

MINUTES BOARD OF DIRECTORS

LCMS International Center and Hilton St. Louis Airport, St. Louis
September 14–15, 2023

4. Call to Order and Opening Prayer

With all members present, Chief Administrative Officer Elect Felix Loc called the first regular board meeting of the triennium to order, with new board members Roger B. Gallup, Leo S. Mackay Jr., and K. Allan Voss having assumed office on Sept. 1. Also in attendance were Chief Administrative Officer (CAO) Frank Simek, Chief Financial Officer (CFO) Nathan Haak, Chief Mission Officer (CMO) Kevin Robson, and Matt Buesching and Krissa Lubben of Thompson Coburn, the Synod's general counsel. On Thursday, First Vice-President Lange offered prayer. On Friday, CMO Robson offered a devotion based on Luke 17:11–19.

5. Adoption of Agenda and Consent Agenda

CAO-Elect Loc introduced the meeting agenda (p. 9–10/347) and consent agenda (pp. 12–13/347). These were separately moved and adopted, the consent agenda reading as follows:

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

WHEREAS, Board Policy 3.9.4, "Consent Agenda," reads:

3.9.4.1 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.

3.9.4.2 The consent agenda should consist of routine matters that require Board action. Typically, these items include the approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and adoption of routine or non-controversial action items.

3.9.4.3 The Chairman 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.

3.9.4.4 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.

3.9.4.5 Any item which appears on the consent agenda may be removed from the consent agenda upon request 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 to approve the consent agenda.

3.9.4.6 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 | ▪ Board of Directors |
| ○ Office of the President, Church Relations, and First Vice-President | ▪ Legal, Risk Management, External Audit |
| ○ Secretary, Rosters, CCM, COH, and Conflict Resolution | ▪ Accounting |
| ▪ Council of Presidents | ▪ Human Resources |
| ○ Chief Administrative & Chief Financial Officers | ▪ 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
- KFUO Radio
- Board of Directors Committee Reports
 - Governance Committee
- Personnel Committee
- Action Items
 - Approval of May 18, June 7, 2023, LCMS Board of Directors Minutes
 - Approval of Synod Convention Aug. 3, 2023, (Session 9) Minutes

and be it further

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

6. Personal Introductions and Elections

CAO Elect Loc offered opportunity for the board members to introduce themselves and proceeded to facilitate the election of the board's chairman, in accordance with Board Policy 3.12.2, the board members having already been queried as to their willingness to allow their names to stand for election to the various offices for the 2023–26 triennium. Board members were able to remove their names prior to election, and those previously elected were removed from subsequent ballots.

The slate for chairman included board members Hoem, Lohmeyer, MacKay, and Preus. In one electronic ballot, which was unanimous, Christian Preus was elected chairman. He assumed the chair to conduct the remaining elections.

The slate for vice-chairman included board members Grams, Hoem, MacKay, and Yow. On the first ballot, a majority was not achieved; On the second ballot from which Yow's name was dropped according to the usual custom, Andrew Grams was elected.

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.) The slate for at-large member of the executive committee included board members Gallup, Harrington, Hoem, MacKay, and Yow. Without a majority on the first ballot, Gallup and Harrington were removed. On a second ballot, Yow was removed. On the third and fourth ballots, MacKay and Hoem tied. The board determined to conclude the election by lot, which fell to Leo MacKay.

7. President's Report

Chairman Preus called upon President Harrison to extend upon his written report (pp. 47–54/347) and his report to the Council of Presidents, which was distributed to the board. He began by reading from Luther's commentary on Genesis 22, the sacrifice of Isaac (*Luther's Works*, American Edition, 4:91–94), and the context the remarkable activities and severe difficulties of the aged Reformer's later life, including his broken health and the looming alliance of pope and emperor in what would be the Schmalkaldic War, which would break loose shortly after Luther's death. In this context, around his birthday in November 1545, Luther finally finished his Genesis commentary and turned to reconciling a difficult conflict among brothers in Mansfeld. He preached his last sermon in Eisleben, the village in which he was born, and died in a home across the street in the early morning hours. Harrison commented that "in the cruciform moment" God is doing the most marvelous work—and that this is consistently demonstrated in the work of the board, done through the midst of many trials but with the Lord's rich blessing. The greatest "program" in the Missouri Synod, Harrison noted, is for us simply to do what our governing documents set forth for us to do, from our confession and from what our congregations have given us to do—that is, day by day, to do the right thing.

There will be challenges, contradictions, assaults, disappointments, but the Lord shall bless—he shall bless the most through these crosses.

8. First Vice-President's Report

First Vice-President Peter Lange, noting that pastoral colloquy involves “about 15% of his time,” offered a report featuring highlights of the pastoral colloquy report from the 2023 *Convention Workbook* and some pastoral colloquy statistics from the last triennium. He noted that in recent times 10.5% of general pastors and 14% of all pastors (including SMP pastors and the 2016–2020 Lay Deacon to SMP colloquy program) have come in through colloquy. In the 2019–23 triennium, 64 of 458 ordained placements were by colloquy. He explained aspects of the now-concluded (except for ten remaining of initially 51 annual extensions) 2016 Res. 13-02A licensed lay deacon—SMP colloquy process. Vice-President Lange noted that his next report will likely cover commissioned colloquy.

9. Chief Mission Officer Report

Chief Mission Officer (CMO) Kevin Robson, noting his participation in concurrent meetings of the Synod's two mission boards, extended upon his written report (pp. 82–95), noting highlights in the various areas under his supervision:

- **Boards for International and National Mission (BIM and BNM)**: In their first meetings of the triennium, Mr. John Edson is continuing as chair of BIM and the Rev. Alfonso Espinosa is the new chair of BNM. The boards are engaging convention assignments and detailing workplans for four annual meetings (one regularly by internet conference). Draft strategic plans for the mission offices are being shared with the respective boards for their endorsement in October or November; these endorsed plans (2023 Res. 9-04; Bylaws 3.8.2.1, 3.8.3.1) will serve as the basis for the operating budget to be submitted to the Board of Directors.
- **Office of International Mission (OIM)**: Mercy, alliance missionary, and seminary initiatives continue to be priorities. Work with Ukrainian refugees continues in Wittenberg and in the new mercy center at Brasov, Romania, as well as, in cooperation with ONM, in the United States. Enrollment at the largely online Riga, Latvia, seminary, especially from “closed” areas, is falling off as to be expected, but Synod and its Latvian partner continue to provide excellent education and to look forward to a potential, more residentially-focused program. Missionary recruitment is enjoying and enhancing strong ties with Synod universities and seminaries and many workers in the field, working toward a five-year target of 170 new missionaries, with BIM calling five during its meeting. 27 alliance missionaries are presently serving. The Office is working with Concordia International Schools in Shanghai and Hanoi on strategic plans “designed to achieve far stronger Lutheran identity and ethos,” with more rostered workers engaged—an aggressive goal, being “pushed hard” on. The OIM executive director position has been posted and the search is underway, with the President and BIM required to concur on a final slate; interim executive director Christian Boehlke has “served ably” in an 18-month interim.
- **Office of National Mission (ONM)**: New unit executive Rev. Dan Galchutt has been working on building district relationships, listening to and understanding districts—the vital link to congregations and schools, which are the ultimate “customers” to be served—and their needs. Final touches being put on church planting initiative training resources, with a significant study about to be published. Priorities for staff recruitment include youth, church planting, and “all nations” ministries.
- **Office of Pastoral Education (OPE)**: A synodwide *Set Apart to Serve* town hall is upcoming, as is the debut of “marvelous” catechetical resources for congregations and day and Sunday schools. Post-Seminary Applied Learning and Support (PALS) continues to serve and expand its reach. The Pastoral Formation Committee received important convention assignments, with Res. 6-02 calling for a halt to concerning, unauthorized training, including competency-based online instruction by non-Synod institutions, being offered around the Synod for functions distinctive to the pastoral

office. Pastoral colloquy is not an option, as has been suggested by some, for “regularizing” those prepared by unauthorized methods. Res. 6-03 calls for a study comparing in-person to alternative routes to ministry, which will be “extensive and important to the Synod.”

- **Mission Advancement (MADV):** Langley Innovations will present to the board on a recent unit assessment, with an action plan to be presented to the board in November. Giving patterns remain steady; some substantive large gifts and bequests have been received in recent weeks. Rev. Steve Schulz has been installed as Assistant Director of Mission Central.
- **Communications (COMMS):** The team did an excellent job with always-busy convention coverage and is supporting the board’s and president’s communications concerning Concordia University Texas. Executive Director Behr is “facilitating future-oriented conversations” with Concordia Publishing House regarding fruitful leveraging of the *Lutheran Witness (LW)* brand to deliver an array of content to a broader audience with customization to particular needs. Areas of overlap and non-overlap between *LW* and *Lutherans Engage* are being studied for possible benefit of bringing the content of these items into “close proximity.” “Doctrine drives mission; these can’t be separated. World-class catechesis and mission impact need to be brought side-to-side in same field of view.” The department is undergoing a “light restructuring” after the departure of former Associate Executive Director of Editorial Kevin Armbrust. Rev. Roy Askins will be assuming a modified/expanded role as Managing Director of Editorial without replacement, with the operating expense savings to be used for an entry-level social media content generator; a move that will be budget-positive and add needed capacity in the social media area.

On a board member question regarding the importance of raising up teachers for Lutheran schools, Robson noted needs and ongoing efforts. President Harrison noted a job board being developed and suggested ONM Executive Director Dan Galchutt and LCMS School Ministry Director Alan Freeman could report to the board’s next meeting on efforts. On additional questions regarding unauthorized routes to pastoral service being promoted in the Synod and regarding the *Set Apart to Serve* initiative, Robson provided more detail, noting, on the latter, unprecedented cooperation between the Synod, the seminaries, the universities, and the districts.

10. Installation of Chief Administrative Officer Felix Loc

During the intervening chapel service, Felix Loc was installed as the Synod’s Chief Administrative Officer (CAO). In view of the installation, it was *moved* and *adopted* that, as of the installation, Felix Loc is in office as the Chief Administrative Officer, with Frank Simek continuing to serve in a transitional role.

11. Financial Report and Giving Trends

Chief Financial Officer (CFO) Nathan Haak, accompanied by LCMS Accounting and Financial Services Executive Director Chris Wood, reported on preliminary year-to-date finances and giving trends as of June 30, 2023, noting LCMS Accounting is now “caught up” and that the audit of these figures is now underway (pp. 74–78/347 and pp. 1–12/13, CFO slide deck). His assessments are therefore “preliminary.” Fiscal Year 2022–23 (FY23) concluded on June 30, 2023, “as expected.” Expenses finished \$6.8M below budget, reflecting control of expenses to applicable revenues. Unrestricted net assets increased \$6.3M to \$41.8M, due to one-time items and investment income, with total net assets increased \$16.5M to \$163.8M (increases, respectively, of \$37.6M unrestricted, due principally to one-time items, and \$87.3M total since 2018). CFO Haak noted:

- **FY23 unrestricted revenue:** Unrestricted gifts and grants of \$2.94M were short of a \$4.00M budget (\$3.25M budgeted for FY24), as were bequests, while districts marginally exceeded budget, partially offsetting. Investment income (\$3.86M relative to \$1.20M budgeted) made a significant positive impact.
- **FY23 restricted revenue:** Network support for missionaries remains strong, with disaster funding “baseline” with few major recent disaster events. Notice of the Bolick gift of \$3.55M was received

June 28, bringing restricted income, before investment/trust income and gains, to \$41.73M, slightly below a budgeted \$42.2M.

CFO Haak noted that analysis of restricted revenue trends is being automated by a team drawn from Accounting and IT, beginning with five major “buckets” and expanding to “other” areas. This will enable far better projection of budget impact of revenues and expenditures in activities relying at least in part on restricted funds. An analysis marrying gift results to the budget framework to provide “fingertip access” for management to accurately and timely project availability of restricted funds. Haak’s goal is to have this analysis in place by the end of FY24, dependent on availability of the IT resource available to connect existing data to a Power BI framework that will provide needed analysis. Eventually, an integrated solution may make sense; if it does, this work is a significant exploration in that direction.

- Upside-down P&L (FY19–23): From FY21 on, mission and ministry and ecclesiastical programs have increasingly drawn on net asset releases of applicable restricted revenues, but spending increases in these areas have nonetheless outpaced releases. Unrestricted revenues, before investments and “items,” are down \$1.1M relative to FY19. Expenses covered by unrestricted funds have grown from a low of \$19.4M in FY21 to \$26.6M in FY23, a value more typical of pre-FY20 budgets. Before interest/dividends, market gains, items and youth gathering surplus, FY23 shows an “operating deficit” of \$6.51M; with all these items, FY23 yields a positive change in unrestricted net assets of \$6.33M.
- Unrestricted net asset bridge: Haak noted a planned draw, in FY23, on unrestricted assets of \$1.32M. Management and General spending was under budget by \$1.65M, with \$609k offsetting to fund MADV. Legal spending was \$523k over budget. Due to strong interest rates, interest income was favorable by \$2.66M, partially offset by gift/grant revenue \$1.26M under budget. Mission and ministry underspent budget by \$4.67M but were \$6.93M under-supported in planned releases of restricted funds for a net negative, largely in OIM. Pre-items, FY23 came in at a \$1.33M deficit. After items totaling \$9.00M, including mark-to-market, an LCMS Holdings dividend, KFUEO relocation funding, and a youth gathering surplus, FY23 is positive \$7.66M.

Haak noted the need, under Board Policy 5.1 (e) for him to present negative budget deviations on a unit aggregate level of 5% or more along with a corrective plan. OIM was \$2.72M underspent on a budget of \$30.47M, but missed net asset releases by \$5.73M, for a net unrestricted overdraw of \$3.01M (on a plan of \$304k). Alliance missionary revenue missed by \$900k. OIM, MADV, and Mission Central are renewing focus and refining strategy to improve performance of alliance missionary funding to be more like that for network-supported missionaries (NSMs). Timely reporting will allow for earlier identification and adjustment of issues. The Global Mission Fund was short of anticipated revenues by \$863k. An advancement allocation change with respect to NSMs is expected to eliminate this risk in FY24, with some buffer. A budget category known as “structural projects” was responsible for a \$1.60M gap in FY23; the use of this difficult-to-track category has been eliminated from budgeting practice. A focus shift, policy changes, and timeliness of reporting will improve flexibility and reduce risk of a similar issue in FY24. Other budget deviations for FY23 included a \$523k overage in Legal, a \$322k overage in CUS, and a few immaterial deviations in smaller units, offset by underspending elsewhere.

FY24 is “off to a positive start,” with some early indications of a rebound in gift and grant activity despite conservative adjustments to a slower pace identified before FY24 budget adoption. Unanticipated draws on unrestricted funds and higher than budgeted legal expenses are potential risks.

Corporate Synod’s financial position and liquidity remain strong, with the Bolick grant and bequest activity supporting the cash balance through a typical summer slowdown. A marginal cash interest rate of 5.2% has limited appetite for increasing investment exposure. Corporate Synod’s current ratio stands at 4.7, omitting investments; the program spend ratio is at a high of 82.3%, cash on hand of 430 days, including invested excess cash and 137 excluding it. Haak also noted current cash balances and yields.

Headcount stands at 183, relative to an approved 197 out of a budgeted 207. Haak noted that LCMS Accounting and Financial Services is looking to fill one vacancy and reassess another relative to the budget. The unit is “road mapping” process and technology investments (noted above) to improve analysis, efficiency, and resilience.

It was moved and carried to enter executive session.

11X. Executive Session I: Financial Report and Giving Trends

The board returned from executive session.

12. FY24 Budget Update

CFO Haak continued to offer an update on the FY2023–24 budget with a focus on learnings from FY23 results. Estimates for legal costs have been increased by \$500k over the adopted FY24 budget, while OIM unrestricted draw continues to target zero relative to an actual draw in FY23 of \$3.31M; revenues seem to be tracking well, generally speaking. Historically, budget monitoring has focused on unrestricted draw, while being much less concerned with the expenditure of accumulated restricted funds on unbudgeted expenditures to which they can be applied. Haak noted bylaws speak of the board as allocating, without distinction of restricted from unrestricted, available funds to program activities and Board policy 5.1 treats all budget deviations over a given limit the same, regardless of source of funds. This may be an area for policy clarification. Haak also presented an overview of operational updates being undertaken or planned in the Accounting / Finance area.

Audit Committee member Stathakis spoke appreciatively of CFO Haak’s transparency and clear presentation to the board of issues being faced; Haak noted with regard to these issues that they are real but that the Synod is considering them from a far better stance than in years past.

13. Governance Committee

Governance Committee Chairman Christian Preus extended on the written report of his committee regarding its meeting of August 23 (pp. 123–25/347), in which the committee:

- reviewed, according to the board’s review calendar, Policy Section 5.5, dealing with insurance. The committee carried over the question of the handling of Synod’s insurance program to its next meeting, for further discussion with Concordia Plan Services.
- determined to develop process to integrate background checks into Concordia Plans / Plan Services board appointments, with CAO Simek to draft a policy for review at the committee’s next meeting.
- requested the Chief Administrative Officer to develop a draft policy regarding reversionary clauses and master plan approvals for the Synod’s universities and seminaries. Due to 2023 Res. 7-04B, the board now bears—without the formerly-involved Concordia University System—the oversight of master plans on behalf of the Synod. Policies and procedures will need to be developed.
- discussed the purpose and possible topics, including (1) unrestricted funds and increasing sustainability for Corporate Synod and (2) restructuring within Synod, for a triennial board retreat (Board Policy 3.13.4.1). The governance committee plans to meet soon to further develop plans.
- recommends that the Lutheran Entity Activity Development (LEAD) committee, implemented by the board to further strategic alignment with the synodwide corporate entities, continue as an ad hoc committee, with the determination to be revisited in the course of the next year. The chairman noted that he will add a member to the committee to replace Ed Everts and was reminded that the board’s chairman also customarily attends.

- noted that the board's procedure for handling LCEF proposals under 2023 Res. 9-10 and Bylaw 3.6.4 has been added to the committee's agenda for development of necessary procedure.

The committee recommended that the board appoint, under Bylaw 3.3.4.1 (5) and Board Policy 4.5.1, one additional board member to obtain a needed skill set, namely, finance, noting the loss of expertise in members Frndak and Everts. Preus discussed the pros and cons of appointment, historically considered. The board discussed the potential appointment of a member with finance expertise, noting that the process could be begun and an appointment consummated only if a strong candidate is identified.

It was *moved* and *adopted* to request the governance committee to proceed with soliciting nominations for potential appointment of one board member with finance expertise, with freedom to devise details of the nomination process.

Preus noted the Synod's engagement with outside general counsel Thompson Coburn runs through June 30, 2024, meaning this will soon require attention. It was moved and carried to enter executive session.

13X. Executive Session II: Governance Committee, Triennial Appointment of Legal Counsel

The board returned from executive session.

14. Personnel Committee

Personnel Committee Chairman Larry Harrington extended on the written report of his committee (pp. 126–27/347), noting especially its recommendations for appointments to the remaining position on the Board of Trustees—Concordia Plans / Board of Directors—Concordia Plan Services (p. 126, listed in order of decreasing preference) and for the vacant, convention-elected ordained minister position on the Concordia University System Board of Directors.

The Secretary noted that the appointment of members at large of the LCMS Foundation will be prepared for presentation to the board at its February meeting, along with, if deemed necessary, appointment of members-at-large to Concordia University System. The Secretary noted also upcoming appointments, to be processed in February, to the Board for International Mission (Great Lakes Region, layperson, remainder of 2019–26) and Board for National Mission (Central Region, ordained or commissioned minister, remainder of 2019–26). The board also has the opportunity to designate an advisory representative to the CUS Board of Directors (this replaces two appointed advisory members, which the board enjoyed prior to adoption of 2023 Res. 7-04B). The Secretary also noted LCEF's planned reduction in membership, which will, if adopted by the LCEF membership in November, require future action by the board of directors to attrit or otherwise reduce the number of members corporate Synod sends.

15. Legal Report

It was moved and carried to enter executive session.

15X. Executive Session IIIA: Legal Report

16. Concordia University Texas

The board continued in executive session.

16X. Executive Session IIIB: Concordia University Texas

The board returned from executive session.

17. Hong Kong International School

After opening devotions on Friday morning, it was moved and carried to enter executive session.

17X. Executive Session IV: Hong Kong International School

The board returned from executive session.

18. Mission Advancement Assessment

CMO Robson introduced Mr. James Langley of Langley Innovations, who joined the board to present his report (pp. 294–337/347) on the recently-concluded assessment of the LCMS Mission Advancement unit. He highlighted elements of his report, noting great cooperation of management (CMO Robson and executive director Mark Hofman) in his review:

- The philanthropic environment is characterized by a decline in the percentage of giving households from 74% to 49% in the past thirty years, with a transition from “unquestioning loyalists” to “targeting investors” who are more skeptical and want information and demonstration of results. Last year, philanthropic giving saw over a 10% year-over-year drop, the culmination of a long recession of donors compounded, in Langley’s impression, by many fundraisers having counted previous years’ increasing dollars as more important than concurrent loss of donor volume.
- LCMS Mission Advancement uses an “appreciative inquiry” model to remain attuned to the sensibilities of its donors, a rare and valuable commitment in a fundraising unit, which is critical to sustaining long-term support. This maintains “the donor orchard,” keeping donors engaged and developing, at least in part, to committed and more generous givers. The work of “mid-level care” and LCMS’ relative success in retaining first-time donors are unique. Persistence of giving—especially to Langley’s “benchmark” of 20 years or more, regardless of level—and volume should be encouraging to the Synod. Langley noted higher rates of retention and persistence than seen in other organizations in many years, a sign of future fundraising potential; the “orchard” is relatively healthy relative to other non-profits. Giving comes still from a relative few, largely of the Boomers and the Silent Generation, most of whom will leave us in the next 10–15 years in the great “harvest” of the philanthropic orchard. This wealth transfer will greatly favor organizations that have cultivated long, satisfying relationships with donors.
- Langley feels the Synod does need a greater state of preparation to receive a greater yield in this transfer of wealth, and more resources devoted to this will return richly. Having both Foundation and Mission Advancement both operating in the philanthropic space without close coordination or careful balance is not optimal. Certain greater efficiencies can be achieved within Mission Advancement as well. These have been committed to management. Some of these relate to coordination of resources and ability to share key information in a timely and efficient way with donors.
- More people are needed to visit with viable prospects (those having given a decade or more) to increase probabilities of greater giving in life and estate giving at death. A 15-year giver has accumulated an 80% probability of giving an estate gift. The LCMS has more 20-year givers than can be attended to personally as loving, giving people. Existing Mission Advancement staff working

in this area are strained, each attempting to maintain more than 200 relationships at a time. Giving is “the need to believe, to belong, to better.” It is personal and relational. The best investment for the future is to take advantage of the next 10–15 years as efficiently as possible, expecting a five-fold return on investment over two years, which can be monitored. Langley noted that corporate Synod’s “experiment in planned giving” returned results within months, demonstrating fertile ground for further work.

- In higher education, 90% of support comes from 1% of donors. Growing significant gifts depends on putting bigger ideas in front of donors, going beyond empathy to proposing concrete potential projects appealing to an “investment-minded” philanthropist. The “loyalist” subsidized operations; the “targeting investor” promotes excellence and wants to use insights to guide work. Noting a need for unrestricted resources for core operational purposes, which donor skepticism makes difficult to raise as such, Langley explained that gifts for compelling ideas can accommodate the cost (5%) of sustaining the operation that makes it possible. He suggested “more ideation” around how seven-figure gifts could bring about significant change.

Discussion ensued, regarding the foci of the Foundation and Mission Advancement and need for greater focus on development of larger gifts and coordination of efforts (noted was that yet another Synod entity is entering the planned giving space); at a minimum Langley suggested a memorandum of understanding between Foundation and LCMS Mission Advancement to align efforts. He also noted that cultivation of potential large gifts involves moving beyond treating donors like subsidizers to advancing specific programs; small teams need to plan approaches to high-net-worth donors. Additional positions could lighten each staffer’s load of managing 200 high-potential relationships, and more discipline in managing those portfolios will help to optimize return on investment. Deepening relationships is important. Broad appeal will sub-optimize the approach to donors looking for portals of purpose. Big gifts lift the tide of the whole organization. Taxes do not determine whether philanthropists give, they simply adjust the received value of gifts.

Further questions noted the unique nature of seminaries, congregation, and Synod in connection with donors and the congregational nature of the Synod, which functions “for and on behalf of *congregations*.” Langley ultimately clarified that the congregational-relational aspect was outside the scope of the assessment, which focused on the “orchard” of corporate Synod. Board members asked about staff morale. Asked about numbers of positions suggested; Langley suggested adding two positions a year as long as a five-fold return on investment can be sustained.

CMO Robson noted that he and Mark Hofman intend to return to the board in November with a thoroughgoing response as to next steps within the framework Langley has laid out. Robson invited board input as that work continues.

19. Committee Assignments

Chairman Preus, acting in accordance with Board Policy 3.13.1.2, the interests of board members having been solicited prior to the meeting, appointed the membership of the board’s three standing committees for the 2023–26 triennium, their chairmen being listed first:

Finance and Audit: Leo MacKay, chairman; Rick Stathakis; Larry Harrington

Governance: Jesse Yow, chairman; Andrew Grams; Allan Voss

Personnel: Jan Lohmeyer, chairman; Joe Hoem; Roger Gallup

For the LEAD committee, which is continuing, Preus noted Andrew Grams will serve as chair with Jesse Yow and Allan Voss. On Higher Education, Andrew Grams will continue as chairman with Christian Preus, Joe Hoem, and Leo MacKay.

It was suggested that the LEAD committee take up relevant aspects of the Langley report (as relating to coordination with other entities and coordinating carefully with management recommendations).

20. International Lutheran Society of Wittenberg

President Harrison updated the board on the purchase of four flats in Jüdenstraße 38–39, next door to the Old Latin School, by the International Lutheran Society of Wittenberg (ILSW), largely in response to service to Ukrainian refugees in Wittenberg. Harrison worked with CFO Haak to try to arrange a variety of funding options. Harrison requested that LCMS carry the cost (approximately \$700k) from cash reserves for the purchase of the four apartments (connected to the OLS) in its accounts receivable, to be repaid to the Synod with future contributions to OLS. LCMS will have a reversionary interest in the property, to be owned by ILSW with the cost of purchase granted to ILSW. As there is no policy for such a transaction, CFO Haak suggested this needed to be brought to the board. Alternatively, CFO Haak noted that with the board's approval of an expense budget deviation, the purchase might be drawn from mercy funds. Harrison noted the opportunity to purchase a fifth apartment, as well, and explained that mercy funds are newly being looked at as subject to "budget deviation" requirements because of increased reliance in the expense budget on mercy funds.

21. Bolick Gift

CFO Haak explained recent gifts from the Jerome Bolick Foundation, of which the LCMS is a long-term annual beneficiary and on the board of which President Harrison sits. The foundation gifted \$1M last FY for the church planting initiative with the thought more would be coming. Just before the end of FY23 on June 28, a grant letter was received indicating \$3.5M to be received in FY24 (more than the \$1M anticipated). Haak explained the breakdown of the gift among various areas, subject in large measure to various fairly broad restrictions (p. 13/13 of CFO slide deck). A plan has been developed to deliver value on the gift and demonstrate specific incremental improvements in work within the specific Bolick focus on outreach. Portions of the gift are allocated to FY24 expense budget items in the unrestricted, OIM, Pastoral Education, Church Relations, and Mission Advancement (subject to various restrictions) areas. Other amounts are being designated to not-previously-budgeted activities in ONM (church planting and minority ministries), Communications (revitalization of approaches), and the Office of the President (opportunities with church partners). President Harrison noted also that the Church Relations funds noted are for specific extra-budgetary purposes. CMO Robson noted in ONM the goal of hiring a junior level staffer to work under the Director of All Nations Ministry to multiply work in this area, as well as some granting activity as this program flourishes. In Communications, assets would be applied to the scope and design of a replacement of the digital platform, previously presented to the board but unable to be included in the FY24 budget. The total platform replacement cost will be a total investment of \$950k–\$1.5M, with a continuing license fee near \$200k annually. The exploratory work will express a commitment to continue, with CMO Robson's intent to seek further funding. If not received, the board will be approached to provide funds.

President Harrison noted the genesis of the church planting matching grant in a visit with Jerome Bolick and his coming to be a board member on the family foundation, which has the LCMS as its only named beneficiary. Harrison as a foundation board member has discretion to adjust designations; he clarified that he does not vote (as a member of the Bolick board) on gifts to the LCMS.

Secretary Sias suggested that this would constitute a material deviation from the FY24 expense budget, even though with positive unrestricted impact, noting that the Board of Directors is responsible to allocate available funds to expenditure and Board Policy 5.1 requires deviations to be handled regardless of source of funds. President Harrison and CMO Robson noted the desire to incorporate accurate estimates of gifts and applicable restrictions in future expense budgets but also the complexity of working with a biannual granting cycle.

It was *moved* and *adopted* to direct the Chief Financial Officer to amend the FY2023–24 operating budget to reflect, in a fashion materially consistent with his presentation to the board, the revenues received under their various restrictions and the new areas of expenditure being facilitated thereby.

The board further indicated the five apartments for ILSW should be included in the amendment, to be covered by mercy funds to be allocated to OTP.

The Finance and Audit committee is to review policies related to the handling of material budget deviations involving expenditure from restricted funds.

22. Action Items

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

(A) Regular Appointment (Renewed): Board of Trustees—Concordia Plans / Board of Directors—Concordia Plan Services

Board of Directors Policy 4.5.2 directs that appointments for the Board of Directors—Concordia Plan Services and Board of Trustees—Concordia Plans be made annually, at the May meeting of the LCMS Board of Directors. This May, it is necessary for the Board of Directors to make regular appointments for one (1) minister of religion—commissioned on the Board of Trustees—Concordia Plans / Board of Directors—Concordia Plan Services (the boards), a position carried over from the previous meeting because the incumbent and sole nominee, Mr. Muehl, had accepted a call to serve an agency of the Synod and therefore become ineligible.

The LCMS Office of the Secretary sent out a renewed call for nominations on May 10, 2023, requesting response by June 30, 2023, and, assisted by the LCMS Department of Human Resources and Concordia Plan Services has compiled information on all nominees and/or incumbent nominees (appointment docket, pp. 1–40/180).

The Personnel Committee of the Board of Directors, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of August 18, 2023, presented the following nominees who allowed their names to be considered to the board (p. 235/347):

Board of Directors—Concordia Plan Services and Board of Trustees—Concordia Plans

**one (1) minister of religion—commissioned
three-year term (Sept. 1, 2023–Aug. 31, 2026)**

Candidates
Bahr, Amber — Fort Wayne, In. (IN)
Brandt, John — Saginaw, Mich. (MI)
Fischer, Michelle — Lakeland, Tenn. (MDS)

The board elected, in one electronic ballot:

Amber Bahr — Fort Wayne, In. (IN)

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

(B) Vacancy Appointment: Concordia University System Board of Directors

Midterm vacancies in positions filled by election at the Synod convention are filled by the process specified in Bylaw 3.2.5, with the board’s role further defined in its Policy 4.5.3. The LCMS Office of the Secretary was notified of a vacancy on the Board of Directors, Concordia University System, due to the resignation of the Rev. Dr. Raymond L. Hartwig, who was elected as an ordained minister member by the 2019 LCMS convention for the 2019–2026 term. It is necessary for the LCMS Board of Directors to make an appointment to fill this vacancy position as follows (pp. 257–58/347):

Concordia University System Board of Directors

(1) one ordained minister for the remainder of the 2019–2026 term (less than one-half term)

The LCMS Office of the Secretary sent out a call for nominations on May 10, 2023, requesting responses by June 30, 2023, and assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention. This information has been submitted, in its entirety, to the Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), to the Personnel Committee, and to the Board of Directors for inclusion in the board appointments book (pp. 41–180/180).

The Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), having evaluated all submitted nominations, biographical sketches, and confidential evaluations, having been charged to select a slate of no fewer than three and no more than five candidates, on August 18, 2023, presented the following slate to the board:

Candidates (three to five selected by the Standing Committee on Nominations)
Koch, Timothy A. — Linn, Kan. (KS) Mumme, Jonathan W. — Hillsdale, Mich. (MI) Nuckols, Mark S. — Jackson, Wis. (SW) Taylor, M. Alan — Bayou Vista, Texas (TX)
Non-Candidate Consenting Nominees
Carretto, Stephen P. — Boca Raton, Fla. (FG) Foster, Charles Y. — Macomb, Mich. (MI) Garcia, Albert L. — Decatur, Ga. (FG) Golter, Randall L. — Davenport, Iowa (IE) Kettner, Edward G. — Lenexa, Kan. (KS) Miller, Joshua C. — Roseville, Minn. (MNS) Stoterau, Larry A.* — Orange, Cal. (PSW)
No Response
Bobby, Jacob C. — Bloomfield, Neb. (NEB)
<i>* from the 2019 Convention Slate of Candidates</i>

The Personnel Committee met on Sept. 13 and recommended either Mark Nuckols or M. Alan Taylor.

In a single electronic ballot, the board elected from the slate named by the Standing Committee on Nominations the following:

Mark S. Nuckols — Jackson, Wis. (SW)

The Secretary of the Synod is charged, thereupon, to notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(C) Concordia University Wisconsin Authorization of Construction, Music Rehearsal Addition

Via a request by Concordia University Wisconsin (CUW) Chief Financial Officer Roy Peterson, the CUW Board of Regents requested authorization to move forward with construction of a music rehearsal addition to the CUW campus (pp. 237–43/347). CAO Loc explained that this is a project within the university’s existing master plan and explained the item. It was moved and adopted:

WHEREAS, The Concordia University Wisconsin Board of Regents adopted the following resolution during its February 2, 2023 meeting:

WHEREAS, Music has been an important element in worship since the days of the Old Testament; and

WHEREAS, Music is beautifully woven into our Lutheran worship; and

WHEREAS, Music and the other arts are foundational to a well-rounded liberal arts education; and

WHEREAS, Concordia University currently has music rehearsal facilities that no longer meet the needs and expectations of students and prospective students and hinder our ability to successfully attract many gifted students despite the excellent quality of our music faculty; and

WHEREAS, Locating a new rehearsal facility adjacent to the Chapel of Christ Triumphant will put the music department in close proximity to where all major concerts are performed, and

WHEREAS, Generous donors have already contributed roughly \$1.6 million (M) to the proposed facility, now, therefore, be it

Resolved that the Concordia University Wisconsin Board of Regents authorize the administration to move forward:

- a. with final design and construction plans as conceptually presented, and
- b. to continue seeking additional philanthropic gifts, grants, and pledges, and
- c. any remaining needed funds be provided from the annual capital appropriations, and
- d. to secure the necessary approvals from local government and various Synodical entities;

and be it finally

Resolved, That this building project be undertaken for the benefit of our students, the fulfilling of our mission, and the glory of God.

WHEREAS, The estimated cost of the project is \$3M and CUW has raised \$1.77M in cash to fund this project; and

WHEREAS, The project has been approved by the city of Mequon and estimated construction completion is 6–8 months; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approve the construction of the Music Rehearsal addition on the campus of CUW.

(D) Concordia University, St. Paul, Master Plan Approval

Via a request by Concordia University, St. Paul, (CSP) President Brian Friedrich, the CSP Board of Regents requested the board's approval of the university's revised master plan (pp. 242–46/347) under Bylaws 3.3.4.5 (e) and 3.10.6.1 (g) (as amended by the 2023 convention). CAO Loc noted the full master plan was received but not included in the docket beyond the cover page.

It was observed for the governance committee that in its development of relevant policies treating expectations for such master plan change approval requests, changes and justifications therefor should be highlighted. This process is resuming now that the 2023 convention has revised the relationship of the Synod with its universities. The high potential value of a template for these presentations was discussed.

It was moved and adopted:

WHEREAS, The Concordia University, St. Paul (CSP) Board of Regents “shall maintain and approve an institutional master plan, any modifications to which shall be submitted to the Synod Board of Directors for its approval (Bylaw 3.3.4.5 [e])”; and

WHEREAS, The CSP administration has engaged the services of Bentz Thompson Rietow (BTR) since 1996 to complete a facility master plan to guide growth and capital developments on campus, which was updated in 2006, 2010, and 2018 with new acquisitions and modifications to space uses; and

WHEREAS, The CSP 2018 University Master Facility, as approved by the CUS and the LCMS Board of Directors, needed updating and was reviewed and revised during the 2022–23 academic year with the participation of CSP faculty and staff; and

WHEREAS, The CSP Board of Regents reviewed the revised plan and offered input during the review process; and

WHEREAS, The CSP Board of Regents approved the CSP Revised Master Facility Plan during its May 5, 2023, board meeting; therefore, be it

Resolved, That the LCMS Board of Directors approve the Concordia University, St. Paul, 2022 Revised Master Facility Plan as presented.

(E) To Preserve Both Ecclesiastical and Secular Rights, Interests, and Responsibilities of the Universities

Christian Preus introduced the first of four board resolutions consequent to 2023 Res. 7-04B. It was moved and adopted (p. 247/347):

WHEREAS, The 2023 Synod convention adopted Res. 7-04B, which included, among other provisions, that, with increased antagonism toward the Christian faith and Christian educational institutions, the Synod in convention encourages the Board of Directors of the Synod and the universities to consider options to best preserve both ecclesiastical and secular rights, interests, and responsibilities of the universities and, as appropriate, to take actions and institute processes accordingly, or if beneficial, to bring to the convention potential further action; therefore be it

Resolved, That the Board of Directors directs the Board Chair and Chief Administrative Officer to consult with the Synod university presidents and board chairs on options to best carry out this directive of the Synod convention.

(F) Training of Synod University Boards of Regents

It was moved and adopted (p. 248/347):

WHEREAS, The 2023 Synod convention adopted Res. 7-04B, which included among other provisions, Bylaw 3.10.6.2.1; and

WHEREAS, Bylaw 3.10.6.2.1 (d) provides that the Concordia University System (CUS) and Synod Board of Directors shall provide for training of all regents concerning their responsibility to advance the Synod's confession and mission objectives and their responsibilities under the Synod Constitution, Bylaws, and resolutions, and that this training shall consist of an initial training as described in 3.10.6.2.2 and ongoing training; and

WHEREAS, Bylaw 3.10.6.2.2 provides further specifications regarding the training to be provided to boards of regents; therefore be it

Resolved, That the Chief Administrative Officer (CAO), in coordination with CUS and the presidents and board chairs of each Synod university, develop a process for carrying out the training required under Bylaws 3.10.6.2.1 and 3.10.6.2.2 and as might otherwise be beneficial to the regents; and be it further

Resolved, That the CAO report to the Board of Directors at the Board's next regular meeting with a recommended proposed process for carrying out the training required under Bylaws 3.10.6.2.1 and 3.10.6.2.2.

(G) To Explore Establishing a Synod Fund to Assist in Funding Synod Universities

Reviewing the history of the funding of Synod's colleges and universities and its genesis with former board member Keith Frndak, Christian Preus introduced the following as "something that, if done, should be done

well”; this is an initial exploration of *whether and how* it could be done well. It was moved and adopted (pp. 249, 343/347):

WHEREAS, Historically the Synod, through the annual budget adopted by the Synod Board of Directors, has, until recent years, provided annual subsidies to each Synod university; and

WHEREAS, Historically the Synod, through the Board of Directors and the Concordia University System and otherwise, has provided other financial assistance to Synod universities; therefore be it

Resolved, That the Chief Financial Officer (CFO) and Chief Administrative Officer (CAO), in consultation with others as might be helpful, explore options for establishing a Synod fund to be established and used to provide financial assistance to Synod universities, with a particular focus on assisting with the funding of the education and training of professional church workers; and be it further

Resolved, That the CFO and CAO report to the Board of Directors at the Board’s next regular meeting regarding their progress.

(H) Resolution regarding Bylaw 3.3.4.10.1

It was moved and adopted (p. 250/347):

WHEREAS, The 2023 Synod convention adopted Res. 7-04B, which included among other provisions, Bylaw 3.3.4.10.1; and

WHEREAS, Bylaw 3.3.4.10.1 provides that the Board of Directors is to carry out its responsibilities to the Synod under Art. XI E 2 of the Constitution with respect to the Synod universities and their subordinate parts by giving particular attention to the financial condition and operations of the institutions individually and collectively to evaluate both short-term and long-term effectiveness and viability in satisfying the Synod Constitution, Bylaws, and resolutions, including the applicable objectives under Article III of the Constitution; and

WHEREAS, The Board of Directors carries out this responsibility, in part, by obtaining information and records from the Synod universities as described in Bylaw 3.3.4.10; and

WHEREAS, Bylaw 3.3.4.10.1 further provides that the Board of Directors may appoint a committee to assist the Board in carrying out this responsibility; therefore be it

Resolved, That the Board of Directors assign to the Chief Financial Officer (CFO), with the assistance of the Chief Administrative Officer (CAO), the responsibility of preparing a process for obtaining from the Synod universities records and information that will enable the Board of Directors to carry out its responsibilities under Bylaw 3.3.4.10.1, and in doing so, to consult with each of the universities, through their presidents or financial officers, to assist in preparing such a process; and be further

Resolved, That the Synod CFO, with the assistance of the CAO, identify individuals qualified and willing to serve on a committee to assist in carrying out Bylaw 3.3.4.10.1; and be it finally

Resolved, That the CFO report to the Board of Directors at the Board’s next regular meeting with a proposed process for obtaining from the Synod universities records and information and with a recommendation of individuals to serve on a committee as provided in Bylaw 3.3.4.10.1.

(I) Authorization and Approval to Create a Legal Entity in the Country of Latvia

The LCMS Office of International Mission (OIM) Eurasia region currently has four missionary families deployed to Latvia in support of church planting and theological education. With the continued development of a regional seminary to support theological education throughout the Eurasia region the strategic staffing plan calls for additional missionary and local support staff. Currently the four missionary families have entered the country on work visas sponsored by the local church partner Evangelical Lutheran Church of Latvia (ELCL.) Due to restrictions for local churches the ELCL is only able to sponsor work

permits for ordained pastors. As the strategic work grows in Latvia there is a need for the LCMS to have local bank accounts, enter into rental contracts, sponsor visas for lay and commissioned workers, and hire local support staff. OIM currently has two non-ordained missionaries assigned to Latvia who require a work permit before they are able to live full-time in Latvia.

The LCMS Office of International Mission (OIM) has been working with the CMO and CAO to standardize operations throughout all LCMS global regions and, where necessary and appropriate, to establish non-governmental organizations (NGOs) that are well-coordinated and overseen by the LCMS and enable OIM to operate legally in foreign countries and that also comply with LCMS policies and procedures, thus ensuring continuity of operations and oversight through periods of LCMS change in leadership and administration of field personnel and operations.

It was moved and adopted (pp. 251–54/347):

WHEREAS, The Lutheran Church—Missouri Synod (the “LCMS” or the “Synod”) has determined that it is desirable to establish a legal presence in Latvia in the form of a not-for-profit non-governmental organization (the “NGO”) under the law of the Country of Latvia to better support and facilitate the work of the LCMS in Latvia and Eurasia; and

WHEREAS, The Board of Directors of the LCMS (the “BOD”) has the authority, pursuant to Sections 6.13.1.2 and 6.13.1.3 of the LCMS Board of Directors Policy Manual (the “BOD Policy”), to approve new corporations as agencies of the Synod and to “authorize and approve the establishment of legal entities in foreign countries, as it deems necessary or appropriate, for the purpose of establishing, facilitating, and/or operating foreign missions”; and

WHEREAS, The Lutheran Church—Missouri Synod in convention adopted Resolution 9-02A in 2016 establishing and revising certain requirements to be included in the governing documents of incorporated agencies, which Resolution allows that certain provisions may be altered or deleted with the approval of the BOD; and

WHEREAS, The Chief Administrative Officer of the LCMS, in coordination with the Chief Mission Officer of the LCMS and the Interim Executive Director of the LCMS Office of International Mission, recommends to the BOD that an NGO be established in Latvia pursuant to the BOD Policy, with the wholly owned LCMS entity “Concordia International Foundation” (“CIF”) as its founding and permanent member; and

WHEREAS, The NGO shall be a properly authorized, valid, and operating legal entity in Latvia in accordance with the laws of Latvia, as confirmed by review of the governing documents of the NGO by local or special counsel engaged for the purpose of forming the NGO, and that the governing documents of the NGO also shall be reviewed and approved by the LCMS’s general counsel to ensure compliance with the BOD Policy except as otherwise waived herein; therefore be it

Resolved, That the Board of Directors of the LCMS does hereby authorize creation of an NGO in Latvia as follows:

Section 1. Authorization and Approval of Establishment of a not-for-profit NGO in Latvia. The establishment of a not-for-profit NGO pursuant to the laws of Latvia, with LCMS entity “Concordia International Foundation” as its founding member (the “Founding Member”), to provide support to LCMS, CIF, and LCMS- and CIF-affiliated staff in Latvia and Eurasia in fulfillment of the foreign mission policies and purposes of the Synod, including the advancement of education, development, public welfare, religious, missionary, and humanitarian purposes, as needed and as permitted under the law of Latvia and the NGO’s governing documents, in compliance with the BOD Policy, is hereby authorized and approved.

Section 2. Authorization and Approval of Documents. In connection with the establishment of a not-for-profit NGO in Latvia pursuant to this Resolution, the execution and/or filing of the Rules, may be approved by (a) the Commission on Constitutional Matters (“CCM”) of the LCMS after its examination of the documents pursuant to Section 3.9.2.2.3 of the LCMS Bylaws, (b) the general counsel of the LCMS pursuant to the BOD Policy, and (c) such other employees of the LCMS as shall be charged with reviewing such documents for and on behalf of the LCMS, is hereby authorized and approved.

Section 3. Appointment of LCMS Representative and Authorization and Execution of Documents. The Lutheran Church—Missouri Synod herewith authorizes CIF to serve as the Founding Member for the NGO. The Chief Administrative Officer, the Secretary and the CIF Board of Directors are hereby authorized to execute and authenticate any documents necessary, if any, related to the establishment of the NGO on behalf of the LCMS.

Section 4. Further Authority. The Chief Administrative Officer is hereby authorized and held responsible to engage officers, agents, and employees of the LCMS and CIF to take such further action, and to approve and execute such other documents, certificates, powers of attorney, and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including, but not limited to (a) the review by the CCM and the general counsel of the LCMS of the governing documents of the NGO in the country of Latvia, to verify compliance with the BOD Policy (subject to the exceptions set forth in Section 2, above), including that CIF directly or indirectly retains majority control over the appointment or election of the members and/or directors who are responsible for the management of the NGO and that its stated purposes are in fulfillment of the LCMS and CIF foreign mission policies and purposes; (b) the filing of such documents with the appropriate governmental authorities in Latvia; and (c) the filing of such additional documentation with the appropriate governmental authorities in Latvia as shall be necessary for the NGO to function in Latvia, including applying for visas for LCMS, CIF, and NGO employees, seeking certain tax benefits, if applicable, for the entity and its employees, and such other matters as the management of the NGO shall determine to be in its best interest, in compliance with the intent of this Resolution. The Founding Member is authorized to take such action as may be necessary or desirable to carry out and comply with the intent of this Resolution, including the creation of the NGO.

Section 5. Repeal of Conflicting Resolutions. All prior resolutions of the BOD or any parts thereof in conflict with any or all of this Resolution are hereby deemed not applicable to the matters authorized in this Resolution to the extent of such conflict.

(J) Appointment to Fill Vacancy on China Wholly-Owned Foreign Entity Board of Directors

It was moved and adopted (p. 254/347):

WHEREAS, The Board of Directors (“BOD”) of The Lutheran Church—Missouri Synod (“LCMS”) at its May 18–19, 2018 approved the establishment of a legal entity structured as a Wholly Foreign-Owned Enterprise (“WFOE”) in the Peoples Republic of China (“PRC”) to be solely owned and controlled by LCMS Holdings Limited (“Holdings”) based in Shanghai, China; and

WHEREAS, The WFOE thus subsequently established was Concordia (Shanghai) Business Information Consulting Co., Ltd. (“CBICC”); and

WHEREAS, The BOD at its February 4, 2021 meeting concurred and endorsed the appointment of Frank Simek, LCMS Chief Administrative Officer, and Ross Stroh, Executive Director of Accounting, among others, to CBICC’s board of directors; and

WHEREAS, Ross Stroh retired at the beginning of 2023 and Frank Simek will retire at the end of September 2023; and

WHEREAS, In a Holdings Board of Directors meeting, the remaining directors of Holdings resolved that Felix Loc, LCMS Chief Administrative Officer, and Nathan Haak, LCMS Chief Financial Officer, be nominated and appointed as directors of CBICC, and that for the sake of good order said appointment becomes effective immediately and only upon the concurrence and endorsement of the Board of Directors of The Lutheran Church—Missouri Synod (“LCMS”); therefore be it

Resolved, That the LCMS Board of Directors concur with and endorse the action of the Holdings BOD to appoint Felix Loc, LCMS Chief Administrative Officer, and Nathan Haak, LCMS Chief Financial Officer, to serve as directors of CBICC.

(K) Appointment to Fill Vacancy on LCMS Holdings Limited (Hong Kong) Board of Directors

It was moved and adopted (p. 255/347):

WHEREAS, Frank Simek, LCMS Chief Administrative Officer and board member of The LCMS Holdings Limited (“Holdings,” Hong Kong), will retire at the end of September 2023; and

WHEREAS, Article 113 of the Holdings Articles of Association states:

The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these Articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

and

WHEREAS, In a Holdings Board of Directors meeting, the remaining directors of Holdings resolved that Felix Loc be nominated and appointed as a director of Holdings and that for the sake of good order said appointment becomes effective immediately and only upon the concurrence and endorsement of the Board of Directors of The Lutheran Church—Missouri Synod (“LCMS”); therefore be it

Resolved, That the LCMS Board of Directors concur with and endorse the action of the Holdings BOD to appoint Felix Loc, LCMS Chief Administrative Officer, to serve as a director of Holdings.

(L) Proposed 2024–26 Triennium Meeting Dates

It was moved and adopted (p. 256/347):

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; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod adopt the following Triennial Regular Meeting Schedule for 2024–26:

2023	2024	2025	2026
	Feb. 8–9 ²	Feb. 21–22	Feb. 20–21
	May 17–18	May 23–24	May 22–23 ³
	Aug. 29–30	Aug. 29–30	Sep. 17–18 ⁴
Nov. 17–18 ¹	Nov. 22–23	Nov. 21–22	Nov. 20–21

¹ Previously adopted by the board at its May 2021 meeting as Nov 15–16

² Joint breakfast meeting with the Council of Presidents on February 8

³ Tentative, dependent on scheduling of floor committee weekend

⁴ Thursday–Friday meeting. Tentative, dependent on scheduling of new board/commission member installation

and be it further

Resolved, That the Triennial Calendar of Activities and Policy Manual Review Table in the Board Policy Manual be updated for the upcoming triennium; 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.”

Preus noted hearing two suggestions regarding board meeting schedules at the convention. Some mentioned the benefit of meeting in conjunction with other entities, as used to happen in connection with the LCEF leadership conference. Preus questioned whether there might be value in meeting in concert with other entities or agencies in the Synod from time to time, in turn. The other suggestion was that the board might meet on a seminary or university campus one meeting out of each year. (Loc noted that the Council of Presidents is meeting at Concordia University Chicago in November 2024, a week earlier than BOD is scheduled to meet.) These suggestions were commended to CAO Loc for exploration.

The triennial board retreat is being explored in connection with one of the upcoming meetings, as an additional day.

(M) Lutheran Church Extension Fund: Change of Membership Cap

The Lutheran Church Extension Fund (LCEF) Board of Directors presented an action item (pp. 259–63/343) regarding adjustment of the membership cap in its Bylaws, now reflected (2023 Res. 9-02D) in Synod Bylaw 3.6.4.2.2. Expecting adoption of Res 9-02D, the LCEF Board of Directors, at its July 2023 regular meeting, passed a resolution recommending a change be made to the LCEF Bylaws reducing the maximum number of district members from 135 to 67. Specifically, in the sentence in Article I, Section 1, of LCEF’s Bylaws that reads, “The ‘result’ produced under the present formula will provide for a maximum number of 135 District Members...,” the number “135” (the first cap set in 1990) would be reduced to “67.” This change was approved by the Commission on Constitutional Matters (CCM, Op. 23-3013) in its convention meeting. LCEF has provided a clear procedure, as suggested by the CCM, for the calculation of representation under the cap, as well as an estimate of cost savings and other benefits of the change. The change preserves very nearly the ratio of Synod members as a fraction of the total membership (two *ex officio* plus six appointed, or eight, out of a total of 75, including these eight plus 67 district members, or 10.67%; presently, Synod members include the two *ex officio* and 13 appointed, relative to 135 district members, or 10% of a total of 150). The LCEF Board of Directors requested Synod Board of Directors approval of the proposal, to be presented to the LCEF membership in November (Bylaws 3.6.1.7–8, as subject to the requirement of Bylaw 3.6.1.8 [c]).

It was moved and adopted:

WHEREAS, Synod Bylaw 3.6.1.7 requires that the governing instruments of a synodwide corporate entity be in conformity with the Synod’s Constitution, Bylaws, and applicable resolutions of the Synod in Convention; and

WHEREAS, Synod Bylaw 3.6.1.7 (a) further states that before becoming effective, such governing instruments, and any amendments thereto, shall be reviewed and approved by the Board of Directors of the Synod and the Commission on Constitutional Matters (CCM); and

WHEREAS, the CCM, meeting in conjunction with the Convention, approved the proposed amendment of the LCMS Bylaws re Change of Membership Cap (Op. 23-3013), as noted in the minutes for July 27–28, 2023 (p. 153, item 187); and

WHEREAS, LCEF has addressed the CCM concern on how rounding occurs by documenting the process by which rounding is handled; and

WHEREAS, Like in 1990, when the LCEF district member maximum was reduced to 135, this is being proposed to simplify logistic considerations and associated costs (saving approximately \$115,000 per year); and

WHEREAS, There is growing difficulty in finding 135 district delegates willing to serve each year; and

WHEREAS, The current symmetry and balance between the two-classes of members (Bylaw 3.6.4.2.1 and 3.6.4.2.2) remains intact with the reduction (presently, there are 135 district members and 15 members at large for a total of 150, the members at large representing 10% 15/150 of the total membership; after the proposed change, the members at large will represent 10.67% 8/75 of the total membership, the slight increase due to the two static members at large that are not affected by the 10% calculation; therefore be it

Resolved, That the proposed revision to LCEF's Bylaws, as set forth above, is hereby approved for presentation to the LCEF membership as required in Bylaw 3.6.1.8 (c).

(N) Lutheran Church Extension Fund: Revision of LCEF Articles of Incorporation

The Lutheran Church Extension Fund (LCEF) Board of Directors requested a second action (pp. 264–67/347), related to the entity's Bylaws. LCMS Bylaw 3.6.4 addresses the establishment and purposes of LCEF. The LCEF Board of Directors submitted Overture L9-50 (To Amend Bylaws 3.6.4 and 3.6.4.4.1 to Clarify the Use of Lutheran Church Extension Fund Financial Resources and Related Services). It appeared as Resolution 9-10A at the 2023 triennial LCMS national convention (appearing in Today's Business Issue 2B, page 337) for the purpose of revising LCMS Bylaw 3.6.4. to clarify that, with the approval of the Synod Board of Directors, (i) LCEF can provide support to and within partner churches, and (ii) LCEF can provide support to other Lutheran entities outside of the United States upon the recommendation of the President of the LCMS. On August 3, 2023, the delegates of the LCMS convention approved Resolution 9-10A by unanimous voice vote.

The Fourth Article of LCEF's Articles of Incorporation is materially identical to LCMS Bylaw 3.6.4. For said Fourth Article to remain consistent with and in harmony with LCMS Bylaw 3.6.4 as amended pursuant to Resolution 9-10A, the LCEF Board of Directors desires to amend said Fourth Article as resolved by the LCEF Board of Directors at a special meeting on Aug. 9, 2023, to wit:

1. The Fourth Article of LCEF's Articles of Incorporation is hereby revised as follows: FOURTH: This Corporation is formed for religious, educational and charitable purposes, namely, to provide financial resources and related services for ministry, witness, and outreach ~~of~~within The Lutheran Church–Missouri Synod (the “Synod”) and, as approved by the Synod Board of Directors, beyond the Synod: (1) to and within partner churches with which the Synod is in altar and pulpit fellowship; or (2) upon the recommendation of the President of Synod, to Lutheran entities formed and operating outside of the United States that assist in fulfilling the Synod's ministry and mission objectives in foreign countries. In so doing it shall raise funds primarily through the issuance of corporate notes and other debt instruments. The assets of the Corporation shall be used exclusively for the following:

a. To provide financing and services for the acquisition of sites; the construction of facilities; the purchase of buildings and equipment; operating expenses; professional church worker education; the residential housing needs of professional church workers; promoting strategic ministry planning and assisting in capital campaigns; and other purposes approved by the Board of Directors of the Corporation and the Synod Board of Directors, which purposes shall be consistent with the ministry and mission of the Synod ~~under policies approved by the Board of Directors of Synod.~~

b. To provide financing for the operations of the Corporation and for distribution of operating results to its member Districts, congregations, and corporate Synod, as determined by the Board of Directors of the Corporation.

The foregoing revisions are to be effective upon: (i) review and approval of this revision by the LCMS Commission on Constitutional Matters (granted in Op. 23-3015, minutes of Sept. 6, 2023), (ii) review and approval of this revision by the LCMS Board of Directors, and (iii) approval of this revision by a vote of the LCEF Members in accordance with the Ninth Article of LCEF's Articles of Incorporation for the next scheduled annual meeting of the LCEF Members, subject to Bylaw 3.6.1.8 (c).

It was moved and adopted (pp. 264–67/347):

WHEREAS, LCMS Bylaw 3.6.1.7 requires that the governing instruments of a synodwide corporate entity be in conformity with the Synod's Constitution, Bylaws, and applicable resolutions of the Synod in Convention; and

WHEREAS, LCMS Bylaw 3.6.1.7 (a) further states that before becoming effective, such governing instruments, and any amendments thereto, shall be reviewed and approved by the Board of Directors of the Synod and the Commission on Constitutional Matters (CCM); and

WHEREAS, the above proposed amendment has been approved by the Commission on Constitutional Matters (Op. 23-3015) prior to the September meeting of the LCMS Board of Directors; therefore be it

Resolved, that the proposed amendment to LCEF's Articles of Incorporation, as set forth above, is hereby approved for presentation to the LCEF membership as required in Bylaw 3.6.1.8 (c).

(O) Board Advisory Representation on CUS Board

The board also has the opportunity to designate an advisory representative to the CUS Board of Directors (this replaces two appointed advisory members, which the board enjoyed prior to adoption of 2023 Res. 7-04B). Bylaws 3.6.6.2, 3.3.4.6 (d–e, which COH will have to adjust), BOD Policy 4.12.1.1.

It was *moved* and *adopted* that the Chief Administrative Officer be designated the representative of the board on the CUS Board of Directors.

(P) Appointments to CUS members at large

It was *moved* and *adopted* to direct the Secretary to poll existing CUS members for willingness to continue to serve and report at the November board meeting.

23. Meeting Review

Having offered a standing ovation to outgoing Chief Administrative Officer Frank Simek in recognition of his distinguished service, the board entered executive session to review the meeting according to Board Policy 3.9.1.5.

23X. Executive Session V: Meeting Review

The board returned from executive session and approved the minutes from its July 31 and September 1, 2023, meetings as distributed by the Secretary.

24. Adjournment

Having concluded its agenda, the board adjourned, for its new members to attend the President's Board and Commission Orientation in the afternoon, followed by the triennial service of officer, board, and commission installation. Pastor Hoem closed with prayer.

John W. Sias, *Secretary*