

**MINUTES
BOARD OF DIRECTORS**

**International Center and Hilton St. Louis Airport, St. Louis
August 29–30, 2025**

213. Call to Order and Opening Devotions

Chairman Preus called the regular August meeting of the Board of Directors to order with all members present except for Alan Voss. Also in attendance were Chief Administrative Officer (CAO) Felix Loc, Chief Financial Officer (CFO) Nathan Haak, Rev. Daniel Galchutt (acting at the request of the President in the capacity of the Chief Mission Officer [CMO]), and Attorney Lucie Huger of UB Greensfelder, general counsel.

On Friday, an opening prayer was offered by board member Rev. Josemon Hoem; on Saturday, devotions were offered by board member Rev. Roger Gallup on Proverbs 25:2–10.

214. Agenda and Consent Agenda

Chairman Preus introduced the meeting agenda (pp. 10–11/877) and consent agenda (p. 13). The meeting agenda was moved and adopted. In introducing the consent agenda, Chairman Preus noted that certain policy updates proposed by the Governance Committee have been included as “routine or non-controversial” in the consent agenda along with the customarily included reports, as allowed for by board policy, to save meeting time. The consent agenda was moved and, having been amended to remove for discussion the changes to Policy 5.8.16 and the future meeting date update, adopted 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:

- **Officer and Agency Strategic Reports**
- President, First Vice-President, and Church Relations

- Secretary and Rosters, Statistics, and Research Services
 - Council of Presidents
- Chief Administrative Officer
- Chief Financial Officer
- Chief Mission Officer
 - Board for International Mission
 - Board for National Mission
- 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 the following LCMS Board of Directors Minutes
 - May 23–24, 2025
 - June 9, 2025
 - July 18, 2025
 - Approval of the following changes to the LCMS Board Policies, proposed by the Governance Committee (listed in the docket at the beginning of the action items):
 - Section 6, Management Policies for Synod and All Agencies (pp. 307–29/877)
 - ~~Section 5.8.16, Policy for Extension of Solemn Calls by Corporate Synod (pp. 330–33/877)~~
 - Section 4.15.4, Support Rate (pp. 334–35/877)
 - ~~Approval to update 2023–2026 Triennium Meeting Dates (p. 336/877)~~

and be it further

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

215. Hong Kong International School Update

The board entered executive session.

215X. Executive Session IA: Hong Kong International School Update

216. President’s Report

The board continued in executive session.

216X. Executive Session IB: President’s Report

The board returned from executive session.

The President extended upon his written report (pp. 50–53/877) with a few highlights from the spring. He noted opting to use most of his time with the district conventions to speak about being “Book of Concord Lutherans,” and this was “extremely well received” by the districts. Apart from understandable “disquiet” and sadness in Michigan regarding Ann Arbor, the President found a very positive spirit and no rancor. (Board member Stathakis noted with appreciation the President’s warm presentation and reception in Michigan.) With Seminex now more than fifty years behind us, new district presidents have over time “made for good” throughout the Synod. There are many positives about the seminaries and *Set Apart to Serve*. Progress has been made with the Youth Gathering in many respects; its divine service was received positively from all quarters. Harrison noted Missouri District President Lee Hagan has had a series of strokes and is just now coming home from New Orleans for continued rehabilitation; he will not be continuing as COP chairman—a role in which he has served as “a perfect chairman.”

The board asked staff to facilitate the board's conveying its feelings toward both Rev. Robson and President Hagan.

217. Appointment of Interim Chief Mission Officer

It was moved and adopted:

Resolved, That the Board of Directors concur in the President's appointment of the Rev. Daniel M. Galchutt as Interim Chief Mission Officer, subject to the President's prior consultation with the Boards for National and International Mission, to take effect at a later date to be determined by the President; and

Resolved, That in the interim, commencing September 1, the Board of Directors approve of the function of Rev. Galchutt as acting Chief Mission Officer.

218. Chief Mission Officer Report

Rev. Daniel Galchutt shared his biographical information with the board and extended upon the written Chief Mission Officer (CMO) report (96–108/877). He has spent significant time with CMO Robson, as well as with unit executives, to effect a "handoff," and with the Office of National Mission (ONM) to delegate much of his executive director work and to rearrange his schedule. A "great plan" is in place, with people to lead the unit through the interim. He has spent much time with Mission Advancement and had "very good meetings" with the leadership and whole team; hiring of a unit executive is the "highest priority" in that unit. He has also spent a good deal of time on the digital platform (website) with the Communications Department. Focus items for the next month include:

- Contact with heads of international schools.
- Addressing several months of lag in digital platform development and challenges with future and continuing funds of the website. The FY26 budget included funding of a Phase 2 by a specific grant that was not received. He explained we are at a checkpoint for the digital platform, which the officers are engaging in, in a process that may take some time. There is some talk of a September launch, but this process may have to be concluded first. In the next couple of weeks, the board will either receive a website preview, if the officers decide to move forward, or the officers will bring another recommendation.
- Board for International Mission / Board for International Mission and Office of National Mission (ONM) / Office of International Mission (OIM) strategic planning. A candidate with classical school involvement was called for School Ministry but declined. ONM still deals with a variety of impressions, from around the Synod, of classical schooling and support for micro- and home-schooling—facets of the Synod's total school program that are, in ONM's impression, important. Work will be taken up with CFO Haak on strategic planning as it relates to the multi-year budget plan.
- Decisions and implementation regarding the Constituent Relationship Management system.
- Reports for the Pastoral Formation Committee, including presentations to the Council of Presidents.

Galchutt noted that a proposed theme and plan has been developed for the 2026 convention offering; work continues to apply well the 2023 convention offering.

219. Concordia International Schools—Shanghai and Hanoi Update

The board entered executive session.

219X. Executive Session II: Concordia International Schools—Shanghai and Hanoi Update

The board returned from executive session.

220. Financial Report and Giving Trends

CFO Haak elaborated on his written report (pp. 71–76/877) on *preliminary* Fiscal Year 2025 (closed June 30, 2025) financials (pp. 77–87) with a series of slides (pp. 532–87). The Accounting team is working steadily on closing FY25. The year-end close is “very positive.”

Net assets of \$211M are increased \$21 million (M) (\$9M unrestricted, \$6M temporarily restricted, \$6M permanently restricted) relative to end FY2024, with investment income and market performance contributing \$19M. The FY25 budget was underspent by \$6M. (Haak noted that hiring and staffing increased during the year, reducing anticipated future underspending, and that excluding California fire-related Disaster spending from designated dollars, the budget would be more like \$8.5M underspent). Gifts increased \$10M relative to the prior year, driven by large “items” (natural disasters, Bolick Foundation, Concordia College—New York [CCNY], and gifts to endowments), offsetting a low year for bequest receipts (a bit off trend, while FY24 was exceptionally high, and made up for already in the first month of FY26). Program efficiency and balance sheet ratios remain strong.

In the “upside down P&L” (p. 534/877), Haak noted, since the “COVID-19 low” of 2021, a 50% increase in Mission & Ministry and Ecclesiastical Services spending and a 24% increase in Mission Advancement, compared to a 13% increase in Management & General, aggregating to a total 42% increase to \$73.594M (actual on a \$79.895M budget, excluding Youth Gathering, Convention, and “Items”). Program-skewed increases mean the program spending ratio, already very high, continues to increase.

Expense covered by unrestricted funds came in very near to budget at \$24.671M, relative to a budget of \$24.899M. Among revenues, district receipts beat expectations by \$542 thousand (k), perhaps reflecting timing, at \$13.292M. Unrestricted gifts and grants—principally due to approx. \$700k unrestricted received from the CCNY closure—beat a \$3.5M expectation at \$4.389M. Rounded out by higher-than-expected unrestricted bequest, earned, and interest/dividend revenues, the unrestricted operating surplus amounted to \$3.914M rather than the planned \$801k. Including market gains of \$5.288M (June 30 provided a great mark-to-market), unrestricted net assets increased \$9.202M, far above the budgeted increase of \$51k.

Haak presented a “bridge” (p. 535) comparing FY24 to FY25 gifts and grants, indicating increases in disaster by \$5.524M, Bolick grant by \$2.616M, the \$2.838M CCNY disbursement, and \$2.624M in endowment giving, a decrease of \$2.47M for Employee Retention Credit income booked in FY24 only (some of which is yet to be received), all of which Haak classed as “items.” “Core/underlying gifts,” however, decreased year-to-year by an aggregate of \$1.024M (decreases in Global Mission, Mercy, Ministry to the Armed Forces, Set Apart to Serve, and KFUE more than offsetting increases in unrestricted giving, \$313k, and “all other,” \$800k) Some Global Mission and Mercy dollars may have shifted to Disaster. The bridge shows the balance between one-time, event-driven items and less encouraging trends in ongoing support for activities.

In a restricted revenue update (p. 536), Haak highlighted recent weaknesses in Global Mission and Mercy and the event-driven nature of Disaster giving, with significant peaks in 2022 and 2025; on the unrestricted side (p. 537), he noted interest income has increased from \$1.062M in 2020 to \$5.065M in 2025, though this is expected to begin to reverse. Markets and interest income have been hugely helpful for making budgets and continuing to improve net assets. He also noted significant unrestricted and total income in “other items” and mark-to-market (though gains in 2023–25 have only recently surmounted 2022 losses), which have added \$100M of the \$112M total increase in net assets (\$69M of it unrestricted, eroded to \$64M by \$5M accumulated deficits in operations) over the last six fiscal years.

Haak shared expense deltas (p. 538), highlighting three overspends for the board: in Pastoral Education (driven by pass-through of Joint Seminary Initiative funds), the legal budgets, and a grant to CHI for capital projects, which may land either in FY25 or FY26.

Haak reviewed slides (pp. 539–40) related to the board’s strategic target, established in its May budget meeting, of “attaining Unrestricted, Undesignated Monetary Net Assets (“unrestricted reserves”) equal to one year’s expenditures (excluding expenditures in support of Network Supported Missionaries (NSM), Ministry to the Armed Forces (MAF), and Disaster Relief (DR), each provided it has at least one year of funds in reserve, and excluding the Joint Seminary Fund Budget), to be accomplished no later than the end of Fiscal Year 2035.” Of the Synod’s total net assets of \$211M, \$112M is “non-spendable,” consisting of permanent or time restricted funds, capital investment, or specific/quasi designations. Of the remainder, \$25M is available for NSMs, MAF, and DR, and \$24M is restricted to other purposes, leaving unrestricted reserves of \$49M (including \$2M in board designations). The FY26 budget plans expenditures (excluding Youth Gathering and \$17M in NSM, MAF, DR, and the Joint Seminary Fund pass-through) of \$69M, including the release of \$6.6M in funds “restricted to other purposes” and \$3.7M of the \$49M in available unrestricted reserves. The board’s goal is to build the reserves to a level equal to 12 months of expenditures, excluding the noted items, or \$69M; LCMS stands at \$49M (but, as noted above, has planned FY26 to subtract \$3.7M of that balance in FY26, although investment returns, if average, would generate a surplus).

Reviewing key ratios (p. 541), Haak noted significant net hiring in FY25. He observed that it took almost 100 hires over 4 years to add about 20 positions since FY22. It’s been positive to see that hires are becoming incremental rather than replacement.

Haak noted the digital platform (website) project. Spending is approximately as expected but timeline delays have been significant. Benefits hoped to materialize are now questioned, such as higher search engine optimization, better search, easier administration and lower overhead, improvements in user retention, a better ability to capture information about usage for tailoring of user experience, improvement and ease of giving. There are challenges with the new platform. The actual deliverable improvements will have to be seen. Continuing with the investment is questionable if the expected benefits are not likely to be realized. Most of “Phase 1” is available for review in a development stage. This has revealed questions about ease of administration; until the site goes live the other desired ends are not measurable. Officers are taking a pause to see if we continue down the road, and how. The officers will bring a recommendation. A board member questioned what specifications were set forth at the outset; this will be looked into.

221. Strategic Breakthrough Objectives

Acting CMO Galchutt explained the Administrative Team has not been able to meet over the summer, principally due to district conventions. Significant items such as the Digital Platform and Constituent Relationship Management projects, as well as filling a number of key positions and preparation for convention, will be important.

Key objectives under study include Schools (and youth or young people), a capital campaign, and more fully aligning Synod entities (this area is being handled by the LEAD committee, rather than by the Administrative Team). Galchutt noted that if LCMS is looking toward a capital campaign we need a Mission Advancement unit executive in place first, which is a high priority. In Schools, Galchutt noted the idea of using “Tell the Next Generation” as the 2026 convention offering, perhaps with a lead gift from the Bolick Foundation, to give grants to schools, congregations, and campus ministries for work with young people. This would be along the lines of the “Million Dollar Life Match” launched in 2022. Work continues with the Lutheran Center for Religious Liberty to gather LCMS educators in the hope of continuing to increase access to public support for scholarship-granting organizations from the regarding the One Big Beautiful Bill’s \$1,700-per-taxpayer level. Finally, Galchutt noted the possibility of purchasing advertisement time on popular podcasts for a President Harrison advertisement promoting LCMS schools. Galchutt noted his feeling that work with families is also strategically important.

A board member noted the importance of “the moment,” both for work, to which Synod may be coming late in some areas, and also for donors, who are transferring a tremendous amount of wealth *now*. Another mentioned the critical importance of having teachers to support a period of possible growth.

222. Finance and Audit Committee Report

Audit Committee Chairman Leo Mackay reported on his committee’s meeting of the previous afternoon. He noted three new agenda items: the “scope and efficiency resolution” included in the docket, the Employee Retention Credit received in part and as yet expected in part, and the scope of the Finance and Audit Committee. Mackay noted the broadening of the committee’s work as it provides guidance on the possibility of a general ledger update and many projects “having to do with how we get work done.” There seems to be too much scope for the time allotted. Haak and Mackay are contemplating how to expand committee time to allow for more work, perhaps adding a distance meeting between regular meetings for finance/investment operational questions so that face time can be on straight-stick audit functions. A recommendation will soon be brought to the committee. In its meeting, the committee:

- Reviewed a “straightforward audit so far” with external auditor Armanino, which is about to start field work. As LCMS builds Internal Audit (IA) capability, IA staff will begin to provide some assistance; we had lost capacity for that work in the past.
- Reviewed a “good report” from IA Executive Director Chris Wood. Oklahoma District may join the pool of districts audited, bringing IA to be performing 19 of 35 district audits (out of approx. 30 within scope). Audit firms are neglecting smaller entities, so LCMS IA has an opportunity to serve. Concordia Plan Services and the Lutheran Church Extension Fund are also considering using IA services.
- Prepared to initiate a key officer and employee expense audit, which should be done periodically.
- Reviewed website project status with information included in the audit docket.
- Received a report that Employee Retention Credits were booked as anticipated income in FY2024, but some of the \$2.4M total expected has not yet been received. IRS has denied parts of the claim, indicating it has not received certain elements of information. This is being addressed with IRS and no adjustments to expected income have yet been booked.
- Received CFO Haak’s evaluation of the IA director

Mackay asked that the resolution proposed on scope and efficiency be referred to the Audit Committee as part of its already assigned work to develop a framework for a three- and ten-year strategic projection. The three-year plan is scheduled for the February board meeting.

The chairman, who joined the meeting, noted robust discussion of the scope and efficiencies resolution. Committee member Stathakis noted we need to define carefully the objectives of the organization before discussion of adjusting it.

Governance Committee Chairman Yow noted also growth in workload in Governance, commenting that, perhaps, the board is getting what it has wished for: a more proactive but also necessarily more labor-intensive approach.

223. LEAD Committee Report

LEAD Committee Chairman Andrew Grams noted the committee has engaged a wide swath of Synod to look at revising corporate governance requirements in the Bylaws and associated BOD policies. This has been divided into four subcommittees dealing with agencies and subagencies, special purpose entities, stateside entities, and international entities. The goal is to come to the November meeting with a coherent proposal. Discussion has been very good. The definitions of *agency* and *property* of the Synod are “not being touched,” but going forward not all entities may interface directly with these definitions. A

contemplated *special purpose entity* category may allow flexibility where needed in specific domains that are not performing core mission and ministry functions, without jeopardizing regulation of the agencies, which by and large are. There is some discussion of board membership requirements for certain agencies. Geographical limitations have been noted as a concern for finding the most highly-qualified members. The hope is to consolidate a coherent proposal toward the end of October. The work has been, Grams noted, very collegial and everyone has been very supportive.

224. Concordia Theological Seminary, Fort Wayne, Master Plan

Concordia Theological Seminary (CTS) President Jon Bruss and Chief Operating Officer Lance Hoffman joined the board by internet conference to update the board on an aspect (pp. 588–89/877) of the previously-presented campus master plan (approved Nov. 2024), regarding the leasing of a site and building of a headquarters on the seminary campus by The Lutheran Foundation of Fort Wayne. Bruss explained that progress continues to be made, with architectural and design work underway (using the same firm the seminary is using to design the new campus buildings outlined in the master plan), and with discussions between the seminary and Synod’s Chief Administrative Officer and legal counsel regarding reversionary clause and campus use restrictions. Indiana District President Rick Stuckwisch and board member Josemon Hoem joined a meeting between the Foundation executive and the board of regents. The Foundation was granted RSO status in the spring of 2025, which has encouraged the seminary to move forward (the regents had insisted on this criterion). The CTSFW BOR has (in May) authorized its chairman (Dr. Scott Murray) to finalize arrangements for a lease agreement, a design, and a site.

Hoffman explained progress on the lease. Much progress has been made. CAO Loc and Synod legal counsel have consulted on the Synod’s reversionary interest and use restrictions on the Seminary’s 2001 warranty deed. Other than these aspects, lease terms are largely agreed. Hoffman clarified that the reversionary right be subordinated to the lease for its term (for example, for 25 years with two successive 25-year options to renew, as presently drafted). This conversation is not yet concluded.

Bruss shared overview images and plans of the proposed building and its parking lot, at the southeast end of the seminary lake. The site provides good access for the Foundation and an excellent view, and for the seminary, rounds out architecturally the lake. Space is left north of the new building for a possible future retreat center. The building picks up many of the features of the Saarinen-designed campus, marrying well with the nearby library expansion.

The seminary hopes to bring a final plan—along with a capital projects proposal—before the Board of Directors, for necessary approvals, at its November meeting. A formal resolution is expected at that time.

225. Concordia University Wisconsin / Ann Arbor

The board entered executive session.

225X. Executive Session III: Concordia University Wisconsin / Ann Arbor

The board returned from executive session.

226. Concordia Seminary, St. Louis, Master Plan

Concordia Seminary (CSL) President Thomas Egger and Chief Operating Officer Michael Louis joined the board to present a master plan update (pp. 393–513/877). President Egger described the history of the proposed partnership with Washington University to develop the western campus acreage, which was unable to garner approval by the City of Clayton. The approved 2017 master plan included development of revenue-generating uses of perimeters of the property, especially at this time the western acres. Egger noted also underutilization and dilapidation of certain historic buildings, dated and inaccessible student housing

(most of all, the newest construction, the 1990s married student housing, needing complete replacement) would have been advanced by the proposed project.

The challenges the seminary sought to address remain after the collapse of the proposed partnership, as does the 2017 master plan. Construction of the new married family housing is expected to begin in early 2026. The seminary continues to seek revenue-generating use of the western acres to fund this and other developments. Current options under consideration involve outright sale of the western acres—not that sale of property is ever his first choice, Egger noted, but also that this sale makes sense as consistent with the master plan and supportive of needed development. In 100 years on the Clayton campus, the seminary has never needed—and does not need—72 acres to carry out its mission with excellence. It seems a wise decision to steward well what really are excess resources. The seminary has for 40 years explored partnerships with LCMS and other Synod entities, but no good fit has been found. Due diligence for the sake of those who will come after seems to have been done. We, Egger said, are at a season of the seminary’s history where it is safe and wise to leverage some unused acreage for the long-term good of the seminary in a prudent, proactive stewardship of assets. This plan has the strong support of the board of regents, with unanimous votes at its May and August meetings for building the contemplated new housing and pursuing outright sale and development of western acres.

Egger acknowledged that the Board of Directors would have to approve any final sale offer.

The proposed plan has been shared with the seminary community. In response to a question, Louis noted the original deal was for 28 of 72 acres. The seminary now plans to retain a soccer field and reduce the amount for sale to 25.

The board entered executive session.

226X. Executive Session IV: Concordia Seminary, St. Louis, Master Plan

There is an action item below (p. 391–92/877).

227. Governance Committee Report

Governance Committee Chairman Jesse Yow reported on his committee’s meeting of July 16 (pp. 126–54/877). He noted the committee reviewed and revised Board Policy Manual Section 6 as part of its regular calendar (item 25-003), as was approved as part of the consent agenda. Yow noted subsections regarding the website and sections dealing with corporate formation requirements that will need future attention. Item 23-006, dealing with district policies, has been tabled for fuller consideration at a later time. Under item 24-056, the committee is working on conflict-of-interest policies with a proposal from CAO Loc and legal counsel. Item 25-009 clarified support rate language on the basis of a suggestion from CFO Haak. Board self-review questions have been tweaked and the survey will appear in the November board book. In Item 25-011, the Audit Committee has been asked to advise as to policy regarding the one-year reserve.

Item 25-008, Policy for Extension of Solemn Calls for Corporate Synod (pp. 151–53/877), was pulled from consent for discussion. This places into policy present procedures for the extension of calls pursuant to Bylaw 3.11.1. Board member Gallup noted that in a congregation, a group or individual could not be designated to extend a [pastoral] call and requested that the theological rationale behind the policy be reviewed by CTCR. The Secretary noted that if the desire is to discuss the theology of Bylaw 3.11.1, this should be done, but that the policy proposed is simply an orderly implementation of a presently undocumented method by which the Secretary carries out the board’s responsibility under the bylaw. The policy will be treated as an action item.

228. Preparation for Submission of Overtures to the 2026 Synod Convention

Chairman Preus noted that if the board wishes to submit overtures to the 2026 Synod convention, this should preferably be done at the board's November meeting (though its February meeting will still afford some possibility). Board members were asked to give this thought and to submit any suggested overtures at the next board meeting. Preus noted some suggestions he might work on or suggest to others:

- Responsibility and authority given to the Chief Mission Officer (CMO) is broader than it should be and that given to mission boards is too narrow; some activities under CMO should likely be shifted elsewhere.
- Some 2010 changes regarding authority to the President and others should be revisited. The Board of Directors may need, for example, more authority to deal with violations of bylaws where they impact on property, legal, and business matters.
- Does the current structure of the appointed officers serve the present Synod well, or should these roles be adjusted to allow the board to better carry forward its work between meetings?

A board member suggested an internet conference prior to the next board meeting to introduce discussion of these as a special topic.

Preus noted that 2023 Res. 7-04B directed universities to get governing documents in order and that this work has not progressed significantly (though the Commission on Constitutional Matters has been doing reviews and Concordia University, St. Paul, is working on a revision). This may require attention. Certain long-term situations of non-compliance may need to be brought to the attention of the Synod.

229. Constituent Relationship Management Project

CFO Haak, having previously updated the Finance and Audit Committee, updated the board (pp. 522–30/877) on the study of a potential Constituent Relationship Management (CRM) project, conducted by consultants RubinBrown. He reviewed the meaning of “Constituent Management,” dealing with management of information supportive of relationships with all organizational contacts. This study grew out of a prior review of accounting procedures, out of which some good results have come (including a significant reduction in the close timeline, with more to come). As the intent is to support all organizational contacts, connections to the general ledger and many other aspects of work are crucial to success. Contact management across the building is now *ad hoc* except for a CRM used exclusively by Mission Advancement and to some extent by Accounting for donor management. Information and workflow management will impact many processes—underscoring the need for effective change management. Efficiencies and improved relations may be achieved across the organization when all parts become connected.

Capabilities and requirements have been documented in a process involving 40–50 employees from across corporate Synod, along with, now, vendor demonstrations, scoring, and preliminary pricing. Partners are being evaluated and a request for proposal will follow if the project moves forward.

Haak reviewed a “strategic rationale” for the project (p. 525), focusing on greater operational efficiency and improved data accuracy; there may be opportunities also in management of donor relations to increase giving over time, including guiding mission advocates more effectively and broadly. There is also potential for “mindshare” around administration of the system with other entities of the Synod that use their own instances of the same platform.

The board entered executive session.

229X. Executive Session V: Constituent Relationship Management Project

The board returned from executive session.

It was moved and **adopted** to approve commencement of the CRM implementation project as presented.

230. Concordia Plan Services Insurance Captive (“Concordia Risk Services”) Proforma

Concordia Plan Services President James Sanft, Vice-President and Chief Operating Officer Kevin Herweck, and Vice-President and Counsel Ann Stillman joined the board to present (pp. 619–39/877) on status and developments in exploration of the business model of the captive, the formation of which has been approved by the board, with approval of commencement of operations still awaited. Sanft opened with a word of appreciation for an unprecedented collaborative process in developing this opportunity. CPS comes with developments requiring adjustments but looks toward keeping the process moving forward collaboratively.

Herweck explained the name “Concordia Risk Services (CRS)” has been selected for the captive on the basis of a variety of considerations (p. 622–23). Articles and bylaws have been approved by the Commission on Constitutional Matters (with much appreciated comment) and reviewed by the Captive Manager and Missouri Captive Administrators. Risk Program Administrators has been selected as program administrator, Honigman as legal, Scott Wightman (Gallagher) as broker, Artex as captive manager, Willis Towers Watson as actuary, and Armanino as auditor. Missouri Captive Administrators are excited to have CRS in Missouri. Reinsurance and middle market coverages have been shopped to multiple carriers, including 16 traditional reinsurance companies and 6 middle market companies; London and Bermuda markets have been explored. There is a strong appetite to participate in the program but quoting is moving slower than CPS would have liked.

A go-no-go decision has been delayed until late October when more solid financial projections will be in hand. Reinsurance costs have been higher than expected, partly due to severe convective storms in the Midwest causing uncertainty and driving up nonbinding “indications” offered outside the binding offer window, which opens just three months before the effective date. At that point, quotes should be lower than the indications and possibly improve the proforma. It is still believed the captive is the right thing to do; the program will be adapting as facts come in.

A special Zoom meeting of the board was requested to be scheduled shortly after October 15, as once binding quotes are received, the timing is tight to implement the captive by January 1.

CPS appointed three CRS directors, who are CPS directors as well (Jason Burk, David Hawk, Roger Offerman, with Rev. Doug Peters available for any advisory committee that might be created), on August 25 and designated a CPS officer to serve as a non-voting, ex officio board member. The Missouri residency requirement has been satisfied with the CPS officer (as it will also likely be by the CFO or other designee of the LCMS board).

Herweck described two options for program models:

- In “towers by line of coverage,” the captive is backed by reinsurers and pays the reinsurers and the fronting company. This offers the captive greater control over the program and rates and is the more traditional form for a mature captive; at the same time, it does require a fronting carrier, involves more internal administrative costs, and ministries have to cancel policies to move to a single effective date.
- In “middle market partner,” the standard insurance company issues policies as usual, but the captive provides the carrier a first layer of reinsurance, with ministries paying the insurance company and the insurance company taking more control of rates. Premiums to ministries are discounted because the captive takes on some risk, brings volume to the carrier, does risk control/management, and because agent fees are smaller or eliminated. This is easiest to implement, allows ministries to move in at their renewal date, can grow more effectively (including churches) because it does not require initial “January 1” alignment, requires no front, and creates a pool that can be migrated to the tower

model, better for more mature programs. It is not the most cost-effective as the captive grows and offers less control of program and pricing. Herweck clarified that the captive board would still have input to the underwriting guidelines, though less than in the other model. Claims handling is 100% covered by the partner; captive input on claims handling is likely minimal if any. Conversion to the tower model could occur, perhaps even with the same carrier, within 2–3 years.

Better understanding of structures and costs should be had by the end of September or, at the latest, by October 15. In discussion, it was noted that this is not a “magic solution” for all Synod entities or (eventually) congregations and schools that have challenges with insurability or insurance costs, although, over time, as the pool grows in size, its ability to help will increase.

Herweck outlined next steps. CPS would like to assemble the governing board and continue the formation process (p. 634) to stay on track for a January 1 effective date. He noted the blessing of many outstanding nominations for the board, which may involve also an advisory committee of some additional members there weren’t room for on the board.

Board members thanked CPS for excellent work developing this project and appreciated the care taken in getting it off to a good start.

Chairman Preus noted the board plans to appoint its four members in its current meeting. Stillman noted that articles and bylaws, along with board questionnaires and their background checks, will have to be submitted to the regulator. The process could take a month but the regulators have promised to do their best to move it along. The captive can take no formal actions before formed by the regulator. But the board can meet as a “preliminary board” without taking corporate action.

Herweck noted the eagerness of ministries—and also of significant potential partners—to participate.

231. Convention Budget

CFO Haak presented the budget proposed for the 2026 Synod convention (pp. 1–4 in the presentation supplement), noting that it does not include delegate travel, which is borne separately by the districts, and explaining some of the components. Categories of expenditure seeing significant increases include contractor costs (\$263k), convention week costs (\$123k, including Phoenix security requirements and a new microphone queueing system), hospitality (\$116k), and printing and mailing (\$97k), as well as travel for staff and others (\$45k). These were offset to some extent by a “return to normalcy” from 2023-particular expenses, including an additional year of convention-related staff expense (\$117k) and costs related to breaking of the 2022 St. Louis contract, due to COVID-19 (\$211k). Contractors and convention week costs (hall rental, hourly laborers, etc.) have simply suffered great inflation; there is also a component of travel to Phoenix for some midwestern contractors. Net, the total convention budget is proposed at \$3,006,512 for 2026, an increase of \$321k relative to 2023 actual. CFO Haak recommends the board commit \$400k of reserves on hand from previous conventions (of a total of \$700k), reducing the district levy to \$2,456,512, which is roughly equal to the 2023 levy of \$2,457,004 (an additional \$141,000 is expected in offsetting revenue). (\$400k of the reserve was planned for use in 2023 but only \$87,192 was used).

Haak presented historical information on convention budgets since 2013, indicating deficit levies in 2023 actual and 2026 budgeted, relying increasingly on 2013–19 surpluses. The per-member cost is inflated only 8% since 2023. The board discussed some of the features of Phoenix (such as required security) that have increased cost; some may be encountered generally.

At the same time costs are increasing, the membership of the Synod and size of the convention is decreasing. In the decade since 2016, the levy has increased from \$1.532M to 2.465M, a 60% increase, while the confirmed membership of the Synod has declined approximately 20% in the same period. The per-capita levy has thus roughly doubled in a decade’s time. With the “buffer” planned to be (potentially) largely expended in 2026, it may be necessary to look at changes to “right-size” the convention to an acceptable levy amount.

It was moved and adopted:

WHEREAS, Bylaw 3.1.9 (d)(1) requires the manager of the convention to submit and the Board of Directors to approve the convention budget, in this instance, for the convention to convene in Phoenix, Arizona, July 18–23, 2026; and

WHEREAS, The Chief Financial Officer has presented the board with a convention budget comparable to that presented for the previous convention, despite significant inflation in the interim; and

Resolved, That the Board of Directors approve the 2026 Convention budget totaling \$3,006,512; and

Resolved, That the Board of Directors approve the use of \$400,000 of board-designated funds from prior convention surpluses to supplement the budget; and

Resolved, That the total district levy of \$2,465,512 be used to calculate each district’s portion of the convention expense; and

Resolved, That the executive director of LCMS Accounting calculate the district levy as outlined in Bylaw 3.1.9 (d)(1) and notify the district treasurers of their district assessments immediately following the Labor Day holiday (which falls on the required notification date, September 1, 2025).

232. Commerzbank Purchase Update

CAO Loc introduced an update on this property purchase, with an executive action item proposed to the board (pp. 518–19, 640–74/877; pp. 5–30 in the presentation supplement). The Operations Team has prepared terms and conditions and a means of purchase as directed by the board at its previous meeting. CAO Loc and legal counsel have, upon further information, determined to clarify certain items for the board and to present the proposed transaction for the full board’s approval.

President Harrison summarized expansive mission work underway in Europe and the Middle East which would be supported by a Wittenberg “hub,” being called the “Eurasia Center for Spreading the Gospel” (pp. 672–74). Office of International Mission (OIM) Executive Director Cory Rajek and Manager of Global Mission Operations Blake Warren joined the board to review the purpose of the proposed property acquisition, largely as outlined in the minutes of the Board’s November 22–23, 2024, meeting (pp. 640–48).

Warren described implementation in phases (p. 649), with a “launch” of meeting and classroom space on the second floor in 2026 presently occupied by a law office, as soon as October 2026, and a conversion of ground floor space, presently occupied by a bank, to a public welcome area and conference room (suitable for a 20–30 person event such as a regional team, university or seminary visit, or vocational group) when the first floor becomes available (the bank has the option of extending until 12/31/2031, which would have to be exercised by 12/31/2027). OIM is working on recruiting a person to handle logistics for the hub; the phased approach allows time for that position to be filled.

CAO Loc reviewed details of the proposed acquisition by LCMS (pp. 651–53), which amounts to 59% of 39 *Jüdenstrasse* (7% in the second floor space and 52% on the ground floor). The International Lutheran Society of Wittenberg (ILSW) already owns five apartments in the building, amounting to 22% of the building. The remainder consists of apartments owned by other individuals. There is an arrangement for maintenance of common spaces, a *Wohnungseigentümergeinschaft* (WEG), similar to an “HOA,” for which ILSW/LCMS would bear 81% of the cost. On purchase, LCMS would assume the leases presently in force, with rental income (p. 652–53). He reviewed anticipated closing costs (p. 654), noting that an appraisal would cost 1% but would not likely change board action or negotiation; this is not recommended by the Operations Team. He reviewed also annual costs (p. 655). Property taxes are €844; the WEG (HOA) are budgeted periodically and presently amount to €17,754. There are no liens or encumbrances and property taxes will be paid up by the seller.

Loc indicated it was determined that LCMS should be the owner as ILSW articles do not presently provide LCMS the control that would render the Operations Team comfortable. With LCMS as the purchaser, additional taxes will be paid (as LCMS is not a German nonprofit, as ILSW is) but LCMS will have control and flexibility (pp. 658–59). The plan is to amend ILSW articles and bylaws at another time, which Chairman Preus urged be done as soon as possible. Harrison indicated he plans to put a revision of ILSW articles before the International Lutheran Council (ILC) at a September meeting; revision of the ILC articles would ultimately require ILC, *Selbständige Evangelisch-Lutherische Kirche* (SELK), and LCMS action, as well as that of the ILSW board. Loc reviewed descriptions of various proposed changes to the ILSW articles (pp. 656–57). Harrison indicated he will pursue ILSW reorganization.

Finally, Loc reviewed a proforma income statement indicating an annual net income, less depreciation, of approximately \$42k. The Operations Team recommends LCMS purchase the property as described for €1.5M.

233. Legal Report

The board entered executive session.

233X. Executive Session VIA: Legal Report

234. Concordia Plan Services Executive Compensation

The board continued in executive session.

234X. Executive Session VIB: Concordia Plan Services Executive Compensation

The board returned from executive session.

235. Scope and Efficiencies

Based on the Finance and Audit Committee’s recommendation, the chairman proposed that the scope and efficiencies resolution be referred to that committee for study. This proposal was adopted, **referring** the resolution as follows to the Audit Committee:

WHEREAS, The Board of Directors recognizes its responsibility to ensure that all administrative functions of the Synod operate in alignment with the mission and objectives of the Church; and

WHEREAS, The Administrative Team plays a critical role in stewarding resources, supporting Synodwide operations, and advancing the Church’s mission through its departmental activities; and

WHEREAS, The board seeks to promote transparency, strategic prioritization, and cost-effective operations across all units and their administrative functions; therefore be it

Resolved, That the Administrative Team be hereby directed to undertake a comprehensive review of the scope and efficiency of work within each of the officers’ respective departments; and be it further

Resolved, That the Administrative Team prepare and present to the board a detailed report on the activities and programs of Corporate Synod and how they support the objectives of the Synod contained within the Synod Constitution and Bylaws, or fulfill convention resolutions or other mandates; and be it further

Resolved, That in its three-year financial plan the Administrative Team indicate which activities and programs will be altered, discontinued, or expanded within the plan, including the rationale behind the change; and be it further

Resolved, That the Administrative Team review the efficiency and effectiveness of the support programs of the Synod (defined here as the activities and offices under the Chief Financial Officer and Chief Administrative Officer, as well as Mission Advancement), utilizing the unit reviews performed on such in recent years by outside consultants to advise potential opportunities for change; and be it finally

Resolved, That the Administrative Team shall submit its findings and recommendations to the board no later than at the February 2026 board meeting, to provide the board with information necessary to advise the budget and proposed resource allocation by Corporate Synod in support of the Synod's objectives.

236. Personnel Committee Report

Personnel Committee Chairman Jan Lohmeyer reported on his committee's meeting of July 29 (p. 155/877). The committee reviewed nominations and made recommendations for the appointment of board members for the Concordia Plan Services insurance captive, for which an action item is included below. The chairman recused himself for the discussion of this item, with Vice-Chairman Grams taking the chair.

Lohmeyer presented the committee's choices as follows, the first four for appointment and the remainder as alternates, should the board so choose, or for service in an advisory capacity, if needed:

Laypersons, Ministers of religion—ordained, or Ministers of religion—commissioned:

- | | |
|--|---|
| 1. Preus, Christian A. – Grand Marais, Minn. (MNS) | 5. Wheeler, Ronald D. – Lee's Summit, Mo. (MO) |
| 2. Aguillard, Kristiana – Richmond, Va. (SE) | 6. McCain, Philip J. – Winter Garden, Fla. (FG) |
| 3. Ewert, Mark H. – Brookfield, Wisc. (SW) | 7. Reddel, David – Ankeny, Iowa (IW) |
| 4. Holnagel, Rebecca – Okemos, Mich. (MI) | 8. Litchenfeld, Rich – Hickman, Neb. (NEB) |

The board discussed these recommendations in some detail.

Lohmeyer reported the committee also received an update from CAO Loc on his progress in his executive MBA program and a report from Human Resources Executive Director Nathan Thomas on department activities.

237. Action Items

The following action items were adopted as part of the consent agenda:

(A) Revision of Board Policy Section 6, Management Policies for Synod and All Agencies

It was adopted as part of the consent agenda (pp. 13, 307/877):

WHEREAS, Board of Directors Policy 3.13.4.1 (a) directs the Governance Committee to review the policies of the board and to make recommendations for new or amended policies; and

WHEREAS, The Governance Committee reviewed Section 6, "Management Policies for Synod and All Agencies"; and

WHEREAS, Board members are encouraged to provide comments 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 adopt the changes to The Lutheran Church—Missouri Synod Board of Directors Policy Manual as outlined on GC Agenda Item 25-003 attached to the July 16, 2025, Governance Committee minutes (pp. 308–29/877); and be it further

Resolved, That the board also direct the table of contents, index, and other references to updated, as necessary.

(B) Amendment of Board Policy 4.15.4, Support Rate

It was adopted as part of the consent agenda (pp. 13, 334/877):

WHEREAS, Board of Directors Policy 3.13.4.1 (a) directs the Governance Committee to review the policies of the board and to make recommendations for new or amended policies; and

WHEREAS, The Governance Committee reviewed Section 4.15.4, “Support Rate”; and

WHEREAS, Board members are encouraged to provide comments 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 adopt the changes to The Lutheran Church—Missouri Synod Board of Directors Policy Manual as outlined on GC Agenda Item 25-009, attached to the July 16, 2025, Governance Committee minutes; and be it further

Resolved, That the board also direct the table of contents, index, and other references to updated, as necessary.

Chairman Preus introduced the following action items:

(C) Adoption of Board Policy 5.8.16, Extension of Calls for Employees of Corporate Synod

It was moved by the Governance Committee (p. 330/877):

Member Gallup who asked this item to be pulled recommended adoption but proposed addition of a final *resolve*. The amendment was adopted, as was the resolution as amended:

WHEREAS, Board of Directors Policy 3.13.4.1 (a) directs the Governance Committee to review the policies of the board and to make recommendations for new or amended policies; and

WHEREAS, The Governance Committee reviewed Section 5.8.16, “Extension of Calls for Employees of Corporate Synod”; and

WHEREAS, Board members are encouraged to provide comments 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 adopt the changes to The Lutheran Church—Missouri Synod Board of Directors Policy Manual as outlined on GC Agenda Item 25-008 attached to the July 16, 2025, Governance Committee minutes (pp. 331–33/877); and be it further

Resolved, That the board also direct the table of contents, index, and other references to updated, as necessary.

Resolved, that the Chairman and President form of a group to study the issuance of calls by Synod and Synod agencies and to consider proposing an amendment to Bylaw 3.11.1.

(D) Change of Board of Directors May 2026 Regular Meeting Dates

It was moved and, after discussion of instead making the meeting adjacent to floor committee weekend, adopted (pp. 335–36/877):

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

WHEREAS, The board did so for the 2023–26 triennium at its September 2023 meeting, making limited revisions at its November 2023 meeting; and

WHEREAS, The May 22–23, 2026, meeting was then tentatively adopted, indicating revision might occur dependent on the scheduling of floor committee weekend; and

WHEREAS, Floor committee weekend has been scheduled to occur May 29–June 1, 2026, in St. Louis; therefore be it

Resolved, That the May 22–23, 2026, meeting of the Board of Directors be rescheduled to May 15–16, 2026, to provide adequate separation from floor committee weekend; and be it further

Resolved, That the revised date be communicated to all board members and to those having business with the board for calendar alignment and logistical planning.

(E) Appointments, Concordia Plan Services Insurance Captive (“Concordia Risk Solutions”) Board of Directors

The chairman recused himself for this item, with Vice-Chairman Grams presiding.

In its meeting of May 23–24, the Board of Directors authorized (pending final approvals of governing documents) the formation of a “captive” entity by Concordia Plan Services (CPS) for the purpose of continuing to explore the feasibility of, and hopefully offering, a more cost-stable and eventually more cost-effective approach to property and casualty insurance than is available on the open market. The board of the new captive entity is to be comprised of seven voting appointees, four appointed by the Board of Directors and three appointed by the CPS board, plus the Chief Financial Officer and an officer of CPS, both without a vote. Members appointed must be members of member congregations of the Synod throughout their tenure. At least one of the members must be a Missouri resident (though it has been clarified that the advisory service of the Chief Financial Officer can fulfil this requirement).

Board of Directors—Concordia Plan Services Property and Casualty Insurance Captive

**(4) individuals (Layperson, Ordained or Commissioned Ministers positions)
three-year term (Sept. 1, 2025–Aug. 31, 2028)***

** nominal term date; actual is three years but start to be determined.*

The captive board will be responsible for governing an insurance company, supervising decisions about underwriting, reinsurance, and reserves; supervising the selection of actuarial, consulting, and claim management services; supervising regulatory compliance; and appointing officers. Strong candidates will have significant experience in fields of expertise related to risk management, finance, audit, law, actuarial science, strategic planning, and regulatory compliance. They would govern the captive to serve the needs of Synod’s insureds while maintaining consistent financial stability, safeguarding the required independence to serve these aims. Experience understanding financial statements and evaluating cash flows in a risk management context will be vital.

The LCMS Office of the Secretary sent out a call for nominations on June 3, 2025, requesting response by July 11, 2025, and has compiled information on all nominees and/or incumbent nominees. The Personnel Committee, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of July 29, 2025, has presented the following slate to the board (pp. 338–41/877):

Laypersons, Ministers of religion—ordained, or Ministers of religion—commissioned:

- | | |
|--|---|
| 1. Preus, Christian A. – Grand Marais, Minn. (MNS) | 5. Wheeler, Ronald D. – Lee’s Summit, Mo. (MO) |
| 2. Aguillard, Kristiana – Richmond, Va. (SE) | 6. McCain, Philip J. – Winter Garden, Fla. (FG) |
| 3. Ewert, Mark H. – Brookfield, Wisc. (SW) | 7. Reddel, David – Ankeny, Iowa (IW) |
| 4. Holnagel, Rebecca – Okemos, Mich. (MI) | 8. Litchenfeld, Rich – Hickman, Neb. (NEB) |

The Personnel Committee noted the first four names are listed in order of preference; the second four are offered as alternates for consideration.

The board adopted the recommendation of the Personnel Committee. It was moved (p. 339) and adopted:

WHEREAS, The Board of Directors has in its meeting of August 29–30, 2025, selected the following four individuals for appointment to the board of directors of Concordia Risk Solutions (CRS, formerly referred to as the “Concordia Plan Services [CPS] Property and Casualty Insurance Captive):

Laypersons, Ministers of religion—ordained, or Ministers of religion—commissioned:

1. Preus, Christian A. – Grand Marais, Minn. (MNS)
2. Aguillard, Kristiana – Richmond, Va. (SE)
3. Ewert, Mark H. – Brookfield, Wisc. (SW)
4. Holnagel, Rebecca – Okemos, Mich. (MI)

and

WHEREAS, The following have been selected as alternates or for potential use on an advisory committee, if formed:

5. Wheeler, Ronald D. – Lee’s Summit, Mo. (MO)
6. McCain, Philip J. – Winter Garden, Fla. (FG)
7. Reddel, David – Ankeny, Iowa (IW)
8. Litchenfeld, Rich – Hickman, Neb. (NEB)

and

WHEREAS, CRS is in the final process of formation, leading to incorporation, which is to be effected by distinct incorporators identified by CPS; therefore be it

Resolved, That the aforementioned four individuals selected for appointment be appointed to serve terms as specified in the CRS Bylaws, to commence with the first meeting of the CRS board following incorporation.

(F) Concordia College—New York (CCNY) Allocation of Scholarship Funds Pursuant to Court Order

It was moved (pp. 389–90/877) and adopted:

WHEREAS, The Supreme Court of the State of New York, County of Westchester, issued a Supplemental Order dated January 27, 2025, (Court Order) see Exhibit A, in the matter of Concordia College (Index No. 60845/2022), directing the distribution of the College’s remaining net assets to The Lutheran Church—Missouri Synod (LCMS) for educational and charitable purposes; and

WHEREAS, Section A of the Court Order directed that \$500,000.00 of the net assets be distributed evenly among the eighty-seven (87) former full-time employees of Concordia College who were employed at the time of the closure announcement on January 28, 2021, and who did not participate in the related litigation, and this distribution has been duly carried out by LCMS in accordance with the Court’s directive; and

WHEREAS, Section B of the Court Order specifies that seventy-five percent (75%) of the remaining balance of the net assets—amounting to \$1,961,464.50—shall be used to provide scholarships to undergraduate students from within the geographic area of the East Coast districts of the LCMS who are attending colleges or universities; and

WHEREAS, Consistent with the terms of the Court Order, the remaining balance of \$653,821.50 from the net assets shall be deposited into the LCMS unrestricted account; and

WHEREAS, The Court Order further stipulates that the scholarships preference shall be given to students who are (i) first-generation college students, (ii) minorities or ethnically diverse, and/or (iii) economically disadvantaged; and

WHEREAS, The East Coast districts shall be defined as including the East-Southeast Region of the LCMS, and the English District and the SELC District churches located within the geographic area of the East-Southeast Region; therefore be it

Resolved, That the Concordia University System (CUS) Board of Directors shall be delegated the responsibility of determining scholarship eligibility and allocation, in collaboration with the Institution Advisory Council, through policies to be developed by CUS and approved by the Synod Board of Directors, to ensure that the funds as outlined in Section B of the Court Order, are distributed in accordance with the eligibility and geographic criteria; and be it further

Resolved, That the scholarship program shall be implemented in time for the Fall Semester of 2026, allowing sufficient time for the establishment of an endowment, managed by The Lutheran Church—Missouri Synod Foundation held in trust for LCMS, and to allow sufficient time for CUS to identify and outreach to eligible students; and be it further

Resolved, That this resolution shall be implemented in full compliance with the terms of the Court Order, and that CUS shall maintain appropriate records and oversight to ensure transparency and accountability in the administration of the scholarship program; and be it finally

Resolved, That all decisions regarding scholarship eligibility and allocation shall be subject to the approval of the Board of Directors, or its designee.

(G) Concordia Seminary, St. Louis, Master Plan Approval

The below resolution was moved (pp. 391–92/877). The board discussed whether the sale of property is the best approach to catching up the physical plant. First Vice-President Lange noted the new administration and entirely new board membership (since 2017) and that the current Seminary board is not responsible for previous accumulated disrepair and short-term viable construction of married family housing.

CFO Haak explained that the CSL endowment is by vast majority in the form of scholarship allowances, which goes into the operating budget; this can't simply be drawn down for use in capital projects. Discussion suggested a fuller examination of the financial options that the seminary *does appear to have* for financing the proposed capital projects.

It was moved **to postpone consideration** of the resolution pending further conversation with the seminary. The motion to postpone failed.

Thereupon, the motion **failed** of adoption:

WHEREAS, In its May 2025 meeting, the Board of Regents (“CSL Board”) resolved to move forward with the development of the westernmost acreage (approximately 25 acres) of the campus for single-family housing. This would necessarily require a fee simple transfer of the land. Planning and research by CSL and LCEF Real Estate Solutions indicate a development such as this would bring a significant amount of money. It is the stated intention of the 2017 Concordia Seminary Master Plan to leverage excess property to provide income to support the seminary in perpetuity. The proceeds from this sale would be invested and held intact in a manner similar to the existing Concordia Seminary permanent endowment. News of this plan has also generated interest from other qualified buyers for an outright purchase; and

WHEREAS, Although the seminary uses this property for seminary purposes, the administration and CSL Board believe it is possible and beneficial to move those activities east toward the Chapel of St. Timothy and St. Titus. That move will create better community for residential seminary education. In fact, construction of that replacement student housing is scheduled to commence in late 2025 or early 2026; and

WHEREAS, The deed to the Concordia Seminary campus is vested in the name of Concordia Seminary, but with a reversionary clause in favor of The Lutheran Church—Missouri Synod. Sale of

this property would require the Board of Directors of the LCMS (“LCMS Board”) to waive that reversionary clause. Leveraging this land will initially provide income to service debt and all other costs associated with this newly constructed housing, but general income to the seminary after that. The Seminary cannot negotiate in good faith with potential purchasers without an affirmative answer from the LCMS Board regarding this waiver, and

WHEREAS, The CSL Board previously presented its existing Master Plan approved by the CSL Board in January 2017 to the LCMS Board, and the LCMS Board conditionally approved such Master Plan at its May 2017 meeting, subject to the conditions that the CSL Board not proceed with any contracts regarding construction, real estate, land/equipment acquisition or similar activity relative to a project or aspect of the Master Plan without the following: (a) submitting to the LCMS Board a detailed plan for such project or aspect of the Master Plan at least six months prior to the anticipated start date for such project or aspect; and (b) obtaining the prior written approval of the LCMS Board of such project or aspect of the Master Plan; and

WHEREAS, The CSL Board has now amended such Master Plan so that, as a component part of such Master Plan, rather than entering into a long-term lease of the western acreage of the seminary campus, the CSL Board would propose to sell fee simple title to that land to one or more third party purchasers. This change is required because potential development of the land as single-family housing does not lend itself to a lease structure, but requires an outright sale, which will also maximize value versus a lease structure; and

WHEREAS, The CSL Board recognizes that this proposal would require action by the LCMS Board to (a) approve the proposed amendment of the Master Plan that contemplates sale instead of lease of the western acreage; (b) approve in principle the waiver of the reversionary clause required to complete such a sale; and (c) direct the CSL Board to present any proposed sale price and terms for final approval by the LCMS Board as a condition to closing; and

WHEREAS, In August 2025, the CSL Board did in fact, amend its Campus Master Plan (pp. 392–513/877) that was previously conditionally approved by the LCMS Board at the May 2017 meeting of the LCMS Board so that, rather than entering into a long-term lease of the western acreage of the seminary campus, the CSL Board would propose to sell fee simple title to that land to one or more third party purchasers; therefore be it

Resolved, That the LCMS Board of Directors approve such amendment to the Master Plan, and be it finally

Resolved, That if Concordia Seminary finds a purchaser or purchasers that satisfy the use and price the Seminary demands, the LCMS Board of Directors direct the CSL Board to submit the final price and terms of any such proposed sale to the LCMS Board for approval, and agree that if such approval is granted, the approval will include the LCMS Board waiving the reversionary interest with respect to the portion of the property that is sold.

(H) Mid-Term Appointments, China Evangelical Lutheran Church-Legal Corporation Board

It was moved (pp. 515–16/877) and adopted:

WHEREAS, The China Evangelical Lutheran Church-Legal Corporation (CELC-LC) is a non-profit corporation based in Taipei, Taiwan, Republic of China, with The Lutheran Church—Missouri Synod (LCMS) designated as the “donator”; and

WHEREAS, The Articles of Incorporation of the CELC-LC stipulate that:

- “The board of directors of the CELC-LC shall be organized by nine directors; three of them shall be elected from the members and other six shall be elected from the pastoral workers (including preacher, pastor, and teacher).The tenure of directors is three years without remuneration, and they shall be eligible for reelection except for the one obligated to the CELC-LC” (Article 7).

- “The directors shall be elected by the donator, LCMS, within two months before the expiration of the term of office of the existing directors. In the event that the number of vacancies in the board of directors equals to one third of the total number of directors due to any force majeure or special event, or due to any director’s resignation for any cause, the LCMS shall elect succeeding directors to fill the vacancies under the same term of office as the original directors” (Article 8).
- “The CELC-LC shall have three supervisors, including one executive supervisor, who shall be elected by LCMS with the tenure of three years and they shall be eligible for reelection upon expiration. Supervisors shall be present at board meetings” (Article 14-2); and

WHEREAS, The current directors’ and supervisors’ 3-year terms expire March 31, 2024, which requires the LCMS to elect individuals to serve the next 3-year term commencing April 1, 2024; and

<u>Directors</u>		<u>Supervisors</u>
Mr. Sam Borgwardt	Rev. Dr. Michael Paul	Rev. Carl Hanson
Rev. Charles Ferry	Rev. Kevin Robson	Mr. Curt Larson
Mr. Felix Loc	Mr. Blake Warren	Rev. Dr. Thomas Park
Rev. Dr. Szu Hao “Joseph” Lu	Rev. Matthew Wood	
Rev. Chi Hua “Andrew” Miao		

WHEREAS, Resignations of 3 directors have created a one-third vacancy on the board, triggering the requirement for mid-term appointments as detailed in Article 8; and

WHEREAS, All of the below-listed recommended replacement candidates to fill board positions have ecclesiastical connections to and/or are under the supervision of the LCMS President and/or the Chief Mission Officer:

<u>Resigned</u>	<u>Replacement</u>
Rev. Kevin Robson	Rev. Dr. Cory Rajek
Rev. Charles Ferry	Rev. Dr. Brian Gauthier
Mr. Sam Borgwardt	Mr. John Tape

Therefore be it

Resolved, That the Board of Directors elect the above-listed replacement directors to serve the remaining term ending April 1, 2027.

(I) Authorization to Purchase Real Property in Wittenberg, Germany

It was moved (pp. 518–19/877) and adopted, the President abstaining:

WHEREAS, The Lutheran Church—Missouri Synod (LCMS) has reviewed the proposed acquisition of the property located at 39 *Jüdenstrasse*, Wittenberg, Germany, currently known as the *Commerzbank* Building, and the subject as presented in the acquisition analysis and due diligence materials; and

WHEREAS, The property known as the *Commerzbank* Building comprises a total of approximately 14,495.62 square feet, but the portion being purchased includes only the *Commerzbank* office (7,575 sq. ft.) on Laden 1 and the Law Office (960.30 sq. ft.) on Buro 1, totaling approximately 8,536 sq. ft. and representing 59% ownership (collectively known as “The Property”), which includes existing lease agreements generating annual rental income of approximately €100,992; and

WHEREAS, Ownership of the portion of the *Commerzbank* Building currently held by ILSW is 22.3% (3,232 sq. ft), and with the purchase of The Property by The LCMS, there would be a combined ownership of ILSW and The LCMS totaling 81.19% (11,768 sq. ft) of the *Commerzbank* Building; and

WHEREAS, The purchase price and estimated closing costs have been deemed reasonable and consistent with strategic mission objectives; and

WHEREAS, The Board has determined that ownership of the property by LCMS as a U.S.-based for-profit entity, while subject to German income tax on rental income and appreciation, provides

greater flexibility, control, and financial benefit in future transactions than ownership through a German nonprofit entity; and

WHEREAS, The Board has reviewed the legal, financial, and operational implications of the acquisition in accordance with the Board of Directors Policy Manual, including §§ 1.2, 1.3, 1.6, 4.14.2, 5.3.5, and 6.3, and finds the transaction to be in alignment with the Synod's objectives and responsibilities; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod hereby authorize the purchase of The Property located at 39 *Jüdenstrasse*, Wittenberg, Germany, for the amount of €1,500,000, plus closing costs approximated to be €160,000, and delegates to the Chief Administrative Officer and Chief Financial Officer the authority to execute all necessary documents and take all actions required to complete the transaction; and be it further

Resolved, That the board affirm that LCMS shall hold title to the property directly, and acknowledges that rental income and any future appreciation shall be subject to applicable German taxation; and be it finally

Resolved, That the Chief Administrative Officer be directed, in coordination with the Chief Financial Officer, to ensure compliance with all reporting, legal, and financial obligations related to the acquisition, and to provide regular updates to the board on the status of the property and its financial status.

(J) Approval, Concordia University Wisconsin / Ann Arbor Campus Master Plan Amendment

The board entered executive session:

237X. Executive Session VII: Action Items

The board having returned from executive session, it is reported that it was moved and adopted, the President abstaining:

Resolved, that the Concordia University Wisconsin / Ann Arbor Campus Master Plan be adopted as presented.

238. International Center Refresh Studies

CFO Haak noted that in May LCEF was engaged to explore options and is working on finalizing its work. The ceiling has been repaired under the leaky skylight, after which the seal suffered hail damage; this has also been repaired. More facts on the further options will be presented at a future date.

239. Upcoming Meeting Schedule

Chairman Preus noted the possibility of a joint Council of Presidents (COP) / Board of Directors meeting before the convention was discussed with COP Chairman Hagan but no particular issues were identified and it was felt that the change of meeting dates would be inconvenient. No joint meeting is contemplated at present.

The board has discussed having a meeting in Irvine, possibly in November or February, but this has not yet materialized. The discussed the value of such a trip, a significant factor for some being whether the board could meet with the regents. Engagement with the district also could be of value. The President noted the affirming and reassuring value of regular COP meetings on campuses. Chairman Preus noted we are behind on planning such a trip for this year.

Chairman Preus suggested CAO Loc be asked to explore options and opportunities for February meeting in Irvine on or within a week of presently scheduled dates.

240. Chief Administrative Officer Review

The board entered executive session.

240X. Executive Session VIIIA: Chief Administrative Officer Review

241. Meeting Review

The board continued in executive session to review the meeting according to Board Policy 3.9.1.5.

241X. Executive Session VIIIB: Meeting Review

The board returned from executive session.

242. Adjournment

Having concluded its agenda, the board adjourned. Member Hoem closed with prayer and a benediction.

John W. Sias, *Secretary*