

**MINUTES  
BOARD OF DIRECTORS**

**Hilton St. Louis Airport, St. Louis  
February 8–9, 2024**

**51. Joint Meeting with the Council of Presidents**

The Board of Directors (BOD) joined the Council of Presidents (COP) for breakfast conversation, to review respective areas of work, to address questions raised by counterparts, and for the brief triennial joint business session as required by Bylaw 3.12.1. After a devotion by the Rev. Waldemar Vinovskis, President of the SELC District, based on Mark 1:29–39, the board and council briefly reviewed an analysis, previously distributed by the Secretary, of the Synod’s division into its five geographic regions, which showed no meaningful increase in the small disparity among the existing regions (pp. 438–41/462). The board and council, acting jointly, unanimously adopted the following:

WHEREAS, Bylaw 3.12.1 assigns to the Board of Directors and Council of Presidents, acting jointly, the responsibility to designate the five geographic regions that serve as the basis of regional representation (vice-presidents, members of the Boards for National and International Mission and five lay members of the Board of Directors); and

WHEREAS, Such designation shall take place 24 months prior to conventions of the Synod and shall “take into consideration geographical and number of congregations information in the interest of fair representation”; and

WHEREAS, The LCMS Department of Rosters and Statistics has, on the basis of SY2022 parochial report data, presented an analysis (attached, pp. 438–41/462) indicating that:

- the distribution of congregations across the regions remains stable, within reasonable limits;
- the number of communicant (and baptized) members in each region, while not a representation factor required by bylaw, runs counter to the small skew in congregation counts, suggesting that correcting the small skew in congregational counts (each region is within 1.4% of Synod totals of having 20% of Synod congregations) would result in a greater imbalance in per-communicant representation;
- there exists no apparent means of adjusting boundaries to more precisely even the number of congregations in each region, without partitioning a geographical district or districts or violating significant geographical considerations; and
- the Synod is well-accustomed to the regions as they exist, which were last adjusted in preparation for the 2013 convention.

and

WHEREAS, The recommendation of the LCMS Department of Rosters and Statistics and Office of the Secretary is that region designation not be adjusted at this time; therefore be it

*Resolved*, That the Board of Directors and Council of Presidents of The Lutheran Church—Missouri Synod, acting jointly, designate the five geographic regions used in determining regional representation for certain nominations and elections to remain unchanged for the 2026 convention of The Lutheran Church—Missouri Synod from those designated for the 2013–2023 conventions.

After the single business item, Missouri District President R. Lee Hagan, chairman of the Council of Presidents, and board chairman Christian Preus led a discussion of the bodies’ respective work.

Chairman Hagan explained that the Council focuses on study together of God’s Word and the Lutheran Confessions, is concerned with the availability of pastors to serve challenged congregations and rising rates of long-term vacancy. Recent topics have included best practices for support and encouragement of multi-point parishes and counseling of congregations facing the possibility of closure; April conversation with

seminary faculties will focus on work together to provide for service of all Synod's member congregations. Hagan also noted the council's intentional focus on meeting (in successive Novembers) on Concordia college campuses to build relationships. The council's trip to Concordia University Irvine was mutually very encouraging, and the council looks forward to meeting on the campus of Concordia University Chicago in November 2024.

Chairman Preus described the work of the board—in its dual roles, with respect to corporate Synod and to the broader Synod—treating property, business, and legal matters. The board's last 12–13 years have largely been largely reactive, spent addressing financial difficulties and significant problems that required the board's action. The board has been “outstanding,” before and after 2023 changes of office, its deliberations characterized by a variety of perspectives and healthy discussion, working generally toward consensus. Today, corporate Synod is—while not overflowing with resources—in a healthy financial condition. In this regard, Preus emphasized the importance of the unrestricted gifts that flow from congregations, through districts, to the Synod, with the greatest flexibility to do the work needed. The board is now at a point where it can regroup—concretely, in an upcoming retreat—and begin working in a more proactive, collaborative, communicative fashion. We are, Preus noted, enjoying an improving environment for working together in the Synod and will “hopefully do it well, to the benefit of our church body.”

Preus and Hagan treated a series of questions exchanged in advance. Hagan responded for the COP to questions from the BOD:

- What Synod's congregations will or could look like in 20 years: The council has identified needs not only for more pastors but for congregations to work together in multi-congregation parishes and for a realistic plan for church planting. Likely fewer, smaller parishes will be populated by stronger and more determined laity, embracing outreach, including to other language, cultural, and ethnic groups—for which we must prepare. Questions include how “multiple systemic factors” will be identified, and how the “lanes” of Synod (COP, BOD, Office of National Mission, etc.) will coordinate. The thought was shared, recalling the days when *Reisepredigern* were sent out on great journeys to small gatherings, the roots of many of our present congregations, that “small is not bad”; a “frontier attitude” toward sharing the Gospel has served in the past. The work of the ONM in “God's Mission Here” is positive and appreciated.
- Areas in which COP would like to collaborate with BOD: There is a desire for ongoing, purposeful, and more frequent communication. COP deliberations about Synod's likely future may benefit from inclusion of the Chief Financial Officer, for example, as a means of coordinating with the board.
- Main business or operational challenges districts face: Various district presidents, invited to respond, shared various items. Congregations' “self-care, self-governance, and self-administration” decline as their strength declines; assistance with “back office” functions will be helpful to them. Litigation dealing with congregations and involving districts and Synod seems to be on the rise. There is a need to hold on to key footprints through congregational transitions, places where ministry, if property is lost, could not be re-established easily. Pastors and congregations struggle to understand the role of the district—is it church and how does it facilitate collaboration?
- What districts are doing to address decline of available resources: Varied responses include: part-time district presidents, additions of advancement staff, stewardship education, lay-initiated consortia to support, for example, school ministry. Districts are trying to engage congregations that give but may feel underrepresented in governance positions. Districts are advocating for sacrificial, general giving as stewards in face of “competition” for donor-selected, specific giving among congregation, districts, and Synod.

From the BOD's perspective, in response to COP questions, Preus noted:

- Biggest opportunities for Synod and district BODs: Noting his related initial comments on being proactive, collaborative, and communicative, Preus added that the overall environment and attitude

in the Synod is improved. All are realizing at about the same time that long-term issues have to be addressed, and all seem to realize that work done together will be more effective.

- Biggest challenges for the Synod: Boards need financial discipline and to make hard decisions, in a collaborative fashion, to avoid falling back into a mode where options are limited and decisions are necessarily reactive. Funding is a challenge, with fixed costs not decreasing; “tough decisions” will need to be made as to how to go forward most effectively and efficiently. Communication with the broader Synod is important, including through “modern means,” to keep members of the Synod informed and engaged in governing all they’ve built together and confident of a way forward. Getting meeting highlights out to districts or even congregational leadership was suggested. A board member noted the Lutheran Entity Activity Development committee’s work to turn areas of friction with entities into areas for collaboration; perhaps COP members could profitably be included.
- Effectiveness and evaluation of how mission priorities are being carried out: Preus noted the board’s expectation of quarterly strategic reporting in this regard.
- What are the three top mission priorities districts should be engaging? Preus hesitated to answer for the districts but noted the three priorities highlighted in the COP’s report and suggested districts highlight also the educational priority. District presidents noted in response that many districts lack a full- or even part-time education executive.

After expressions of mutual appreciation by the chairmen for the format and content of the discussion, President Vinovskis closed with prayer.

## **52. Call to Order and Opening Prayer**

The board having concluded its joint meeting with the Council of Presidents, Chairman Preus called the meeting of the Board of Directors to order with all members except for Leo Mackay and Roger Gallup present (Jesse Yow, by internet conference). Also in attendance were Chief Administrative Officer (CAO) Felix Loc, Chief Financial Officer (CFO) Nathan Haak, Chief Mission Officer (CMO) Kevin Robson, and Matt Buesching (and, on Friday, Krissa Lubben) of Thompson Coburn, the Synod’s general counsel. On Friday, Pastor Hoem offered a devotion based on Mark 1:14–20.

## **53. Adoption of Agenda and Consent Agenda**

Chairman Preus introduced the meeting agenda (p. 10–11/462) and consent agenda (pp. 13–14/462). 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:

- Officer and related Strategic Reports
  - Office of the President, Church Relations, and First Vice-President
  - Secretary, Rosters, CCM, COH, and Conflict Resolution
    - Council of Presidents
  - Chief Administrative & Chief Financial Officers
    - Board of Directors
    - Legal, Risk Management, External Audit
    - Accounting
    - Human Resources
    - 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 11/17/2023 and 12/18/2023 Board of Directors Minutes
  - Approval of correction to 5/18/2023 Board of Directors Minutes

and be it further

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

#### **54. President's Report**

Chairman Preus called upon President Harrison to extend upon his written report (pp. 35–42/462). The President noted:

- The BOD/COP joint meeting was “fantastic,” a “groundbreaking turn in the future of the Synod,” well prepared for and executed. The moment is right for improved relationships to bear fruit in collaboration.
- A survey of employees revealed a need to work on employee satisfaction, clarity of message, and leadership interaction with staff; issues are being addressed. Budget stringency, albeit very responsible, has left employees concerned. The great position we are in should be leveraged to bring about an even better future; at the same time, we are also in a position to do “get serious good stuff done.” Harrison noted a \$10M bequest and the Bolick Foundation as good gifts that “keep on coming.” He also noted appreciatively a retreat organized by CFO Haak, in which executives and officers worked on defining the mission of corporate Synod and organizing a clear strategic direction that can be shared with staff.
- Dan Galchutt, executive director, is a “serious asset” in the Office of National Mission, as are as the office’s blossoming church planting effort and school ministry.
- Work continues on entity alignment, especially with LCEF and LCMS Foundation.
- Cory Rajek is a fine new executive director for the Office of International Mission. Church Relations work is also blossoming with positive interactions with partners—the result of much hard work by the two staff.

- We have many challenges but also many great blessings.

The President shared from Paul Robinson's translation (in *Church and Sacraments*, ed. Hillebrand, vol. 3, *The Annotated Luther*, Minneapolis: Fortress Press, 2016) of Luther's 1525 work, *On the Councils and the Church*, referred to in the Formula of Concord. *On the Councils* relates to a proposed council in Mantua, which Luther saw as not a genuine attempt by the papacy, and the Smalcald Articles. Luther extrapolated in one part of this document from the Augsburg Confession's marks of the Church.

First among the more than seven signs is the possession of the Word of God (in various degrees of purity—1 Cor 3—a distinction the LCMS recognizes and confesses), the “principal item” and “holiest relic” of the Church, sanctifying the people of God, the power of salvation. This, Harrison asked, is the fundamental test of our ministries: does the Word of God have free sway in preaching, in our schools, etc.? Where the Word is, there the “Christian holy people” are, even if few in number. Church planting and revitalization have this basis. We must above all facilitate the absolutely clear proclamation of God's free grace in the blood of Christ, in Baptism, Communion, Absolution, and mutual conversation and consolation of the brethren.

As our Synod looks to plant churches, Harrison noted as “informative” that the Evangelical Lutheran Mission Diocese of Finland, a partner church of the Synod, has used this passage as their fundamental description of what a church is and has gone from one congregation to 42 in recent years. He also noted increased enrollments this academic year in church work at each university and seminary of the Synod.

A board member's question related to the request for Bolick Foundation funds and its interaction with the FY25 budget; Harrison noted the request will be in light of corporate Synod's budget needs and will likely be in some part, but not wholly, for unrestricted funds. Church planting and church relations are likely continuing foci. A response on the request is not likely before budget adoption; however, coordination of the response with budgetary planning may be a manageable working arrangement.

Harrison closed that “we are blessed beyond belief.”

## **55. Chief Mission Officer's Report**

Chief Mission Officer (CMO) Kevin Robson extended upon his written report (pp. 86–92/462), noting reformatting and highlights in the various areas related to or under his supervision:

- **Boards for International and National Mission (BIM and BNM)**: Both boards met last week with positive conversations. Both thirst for a stronger interaction with the Board of Directors, which may take one of several possible forms, especially as regards operational planning and budgeting. The convention has assigned BIM challenging tasks, including, in collaboration with COP, review of the handling of international congregations related to (but not currently members of) the Synod and improvement of ecclesiastical supervision of foreign missionaries.
- **Office of International Mission (OIM)**: Cory Rajek has accepted a call as executive and is “off to a rip-roaring start,” though in transition between Riga, Latvia, and St. Louis until the start of June. A new regional director is being sought for Eurasia. Blake Warren has been promoted to managing director of global business operations. With the retirement of James Krikava looming, a new managing director of regional operations will soon be sought. The European Union has, after four years of hard OIM labor, in cooperation with the Latvian church partner and LCMS seminaries, accredited for six years the B.Th. (English) program at Riga. The quality of the program was richly praised by the accreditors.
- **Office of National Mission (ONM)**: Executive Director Dan Galchutt is making outstanding progress with the districts, especially in church planting, schools, and life ministry, despite a staff with key vacancies in youth, church planting, and all nations.
- **Office of Pastoral Education (PED) and Pastoral Formation Committee (PFC)**: *Set Apart to Serve* remains very active. Expectations are for a tapering down in budgetary expenditures. The related curriculum is developed and being deployed with help from CPH and LCEF. The stage is set for the desired cultural shift in our congregations and schools. 2023 Res. 6-03A has given significant

research assignments to the PFC, especially with respect to residential and non-residential routes to ordination. A work plan is under development, funded by a Schwan grant and involving many collaborators.

- **Mission Advancement (MADV):** The unit is considering an increase in staffing in preparation for the FY25 budget proposal along the lines of the recent Langley evaluation, with substantiating data being worked on in collaboration with CFO Haak. Robson noted the development of donors from small, regular giving to significant estate gifts as underscoring the value of outstanding care of donors. LCMS Foundation has been receptive to discussions about an “integrated team” approach to donors with MADV. Board members discussed with Robson “donor competition” among Synod entities and potential misalignment of donor engagement philosophies, including the addition of district advancement staff in various districts—an opportunity for coordination and perhaps even formal relationships with MADV.
- **Communications (COMMS):** Intensive work with contractor Verndale on replacement of the Synod’s outdated digital platform has started very well, with a new Synod website to be rolled out in first form in October–November 2024. The project’s “discovery phase” was initiated in mid-January, with a careful assessment of needs. Robson, Communications Executive Director Behr, and other staff have been impressed with the consultants’ approach, technical capacity, and observations.

Strategic plans have been completed for ONM and OIM, reviewed and endorsed by the mission boards. Strategic plans for the other three units under CMO supervision are being re-envisioned in the same six-page format, to be incorporated in one document for use in various forms with the broader Synod and with donors. This will be shared with the board as part of the budget process.

The President noted the possibility of development of a collaborative approach, with districts and entities, to building structures and efforts to benefit unrestricted giving to districts and to Synod “in a remarkable fashion.” Resources, he noted, are available and fund development should be supported, consistent with demonstrated results.

## **56. Financial Report and Giving Trends**

Chief Financial Officer (CFO) Nathan Haak opened with a “primer” on non-profit accounting terms used by corporate Synod (including assets, revenue and expense, restriction and designation), previously shared with executive staff (p. 1/23, CFO supplement). He then extended his written report (pp. 61–85, 116–19/462), reporting on finances and giving trends (pp. 64–74/462) for the first half (ending Dec. 31, 2023) of the 2023–24 fiscal year (FY24):

- Comparing to *twelve months* ago, net assets of \$154.8 million (M) have increased \$19.0M, including a \$7.6M increase in investment balances, despite \$6M in redemptions in the period, and an increase in cash of \$10.3M. In other terms, unrestricted net assets have increased by \$9M principally as a result of a \$5M LCMS Holdings dividend, a \$1M KFUE tower payment, and \$5M mark-to-market; temporarily restricted funds have increased \$3M and permanently restricted by \$6M (including a \$3.5M gift to the “Together as Synod” endowment). Synod’s financial position is “strong” and “with more improvement yet to come.” The budget’s unrestricted side is functioning essentially on plan.
- Support for the first half of FY24 is down 5% versus the same period in FY23, driven by a \$2.4M decline in restricted gifts; unrestricted gifts are, however, increased by \$300 thousand (k) and unrestricted bequests, increased by \$240k.
- Investment and trust revenues of \$2.3M are up 157% over last year, driven by high cash interest rates (unrestricted interest is up 150% at \$1.12M vs. \$466k last year), forecast to last through most of FY24. The category is likely to finish at least \$600k above budget, excluding year-end capital gains distributions.

- The December balance sheet is in “good shape,” with the \$10 million (M) decline in net assets since June 30 driven largely by the receipt and expenditure of district pledges (\$6.2M) and mark-to-market on Foundation assets (\$2.7M), booked behind a quarter, the market value of which has already largely recovered.
- Excluding the negative investment mark-to-market, unrestricted net assets would be positive \$396k year-to-date, more than \$1M favorable compared to last year.
- LCMS Financial and Accounting Services has brought close timelines back on track; a process review is scheduled to begin in mid-February and advanced reporting efforts are delivering small wins and targeting larger opportunities.

Haak noted on the “upside down P&L” (p. 4/23) the impact of CAO transition and insurance payments and other areas spending ahead of budget; on the positive side, district receipts are ahead of both prior year and budget. Year-to-date net asset releases of \$22.3M are up from \$19.9M in FY23, reflecting expenditure of funds available and applicable; expenses covered by unrestricted funds are down relative to the prior year at \$11.6M; increased district receipts and unrestricted revenues have resulted in a lower operating deficit this year than last, \$782k relative to \$1.7M. (Operating surplus/deficit excludes interest and dividend income, market gain/loss, one-time items, and Youth Gathering and convention surplus/deficit.)

Haak shared a “giving heat map” of the top 20 “buckets” in which gifts are received, indicating change relative to previous years (p. 5/23). Over half of giving is made up of district pledge receipts and network-supported missionaries, flat against 4-year averages; unrestricted gifts are presently the third-largest bucket, up 5% from its 4-year average. Remaining buckets have mixed trends, generally downward. Using a “bridge” (p. 6/23) between restricted gifts for the first halves of FY23 (\$18.7M) and FY24 (\$16.2M), Haak explained that some of the declines in restricted giving are for natural reasons and therefore not as concerning as might at first appear.

Haak presented on “risk” remaining in the second half of the FY24 revenue budget (pp. 7–9/23):

- The second-half restricted giving budget is exposed to approximately \$2M in risk, which may be offset by expected receipts in the second half. Total restricted revenue budget (including bequests and grants), again expecting second-half receipts, shows minimal risk.
- With regard to bequests, Haak noted that large bequests received in the first half and/or expected in the second half will put FY2024 significantly above projections, in the \$15–20M range. Essentially “unbudgetable” bequests, some significant ones of which are unrestricted or restricted to ready expenditure, along with LCMS Holdings dividends, are items Haak advised the board to discuss, in the hope of its taking an approach that provides long-term, perhaps in perpetuity, for the work of the Synod (in the case of bequests, carrying on in the stead of the decedent’s former direct giving).
- District pledges are expected to come in at or ahead of projections. Unrestricted gifts are slightly ahead of pace with little concern for finishing the year. Unrestricted bequests and other revenues are well ahead of pace.
- The concern is not finishing the year in the black but making best long-term use of an above-average year.

Financial metrics are strong, with a current ratio of 5.0, a program spending ratio of 79.8%, and 482 days of cash on hand (including investments; 175, excluding them); headcount is at 184. In investments, Haak noted a drawdown in principal, reflecting a retrieval of cash reserves due to “derisking” in a market recovery. This has been largely offset, in terms of invested balances, by market gains. In response to a question, Haak noted the audit committee’s development of a resolution to adopt formal investment policies; investment has been done to date by the CFO in discussion with the Finance and Audit Committee.

## **57. Fiscal Year 2024–25 (FY25) Preliminary Budget**

Chief Financial Officer (CFO) Nathan Haak presented a conceptual framework previewing development of the FY25 operating and capital budgets. He hopes for a “shift to a proactive, opportunity-driven approach” (p. 13/23), noting constraints on the presently available \$108.2M in unrestricted and temporarily restricted assets, \$89.6M of which are cash or investments (\$55.1M of which is purpose restricted and \$34.6M, not). Programs are well-funded today from temporarily restricted assets. The unrestricted portion of available assets, after various identified obligations and reserves, is reduced to about \$7.6M in “current flexibility.” Haak outlined expected sources of additional “flexibility” by the end of FY24 and in the next several years. With care, the board can use the accumulation of these items to prepare for a proactive approach to providing for ministry and its support rather than using them as received to expand present operations.

CFO Haak explained a two-day retreat held by his office for executive directors and then officers and executive staff to “identify key themes and strategies for the next 3–5 years that will inform corporate Synod’s FY25 budget.” In this regard, he noted the importance of “connections” in the discussions, internal, to donors, to congregational and district governance, to the world, to our data, to the entities. Competing priorities and needs will have to be balanced within constraints. There are proposed opportunities on several fronts: advancement funding, board investments, multi-year “budget surety” opportunities, and potential for quasi-endowment. Haak is “optimistic” about unrestricted revenues, with interest and investment income likely to hold at least through year-end and into the next. District pledges appear flat, with some key increases, though pledges from several large districts are outstanding. There is a proposal to “secure” bequest funding for use over the next few years. There is a need to unpack current-year unrestricted gifts but activity is strong so far. Inflation has abated and should not be as significant as feared.

Haak presented 2010 and 2018–23 data and 2024–29 projections for unrestricted revenue (p. 16/23), roughly estimated to be up 7% for FY25 at \$23.9M, largely benefiting from increased interest and investment income. (This excludes \$5M in anticipated LCMS Holdings dividends and any unrestricted Bolick funds received.) He also presented historical unrestricted revenue v. expense for 2010 and 2018–24 (actual; budget for FY24). The FY24 budget is balanced through use of board designated funds, as was FY23. Excluding one-time items (which have been frequent) budgets have tended toward slight losses; these items, though, have added \$40M to the balance sheet through this period. The expense budget is heavily dependent on restricted income matching planned expenditure.

Haak estimates, based on total compensation inflation at 3.5%, addition of \$1.2M to the budget (excluding NSMs). Benefit inflation will be moderate with a lower-than-budgeted increase in health and dental plans for calendar year 2024. Compensation is 55% of the total budget.

Significant items coming out, including officer overlap (budgeted for potential convention changes that did not materialize) and an unfilled risk management position, may significantly mitigate inflation. Noteworthy items in the non-personnel side include the budget for CUS subsidy, legal costs, and significant investments in the digital platform and Mission Advancement.

The President complemented CFO Haak’s exceptional preparation for the FY25 budget. He expressed a desire to use the “best financial condition the Synod has ever been in” to balance significant investments in expanding key areas of current work with the building of resources for future support.

The board discussed the likely number of, data support for, and timeline for mid-level and major gifts (and other supporting position) additions to the Mission Advancement activity, currently under discussion by MADV, the CMO, and CFO. Three advocate positions and one other are already posted, under the FY24 budget. Finding the right staff takes time.

There was a suggestion of providing district presidents with a summary of budget projections and needs, for sharing with their districts.



## **58. Finance and Audit Committee**

In the absence of Finance and Audit Committee Chairman Mackay, CFO Haak reported on the Wednesday afternoon meeting of the committee. The committee proposed three action items for immediate action:

### **(A) Letter of Support for Concordia University System**

The committee recommended that the board instruct CFO Haak to issue the customary letter of intent to continue support of the Concordia University System, this being a part of the entity's audit process.

This was moved and adopted.

### **(B) Approval of Final Consolidated Financial Statements for FY23**

The committee reviewed *de minimis* changes to the consolidated Synod financial statements for FY23, these having awaited results from Hong Kong auditors. The committee recommended that the board accept the final audited consolidated Synod financial statements for the year ended June 30, 2023, as presented to the Audit Committee (these to be attached to the protocol version of the minutes).

This was moved and adopted.

### **(C) Appointment of External Auditor for FY24, FY25, and FY26**

Management and committee are very pleased with the continued relationship with external auditor Armanino following the recent Brown Smith Wallace merger into that firm. The merger has expanded capacities while maintaining strong and valuable working relationships. Armanino gave the committee a proposal for three years of service with staged annual increases of 7.4, 3.6, and 3.3%. Reliance on internal auditors has decreased, reflecting increased work that explains a more significant first-year increase; the increases are reasonable within the industry. The committee recommended the board re-engage Armanino for a three-year term as Synod's external auditor for FY24, FY25, and FY26.

This was moved and adopted.

## **Reporting Items**

In other work, the committee reviewed the FY25 audit plan, with a newly composed committee taking a healthy evaluation of internal audit staffing and other procedures. This would support existing audits of districts (presently 14, with 2 more exploring the service and potential to expanding to others) and other agencies. Committee member Stathakis explained the committee's approach, in approximately a 10-week study, to evaluating organizational structure, technology, and process. A need-based analysis will be presented to the board.

Bylaws mandate that all districts and other agencies be audited annually, with CFO Haak and LCMS Financial and Accounting Services assembling and reviewing these. One district, Southern Illinois, is having trouble finding an auditor to take the business (in at least two of the last five years). This may be a harbinger of things to come with accounting professions severely staff-challenged, especially in smaller firms. The district requested an exception, which the committee did not find itself empowered to offer. Internal Audit has drafted a proposal to conduct the required audits, which the committee has directed to be sent.

## **Investment Policies**

CFO Haak outlined a new investment management policy (as required by Board Policy 3.13.3.1 [b]) proposed by the committee, including aspects for endowment and non-endowment investments and delineating target returns, oversight, and reporting requirements. Haak explained the risk to unrestricted net assets of exposure to losses in invested purpose-restricted funds. CFO Haak has been "derisking" investments to manage this risk as markets have recovered in the past year. The proposed policy limits investment of purpose restricted funds to a level equivalent to 25% of unrestricted net assets, limiting downside potential in a plausible negative market event. As to investment targets, CFO Haak is aligning

targets with benchmark groups used by the Concordia Retirement Plan, Foundation, and Concordia Publishing House, with ranges and targets for domestic and international equities, fixed income, and other investments.

The policy will be shared with the board in writing and acted upon during action items.

### **59. Concordia Plans**

James Sanft, President and CEO, and Kevin Herweck, Vice-President and Chief Product Officer, of Concordia Plan Services (CPS), joined the board for a presentation on management of the Concordia Plans (CP) by the CP Board of Trustees / CPS Board of Directors.

The board entered executive session.

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### **59X. Executive Session IA: Concordia Plans**

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### **60. International Center Discussion**

The board continued in executive session with its previous guests excused.

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### **60X. Executive Session IB: International Center Discussion**

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### **61. Personnel Committee Report**

The board having returned from executive session, Personnel Committee Chairman Jan Lohmeyer extended on the written report of his committee (pp. 159–61/462), detailing principally its meeting of January 9, noting:

- The committee reviewed material and made recommendations related to four appointment processes:
  - For the vacancy appointment to the Board for International Mission (pp. 1–56/514 in the board’s appointment book), the committee recommends (in order, as with all that follow): Powers, Hopkins, or Meyer.
  - For the vacancy appointment to the Board for National Mission (pp. 57–160/514), the committee recommends Schaaf, Schuermann, DeBlieck, or Cody.
  - For the vacancy appointment to the LCMS Foundation Board of Trustees (pp. 161–278/514), the committee recommends Riordan, Hartwig, Slater, or Boster.
  - For five regular appointments as LCMS Foundation members-at-large and one alternate (pp. 279–411/513), the committee recommends: Eickhoff, Murray, Herman, Paavola, Fliehman, and Herman.
- The committee reviewed nominations for appointment to the Board of Directors, to add finance expertise (pp. 412–513/513). While offering preliminary recommendations, the committee noted its suggestions: to continue considering whether such an appointment should be made, to continue to receive additional nominations, and for the board’s Governance Committee to clarify its appointment processes before finalizing an appointment.
- The committee reviewed a proposed policy on background checks for new Concordia Plans Board of Trustees / Concordia Plan Services Board of Directors appointees, previously referred by the Governance Committee. This was returned to the Governance Committee for implementation of

appropriate policy, with the thought that the Personnel Committee would evaluate any concerns with background check returns.

It was moved and adopted:

*Resolved*, That action on appointment of an additional board member to obtain finance skill be delayed until the board's May meeting and that additional nominations be accepted until that time.

Lohmeyer introduced LCMS Human Resources Executive Director Nathan Thomas to report, as he had to the committee, on the department's proposal to adjust salary ranges by 2.4%, effective March 1, and to give below-minimum increases to employees falling below the range (three employees for a total of \$4,000). He also recommended annual authorization of presidential allowances and Praesidium honoraria. Both were treated under action items.

Lohmeyer introduced another item, that being the committee's recommendation that the board support CAO Felix Loc's application for a Master of Business Administration program, also later treated under action items.

## **62. Governance Committee Report**

Committee Vice-Chairman Andrew Grams, Chairman Jesse Yow being present electronically, noted the evaluation of proposals and interviews for legal representation, to be handled in a later agenda item.

Grams noted (pp. 120–22/462) a draft of changes and proposed work areas prepared by the Secretary in response to bylaw changes made by the 2023 Synod convention and to a review (Op. 22-3002) of the board's policies by the Commission on Constitutional Matters. Those changes that could be addressed without further consideration were grouped in "Exhibit A" (pp. 123–39 and 282–98/462), with areas requiring more focused work grouped in "Exhibit B" (pp. 140–49/462) and those able to be consigned to the committee's regular, periodic review or to be treated as related projects progress grouped in "Exhibit C" (pp. 149–58/462). The governance committee recommended adoption of "Exhibit A" changes and shared with the board the scope of work included in the other two exhibits, to be treated in upcoming Governance Committee agendas.

The committee also continues to review policies and potential staffing related to Synod's insurance program. Noted was a strong desire by CPS to provide what service corporate Synod needs; a memorandum of understanding would need to be developed to clarify this relationship going forward. The alternative would be restoring in-house risk management. CAO Loc continues to evaluate these options and will report on options to the next committee meeting.

The committee, finally, considered dates for a board retreat, settling on the two full days (Wednesday and Thursday, Aug. 14–15) immediately preceding the already-scheduled August 16–17 board meeting. Details, including location and final agenda, will be shared by the board when finalized, hopefully in May.

The chairman expressed appreciation to the Governance Committee as it addresses many substantive issues.

## **63. Chief Financial Officer Review**

The board entered executive session.

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## **63X. Executive Session IC: Chief Financial Officer Review**

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## **64. Chief Mission Officer Reappointment**

The board continued in executive session.

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## **64X. Executive Session ID: Chief Mission Officer Reappointment**

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The board left executive session for the related action item:

### **Reappointment of the Chief Mission Officer**

Rev. Kevin Robson began his term as Chief Mission Officer on April 6, 2015. Bylaw 3.4.3 states the Chief Mission Officer shall be responsible to the President of the Synod for the mission, ministry, and any programmatic and coordinative functions which are implemented according to the policies adopted by the Board for National Mission and the Board for International Mission. Bylaw 3.4.3.2 states that the Chief Mission Officer shall be an officer of the Synod and shall be appointed and subsequently reappointed by the President of the Synod following consultation with the Board for National Mission and the Board for International Mission and with the mutual concurrence of the Board of Directors.

To fulfill the reappointment requirements, the Office of the President worked with the Department of Human Resources. Upon request, Rev. Robson provided a triennial summary which included notable accomplishments, unmet objectives/challenges, and key visions and strategies for the next triennium. President Harrison also met with the Boards for International and National Mission and fulfilled the consultation requirement.

It was moved and adopted (p. 317/462):

WHEREAS, President Harrison has assessed the performance of Kevin Robson, Chief Mission Officer and has determined he is successfully accomplishing the objectives of the position; and

WHEREAS, President Harrison has consulted with the Boards for International and National Mission; and

WHEREAS, President Harrison has shared his recommendation to re-appoint Rev. Kevin Robson to another three-year term of office and has requested the concurrence of the Synod Board of Directors; therefore be it

*Resolved*, That The Lutheran Church—Missouri Synod Board of Directors concur in the president's reappointment of Rev. Kevin Robson to a three-year term as Chief Mission Officer, effective April 6, 2024.

Upon reappointment and the chairman's expression of appreciation for his service, CMO Robson noted his service in this capacity "as the greatest honor of his working vocation."

## **65. Concordia University System Update**

CAO Felix Loc, CFO Nathan Haak, Secretary Sias, and Chairman Preus updated the board on Concordia University System (CUS) developments since the 2023 Synod convention and significant changes made by it to the structure and function of the synodwide corporate entity (pp. 444–45/462). Topics included:

- Training of Synod University Boards of Regents (Item 22 [f], minutes of Sept. 14–15, 2023): LCEF will underwrite the cost of regent training in an in-person training in the International Center. Four of five boards have replied to an inquiry as to date, this likely to be June 18–19, 2024. BOD and CUS responsibilities for training, as described in Bylaw 3.10.6.2.2, will be carried out. Boards may stay an additional day, if they like, to conduct their own meetings. The training or like components will be recorded and placed in the Synod's learning management system for ongoing training of regents appointed through the triennium. Coordination continues with the Concordia University System. Chairman Preus noted the mandatory nature of the training under bylaws adopted by the 2023 Synod convention. LCEF's help in underwriting the training has alleviated an unbudgeted impact on

universities; in future triennia, the training would likely be planned for Septembers following Synod conventions and could be anticipated.

- Agreements with universities regarding the name *Concordia*: CAO Loc and legal counsel have developed draft agreements for use with the universities in general and in the special case of Concordia University Chicago, which has secured some rights to the name. Work is underway to make arrangements with Chicago and then the other universities.
- CUS Universities' governing documents (Item 44 [b], minutes of Nov. 17–18, 2023): Secretary Sias updated the board on the review of documents by the Commission on Constitutional Matters (CCM) and Board of Directors under 2023 Res. 7-04B. This is underway, with a comprehensive guiding document being composed, documents being submitted in response to the request for information, and the CCM meeting in March to undertake the process in earnest.
- Board of Directors input regarding the appointment of members by a board of regents (Bylaw 3.10.6.2 [3] (b), adopted in Res. 7-05A): CAO Loc and Chairman Preus noted that the board has given standing guidance to the universities and has the option to provide specific guidance in a given round of appointment. Two boards of regents have gone beyond bylaw requirements to solicit specific nominations from the members of the Board of Directors. This is welcomed and it is suggested that any desire for specific skill sets be communicated with such requests.
- Search for new CUS President: CAO Loc noted this is underway and solicited nominations from the members of the board, to be submitted to the CUS Board of Directors
- CUS Future Reporting: The CUS board requested input on the information the Board of Directors desires to see in CUS reporting. Board members expressed interest in an outline of how CUS is planning to execute on its new responsibilities under 2023 Bylaws. Much CUS board activity, including the development of an extensive triennial plan, was noted in this regard. President Harrison suggested, with board agreement, that CUS Chairman Braden be invited to report to the board's May meeting and perhaps beyond.
- To Explore Establishing a Synod Fund to Assist in Funding Synod Universities (Item 22 [g], minutes of Sept. 14–15, 2023): The board previously instructed the Chief Financial Officer (CFO) and Chief Administrative Officer (CAO), in consultation with others as might be helpful, to explore options and report to the board on the possibility of establishing a Synod fund 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. CFO Haak, noting the discussion at the previous board's meeting, which has not yet become more concrete, suggested he might work with Mark Hofman, CMO Robson, and President Harrison, to present a potential approach as early as the board's May meeting. CAO Loc noted that CUS is intending to undertake its own fundraising and desires to be part of this conversation; suggested was coordination with corporate Synod efforts. Chairman Preus suggested CFO Haak act as proposed to evaluate potential plans, noting that this may, given budget preparations, take longer than May.
- Resolution regarding Bylaw 3.3.4.10.1 (Item 22 [h], minutes of Sept. 14–15, 2023): CFO Haak has work underway but with nothing new to report at this time.

## **66. Concordia University Wisconsin / Ann Arbor**

The board entered executive session.

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## **66X. Executive Session IIA: Concordia University Wisconsin / Ann Arbor**

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**67. Hong Kong International School**

The board continued in executive session.

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**67X. Executive Session IIB: Hong Kong International School**

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The board left executive session to end its Thursday session.

**68. Concordia University Texas**

The board, returning for its Friday session, after a devotion led by Rev. Hoem, entered executive session.

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**68X. Executive Session IIIA: Concordia University Texas**

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**69. Concordia International School—Shanghai**

The board continued in executive session.

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**69X. Executive Session IIIB: Concordia International School—Shanghai**

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**70. Minutes Review**

The board continued in executive session.

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**70X. Executive Session IIIC: Minutes Review**

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**71. Legal Report**

The board continued in executive session.

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**71X. Executive Session IIID: Legal Report**

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**72. Update on Request for Proposals for Legal Representation**

The board continued in executive session.

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**72X. Executive Session IIIE: Update on Request for Proposals for Legal Representation**

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The board left executive session.

**73. Action Items**

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

(A) Vacancy Appointment, Board for International Mission, Great Lakes Region, Layperson

The Office of the Secretary was notified on September 12, 2023, that Mr. K. Allan Voss, a layperson representing the Great Lakes Region on the Synod's Board for International Mission having been elected by the 2019 Synod convention for the 2019–26 term, resigned his membership on the board due to his election to the Board of Directors. Vacancies that occur on elected boards or commissions of the Synod must be filled in the manner prescribed by Synod Bylaws 3.2.5 and, with respect to regional positions, 3.12.2.8 (2023 *Handbook*, pp. 112, 188–89). The board's process is further elaborated in its Policy 4.5.3.

It is necessary for the Board of Directors to make an appointment to fill this vacancy position as follows (pp. 268–69/462):

**Board for International Mission  
one (1) layperson representing the Great Lakes Region  
for the remainder of the 2019–26 term (less than one-half term)**

The Office of the Secretary sent out a call for nominations on September 18, 2023, requesting responses by November 10, 2023, and, assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention (pp. 1–56/514 in the board's appointment book). 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.

The Standing Committee on Nominations, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, and having been charged to select a slate of no fewer than three and no more than five candidates, on December 20, 2023, presented the following slate to the board:

<b>Candidates</b> <b>(three to five selected by the Standing Committee on Nominations)</b>
*Hopkins, Michael R. — Aurora, Ill. (NI) Meyer, David R. — Ixonia, Wisc. (SW) Powers, John L. — Whitefish Bay, Wisc. (SW)
<b>Non-Candidate Consenting Nominees</b>
Bone, Kelly L. — Pinckney, Mich. (MI) Quitmeyer, Fritz — Northville, Mich. (MI)
<i>* from the 2019 Convention Slate of Candidates</i>

Having heard the recommendation of its Personnel Committee, the board selected for appointment in a single electronic ballot:

John L. Powers — Whitefish Bay, Wisc. (SW)

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

(B) Vacancy Appointment, Board for National Mission, Central Region, Individual Member

The Office of the Secretary has been notified of the resignation, effective August 23, 2023, of the Rev. Sawyer A. Meyers, an individual member of the Synod representing the Central Region on the Synod's Board for National Mission, having been appointed to a vacancy for a 2019–26 term. Vacancies that occur on elected boards or commissions of the Synod must be filled in the manner prescribed by Synod Bylaws 3.2.5 and, with respect to regional positions, 3.12.2.8 (2023 *Handbook*, pp. 112, 188–89). The board's process is further elaborated in its Policy 4.5.3.

It is necessary for the Board of Directors to make an appointment to fill this vacancy position as follows (pp. 270–71/462):

**Board for National Mission**  
**one (1) individual member (ordained or commissioned) representing the Central Region**  
**for the remainder of the 2019–26 term (less than one-half term)**

The Office of the Secretary sent out a call for nominations on September 18, 2023, requesting response by November 10, 2023, and, assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention (pp. 57–160/514). 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.

The Standing Committee on Nominations, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, and having been charged to select a slate of no fewer than three and no more than five candidates, on December 20, 2023, presented the following slate to the board:

<b>Candidates</b> (three to five selected by the Standing Committee on Nominations)
Cody, Richard S. — St. Joseph, Mo. (MO) DeBlieck, Jared S. — Lafayette, Ind. (IN) Schaaf, Kent R. — Little Rock, Ark. (MDS) Schuermann, Michael P. — Champaign, Ill. (CI)
<b>Non-Candidate Consenting Nominees</b>
Fitzner, Timothy J. — Bloomington, Ill. (CI) Ross, Daniel C. — Yukon, Okla. (OK) Stoeber, Bethany H. — Hepler, Kans. (KS) Welmer, Donald M. — Chattanooga, Tenn. (MDS) Wilson, William G. — St. Louis, Mo. (MO)
<b>Declined</b>
Janneke, Kory A. — Conway, Ark. (MDS) Johnson, Bethany M. — Topeka, Kans. (KS) Karsten, Wilfred L. — Moline, Ill. (CI)
<b>No Response</b>
*Leiste, Robert A. — Lawrence, Kans. (KS)
<i>* from the 2019 Convention Slate of Candidates</i>

Having heard the recommendation of its Personnel Committee, the board selected for appointment in a single electronic ballot:

Kent R. Schaaf — Little Rock, Ark. (MDS)

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

**(C) Vacancy Appointment, LCMS Foundation Board of Trustees, Ordained**

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 Office of the Secretary was notified on Sept. 19, 2023, that, the Rev. Robert C. Weinkauff has resigned from his position as an ordained minister member of the LCMS Foundation Board of Trustees, elected by the 2019 convention to a 2019–26 term. Vacancies that occur on elected boards or commissions of the Synod must be filled in the manner prescribed by Synod Bylaws 3.2.5 and, with respect to regional



positions, 3.12.2.8 (2023 *Handbook*, pp. 112, 188–89). The board’s process is further elaborated in its Policy 4.5.3.

It is necessary for the Board of Directors to make an appointment to fill this vacancy position as follows (pp. 272–73/462):

**LCMS Foundation Board of Trustees**  
**one (1) ordained minister**  
**for the remainder of the 2019–26 term (less than one-half term)**

The LCMS Office of the Secretary sent out a call for nominations on September 20, 2023, requesting response by November 10, 2023, and assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention (pp. 161–278/514). 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.

The Standing Committee on Nominations, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, and having been charged to select a slate of no fewer than three and no more than five candidates, on December 20, 2023, presented the following slate to the board:

<b>Candidates</b> <b>(three to five selected by the Standing Committee on Nominations)</b>
Boster, Kory B. — Fulshear, Tex. (TX) Hartwig, Brent M. — Iowa City, Iowa (IE) Riordan, Todd C. — Columbus, Ind. (IN) Rossow, Timothy A. — Ocean Shores, Wash. (NOW) Slater, Troy L. — Canton, Kans. (KS)
<b>Non-Candidate Consenting Nominees</b>
Appold, Robert B. — Grand Rapids, Mich. (MI) Mueller, Robert B. — Milford, N.J. (NJ) Noack, Brian B. — Sayville, N.Y. (AT) Sedney, Blaise C. — Bel Air, Md. (SE) Simmons, Patrick S. — Bloomington, Minn. (MNS) Tucker, William H. — San Antonio, Tex. (TX)
<b>Declined</b>
*Blomenberg, Ralph — Seymour, Ind. (IN) * Cloeter, Paul E. — Sauk Rapids, Minn. (MNN) * <i>from the 2019 Convention Slate of Candidates</i>

Having heard the recommendation of its Personnel Committee, the board selected for appointment in a single electronic ballot:

Todd C. Riordan — Columbus, Ind. (IN)

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

**(D) Appointment, LCMS Foundation Members-at-Large and Alternate**

Board of Directors Policy 4.5.2.1 directs that appointments for Lutheran Church—Missouri Synod Foundation at-large members and an alternate be made at the first meeting of the LCMS Board of Directors following national conventions. The process in this triennium was inadvertently delayed, with incumbents continuing to serve. Current members eligible for reappointment are Mrs. Kathryn E. Gibson, Huntington Beach, Calif. and Mr. David G. Rothchild, Minot, N.D. (Mrs. Edith C. Walton, Orlando, Fla. and Mrs.

Karen J. Schlechte, Lakewood, Co., resigned at their end of term; Mr. Kurt Battles, Arden Hills, Minn., has reached his term limit and is not eligible for reappointment.)

It is necessary for the Board of Directors to fill the following positions (pp. 274–75/462):

**LCMS Foundation Members-at-Large**  
**five (5) members of LCMS congregations (ordained, commissioned, or lay)**  
**plus one (1) alternate for the 2023-26 term**

Accordingly, and pursuant to Board Policy 4.5.2.2–4, the Office of the Secretary sent out a call for nominations on September 18, 2023, for responses by November 10, 2023. The Office of the Secretary with the assistance of the LCMS Human Resources has compiled information on all eligible incumbents and nominees and forwarded the same to the board’s Personnel Committee and to the board docket (pp. 279–411/513).

The slate of nominees is as follows:

<b>Slate of Candidates Identified by Personnel Committee</b>
Chow, Marie — Seattle, Wash. (NOW) Drews, Richard T. — Bluffton, S.C. (SE) Eickhoff, Dennis R. — Bargersville, Ind. (IN) Fleishman, Dennis W. — East Lansing, Mich. (MI) Grimm, Keith H. — Andover, Minn. (MNS) Hartman, Anne — Eau Claire, Wis. (NW) Herman, Alicia K. — Fort Wayne, Ind. (IN) Herman, Richard E. — Weaverville, N.C. (SE) Lange, Kristi A. — Livermore, Calif. (CNH) Murray, Maryann — Houston, Texas (TX) Paavola, Pat G. — Bartlett, Tenn. (TN) Sailer, Sarah M. — Sioux Falls, S.D. (SD)
<b>Declined</b>
* Denninger, Constance L. — Springfield, Va. (SE) * Gibson, Kathryne E. — Huntington Beach, Calif. (PSW) * Rothchild, David Gary — Minot, N.D. (ND) Spotanski, Joann — St. Louis, Mo. (MO)
<b>No Response</b>
Loftsgaarden, Eric — Bozeman, Mont. (MT)
<i>* eligible incumbent</i>

The board having heard the recommendation of its Personnel Committee, it was moved to appoint Eickhoff, Murray, Herman, Paavola, and Fleishman as members at large and Herman as alternate. It was moved and carried to substitute Keith Grimm for Dennis Fleishman.

It was thereafter adopted to select for appointment:

**As Members-at-Large**

Dennis R. Eickhoff — Bargersville, Ind. (IN)  
Maryann Murray — Houston, Texas (TX)  
Alicia K. Herman — Fort Wayne, Ind. (IN)  
Pat G. Paavola — Bartlett, Tenn. (TN)  
Keith H. Grimm — Andover, Minn. (MNS)

As Alternate

Richard E. Herman — Weaverville, N.C. (SE)

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.

(E) Annual Budget Items: President Allowances and Regional Vice-President Honoraria

Leadership is asking that the Synod Board of Directors review and confirm/endorse the following practices that have been in effect since before the current administration (p. 278/462):

1. The Synod President's allowances for entertainment and vehicle expenses;
2. The Second – Sixth Vice Presidents' honoraria.

In addition to the base compensation, the Synod President currently receives a \$10,000 entertainment allowance and a \$12,000 vehicle allowance. These allowances are annual amounts, paid on a semi-monthly basis according to the pay schedule. This was last addressed by the board in February of 2014 as part of the FY15 budgeting process.

The Second through Sixth Vice Presidents, as part of the Praesidium, serve the Synod in various non-employee capacities. Currently, they each receive a monthly honorarium in the amount of \$800 for an annual total of \$9,600 (\$48,000 total for the five).

These expenses are and have been included each year in the President's Office expense budget that is approved by the Board. In response to the Audit Committee's request, the Personnel Committee encourages the board to approve these items as part of its budget process, as relates to officers of the Synod.

It was moved and adopted:

WHEREAS, The Synod President, as a full-time executive, has ancillary expenses due to extensive travel and vast ecumenical, ecclesiastical, and administrative responsibilities; and

WHEREAS, The regional vice-presidents are elected officers of the Synod and advisors of the President and, upon the President's request or as requested by the Synod, shall assist him in discharging his responsibilities or represent him; and

WHEREAS, The LCMS Accounting Department endeavors to prepare a comprehensive annual budget that reflects all expenses; therefore be it

*Resolved*, That President's entertainment and vehicle allowances of \$10,000 and \$12,000, respectively, are approved and shall be included in the FY25 budget; and be it further

*Resolved*, That the FY25 budget include an honorarium of \$800 per month for each of the Second through Sixth (regional) Vice-Presidents (for a total of \$48,000).

(F) Annual Budget: Salary Range Adjustment

The Department of Human Resources conducts an annual review of local and national salary trends and compares them with the current LCMS salary ranges and actual salaries. The objective of this analysis is to measure the ability of International Center employers to remain competitive with the local not-for-profit market. This high-level objective directly correlates with the LCMS compensation philosophy which was originally adopted by the Board in 2006 and re-affirmed by the Personnel Committee in 2014:

In striving to be good stewards of the dollars entrusted to us, we shall pay fair salaries in a fashion which rewards performance to be able to attract, motivate, and retain employees.

The term "fair" shall be interpreted as fair pay based upon the role within Corporate Synod; striving to pay at or within 10 percent of the market value for the job held (using not-for-

profit standards to define the market value), and the incumbent's performance in the position.

The Department of Human Resources worked with respected compensation consultants at CBIZ to review and recommend updates to the current process. This recommendation was presented and affirmed at the June 2021 meeting of the human resources committee. Salary increase budgets are determined through a blended utilization of a wider range of LCMS district, entity, and pastor salaries and market data projections. Salary range adjustments are determined by a separate source of validated market survey data specifically reporting industry salary range projections. These processes are evaluated on a regular basis to ensure continued alignment with industry best practices.

It was moved and adopted (pp. 279–80/462):

WHEREAS, The salary range adjustment methodology has been validated by market survey data specifically reporting industry salary range projections; and

WHEREAS, The results of the analysis indicate an adjustment is required to remain compliant with the system; therefore be it

*Resolved*, That effective March 1, 2024, the salary ranges be adjusted by approximately 2.4% to reflect alignment with market survey data; and be it further

*Resolved*, That as of July 1, 2024, employees whose compensation falls below the minimum for their salary grade shall have their salary adjusted to reflect the new minimum for their grade to remain compliant with the system.

(G) Revision of Board Policy Manual in Response to 2023 Convention and Commission on Constitutional Matters Review

It was moved and adopted (p. 281/462):

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 the proposed BOD Policy Manual Changes due to the Secretary and CCM Review after the 2023 Synod convention; 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*, The Board of Directors adopt the changes to The Lutheran Church—Missouri Synod Board of Directors' Policy Manual as shown in Exhibit A (pp. 282–98/462).

(H) Reauthorization of Transfer of Properties to the Lutheran Church—Hong Kong Synod

It was moved and adopted (pp. 299–300/462):

WHEREAS, Following the prior establishment of The Lutheran Church—Hong Kong Synod ("LCHKS") as a self-governing partner church of The Lutheran Church—Missouri Synod ("LCMS") the LCMS Board of Directors at its December 4–5, 1998, meeting resolved (see Exhibit A, attached, p. 301/462) to transfer the title for certain identified properties located in Hong Kong to the LCHKS; and

WHEREAS, The transfer of title to the identified properties is to occur in accordance with, and subject to the conditions set forth in, that certain Agreement dated as of April 1, 2000, by and between the LCMS and LCHKS, as amended by that certain Addendum to Agreement dated as of July 14, 2004, by and between the LCMS and LCHKS (collectively, the "Agreement" see Exhibit B, attached, pp. 302–14/462); and

WHEREAS, Among the certain properties identified to be transferred as set forth in the Agreement and the resolution described above are the following five properties (“the Properties”):

1. Flats C and D, 1st Floor, Majestic House, No. 80 Nathan Road, Kowloon, Hong Kong;
  2. 2nd Floor, Nam Tin Building, No. 275 King's Road, Hong Kong;
  3. 3rd Floor and the Balcony, No. 236 Sha Tsui Road, Tsuen Wan, Hong Kong;
  4. Flat A, 17th Floor, No. 29 Broadway, Kowloon, Hong Kong;
  5. 1st Floor, Tai Hing Building, Nos. 119, 121, 123, and 127 Des Voeux Road West, Hong Kong;
- and

WHEREAS, Recent communications undertaken between LCMS and LCHKS church representatives and Hong Kong legal counsel for each party have confirmed the desire and readiness of both parties to undertake necessary steps to execute the transfer of title for the Properties cited above, subject to the terms and conditions set forth in the Agreement; therefore be it

*Resolved*, That Felix Loc, the Chief Administrative Officer of the LCMS, be authorized to consummate the transfer of title for the Properties cited above, subject to the terms and conditions set forth in the Agreement; and be it further

*Resolved*, That in furtherance of the consummation of such transaction, Felix Loc, the Chief Administrative Officer, and/or any other individual or individuals designated as attorneys-in-fact of the LCMS pursuant to a power of attorney duly executed and delivered by Felix Loc, as Chief Administrative Officer, shall have the right, power and authority to execute, seal, deliver and acknowledge such documents, agreements and instruments, including, without limitation, the execution of the transfer of title for the Properties, and take all such other actions, as they may deem necessary or appropriate to consummate the transfer of the Properties by the LCMS to the LCHKS, subject to the terms and conditions set forth in the Agreement.

(I) Naming of International Center Chapel

It was moved and adopted (p. 315/462):

WHEREAS, BOD Policy 6.14.1.1 states that “The Board, as well as other owners of the International Center, has delegated to the Facilities Management Committee the responsibility for the operation of the LCMS International Center properties, the building, and any off-site leased facilities. The Facilities Management Committee establishes policies and procedures for operating the building and providing office services”; and

WHEREAS, The Facilities Management Committee met on Tuesday, February 6, 2024, to discuss the naming of the International Center Chapel and has been advised of the proposal to name the chapel “Christ Chapel” and further advised that Concordia Plan Services and LCMS Foundation agree with this naming the chapel “Christ Chapel”; and

WHEREAS, The chapel at the International Center is not currently specifically named and has only been referred to in a generic sense; therefore be it

*Resolved*, That the chapel located at the LCMS International Center at 1333 S. Kirkwood Road, Kirkwood, MO 63122 be named “Christ Chapel”; and be it further

*Resolved*, That the Chief Administrative Officer (CAO) in collaboration with the Office of the President be responsible to label and distribute the naming of the chapel to the rest of the Synod.

(J) Authorization of Chief Administrative Officer Loc to Apply for a Master of Business Administration Program

It was moved and adopted:

WHEREAS, It was suggested by the preceding Chief Administrative Officer (CAO), Frank Simek, that the succeeding CAO, Felix Loc, would benefit from participation in a Master of Business Administration (MBA) program; and

WHEREAS, The Personnel Committee indicated to the board in its November 2024 regular meeting the committee's desire and support for CAO Loc's enrollment in an MBA program of his choosing to gain knowledge and skills to benefit The Lutheran Church—Missouri Synod (LCMS) in his current role; and

WHEREAS, Research conducted by CAO Loc at the request of the Personnel Committee has narrowed down the programs to two options that he believes to be of most benefit to conduct of the business affairs of the LCMS, the two options including two different formats: fully-online and in-person; and

WHEREAS, The in-person program determined to be most beneficial is that of Washington University in St. Louis, Mo., scheduled to begin its next program in August 2024, and the online program deemed to be most aligned to benefit the CAO position is that of Baylor University in Waco, Tex., having an asynchronous schedule; and

WHEREAS, The Washington University program schedule requires three days per month of scheduled classroom time and the application process requires a letter from the applicant's respective organization supporting the applicant's acceptance into the program; and

WHEREAS, The relevant class schedule and its dates of residency do not conflict with any regularly scheduled board meetings; and

WHEREAS, The priority deadline for applications to Washington University's Executive MBA program is March 13, 2024, affording applicants the opportunity to apply for any additional scholarships, including an automatic scholarship for employees of nonprofit organizations; and

WHEREAS, Baylor University's application process does not require a letter from the organization supporting an applicant's enrollment into the program; and

WHEREAS, Washington University's program tuition was \$144,150 for the prior academic year and is expected to increase by about 1–2% for the current year; and

WHEREAS, Baylor University's program tuition, at 48 credit hours, is estimated at \$51,000; therefore be it

*Resolved*, That the Board of Directors approve issuance of a letter by the LCMS Human Resources Department supporting CAO Loc's application to the Washington University Executive MBA program to allow him to pursue the in-person MBA, should he decide to apply and enroll in such; and be it further

*Resolved*, That the Board of Directors approve CAO Loc's application to Baylor University's online MBA program, specializing in Executive Leadership, should he decide to apply and enroll in such; and be it finally

*Resolved*, That the CAO report at the May 2024 meeting on his decision to pursue an MBA at either institution.

#### (K) Adoption of Investment Policies

The board's Finance and Audit Committee presented to the board, in fulfillment of Board Policy 3.13.3.1 (b), as described in its report, and in two supplemental items included in the protocol docket ("investment policies" addendum, 7 pp.), recommendations of investment policies for endowment and non-endowment funds. It was moved and adopted:

*Resolved*, That the board receive with thanks the investment policy drafts for endowment and non-endowment funds as recommended by the Finance and Audit Committee; and be it further

*Resolved*, That the same be committed to the Governance Committee, that it may, following any necessary consultation with the Finance and Audit Committee, present for the board's final adoption its proposal for integration of the same into the board's Policy Manual; and be it further

*Resolved*, That the policies as drafted be understood in the interim to provide authoritative guidance for new investment instruments; and be it finally

*Resolved*, That pre-existing investment instruments be exempt until April 1, 2025, from these policies as drafted and as eventually incorporated in the board's Policy Manual.

#### **74. Compliance Documents**

Annual compliance documents related to security best practices, suspected financial and organizational misconduct, and conflict of interest were shared with the board, with appropriate disclosures and acknowledgments made by the board members (pp. 424–34/462).

#### **75. Meeting Review**

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

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#### **75X. Executive Session IV: Meeting Review**

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John W. Sias, *Secretary*