance with generally accepted auditing standards; and

WHEREAS, The auditors' opinion on the financial statements, dated November 18, 2022, is unmodified; and

WHEREAS, The auditors did not identify any material weaknesses in internal control during this audit; and

WHEREAS, The Audit Committee unanimously approved the audit report for presentation to the Board; therefore be it

Resolved, That Board of Directors accept the Audited Consolidated Financial Statements of The Lutheran Church—Missouri Synod for the year ended June 30, 2022.

285. Chief Mission Officer Report

Chief Mission Officer (CMO) Kevin Robson, extending on his written report (pp. 56–71/554), reported briefly on activities in the five areas under his supervision:

- **Office of International Mission (OIM)**: OIM continues to forge ahead with key strategic initiatives in theological education and mercy, in partnership with church partners abroad. Care for Ukrainian refugees is continuing with five church partners. A new Asia Region business manager comes highly qualified, fluent in Mandarin, with life experience in China and Taiwan, and a Global Safety and Security Manager has also been onboarded.
- **Office for Pastoral Education (PED)**: Set Apart to Serve presented to the Council of Presidents and is “adding new pieces as originally planned,” now focused on second-career recruitment as well as on, with the help of a \$200 thousand (k) grant from LCEF in support of eventual distribution to congregations and schools across Synod, development of Sunday school and day curricula. PED is working with the Pastoral Formation Committee (PFC) on evaluating, at the convention's request, various concerns with regard to the Specific Ministry Pastor route to ordination as well as non-recognized “alternate” tracks “popping up” in various places in the Synod. These will receive treatment in appropriate overtures.
- **Mission Advancement (MADV)**: Robson noted some “wonderful personnel additions” in the department and referred to CFO Haak's report on donor trends.
- **Communications (COMMS)**: A “very well qualified” candidate coming from a “very large corporate environment” has accepted appointment as Executive Director and will start to onboard in mid-January.
- **Office of National Mission (ONM)**: ONM is continuing to complete convention assignments. Million Dollar Life Match and Church Planting Initiative grants are “heating up and proceeding

nicely.” A recent, hybrid-format Making Disciples for Life conference on “woke culture” garnered 100 in-person and several hundred online attendees. Disaster Response continues to work closely with the Florida-Georgia District in the aftermath of Hurricane Ian. Robson reported “narrowing in on a very qualified candidate” for unit executive, pending discussion with the corresponding mission board. The “intermediate management layer” of three interim managing directors is “working spectacularly well” and will become a permanent arrangement, supporting the new unit executive.

The board entered executive session.

285X. Executive Session I: Chief Mission Officer Report on International School Matters

286. Chief Administrative Officer Competency Survey Report

The board returned from executive session. Human Resources Executive Director Nathan Thomas (attending the meeting by internet conference technology) reviewed with the board the results of a survey seeking input on key competencies for the upcoming Chief Administrative Officer (CAO) search process (p. 493/554). Thomas noted that the competencies indicated as desirable generally reflect the strong suits of CAO Simek. Ten “big picture” competencies (integrity and ethics, mission alignment, strategic thinking, problem solving, creativity and innovation, vision, interpersonal skills, internal and external awareness, team building, and accountability) lead narrower technical competencies, which could be left to staff.

Christian Preus, augmenting the Personnel Committee for the search, noted observations from the committee, including that these qualities are typical of any officer position, and that despite the amount of time the CAO spends in legal matters, legal aptitude scored low—implying that some of these lower-ranking items will surely need attention. Preus emphasized the need for thoughtful nominations from board members. Other board members noted that this position could be expected to address efficiencies and to identify savings, in a \$60–70 million (M) annual budget, far beyond the position’s salary, and that expertise from the CAO’s chair on accounting matters will be valuable to a board that will be experiencing a high level of turnover.

Thomas noted that the search committee will reconvene to review the job description around December 5 and will finalize communications to key constituents, with the position will be posted around January 9. Nominations of well-qualified candidates are hoped to be received before the board’s February meeting.

287. Governance Committee Report

Governance Committee Chairman Christian Preus reported on his committee’s meeting of October 26 (pp. 102–103/556), noting that his committee worked at this meeting with the comprehensively-revised Proposed Board of Directors Policy Manual to be discussed in the subsequent report of the Board Policy Task Force, focusing on finishing outstanding work and addressing items identified for its review by the task force. The committee concluded its work on Section 6.4.5 (as numbered in the new manual), treating the calling, appointing, and employing of staff, where some updating was required; Policy 3.13.4, the board’s triennial retreat; Policy 3.16, the presentation of “big picture” issues to the convention; and Policy 7.5.3, initiation of litigation by agencies. Preus noted the committee retained the triennial retreat policy despite the hiatus in these gatherings due largely to COVID, with the thinking (not at this point codified) that these might best occur in about the third meeting after a Synod convention. Regarding suggestions to the convention, the committee felt it best not to constrain the board’s work by imposing a particular procedure or timing. Finally, regarding agency litigation, language was clarified to indicate who decides what is ultimately in the interest of the Synod.

The committee's proposed changes are incorporated into the proposed manual, as published in the board docket (pp. 104–225/554), as noted in the annotated version (pp. 226–357/554). The committee recommended adoption of the Board Policy Task Force Proposal and intends, going forward, to continue with periodic review and continue to address specific issues in the improved framework of the new structure. It plans in its next meeting to address the Audit Committee's proposal on authorization of expenditure of designated funds.

288. Board Policy Task Force Report

Board Policy Task Force chairman Larry Harrington reported for his committee, which has presented the board with a draft revised policy manual at the intensive conclusion, after a significant hiatus, of the work begun following the board's August 2017 retreat to "follow up on structure and governance observations and proposals, to result in presentation of a revised Board Policy Manual." The work of the committee, the membership of which is indicated in the action item below, has spanned several years. Harrington noted the initiating board retreat and the study presented by Secretary Sias reviewing the authority and limitations of the Board of Directors in light of a Policy Governance model consistency review. Harrington noted the manual the board has been using is freighted with "double negative" and limitation language somewhat characteristic of a Carver model, but in a framework not entirely consistent either with a Carver approach or with the Bylaw structure of the Synod. The 2017 retreat identified approximately 100 concerns with policies and procedures at the time, which have been addressed over time by the task force in its drafting work, subject to a thorough review of relevant Bylaws, and by other committees of the board.

The new manual sets forth the material in an outline more amenable to future orderly development, with some items identified for future, focused work by the Governance Committee. It makes an attempt to make clear the correspondence of policies to related, controlling Bylaws and other regulations. Secretary Sias was the primary drafter, with the committee also benefiting from Preus' Governance Committee perspective and expertise and input from the Operations Team on key aspects of management policies.

The revised manual was presented to the board in clean (pp. 104–225/554) and annotated (pp. 226–357/554) versions, the latter indicating the correspondence of new sections to old as well as indicating, where feasible, changes to the baseline text introduced by the work of the committee. Harrington reviewed the outline of the new manual, noting that much material has been added to reference and include requirements of Bylaws and resolutions of the Synod. With a CAO search getting underway, the timing is good to get a clean start on policies.

A board member noted that Carver governance is generally pushed by management teams that want more managerial freedom, which generally means that boards need to take decisive action when standards aren't met. Preus, for the committee, noted that the task force's work has moved away from the Carver model, both in terms of wording and in terms of substance.

In response to the reports of the Board Policy Task Force and Governance Committee, above, and with regard to the annotated red-line (pp. 226–357/554) and clean (pp. 104–225/554) draft policy manual presented to the board in its docket, it was moved, amended to include a new second resolve, and adopted:

WHEREAS, Following the Board's August 2017 retreat, Chairman Kumm appointed a Board Policy Task Force to follow up on structure and governance observations and proposals, to result in presentation of a revised Board Policy Manual. Task Force members have included Larry Harrington, Chair, Christian Preus, Secretary John Sias as principal drafter, and, successively, Eric Ekong, Josemon Hoem, and Rick Stathakis; and

WHEREAS, The Task Force has, in consultation with Chief Administrative Officer Frank Simek and, as regards financial portions, with Chief Financial Officer Nathan Haak, proposed a significantly revised and reorganized Policy Manual, together with suggestions for continuing work by the Governance Committee and others, and has submitted both a red-line version and a clean version to the Board for review and approval; and

WHEREAS, The Governance Committee has also, in the course of its scheduled review and in response to suggestions from the Task Force, proposed changes to policies regarding:

- Section 6.4.5 – calling, appointing, and employing staff; and
- Section 7.5.3.5–6 – initiation of litigation by agencies of the Synod

therefore be it

Resolved, That the Board adopt the new LCMS Board Policy Manual, Edition of 10/26/2022 (as incorporated in the docket, pp. 104–225/554), reflecting revision and reorganization by the Task Force as well as the noted changes effected by the Governance Committee; and

Resolved, That the Secretary be directed to submit the manual hereby adopted for review by the Commission on Constitutional Matters, consonant with Bylaw 3.9.2.2.3; and

Resolved, That the Board discharge the 2017 Board Policy Task Force with its thanks.

Chairman Kumm noted with appreciation the work of the committee and of the Secretary in completing this significant project.

289. Synodwide Entities Action Review Committee

Committee chairman Ed Everts updated the board on the committee’s meetings with representatives of The Lutheran Church Extension Fund—Missouri Synod, Concordia Plans / Concordia Plan Services, Concordia Historical Institute, the Lutheran Church—Missouri Synod Foundation, and Concordia Publishing House, conducted on November 4, with the committee meeting November 5 to review and propose future steps. These meetings were in a “structured interview style,” focused on areas of concern and intended to determine how the Board of Directors can best facilitate coordination and cooperation among the entities and the Synod.

Overall, despite initial concern on the part of the entities, the committee reported positive discussion, with desire:

- unanimously stated, for continued annual conversation with a committee of the Board of Directors, perhaps with rotating membership over time
- for greater cooperation and partnership among the entities
- for comprehensive cooperation to identify and develop leaders from member congregations
- for work toward data analytics policy, aggregation, and sharing among all entities in Synod
- for coordination of messaging among Synod-wide entities
- for development and sharing of a coordinated strategic plan and/or planning from corporate Synod with opportunity for coordinated strategic planning with entities.

Also noted were cordial discussions with “good information exchange” and that continued communication will be valued at all levels, although with sense that the necessary questions are not always the obvious ones and that “more order and less confusion would be helpful.” All entities stated an awareness of the seven mission priorities but unclarity as to how or where they fit in. All entities see themselves as serving Synod’s mission, which is positive. For most entities, plans seem relatively clear and more relatively clearly related to established roles. The Lutheran Church Extension Fund, in part because of its business model and resources, was noted as identifying and pursuing objectives “on its own,” some of which are not limited to its established financial and closely-related services. While undoubtedly done with good-heartedness, with a “desire to make a positive difference for the Synod,” and alongside significant partnerships and gifts in support of Synod efforts such as Soldiers of the Cross Amplified and Set Apart to Serve, LCEF’s recent acquisition of Grace Place and a new leadership gathering approach, among other things, have been perceived as “mission creep” into areas not assigned among financial and closely-related services.

The committee proposed a policy, which was reviewed and revised by the board as a committee of the whole. The board adopted the policy as follows, subsequently amending it to include also “services, resources, or products,” and directed the Secretary to incorporate it into the board’s new policy manual (which he did as Policy 7.2.9):

Any synodwide corporate entity or Concordia Plan Services (CPS) that contemplates expanding its operations to encompass purposes or to offer services, resources, or products that may not, in the final determination of the Synod Board of Directors (Synod BOD), be consistent with the powers and duties specifically set forth for the entity in the Bylaws of the Synod (Bylaw 3.6.1.6), when such expansion of operations involves annual gross expenses of \$100,000 or more (regardless of offsetting income potential), shall immediately notify the Synod BOD of the contemplated plan and present any final plan to the Synod BOD for review and approval, consistent with Bylaws 3.3.4.3, 6 and 3.6.1.6 [g] and, in the case of LCEF, Bylaw 3.6.4.4.1) before implementing said plan.

No synodwide corporate entity or CPS shall acquire, create, or enter into any corporate entity, partnership, or joint venture without the express written approval of the Synod BOD.

290. Action Items

Chairman Kumm presented to the board the following action items, as scheduled for the present meeting:

(A) Concordia University Wisconsin Campus Master Plan Revision and Property Sale

Pursuant to a request from Concordia University System (pp. 446–50/554) it was moved and adopted:

WHEREAS, The Concordia University System Board of Directors adopted the following resolution during its October 17, 2022 meeting:

WHEREAS, The Concordia University Wisconsin/Ann Arbor (CUW/AA) Board of Regents has authorized the sale of the President’s Home on the Mequon Campus; and

WHEREAS, This decision was made based upon potential future challenges related to the property bluff over Lake Michigan, the current real estate market in Mequon, the use of the Home by the prior presidential administration, and the potential for the construction of a new home elsewhere on the campus; and

WHEREAS, The CUW/AA Board of Regents authorized a sale price of not less than \$1.4 million dollars with the proceeds able to be utilized for a potential future home to be built elsewhere on the campus; and

WHEREAS, This action necessitated an update in the currently approved Campus Master Plan to include the President’s Home on the campus map; therefore be it

Resolved, That the Concordia University System Board of Directors acting in a specially called Zoom meeting on October 17, 2022, approves the Revised Campus Master Plan submitted by Concordia University Wisconsin/Ann Arbor for the Mequon Campus; and be it further

Resolved, That the CUS Board approves the sale of President’s Home for a price not less than \$1.4 million; and be it finally

Resolved, That the CUS Board encourages the Board of Directors of The Lutheran Church—Missouri Synod to approve the Revised Campus Master Plan submitted by CUW/AA for the Mequon Campus and the sale of the President’s Home for a price not less than \$1.4 million.

therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approve the Revised Campus Master Plan submitted by Concordia University Wisconsin/Ann Arbor for the Mequon Campus; and be it further

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approve the sale of the President’s Home for a price not less than \$1.4 million.

(B) Concordia University Nebraska Campus Master Plan Revision

Pursuant to a request from Concordia University System (pp. 451–82/554), it was moved and adopted:

WHEREAS, The Concordia University System Board of Directors adopted the following resolution during its October 17, 2022 meeting:

WHEREAS, Concordia University Nebraska has undertaken a long-range planning process, which has led to a revision of its comprehensive Campus Master Plan; and

WHEREAS, The revised Campus Master Plan includes anticipated projects extending beyond ten years including cost estimates; and

WHEREAS, The Concordia University Nebraska Board of Regents has submitted this plan for approval by the Concordia University System and the Board of Directors of The Lutheran Church—Missouri Synod; therefore be it

Resolved, That the Concordia University System Board of Directors acting in a specially scheduled Zoom meeting on October 17, 2022, approves the Revised Campus Master Plan submitted by Concordia University Nebraska; and be it further

Resolved, That the Concordia University System Board of Directors encourages the Board of Directors of The Lutheran Church—Missouri Synod to approve the Revised Campus Master Plan submitted by Concordia University Nebraska.

therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approve the Revised Campus Master Plan Submitted by Concordia University Nebraska.

(C) Authorization for Additional Corporate Synod Hires

Upon request of Chief Financial Officer Nathan Haak it was moved and, after discussion in which it was clarified that the full-time equivalents (FTEs) described are not new but exchanges for existing vacant positions, adopted (p. 490/554):

WHEREAS, The Board of Directors authorized the addition of 10 new full-time equivalents (FTE) in the FY 2023 Budget and that further new FTEs be subject affirmation by the board at subsequent meetings; and

WHEREAS, 10 new FTEs have been hired as of the November board meeting; and

WHEREAS, 10 vacancies remain in “carryover” positions (those in both the FY 2022 and FY 2023 Budgets); and

WHEREAS, Lutheran Church—Missouri Synod (“LCMS”) management has demonstrated a reduction in anticipated unrestricted expenses in excess of anticipated unrestricted revenue shortfall, when including the hiring of 10 vacant positions; and

WHEREAS, LCMS management has identified opportunities to fill certain needs and opportunities utilizing part-time staff, which is both lower cost and more flexible; therefore be it

Resolved, That LCMS management be authorized to fill the 10 vacant FTE positions in the areas of “greatest need” (as determined by management), whether into a carryover or new position; and be it further

Resolved, That LCMS management be authorized to add up to 4 part-time employees in addition to the current 10 vacant FTE positions.

(D) Authorization to vote shares of International Lutheran Society of Wittenberg (ILSW) in favor of amendment

The International Lutheran Society of Wittenberg (ILSW) is a national inter-Lutheran entity of which the LCMS is a member. Any call extended would be by ILSW. The LCMS is 40% owner. The International Lutheran Council (ILC) is a 40% owner. The Synod's German partner church, the *Selbständige Evangelisch-Lutherische Kirche* (SELK) is a 20% owner. A change in the articles requires a 75% majority of the member vote. Upon request of the President, the following action item, not in the board's printed docket, was explained by the chairman, moved, and adopted:

Resolved, That the board vote to amend International Lutheran Society of Wittenberg (ILSW) Article 2.4 as follows:

The *Selbständige Evangelisch-Lutherische Kirche* (in the following also referred to as SELK) is spiritually responsible for the Company and exercises the ecclesiastical and theological supervision over its activities and the work of the Managing Directors. If the Managing Director(s) is (are) on the LCMS roster, the LCMS will provide ecclesiastical supervision over the Director(s). The material support of the Company is provided by gifts and donations in particular from within the LCMS and as available from the SELK.

291. Executive Session Minutes Review

The board entered executive session.

291X. Executive Session IIA: Executive Session Minutes Review

292. Legal Report

The board continued in executive session until the conclusion of its Friday meeting.

292X. Executive Session IIB: Legal Report

293. Higher Education Committee

The board entered executive session.

293X. Executive Session IIC: Higher Education Committee

294. LCMS Holdings Cash Management

The board continued in executive session.

294X. Executive Session IID: LCMS Holdings Cash Management

295. 2019 Res. 7-03 Committee Review

Upon opening its Saturday morning meeting with a devotion and handling an amendment to something already adopted, as noted above in 288, the board moved into executive session.

295X. Executive Session IIIA: 2019 Res. 7-03 Committee Review

296. Meeting Review

The board continued in executive session to review the meeting according to its policies.

296X. Executive Session IIIB: Meeting Review

297. Adjournment

The board returned from executive session. Having concluded its agenda, the board adjourned.

John W. Sias, *Secretary*