

**MINUTES  
BOARD OF DIRECTORS**

**Hilton St. Louis Airport  
August 26, 2021**

**172. Call to Order**

Chairman Michael Kumm called the board's August meeting to order with all members present (Secretary Sias, Keith Frndak, and Jan Lohmeyer participated electronically). Also in attendance were Chief Administrative Officer (CAO) and acting Chief Financial Officer (CFO) Frank Simek, Chief Mission Officer (CMO) Kevin Robson, and General Counsel Matt Buesching of Thompson Coburn. Chairman Kumm welcomed Kevin Armbrust, LCMS Director of Editorial, succeeding David Strand in reporting on board meetings, and called upon Chaplain (Lt. Col.) Steven Hokana for opening devotions, in which he commended, over against the corporate sphere's perpetual quest for new leadership principles, Luther's thoughts on leadership, drawn from his commentary on the Magnificat, Luke 1:46–55, and its "six works of God."

**173. Adoption of Agenda**

The meeting agenda (pp. 8–9/400 of the printed board docket, attached to the protocol copy of the minutes) was moved and adopted.

**174. Consent Agenda**

The meeting's consent agenda (pp. 12–13/400) 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:

- |  |  |
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| ○ Officer and related Strategic Reports  | Matters / Handbook; and Conflict                           |
| ▪ Office of the President, First Vice-President, and Church Relations                  | Resolution / Expulsion                                     |
| ▪ Secretary; Rosters, Statistics, and Research Services; Commissions on Constitutional | • Council of Presidents                                    |
|  | ▪ Chief Administrative Officer and Chief Financial Officer |

- Board of Directors
- Legal, Risk Management, External Auditing
- Accounting
- Human Resources
- Internal Audit
- Operations / Information Technology
- Chief Mission Officer (plus Boards for National and International Mission)
  - 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 May 21, 2021, 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.

### **175. Report of the President**

Chairman Kumm invited President Harrison to elaborate on his printed report (pp. 40–50/400). Harrison noted recent criticisms of the Synod leadership on several fronts, lodged by a consultant to a Synod entity, alleging a lack of vision and action and criticizing the board’s 2019 Res. 7-03 process as being “hyper, hyper concerned about doctrine.”

By way of response, Harrison reviewed what has been accomplished in the COVID period, including reductions to cost and overhead in the Synod budget, work with Concordia Plans on Paycheck Protection Program loans, implementation with the districts of a grant program for church workers facing COVID-related difficulties, work with districts and religious freedom organizations as congregations “fought what they believed were unjust regulations locally,” filing of several amicus briefs and theological statements relevant to current events (including statements from the Commission on Theology and Church Relations [CTCR] and seminaries that dealt “very pastorally” with the question of virtual or online communion), recognition for pro-life leadership, and care for global missionary families—amounting to over 300 individuals, a few of which were evacuated due to critical illness—through the pandemic. Communication about Synod’s needs and work resulted in “record income from our donors” last year, even as Synod received “tremendous bequest income.”

Harrison noted the facilitation of Bernard Bull’s appointment as president of Concordia University Nebraska, and that he preached his installation on Daniel 3 (Shadrach, Meshach, and Abednego), a text chosen by Bull for its relevance to what is now before our universities. He also noted the recent installation of Thomas Egger, highlighting the great doctrinal strength he brings to the post.

A fully annotated *Large Catechism*, a project undertaken with CTCR, is nearing completion. Making Disciples for Life conferences are going forward in a hybrid form. The Church Worker Recruitment Initiative, too, is moving forward. Hundreds of communications pieces are receiving record “hits.” The Synod’s two seminaries are each receiving \$2 million (M) from the Synod, a record, Harrison said, since “I don’t know how long.” International partners are being supported with grants.

The Riga Luther Academy (formerly known as the “Livonian Lutheran Project” and having no formal connection to the organization known as “Luther Academy”), an effort of the Office of International Mission (OIM) Eurasia Region, has launched an online, bachelor’s level curriculum of confessional Lutheran theology; more than 40 church planters “on location” are being trained in “the biggest church planting effort in Eurasia in anybody’s memory.” With extensive local resources, OIM’s Asia Region is working on a Taiwan seminary, getting out of union seminary that has failed “both in doctrine and in producing pastors for the Taiwan church.” OIM is now sending Brazilian seminary graduates to our mission

fields, using LCMS network-supported missionary sending techniques. The Synod has “a record number of missionaries, [c.] 150, by the measure of recent decades,” with “none in financial distress” and the lowest number of months on record to get missionaries from onboarding to the field. “Mission Central is going gangbusters,” a tremendous blessing, and giving to network-supported missionaries continues to set records. Disasters are being responded to, including continued rebuilding of the typhoon-stricken south India seminary and most recently in Haiti, despite “a dangerous situation.” The OIM seminary and mercy center in the Dominican Republic has “140 women in the field or studying to be deaconesses...and has produced one quarter of the orthodox Spanish-speaking pastors in Central and South America” in the past decade. The Bolivian church is exploring fellowship after men returned from the seminary delighting in the *quia* subscription to the confessions and doctrine of the ministry they learned at the seminary. Synod’s mission boards are also revising their policies “quite effectively.”

Harrison briefly noted that periodic internet “check-ins” with the Council of Presidents are maintaining “a good working relationship” and that ecclesiastical supervision issues, which come up frequently, are usually readily resolved; also: significant work in the Secretary’s office and Rosters, Statistics, and Research Services; building utilization evaluations and an effective return to in-person work; the Synod’s vote to delay its convention by a new online mechanism; and daily devotions offered during the pandemic, noting that the International Center “never missed [holding] chapel,” which is broadcast live on KFUE Radio. Noting significant progress by the 2019 Res. 7-03 committee on university governance and by a related standards drafting committee appointed by Concordia University System board, Harrison commented that some are criticizing the proposal as giving the Synod too much doctrinal supervision over the universities, but that facts will bear out the necessity of strong ecclesiastical accreditation.

Touching on ecumenical matters, Harrison noted that his office is dealing with Synod’s partner church in Japan, which has altered its constitution in favor of ordaining women; a resolution will be presented to end fellowship with this church body, even as plans for a new partner in Japan are underway. Harrison noted his drafting of a statement countering government attacks on our Finnish partner (with which fellowship was recently declared) due to published statements on human sexuality, the statement signed by fifty presidents and bishops from around the world, and that he was the first LCMS president to visit conventions of the Wisconsin Evangelical Lutheran Synod and Evangelical Lutheran Synod, at their invitation and to address the bodies, in “probably 65 years.”

In other areas, another round of Lutheran Emergency Response Training has been completed; five district conventions have been attended; a “Synod 101” series of videos is underway, using the ongoing Post-Seminary Applied Learning and Support (PALS) program as a testbed; the Pastoral Formation Committee continues its work on improving alternate routes education; CTCR has initiated a “task force on race”; thirty Doxology retreats have been funded; meetings have been held with Concordia Theological Seminary faculty and regionally with district presidents; the Lutheran Center for Religious Liberty is “extremely active”; the *Lutheran Witness* is being studied to “ensure its future”; and First Vice-President Lange is busily “improving all colloquy systems.” Finally, Synod is basically free of debt, “thanks to the board and its wise decisions.”

“That’s what we’ve been doing during COVID,” Harrison concluded and—conceding that there are weaknesses, frustrations, hard issues, areas in which we want to do better—noted “I’m proud of it...and want to thank [the board] for it, thank God for our wonderful staff.”

In a brief discussion with a board member, who recalled perhaps twenty pastors in the Synod’s missionary service twenty years ago, Harrison spoke to the definition of “missionary,” noting that “probably half” the approximately 150 missionaries in the field are now clergy, generally at work training pastors and teachers, evangelists and missionaries—reflecting, as the board member would put it, “very impressive” progress.

## **176. Report of the Chief Mission Officer**

Chairman Kumm called on Chief Mission Officer (CMO) Kevin Robson to expand on his written report and those of the units he supervises (pp. 67–90/400). Robson noted that he continues to work, with input from the Secretary, with both mission boards on needed improvements to governance and policies, and that the boards are “making good progress at achieving policy that is effective and actually providing guidance to the offices.” 2019 Res 4-04A, “To Expand and Strengthen the Input with Which the Synod’s Triennial Mission and Ministry Emphases Are Determined,” calls on mission boards to assess the effectiveness of established mission emphasis and priorities and to solicit feedback from the Synod. As part of this effort, the boards are planning a series of face-to-face internet conferences with all district presidents and appropriate district staff, to occur this fall.

CMO Robson highlighted for the board recent activities of his five units:

- **Office of International Mission (OIM):** LCMS Disaster Response Director Ross Johnson is, despite a challenging security environment, on the ground with the Evangelical Lutheran Church of Haiti to assess needs and, in concert with the regional office in Santiago, Dominican Republic, to formulate plans after the recent earthquake. Approximately 20 congregations in the Les Cayes vicinity have been significantly impacted. LCMS is “well positioned” with a “wonderful capacity to respond” with the Synod’s general mercy fund at \$6.5 million (M). In Addis Ababa, Ethiopia, several Mekane Yesus Seminary buildings have been afflicted by severe micro-flood, with eight fatalities on campus among faculty, students, and their families. The Stinnetts, an LCMS missionary family, “fled for their lives” as water engulfed their house, with their goods a “total loss.” The Office of International Mission is looking to provide an assistance grant to the seminary, with the campus basically shut down through October. In OIM Operations, process improvements are underway, LCMS Accounting and Finance having aided a complex transition of regional business offices to LCMS’ global accounting system, opening many management and analytic tools for use. On the field, theological education remains a core activity; the office is in discussion with Concordia Seminary, Concordia Theological Seminary, and the Pastoral Formation Committee regarding coordination of the sending of faculty abroad.
- **Office of National Mission (ONM):** A Making Disciples for Life event is planned in a hybrid format for October, with a Disaster conference the week before in the International Center and Specialized Pastoral Ministry (SPM) and other events planned for the fall. A major online hosting contract with a vendor will provide a state-of-the-art platform for large events for the next five years. ONM is recruiting an associate director for Schools, a director for SPM, and a director for Health. Robson noted his attendance at an Ethiopian-American conference at Concordia Theological Seminary, highlighting a “real opportunity to coordinate and support efforts in ethnic communities,” alongside similar opportunities also in Black and Hispanic ministry in the United States.
- **Office of Pastoral Education (PED):** CMO Robson described the Church Worker Recruitment Initiative (CWRI) as “a wonderful, multifaceted project” undertaken in partnership with LCMS Communications and marketing firm Standing Partnership. The initiative is making progress on naming and development of a messaging platform, with a “stellar response” to a call for subject matter experts to produce resources. Research work will begin to push products out into the church within the next year. The Pastoral Formation Committee is working on the Specific Ministry Pastor Program and other non-residential tracks to ordination in light of 2019 Resolutions 6-02 and 6-03A, planning to issue a report well in advance of convention. The majority of districts are participating in Post-Seminary Applied Learning and Support (PALS); a recent conference got a wonderful response. Pastoral Education Executive Director Jim Baneck continues to work on “Life together as Synod,” with PALS groups trying a 10-module pilot series

of videos intended to promote understanding of and invite participation in the workings of the Synod, videos eventually intended to serve more broadly.

- **Communications (COMMs):** Recruitment of a unit executive continues, with qualified candidates being selected from a pool of approximately 40 applicants. Four or five will be interviewed in September, with the intention to extend a call or contract. The department is planning a print version of *Lutherans Engage the World*, which was taken online last year. Two issues are budgeted this year, with the first this fall. LCMS Director of Editorial Kevin Armbrust and CMO Robson are working with Concordia Publishing House (CPH) on revisiting the business model and division of labor for the *Lutheran Witness*. CPH has provided information on the state of subscriptions for analysis by LCMS. A need to increase digital and/or print subscriptions is evident.
- **Mission Advancement (MA):** CMO Robson noted a “spectacular donor response,” beyond \$4M, to the Synod’s request for unrestricted or “use where you need it most” gifts (last year \$1.5M was budgeted to be received in this category)—a “great barometer of donor confidence.” A letter sent in August as a “12-month follow up” to the original COVID appeal for unrestricted gifts is already receiving positive feedback from donors. The unit’s comprehensive assessment is aimed for completion in March 2022, with three strong candidate firms being winnowed with a sharpened request for proposals. CMO Robson intends, with the Chief Administrative Officer and Office of the President, to select the firm by mid-November and then to move forward aggressively. Robson noted that the LCMS is stepping away from the Association of Lutheran Development Executives (ALDE) due to the latter’s going after the culture instead of the needs of the church.

CMO Robson elaborated briefly on the Riga Luther Academy, as noted by President Harrison. Now embarking on its second academic year, the program’s enrollment has more than doubled to approximately 50 students from “a host of countries” enrolled in and “responding marvelously” to an European Union-accredited B.Th. program. OIM is now working on staffing the program for expansion. President Harrison noted that the Wittenberg Project’s Old Latin School is a seminar site for gathering these students, along with 20 or so lay people, providing a great blessing to the project as well as to other hosted Eurasia region theological conferences.

Prompted by a question from First Vice-President Lange regarding criticisms of the Synod as lacking strategic planning and leadership, CMO Robson noted that the Synod’s mission emphasis (“Making Disciples for Life”) and seven priorities, along with related ends policies, as established by Synod processes and adopted by the convention or by elected mission boards, “state our strategic plan.” Of course, the board and units interact on a deeper level with budget and operating plans, which aren’t published due to interaction with personnel and other planned changes. One board member noted in response that he “will take results over process any day of the week but is happy that we have both.” Another board member noted also the wisdom of looking even at apparently unfair criticism to discern grains of truth and to find ways to improve. Robson concluded, noting the complexity of Synod’s total activity; no “one grand strategy” beyond the Gospel itself can be expected to cover all activities, which pursue a variety of objectives we are “constantly dealing with” as the Church in a messy world.

## **177. Financial Report**

Ross Stroh, Executive Director of LCMS Accounting and Financial Services, presented the financial report for the year ending June 30, 2021 (pp. 118–134/400). Using a series of slides (p. 396–400/400), Stroh noted an as-yet-unaudited gain for the fiscal year ending June 30, 2021, of \$12.886 million (M), compared to a budgeted surplus of \$564 thousand (k), reflecting favorable variances of \$4.431M and \$7.891M on the revenue and expense sides, respectively.

Every major area finished “ahead of budget,” with net surpluses of \$1.562M in Program—Mission and Ministry (mostly in OIM and ONM), \$742k in Program—Ecclesiastical (largely in Church Relations, Office of the President, Council of Presidents and Chief Mission Officer), \$5.592M in Management and General (\$3.4M of which is attributable to exceptional unrealized investment gains), and \$1.408M in Mission Advancement. Unrestricted revenues led the budget by \$3.018M, largely due to \$2.5M in donor response to appeals for unrestricted funds beyond budgeted levels, but also in part due to \$400k in Payroll Protection Program (PPP) loan forgiveness that was beyond the level budgeted. Of approximately \$7.891M in underspending that contributed to favorable variances, about \$927k was attributable to unrealized travel during the fiscal year.

Stroh noted some unlikely to repeat events, such as \$4.048M in PPP loan forgiveness, received on June 11, 2021, and extraordinary unrealized investment gains (marked to market quarterly), \$3.403M beyond budget, suggesting the gain be understood in light of these as a “normalized surplus,” for planning purposes, of \$5.435M.

Turning to cash, Stroh noted \$1.9M in US Bank, \$13.5M at LCEF, and \$18.5M in the LCMS Foundation, positions supportive of cash flow but also seeking better returns. LCMS’ current ratio is 6.6, the highest in recent memory and outstanding for a nonprofit, with 236 days of cash on hand and a program spending ratio of 74.9%, down from 79.0% last fiscal year due to reduction of some programmatic travel and meeting activity during COVID. LCMS’ unrestricted net asset position stands at \$23.639M, up from \$10.753M at the end of FY20 and from minima of \$2.984M in FY10 and \$4.193M as recently as FY18. Of the present \$23.639M in unrestricted net assets, \$4.8M is property, \$21.5M is board designated, and the undesignated net asset deficit stands at only \$2.8M, down from over \$15M last fiscal year).

In discussion, it was clarified that these figures are for LCMS only and not consolidated entities, and that there are no plans at present to restore positions reduced during the pandemic, as work is “functioning fine” at present levels of staffing; of course, positions may be proposed where needed in subsequent budgets.

### **178. Governance Committee Report**

Governance Committee Chairman Christian Preus reported on his committee’s meeting of July 29 (pp. 138–158/400). In its regular review of board policies, the committee, having reviewed in the April meeting the board’s insurance policies, in July invited CPS to provide updates on insurance coverage categories, limits, and deductibles. These were compared with board policies. Guidance was sought as to additional coverages that should be required in policies; “cyber insurance” was suggested but specifying a requirement in this area is complicated by a need for the insureds to implement various security mechanisms to secure various types and levels of coverage. Generally, the board’s insurance-related policies will remain a point of emphasis for future work.

The committee agreed with the Personnel Committee’s assessment that policies related to its work required no urgent and readily adoptable changes, but that a more comprehensive review in light of relevant bylaws would be helpful in the near term. The Audit Committee also reviewed its policies, and the Governance Committee is proposing for the board’s adoption the changes suggested by that committee.

Referring to the regular schedule of policy review included in board policies, and noting the extra year afforded by the deferral of the Synod convention to 2023, the Governance Committee determined to use the “extra year” to select and review high-priority policy areas requiring more in-depth revision, including policies covering insurance and human resources.

In other areas:

- The committee addressed changes proposed by the Audit Committee to its related policies (Section 5.3), with a proposal appearing among the action items (pp. 270–80/400).
- The committee also reviewed the appointment of legal counsel in light of the extension of the current triennium, with the committee recommending that the board explore extending the

current legal services contract by one year to reflect the triennium's extension. This is presently being explored.

- The Commission for Constitutional Matters reviews any changes to entity governing documents and was given a special charge by 2016 Res. 9-02A to review articles of incorporation for required relationship and asset disposition language (Bylaw 1.5.3.6). As noted in communications from the Commission on Constitutional Matters and the Texas District, the Texas District will be in compliance so long as the board allows their required language to be stated in bylaws rather than in articles of incorporation. Noting requirements of more recent Texas incorporation laws, the committee recommended approving the variance, included in action items.
- The board in its May meeting requested development of policy limiting use of board-designated funds. The committee plans to craft appropriate language once the Audit Committee has suggested any appropriate parameters.
- The Board Policy Task Force, charged with a global revision of the board's approach to and organization of its policy manual, has been on hold with "too many things on the plate of too many people." The committee feels this work is a priority and should be "reinvigorated;" however, much of the work falls on the Secretary and the committee "defers to him." The Secretary noted his concurrence as to the importance and timeliness of this project and his intention to "re-triage" some items to allow this work to move forward, in the near future, with further drafting and committee meetings.

#### **179. Audit Committee Report**

Audit Committee Chairman Keith Frndak reported on his committee's meeting of August 25. His committee reviewed the pending audit proposal, meeting with Synod's external auditors (Brown Smith Wallace, contracted to perform the audit, was acquired August 1 by Armanino, a larger firm; most of the familiar audit staff will continue to work with LCMS). Discussion reviewed usual procedures and any committee concerns. The committee was impressed by the size of the combined firm's non-profit element—"a much deeper bench," which may be helpful in reviewing the consolidation of LCMS' balance sheet going forward. It was noted that the audit of entities consolidated into LCMS Holdings relies to some extent on the work of other auditors.

Committee Chairman Frndak noted that Concordia University Chairman Gerhard Munding and President Dean Wenthe, in their visit with the committee, emphasized the church's "responsibility to be involved with schools through CUS," and hoped for the 2019 Res. 7-03 proposal to be given a "fair chance" by all stakeholders. Most schools have submitted their customary financial reports, with continuing challenges common to higher education noted. Munding noted CUS schools' new online offerings. The committee continued to discuss with CUS its operating expenses and concerns for maintaining necessary levels of service and skill on a potentially smaller budget.

In other areas, the committee discussed in detail and recommended an action on funds received from the Baird Trust, treated under action items. The committee also reviewed and approved CAO Simek's recommendations on accounting and internal audit succession planning, reviewed Internal Audit activities and plans with executive director Joann Spotanski, especially as regard donor designations and key employee expenses.

#### **180. 2019 Res. 7-03 Committee Update**

Christian Preus, chairman of the 2019 Res. 7-03 Committee, charged with proposing a "new governance plan" for the colleges and universities of the Synod (pp. 281–97/400), updated the board on the state of the committee's work. The Board of Directors at its February meeting approved release of a bylaw proposal draft for a six-month period of comment from the broader Synod, comment to be due September 30. One item included in new governance material is the replacement of Concordia University System, a separately

incorporated synodwide corporate entity, with the Commission for University Education (CUE). CUE will maintain standards for and conduct ecclesial accreditation of affiliated universities, with accreditation guided by a standards and process document called the “Lutheran Identity and Mission Outcome Standards (LIMOS).”

The 7-03 Committee did not view development of LIMOS, which is ultimately to be maintained by CUE itself, as its task, but felt a draft should be available to the initial CUE membership from the start and that the same draft should be placed before the Synod as 7-03 is being considered. As the intended predecessor body of CUE, the CUS board of directors was asked to take on this process and did appoint a committee with representation from university and seminary faculties as well as its own board. This “very good” committee has produced a draft of the LIMOS which has been approved by CUS and presented to the Res. 7-03 Committee, which in turn reviewed the draft and determined to share this document, too, with the Synod, starting with university presidents and boards and now with the Synod at large. Comments continue to be directed to the Secretary for compilation; substantive comments will be received by the 7-03 Committee or forwarded to the LIMOS drafting committee, as appropriate. The operational LIMOS document would not be adopted until after the convention, by the newly constituted CUE.

So far, little comment has been received. While most has been very positive, the 7-03 Committee has received some criticisms of the level of detail given to the accreditation process in the proposed bylaws and of the depth of the accreditation process, some commentators looking for a more “superficial review.” Ultimately, the committee felt it was best for process to be specified in bylaws, and a robust accreditation process to be maintained in the LIMOS, to ensure the program is carried out consistent with wishes of members of the Synod as an in-depth, ecclesial process, to ensure the theological connection of the universities with the Synod. This perspective, Preus noted, aligns with the assignment given to the board in 2019 Res. 7-03.

Preus noted that he is working to schedule a November 7-03 Committee meeting with university presidents and board chairs as an opportunity to consider input received as well as anything else that arises. The committee will continue its work to refine the proposal. University board chairs and presidents are planning to meet with the Council of Presidents in November. The President noted that it may be profitable for some 7-03 Committee representation to attend; Chairman Kumm noted that the council and Board of Directors will also meet jointly in the same timeframe.

One issue has absorbed much committee time and arrived at no solution, and that is the means for selection of regents. Preus noted many differences of opinion on current bylaws and desired direction and no consensus position yet identified; the current view of the committee is that much has been accomplished and the proposal should not be tied to changes in this area.

In discussion, board members questioned the initial composition and election of CUE, an eventuality for which the convention must prepare through its Committee on Convention Nominations, and favored a “deep review” in accreditation, noting that this is necessary to keep the schools “on the fairway.” Noted also was a conviction that the Res. 7-03 process needs to move forward to adoption.

A question was also raised as to whether it would be possible for a school or schools to remain on or arise under agency status after the adoption of the 7-03 proposal by the convention, the thought being that the Synod ought not be prevented from having “its own” worker preparation colleges. Preus explained that university status will change from agency to affiliate, with less kingdom-of-the-left connection, but with more structured ecclesial relations. Preus noted perennial talk about how many colleges are ideal to serve worker preparation. This is not solved by the proposal, but it is acknowledged that, just as some might leave, opportunities might present for colleges to join the system or be initiated by the Synod as need might arise.



### **181. Personnel Committee Report**

Personnel Committee Chairman Larry Harrington reported on his committee's meeting of July 27 (pp. 159–160/400). The Chief Financial Officer selection process is proceeding with “four qualified, highest-scored candidates” from a combined nomination and search process. (One of the four was identified by the search organization, with a fee due to that organization if that candidate would be selected.) The committee plans to interview the top four by internet conference in September or October and narrow the field to those to be presented to the full board for interview and hiring in November. The process is moving along well.

Harrington noted a Concordia Plans trustee / Concordia Plan Services director vacancy due to the death of Dennis Becker. Noted qualifications are listed in the board's appointments book (pp. 1–108/108) along with nomination, biographical, and evaluative material for seven nominees. The committee offered its slate and recommendation, noting input from Concordia Plans / Concordia Plan Services, with the appointment to be handled under action items.

Finally, Harrington noted work by the Human Resources Committee to adjust salary structure methodology for International Center employees to include market data blended with LCMS pastor salaries.

### **182. Legal Report**

The board entered executive session.

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### **182X. Executive Session I: Legal Report**

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### **183. Convention Location Update**

As the board resumed after lunch, having returned from executive session, at Chairman Kumm's invitation, President Harrison noted the departure of the Rev. Dr. Jon Vieker from his office to serve the seminary in St. Louis as dean of chapel, and introduced the Rev. Jeff Hemmer as the president's new assistant. Rev. Hemmer offered a brief personal introduction, noting that he is ABD in a Ph.D. program at Concordia, St. Louis, and that this opportunity “came out of the blue” but has been “great so far.”

LCMS Travel and Meeting Planning Senior Director Lynne Marvin joined the board to provide an update on arrangements for the 2023 convention of the Synod. It will be held in Milwaukee July 29–August 3. Lynne is “very excited about Milwaukee.”

### **184. Action Items**

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

(A) Vacancy Appointment to Board of Trustees—Concordia Plans / Board of Directors—Concordia Plan Services

The President and CEO of the Concordia Plan Services informed Secretary of the unexpected death of Mr. Dennis Becker, a layperson member re-appointed to a second term in May 2019 by the LCMS Board of Directors. This has necessitated an appointment by the Board of Directors, under its Policy 5.7.2.1, to fill this vacant position (159, 264–65/400):

**Board of Trustees—Concordia Plans /Board of Directors—Concordia Plan Services**  
**(1) one layperson member**  
**for the remainder of the 2019–2022 term (less than one-half term)**

The Office of the Secretary sent out a call for nominations on March 26, 2021, requesting responses by May 28, 2021, and, assisted by the LCMS Department of Human Resources, compiled the necessary information on each of the nominees. This information was submitted, in its entirety, to the Personnel

Committee and to the Board of Directors for inclusion in the board appointments book (appointment supplement, pp. 1–108/108).

The Personnel Committee, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of July 27, determined to present the following slate to the board:

Concordia Plans Trustee / Concordia Plan Services Director: Lay (appoint one)

Hawk, David K. — Fort Wayne, Indiana (IN)

Offermann, Roger S. — Topeka, Kansas (KS)

By a show of hands, the board selected David K. Hawk for appointment to the vacant position. The Secretary of the Synod is charged to notify the appointee and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(B) Acceptance of Texas District Bylaw Language as Satisfying Requirements of Bylaw 1.5.3.6

Bylaw 1.5.3.6 requires certain relationship and asset disposition language to be included in the most fundamental governing documents of all Synod agencies but allows the Board of Directors to accommodate agencies that request other arrangements due to concerns with the requirement. The Texas District requested, due to changes in Texas not-for-profit law that presented significant challenges to revision of its articles to accommodate the language, that the board approve the inclusion of the required language in the district's bylaws instead. The Governance Committee, having reviewed related Commission on Constitutional Matters (CCM) Opinion 20-2943B (minutes of May 25, 2021, CCM meeting), recommended adoption of the following resolution (pp. 268–69/400). It was moved and adopted:

WHEREAS, Bylaw 1.5.3.6, as interpreted in CCM Op. 17-2811, requires specific relationship and asset disposition language to be included in the most fundamental governing document of each agency (including each district) of the Synod, as follows:

1.5.3.6 Notwithstanding anything in the Bylaws to the contrary, the Articles of Incorporation or other governing documents of each agency shall provide:

(a) That all provisions of its Articles of Incorporation and Bylaws are subject to the provisions of the Constitution, the Bylaws, and the resolutions of the Synod in convention; and

(b) That in the event of dissolution other than by direction from the Synod in convention, the assets of such agency, subject to its liabilities, shall be transferred, consistent with applicable state and federal laws, as follows:

(1) In the case of a synodwide corporate entity, district, university, college, or seminary, to The Lutheran Church—Missouri Synod as may be more specifically described elsewhere in these Bylaws;

(2) In the case of a corporation formed by an agency (as defined in these Bylaws), to the agency that formed the dissolving corporation, or if such forming agency is not then in existence, to The Lutheran Church—Missouri Synod itself.

An agency may submit any concerns related to the inclusion of subsections (a) or (b) in its governing documents to the Board of Directors of the Synod, and the Board of Directors may determine to permit the removal or modification of these provisions for an affected agency.

WHEREAS, The Commission on Constitutional Matters, in its prior reviews of the Articles and Bylaws of the Texas District, as required by 2016 Res. 9-02A, has noted that the district's Articles lack the required relationship and asset disposition language; and

WHEREAS, The Texas District of The Lutheran Church—Missouri Synod has informed the Board of Directors, on advice of its counsel, that the State of Texas has adopted a standard “certificate of formation” model for new filings of non-profit corporate governing documents, incompatible with inclusion in “amended articles” of the required language, and further, that attempting to include the language in some form other than in the bylaws would “be complex and costly without providing any greater legal certainty in regard to the Synod desired provisions”; and

WHEREAS, The Texas District has therefore sought to comply with the provisions of Bylaw 1.5.3.6 by incorporating suitable language into its Bylaws (instead of its Articles) and requesting that the Board of Directors, under authority granted it in Bylaw 1.5.3.6, approve this language, thus incorporated, as sufficient; and

WHEREAS, The Commission on Constitutional Matters has in its meeting of May 25, 2021, reviewed the relevant language proposed by the Texas District for inclusion in its Bylaws I and XV (Op. 20-2943B) and found it to comply with the requirements of Synod Bylaw 1.5.3.6 (a) and (b)(1), subject to the approval by the Synod Board of Directors of an exception authorizing said language to be included in the Bylaws of the Texas District, rather than in the district's Articles of Incorporation (or Certificate of Formation); and

WHEREAS, Bylaw 1.5.3.6 grants the Board of Directors the authority to modify the provisions of Bylaw 1.5.3.6 for an "affected agency" expressing "concerns related to the inclusion of subsections (a) and (b) in its governing documents"; therefore be it

*Resolved*, That the Board of Directors of The Lutheran Church—Missouri Synod, as authorized in Bylaw 1.5.3.6, hereby grant the Texas District's request for permission to satisfy the relationship and asset disposition language requirements of Bylaw 1.5.3.6 by incorporating *in its Bylaws* the compliant language approved in CCM Op. 20-2943B.

(C) Member Appointments: Lutheran Church—Missouri Synod – Dominican Republic

Chief Administrative Officer Simek brought to the board's attention the need to renew and revise the membership of the nonprofit association called Lutheran Church—Missouri Synod – Dominican Republic. It was moved and, after a brief introduction by CAO Simek, adopted (pp. 266–67/400):

WHEREAS, In November 2015, The Lutheran Church—Missouri Synod ("LCMS") Board of Directors approved the creation of a legal entity in the Dominican Republic in the form of a nonprofit association called Lutheran Church—Missouri Synod – Dominican Republic ("LCMS–DR"); and

WHEREAS, As evidenced by the LCMS Board of Directors action in November 2015, the founding members of LCMS–DR were the LCMS, Concordia International Foundation, Rev. Theodore Mattias Rudolph Krey, John A. Fale, and Blake Arthur Warren; and

WHEREAS, John A. Fale and Blake Arthur Warren each has submitted his resignation as a founding member of LCMS–DR; and

WHEREAS, It is necessary or desirable to ratify and reaffirm Rev. Daniel McMiller as a replacement member of LCMS–DR in place of John A. Fale; and

WHEREAS, It is necessary or desirable to approve John Tape as a replacement member of LCMS–DR in place of Blake Arthur Warren; and

WHEREAS, Due to changes in the job status or responsibilities of certain individuals previously or currently serving as directors of LCMS–DR, it is necessary or desirable to replace such individuals as directors of LCMS–DR and it is further necessary or desirable to ratify and reaffirm the current directors of LCMS–DR; and

WHEREAS, It is necessary or desirable to for the LCMS Board of Directors to designate Frank Simek, Chief Administrative Officer, as the LCMS' representative for purposes of carrying out LCMS' role as a member of LCMS–DR; therefore be it

*Resolved*, That Rev. Dan McMiller is hereby ratified and reaffirmed as a member of LCMS–DR in place of John A. Fale; and be it further

*Resolved*, That John Tape is hereby approved as a member of LCMS–DR in place of Blake Arthur Warren; and be it further

*Resolved*, That after giving effect to the foregoing resolutions, the current members of LCMS–DR are confirmed to be the LCMS, Concordia International Foundation, Rev. Theodore Mattias Rudolph Krey, Rev. Daniel McMiller and John Tape; and be it further

*Resolved*, That the following employees of the LCMS are hereby approved, or if previously approved by the LCMS BOD, ratified and reaffirmed, as the directors of LCMS–DR: Rev. Theodore Mattias Rudolph Krey, Jonah Burakowski, John Tape, Dennis D. Fangmann and Rev. Daniel McMiller; and be it further

*Resolved*, That Frank Simek, Chief Administrative Officer of the LCMS, is hereby designated as the LCMS’ representative for purposes of carrying out the LCMS’s role as a member of LCMS–DR; and be it further

*Resolved*, That Frank Simek, Chief Administrative Officer of the LCMS, is hereby authorized and responsible to engage officers, agents and employees of the LCMS to take such further action, and to approve and execute such other documents, resolutions, action items, certificates, powers of attorney and instruments as may be necessary or desirable to carry out and comply with the intent of these resolutions and the action taken by the LCMS Board of Directors in November 2015 with respect to LCMS–DR, including, but not limited to (a) the execution on behalf of the LCMS, in its capacity as a member of LCMS–DR, of resolutions, action items and minutes for the meetings and general assemblies of LCMS–DR, (b) the appointment, on behalf of the LCMS, in its capacity as a member of LCMS–DR, of the board of directors and officers of LCMS–DR; (c) the filing of such documents with the appropriate governmental authorities in the Dominican Republic to effectuate these resolutions or the actions of LCMS–DR; and (d) the filing of such additional documentation with the appropriate governmental authorities in the Dominican Republic as shall be necessary for the Association to continue to function in the Dominican Republic, including applying for visas for LCMS and LCMS–DR employees, seeking certain tax benefits, if applicable, for the entity and its employees, and such other matters as the management of LCMS–DR shall determine to be in its best interest, in compliance with the intent of these resolutions and the action taken by the LCMS Board of Directors in November 2015 with respect to LCMS–DR.

#### (D) Revision of Board of Directors Policy 5.3: Audit Policies

The Governance Committee, as noted in its report above, forwarded certain changes to policies regarding the activities of the Audit Committee for adoption, these having been originally proposed by the Audit Committee. It was moved and adopted (p. 270/400):

WHEREAS, Board of Directors Policy 2.10.1.3.1 directs the Governance Committee to review policies of the board and to make recommendations for new or amended policies; and

WHEREAS, During the course of reviewing this section of the manual, the Chief Administrative Officer has solicited input and/or review from the members of the Governance Committee; and

WHEREAS, Board members are encouraged to provide comment and suggestions regarding these proposed changes and any other change they deem appropriate to raise for the board’s consideration during the review of these policy sections; therefore be it

*Resolved*, That the Board of Directors adopts the changes to Board Policy 5.3, Audit Policies, found in The Lutheran Church–Missouri Synod Board of Directors’ Policy Manual as shown in Exhibit A, attached to the protocol version of the minutes (docket pp. 271–80/400).

#### (E) Bequest Allocation: Baird Trust

As noted above in the report of the Audit Committee, the Synod has received a bequest from the Baird Trust in the amount of \$450,712, the funds to be used in support of Zion Lutheran Church, Big Springs, Nebraska; the Lutheran Women’s Missionary League; Orphan Grain Train of Julesburg, Colorado; and

“other worthy causes as the Synod deems fit.” The Audit Committee, having discussed the allocation of funds in its meeting of August 25, proposed an allocation of available funds from the Baird Trust as follows:

It was moved by the committee and adopted:

*Resolved*, That the total amount received from the Baird Trust, approximately \$451k, be distributed to named organizations and to other worthy causes as follows:

- \$25,000 to Orphan Grain Train of Julesburg, Colorado
- The remainder is to be divided equally among:
  - Zion Lutheran Church, Big Springs, Nebraska
  - The Lutheran Women’s Missionary League
  - The Lutheran Church—Missouri Synod, as unrestricted.

### **185. International School Update**

The board entered executive session.

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### **185X. Executive Session IIA: International School Update**

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### **186. Insurance Program**

The board continued in executive session.

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### **186X. Executive Session IIB: Insurance Program**

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### **187. Strategy Review**

The board continued in executive session.

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### **187X. Executive Session IIC: Strategy Review**

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### **188. Meeting Review**

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

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### **188X. Executive Session IID: Meeting Review**

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### **189. Adjournment**

The board returned from executive session.

President Harrison asked to share a video of Päivi Räsänen, who recently received an award in Oslo from an organization promoting free speech. Räsänen, a member of the Finnish Parliament, faces criminal prosecution, together with Finnish partner church Bishop Juhana Pohjola, for “incitement” on charges related to their publication and promotion of a 2004 booklet entitled “Male and Female He Created Them.”

In her acceptance speech at the Olso Symposium 2021, she articulated Law and Gospel clearly and winsomely, Harrison said, in a manner that would befit any pastor. The video was shared by email with the board.

With the agenda concluded and a concluding prayer offered by the President, the board adjourned.

John W. Sias, *Secretary*