

**MINUTES (proposed)
BOARD OF DIRECTORS**

**International Center and Hilton St. Louis Airport, St. Louis
November 21–22, 2025**

246. Call to Order and Opening Prayer

Chairman Preus called the regular November meeting of the Board of Directors to order with all members present (Larry Harrington, electronically). Also in attendance were Chief Administrative Officer (CAO) Felix Loc, Chief Financial Officer (CFO) Nathan Haak, Interim Chief Mission Officer (CMO) Rev. Daniel Galchutt, and Attorney Lucie Huger of UB Greensfelder, general counsel.

On Friday, an opening prayer was offered by First Vice-President Peter Lange; on Saturday, devotions were offered by Interim CMO Daniel Galchutt, on the theme, “Tell the Next Generation,” using Psalm 78:1–7, Joshua 24:1–5, 13–15, and Luke 24:44–48, and excerpts from a historic dedication sermon from Immanuel, Ellsworth, Kansas.

247. Agenda and Consent Agenda

Chairman Preus introduced the meeting agenda (pp. 10–11/642) and consent agenda (p. 13). The meeting agenda was moved and adopted. The consent agenda was moved and 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
 - August 29–30, 2025
 - September 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 7, Management Policies for Synod and All Agencies
 - Section 5.3.10, Policy for Designation of Housing Allowance for Ministers of the Gospel Employed by Corporate Synod

and be it further

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

248. Hong Kong International School Update

The board entered executive session.

248X. Executive Session I: Hong Kong International School Update

The board returned from executive session.

249. President’s Report

The President, noting that the articles of the Augsburg Confession “really define what we are as a Church, what we do, and why we do it,” began to review them in order, noting their essential content and a few contemporary applications, concluding with the seventh, on the Church. The confession proceeds from God, through the most important articles, to the Church, he noted—and this is why Lutheran mission plants Lutheran churches. The President then extended upon his written report (pp. 37–41/642), noting the following:

- Interim CMO Galchutt is doing an “outstanding job,” strengthening relationships with districts and resourcing them to serve congregations and schools.
- In October, Harrison spent an extended time in Wittenberg with a series of activities, including a retreat for African missionaries and their children, Oct. 17–19; a Eurasian church leader conference on church planting, an International Lutheran Council meeting with a number of Tanzanian bishops engaged in theological enrichment, related to the blossoming of a seminary started in the East Lake diocese; and a strong International Church Relations Conference, Oct. 27–31, focused on church fellowship. Several of the new district presidents were involved in parts of the program. Harrison, noting that Dr. Shaw is approximately a year from retirement in Church Relations, commented that there “has never been less tension between Church Relations and the Office of International Mission.”
- The Indian church has gone “from bad to worse.” A formerly incarcerated leader is back in power in a financially-driven election; the leader of the seminary was beaten to the point of hospitalization and thrown out of office. LCMS is not acknowledging the new leaders. This is an “ongoing and terrible situation in the Synod’s first mission field.”
- Domestically, the issue of “rogue seminaries” is today’s burning issue, with potentially divisive positions being taken by some. Delivery of courses through an “asynchronous” or “canned” model—one aspect of the unapproved routes—reduces cost but threatens quality. The Pacific Southwest District

has planned a January discussion regarding advocacy of unapproved routes to pastoral ministry and certain congregations' initial training and use of individuals using these unapproved routes. Harrison does not support the event, as he does not see it as operating within the principles of the "Koinonia Project," with which label it has been branded. The real challenge, Harrison noted, is not seminary education per se, but dissatisfaction in certain quarters with the "products" of our seminaries leading to a desire for local formation.

- The discussion of Specific Ministry Pastor (SMP) program parameters continues. Seminary populations have maintained through Harrison's presidency, but the fraction of students in SMP, EIIT, and other largely-online routes, at Saint Louis, has increased from 1/3 to 2/3 of the total, many of whom will be staff pastors at large congregations. While affirming the purposes of the program and those who seek the training, Harrison expressed concern for the ministerium when "2/3 of those entering have 1/3 of the MDiv coursework." The SMP program is also very expensive for the seminaries to provide. Young men, Harrison explained, who could serve a lifetime should get "the full go," and many who come as SMP students desire to and do go for the full route. Harrison noted cautious optimism for residential growth at our seminaries. The Pastoral Formation Committee will report much analysis and a number of thoughtful recommendations to the convention.
- Harrison noted that a Wisconsin Synod strategic planner working in the area of congregational combination is being invited for conversation. Asked, the Secretary noted that a "pastoral supply emergency" has been declared a number of times in the Synod, but that many present vacancies are in congregations not able to provide for a pastor in conventional terms and that the "competing rate" problem (of congregational combination or closure and shrinkage of the active ministerium) is a challenge that has not yet been adequately addressed.
- Harrison noted his office is "at or beyond the breaking point" and he needs more help, especially with Barb Below, Jonathan Shaw, and James Krikava approaching retirement. He will push hard to address this in the next budget round. Harrison also commented on Synod politics, noting he has "one more term in him" if the Synod wills.
- Finally, Harrison noted that Great Lakes (Sixth) Vice-President Wohlrabe has moved to Florida and therefore has resigned; Eric Skovgaard, erstwhile South Wisconsin District President, has, "with universal support" from region district presidents, been appointed to the vacancy. He is a fine, quiet man, a "deep well" and "solid citizen."

250. Chief Mission Officer Report

Interim CMO Galchutt extended upon his written report (pp. 72–85/642), noting the following:

- A call for the Mission Advancement Executive Director position has been extended to Pastor Jason Bredeson, who has served on the California-Nevada-Hawaii District and Concordia University Irvine boards and has significant leadership potential gained in previous military service and strong interpersonal skills.
- The 2026–29 national offering theme will be "Tell the Next Generation" (Ps. 78:4), a theme already gaining traction and perhaps favored by the mission boards to serve as the next mission and ministry emphasis. It has been well received by the district presidents as proposed to offer grants to congregations and others for efforts in "witnessing, family ministry, campus ministry, and discipleship." A \$500k lead/challenge gift has been granted by the Bolick Foundation. If other gifts come in line with precedent, this would make \$1M to grant in \$1–10 thousand (k) increments. This, Galchutt noted, is a theme people could get behind as a springboard for some kind of capital campaign.
- Vacancies continue in the Communications Executive Director position (in which Rev. Askins is interim) as well as in key positions in the CMO office. The Operations Team continues to discuss

strategic fills. Galchutt noted LCMS Schools Executive Director Alan Freeman and Chaplain Sean Daenzer are presently considering calls to service elsewhere in the Synod.

- The Office of National Mission (ONM)'s School Ministry and the Lutheran Center for Religious Liberty (LCRL) met in Washington this week on the Big Beautiful Bill's provision of federal tax credits of \$1,700 per taxpayer in exchange for gifts to scholarship granting organizations (SGOs) that could be set up to fund Lutheran schools. If 100,000 taxpayers participated Galchutt speculated, perhaps a third of our active adults, we could have \$170 million (M) for Lutheran schools. ONM and LCRL are aiming to support groups setting up the necessary SGOs. Publicity will be coordinated and information packets prepared. Education executives meet in December and there will be extensive conversation and sharing of resources and communication efforts.
- Cooperation with the districts is increasing. The Michigan District has requested ONM assistance in running its "Congregational Assessment of Development/Decline" (CADDs), a congregational self-study, with all the district's congregations. Congregational assessment materials are being distributed through district staff to be used in congregations as need dictates.
- The Bolick Foundation intends to continue to support church planting efforts, offering an additional \$2M over the next several years. 92 plants are in process with LCMS, a few being added each quarter, with work ramping up.
- In good news for coming budgets, the ONM endowment has grown with a \$2.5M gift in July, along with other substantial gifts. ONM will be meeting with district staff and leaders (46 from 30 districts) in the first week of December.
- The Office of International Mission (OIM) has experienced the best missionary recruitment / deployment year in six years, with 25 new missionaries deployed. The total count is up around 10, accounting for attrition, to 115 total (including 15 alliance missionaries). OIM will be meeting in early December with other leaders regarding the Global Seminary Initiative, for which Schwan Foundation support may be coming to an end.
- Pastoral Formation Committee convention reports are coming. The SMP component has received significant comments and three other components are coming. PFC will meet with Gibson and Ahlman in December and with Kloha, regarding the Center for Missional and Pastoral Leadership, in February. This will likely be a significant topic at the Synod convention, including thoughts on the composition of the committee.

Galchutt included for the board a special report (pp. 83–85/642) on the digital platform replacement project, the initiation of which was approved in September 2023. A significant internal review of the new website, involving 12–15 participants, unanimously found the new site not to be an improvement on the old, especially in the critical areas of search, accessibility, and architecture. Opportunities for Constituent Relationship Management (CRM) integration and a more informed assessment of long-term cost, including the demand of the initially selected system for significant additional staffing, licensure, and development, have also contributed to a decision to abandon the initial implementation, though replacement of the web platform remains urgently necessary. "This," Galchutt noted, "was a bad miss." Management plans to work toward a more cost-effective and better-fit solution, to be rolled out once the CRM is in place and after convention.

To a question regarding "sunk cost" and potential recourses, CFO Haak explained that approximately \$1.7M has already been spent, including \$1.2M that had been capitalized being written off because the asset paid for is not being put into service. LCMS is attempting to address outstanding contractual commitments. Galchutt noted that in the failed implementation the circle of key decision-makers at LCMS was too small to adequately specify the project. He noted LCMS has learned that we need a realistic working size of material for the website and much more about planning similar changes. A more manageable platform and

cost-effective partners will be sought. CFO Haak clarified that the expectation is that the new website not cost what the aborted attempt did, owing to what was learned and to a different approach being taken.

251. Financial Report and Giving Trends

CFO Haak noted that there have been no material changes to the then-preliminary Fiscal Year 2025 (FY25; ending June 30, 2025) summary presented in August (other than a few expenses, the significant ones of which were previously identified to the board, that, during the closing process, were identified for accrual in FY25). He passed, therefore, over the FY25 financials to elaborate on his written reports on first quarter Fiscal Year 2026 (FY26Q1, ending September 30, 2025) financials (pp. 414–29/642) with a series of slides (pp. 430–39/642). These financials are off “to a great start.” Haak noted that investments in accounting processes and personnel have made possible a Q1 report at the November meeting and that strides continue to be made in reducing time-to-close. Close timing is the best in four years even with a unit executive vacancy and the Youth Gathering in July.

In the FY26Q1 “upside-down P&L” for corporate Synod only, Haak noted spending increasing as budgeted to start the year, with Mission and Ministry at \$13.8M (relative to \$12.0M in FY2025Q1), largely attributable to OIM spending up \$1.4 million (M) relative to last year’s Q1 and Pastoral Education up \$800 thousand (k), the latter largely due to timing of Joint Seminary Fund payments. Filling of positions has also brought increased spending, but on target with budget. Ecclesiastical Services is up \$1.2M, relative to FY25Q1, to \$2.9M, driven primarily by an \$850k increase in legal fees, principally due to litigation in the *HotChalk* and, more significantly, *Hong Kong International School* matters. The Youth Gathering spent \$8.9M and gathered \$8.7M in revenue, which are netted in the analysis for year-to-year comparability. Q1 net asset releases are increased significantly in the past two years, largely due to Bolick Foundation unrestricted or high-level restricted granting, large portions of which are released in Q1. District receipts are down \$250k relative to FY25Q1 to \$2.9M, reflecting a previously communicated decline in support likely to continue through the year, already accounted for in the FY26 budget.

Haak noted total revenues for FY26Q1 (excluding Youth Gathering) of \$24.3M, a significant increase from \$13.5–16.5M in the previous five first quarters, driven by one-time gifts and increased bequests. These include a \$5M gift split equally between the International Mission General Fund and National Mission Endowment, as well as \$5.6M in bequests, nearly matching *full year* FY25 (\$6.4M, down from \$21M in FY24). The unrestricted bequest budget is expected to be nearly met by FY26Q2. Restricted revenues were also strong through the period, except in Mercy, which has dropped substantially; as this account funds a significant portion of the Synod’s work, it is a drop critical to address. Last year there was a focus on raising for Mercy, which receded with a number of disasters later in the year; this year’s performance is more in line with, or below, prior years. (Haak noted that these funds are now tracked through to the programs they support, enabling reporting that “tells the story” of these gifts, which may restore some prominence to the fund.) Giving to missionaries continues strong and increased over past years, largely due to an increase in missionaries afield.

Key ratios remain strong, with a current ratio of 3.5, a program spending ratio of 87.4 (unusually high due to Youth Gathering, included here), 119 days cash on hand (221 including term notes) and headcount at 194 (down 4 from FY25 final, allowing hiring to meet the needs of the organization within the current budget). Cash balances total approximately \$26M but have dropped from an FY26 peak of \$34M and are expected to drop by about another \$10M by the end of November due to known, planned items. This is not a concern, simply for board awareness, largely due to two factors: the expenditure of funds on hand for the Youth Gathering, now concluded, and the expected resolution of a loan obligation with LCEF related to the Concordia University System (to be treated in action items). Term notes are maturing at a pace of \$1M a month for much of the next year, refilling “liquid cash coffers” to end the year at \$25–26M. There are “no concerns on the balance sheet.”

Haak reviewed tracking of reserves (p. 439/642) relative to the goal set by the board in its meeting of May 23–24 (item 192), noting \$46.2M in unrestricted reserves relative to a target of approx. \$69M for the current year, leaving a gap to be closed with budget surpluses in the next decade of approx. \$23M.

Haak explained, preparing for the upcoming audit report, that it is a report on \$194M in revenue and \$321M in net assets, consolidating corporate Synod (\$84M revenues / \$209M net) with Concordia Plan Services (\$40M/\$3M, figures excluding the trusts constituting the plans themselves), the Lutheran Center for Religious Liberty (\$1M/\$2M), and LCMS Holdings Hong Kong (\$70M/\$107M), which itself consolidates Concordia International Schools in Shanghai (\$50M/\$93M) and Hanoi (\$17M/\$2M) and a Wholly Foreign-Owned Enterprise in China (\$0M/\$1M).

252. Constituent Relationship Management Report

CFO Haak presented a series of slides (pp. 440–43/642) detailing progress on the “transformation roadmap” for implementation of a new constituent relationship management (CRM) system for corporate Synod. He highlighted careful work to take a different course than that experienced on the failed digital platform initiative. Implementation is starting soon, with organizational preparations already well underway. Consultant RubinBrown has identified about 48 forms of “constituent relationships” across the building with significant areas of commonality. Salesforce is the platform selected for implementation.

Haak explained that commitments have been made to RubinBrown for process redesign, change management, program management standup, and project support, all in line with estimates, and that development vendor Plative has been retained for technical implementation. Of the total budget of \$2.142M, \$252k has been spent to date, \$1.063M is committed, and \$775k is in reserve for anticipated other projects, leaving a \$52k buffer and ability to manage budget. There is potential for future expansion, including website portal and identity support, general ledger implementation and integration, and more fulsome LISN integration. Smaller “bolt-on” projects are to be managed in the operating budget or in house. The project is on track for a CRM go-live on 10/1/2026. The CRM, which will be “core to everything we do,” will involve approximately 12 months of development, with peripheral data and interface tools involving another six (example possibilities include Slack for cooperation, Smartsheet for project management, Givesmart for online giving, the [existing] LCMS Information Support Network for roster management, PowerBI for reporting and analytics, etc.), and critical peripheral systems beyond that (website, enterprise resource management/accounting).

Haak explained that, relative to current use of BlackBaud, which is essentially confined to Mission Advancement and disconnected from many processes, the Salesforce system will be much more central to operations across corporate Synod, which is “in the people business.” Around it will be a host of connected and regulated pieces supporting various areas of work. In response to a question, Haak explained that a much-needed Enterprise Resource Planning (financial) study and reimplementation will likely follow rapidly on the CRM implementation, to capitalize on being “in development mode.”

Haak emphasized that the transformation roadmap is more than technological, aiming to break down and rearrange siloes of resources, systems, processes and people. Restructuring and subsequent changes, including some degree of outsourcing, have impacted the relationship of accounting, information technology, and mission advancement functions to the programmatic work. Processes and decision-making have suffered from a lack of cohesion. The hope is, with the help of RubinBrown and Plative, to bring all voices to the table to align processes and governance, build change management capacity, increase technological standardization, and build trust. Transformation will be messy, as it will take changes in mindset and consensus around requirements. The CRM project is hoped to be the impetus to a future state in which we truly “walk together,” with 360-degree solutioning and a culture and center of excellence to “provide, empower and optimize.”

253. International Center Facilities Report

The board entered executive session.

253X. Executive Session II: International Center Facilities Report

The board returned from executive session.

254. Finance and Audit Committee Report

Finance and Audit Committee Chairman Leo Mackay reported on his committee's meeting of the previous afternoon, which was joined by Chairman Preus. He noted:

- The Armanino audit is “clean” on corporate Synod and consolidated entities, which was “very gratifying.” Mackay noted, in Armanino’s presentation, a “remarkable story of an organization recovering robust financial health.” At the same time, he noted a valid case for the year of reserve and that the board should pay careful attention to the work toward a three-year plan. The report notes the conclusion of the HotChalk litigation (p. 498/642) subsequent to June 30, 2025, with the settlement accrued to FY2025, though the terms are not disclosed.
- Armanino has shared some best practices on journal entries and reconciliations. During the year one issue identified in the past dealing with filing personnel action forms has been resolved. The Audit Committee tracks these recommendations and follows up on progress.
- Chris Wood is doing great work in Internal Audit (IA). The unit is assisting with Paycom implementation and surveying Artificial Intelligence technology. A review of executive compensation, expensing, and reimbursement is underway. A staffing plan is being developed in orderly sequence. 19 of 35 districts (29 of which are within the department’s capacity or certification) are being audited by IA. District audits are progressing well and reports from districts not audited by IA are being reviewed. IA won a competitive request for proposals to audit Concordia University System and audits Concordia Historical Institute (which received a material weakness finding which is being addressed).
- The committee, in its financial capacity, reviewed Haak’s report on International Center future options. In order to handle these financial and forward-looking items adequately in addition to audit functions, the committee will begin to meet electronically between the Q1/2 and Q2/3 board meetings. It will be overseeing the CRM project and has ambitions to construct financial review dashboards for oversight of financials of universities and districts.

Board members thanked the Audit Committee for diligent work and readily understood explanations. The story, Mackay, is one we can be “proud of and convey to the convention,” though one is never “out of the financial woods.” Health care and technology spending continue to need expenditure. Cash reserves could be more robust. We’ve “done good work and are ready to do some more.” In response to a question, Mackay addressed the program service ratio, with regard to which he noted that it is important to understand the “story behind the number.” Haak clarified that the ratio measures spending that goes to program work versus “overhead,” but also noted the importance of “overhead” functions to the function of the whole. (Haak noted that comparability to other organizations poses a challenge; LCMS executives like the President, First Vice-President, and Secretary, for example, perform ecclesiastical functions and not just management ones and are accounted largely to “ecclesiastical services,” whereas in most organizations they would be “overhead.”) Nonetheless, we run lean, people-wise, in the important supporting functions. We may try to leverage technology to reduce burden on the people we have. Haak noted that LCMS fundraising efficiency compares favorably to the Synod’s seminaries and universities and our fundraisers are more burdened to raise funds as we have no “business” revenue streams. Mackay noted also the question of whether staff is overloaded.

A board member expressed thanks to the Lord for his goodness to us, and thanks to the executive staff for managing well.

255. Armanino Annual Audit Review

Tommy Hill (signing director) and Andrew Brands (senior) of Armanino joined the board to present (pp. 576–89/642) draft audited, consolidated financial statements (pp. 476–531/642) for The Lutheran Church—Missouri Synod and subsidiaries (Concordia Plan Services; Lutheran Center for Religious Liberty; and LCMS Holdings, Ltd., Hong Kong, for the last of which Armanino relied on the audit of Hong Kong auditors) for the fiscal year ending June 30, 2025 (FY25).

Hill explained that the audit is an “unmodified opinion” (a “clean” opinion) with no material weaknesses communicated relative to internal control matters. The Audit Committee, which reviewed the statements in detail, has given its approval. Some best practices were reviewed, but none rising to the level of the board.

Hill reviewed required communications, noting this presentation as an overview of detailed material conveyed to the Audit Committee the evening before. He noted appreciation for LCMS financial staff, reported a smooth audit process with required communications and a “skilled, experienced, knowledgeable, and engaged management team and Audit Committee that really add value to the organization,” and no corrected or uncorrected misstatements.

Hill presented an analysis of the financial statements for corporate Synod only from fiscal years 2019–2025. Hill commended efforts by management to increase operating reserves (including board designated funds) since 2019, from 5% of operating expenses to 83% in FY25. Mackay commended executive management for not only a clean audit and robust internal controls but for attaining a very good position LCMS needs to keep as it goes forward. Hill noted a very healthy 9 mos. of reserve, above the standard 6, and endorsed the thought that management of expenses will remain key to maintain financial flexibility.

Hill presented an assessment of net assets for corporate Synod only, indicating an appropriate decrease in board designation levels due to an intentional effort, with appropriate release and application of funds. Temporary unrestricted assets have increased gradually year-over-year, as have permanently restricted funds. He also noted an increase in unrestricted assets and permanently restricted relative to temporarily restricted assets, giving Synod enhanced operational flexibility, and an improvement in the ratios among these categories over the previous six years. He discussed sources of revenue and showed especially district receipt performance, which has remained relatively flat, as calculated over the last seven years using the current method (of booking receipts). Gifts and grants performed well in 2025 otherwise, making up for a lower year in bequests, which are much less predictable.

LCMS is in a healthy range of functional range to total expense, in the 75–80% range, well above industry standards, but cautioned that running “too lean” (above 85%) can overstress management to deliver with too few operational resources.

Finally, Hill noted nonprofit industry trends. He noted tax changes that may impact mission advancement work, the impact on other nonprofits of changes in government funding. Digital giving continues to grow. AI and machine learning are being incorporated increasingly by nonprofits into their donor relations strategies. Data and analysis are critical to continuing success. Expanded collaboration, such as with our entities, is also worth exploration.

With no questions for the auditors, they were released with thanks.

256. Concordia International School—Hanoi Update

The board entered executive session.

256X. Executive Session III: Concordia International School—Hanoi Update

The board returned from executive session.

257. Concordia University Nebraska Master Plan

Concordia University Nebraska (CUNE) President Bernard Bull and (recently retired) Chief Financial Officer Dave Kumm joined the board by internet conference to present a proposed master plan amendment (pp. 149–87/642) and capital project (pp. 188–99/642) for the board’s approval. Chairman Preus thanked the men for a thoroughly prepared written presentation.

Kumm outlined changes from the previous master plan, approved in November 2022. With Dr. Bull coming on, the strategic plan was revised and the master plan’s priorities have been adjusted accordingly. The 2025 Campus Master Plan (pp. 149–87/642) complements a strategic plan, *CONCORDIA 2025: Building on a strong need to support a campus that is CONNECTED, DISTINCT and SECURE*, which was updated in 2023 with the Salt and Light Strategic Plan (focused on development of specific scholarship communities). The master facility plan will continue to build on our strengths to support recruitment and retention, along with enhanced focus on Philosophy of Christian Higher Education, Outreach, and Faith Formation, and means of ensuring financial security. These plans also align with the university’s realistic financial plan. Athletic facilities have been relocated, relative to the 2022 plan, and two fields have been combined into a hybrid baseball/softball facility. Founder’s Hall has been a challenge from a deferred maintenance and usage perspective, but continues to have historical value. The new plan contemplates adding a chapel to a prime location on campus, integrating Founder’s Hall, as well as expanding Weller Chapel. Academically, an agricultural science/business facility is conceived for the northeast portion of the campus.

Audit Committee Chairman Mackay noted his being very impressed with the soundness of the general management of CUNE and of preparations for this project. He commended a good job of management. Bull noted with appreciation Kumm’s twenty years and that his successor worked under him, noting he and Kumm “look for better yet” for the university.

The capital project (pp. 188–99/642) involves construction of a turf, hybrid baseball/softball facility. Combining the facilities allows equal access for men’s and women’s sports while saving \$7M relative to distinct facilities. It will bring competition back to campus, providing 500 seats and capacity to accommodate national or regional events. The project will cost \$4.2–5.0 million, with construction slated to commence in spring of 2026 and completion for February 2027. The goal is to raise 80% in cash and pledges to begin the project, with cash in the bank at outset at 25–50%; financing would be via a local Seward bank bridge loan or capital line of credit with LCEF. The campus’s financial operation will not be impacted, but benefits “will exceed expectations.”

Accompanying action items were presented (pp. 532–33/642).

258. Concordia Theological Seminary Land Lease

Concordia Theological Seminary (CTS) President Jon Bruss and Chief Operating Officer Lance Hoffman joined the board to present a lease agreement and accompanying subordination, consent, and non-disturbance agreement regarding the lease of a portion of the campus to The Lutheran Foundation, Inc., of Fort Wayne, a recognized service organization of the Synod, for construction of their new headquarters (pp. 598–636, 638–642/642) on the southeast shore of the campus’ “Lake Concordia.” Bruss reviewed the history of this proposal, beginning with the approval of the campus master plan approximately a year ago, which included this concept. Since then, in part at the request of the Board of Regents, The Lutheran Foundation has become a recognized service organization of the Synod. 68% of its board members are members of the membership of the Synod. Mark Dixon explained that 60% of the foundation’s proceeds go to churchly ministries, much of which goes to LCMS ministries. The CTSFW board has authorized member Scott Murray to approve the details of the arrangement, including the lease document. Full agreement has been achieved in the last few days between attorneys for CTSFW, the Foundation, and the LCMS. Section 18 has been somewhat revised with input from the Secretary, which didn’t change the substance but clarified the meaning. An addendum dealing with subordination has been hammered out.

LCMS consent will be required for future changes to certain sections of the lease in order to protect the interests of the Synod.

The cost of the project will be borne entirely by the Lutheran Foundation.

An accompanying action item was presented, for the board to approve the lease, allowing the Lutheran Foundation to begin site preparation and construction (pp. 596–97/642).

In response to a question as to how the seminary would benefit, Bruss noted architectural and aesthetic benefits. He noted the reversionary clause on the property—which the Synod will be subordinating—is to the Synod. Portions of the campus are already assisting other ministries, such as Worship Anew and a radio station formerly part of the Indiana District. The significant resources the Lutheran Foundation has poured into LCMS congregations and other ministries in northeast Indiana have helped keep Lutheranism strong and vital in the region, and this is a huge benefit to the Seminary, especially as it relies on the area for field work.

Chairman Preus noted that this relationship and project between the Seminary and the Lutheran Foundation is unique and unprecedented as far as such an arrangement between an agency and a recognized service organization of the Synod. He noted with appreciation the level of attention the parties gave to the protection of Synod’s interest—including with respect to the strong, confessional Lutheran identity of all parties involved—far into the future in its development of the lease, especially in paragraphs 27 and 18. Bruss explained that both the Seminary and the Foundation are pleased with the result. Preus noted the development of agreements to assure the respective theological integrity of parties to a long-term contractual relationship has been an interesting challenge and is worthy of study.

259. Concordia Risk Solutions Proforma

The board entered executive session.

259X. Executive Session IV: Concordia Risk Solutions Proforma

The board returned from executive session.

260. Strategic Plan / Three-Year Plan

Interim CMO Galchutt presented on the board’s “strategic breakthrough objectives,” noting he is “still getting his arms around these,” including foci on a capital campaign and schools. Relative to the campaign, Galchutt noted that the officers feel the new Mission Advancement Executive Director needs to be in place before developing that idea further. On Schools, Galchutt felt a landscape overview would be helpful. He presented two three-page, infographic “landscape reports” in draft form:

- Tell the Next Generation is a broader view, noting, among other things, especially homeschooling and homeschool co-ops and networks, often hosted by LCMS congregations, as a growing trend.
- Tell the Next Generation: Efficacy of LCMS Schools attempts to give a picture of how things are and where they could go.

Galchutt noted the national offering theme mentioned this morning, which appears here, as a theme to build on through the triennium and as a compelling story for a capital campaign. He welcomed “insight and direction” relative to the reports.

Board members shared thoughts on the drafts, largely looking for more differentiation of statistics based on the different levels of schools, as well as for more on roles of rostered teachers the prominence of the pastor and religious education and faith formation in the various types of schools. One suggested “saving Lutheran schools first” and then “from a position of strength” toward gathering “fellow-travelers” in the

home school sphere; he also noted the importance of strong, regional high schools that have the capacity to “do something really first-class.”

President Harrison noted the challenges inherent in supporting Lutheran schools that are independently governed and supported by a variety of groups, such as the Lutheran Education Association, with painfully little contact with the LCMS Schools department. Theological preparation of our teachers is improving. On homeschooling, Harrison noted that “friends are needed across the board” and congregations and schools can benefit from these connections, as can the homeschooled and homeschooling. He also noted the growth in interest in classical models of education. Another member noted the importance of growing district and grass-roots support and being glad to see ONM is working in this fashion. The economic and demographic forces impacting our schools were noted. Board members discussed the need for our schools to be distinctive and the possibility of rallying homeschoolers to the cause.

Galchutt shared some “reasons for hope,” noting that church worker enrollment is up, and that commissioned colloquy is up 53% this year over last. In response to a question, Galchut noted that classical teacher training programs are small and developing but likely to grow (5% of our schools are classical in bent). Galchutt plans to talk to the other officers about progress before February.

261. Personnel Committee

Personnel Committee Chairman Jan Lohmeyer reported on his committee’s meeting of October 21 (pp. 111–12/642). Lohmeyer noted a policy has been developed to prohibit direct or indirect solicitation for employment, by Synod or entities, of employment of senior executives serving in the Synod and Synodwide entities. This was commended to the Governance Committee. Yow noted for Governance that the committee has questions pertaining to the intent of the board in trying to address this topic. Yow will ask these questions during the Governance Committee report. This is a “work in progress.”

The Personnel committee also discussed executive compensation, noting Policy 6.4.3. The committee had suggested Chairman Preus set a meeting of the Personnel Committee (and the chairman) with board members of the entities. The meeting went “exceptionally well” with much discussion. At one point in history, Lohmeyer noted, it was thought the President should have the highest salary in the Synod; there are, however, competitive jobs that may need to be filled at a higher level—a point of view the entities expressed.

The use of bonuses and other compensation mechanisms and the reporting or transparency of these items was questioned. Preus recalled his former service on the board and the development of present compensation guidelines 20–25 years ago, when the opinion prevailed on the board that the President should be the highest paid employee in the Synod. Soon after that the board noted that entities were adding bonuses to exceed the (unwritten) “policy cap.” “Now,” he noted, “the entities have gone [to various degrees] their own route.” Policy 6.4.3, which is part of the “general human resources policies of the Synod,” is interpreted variously among the entities and universities. Preus noted the board should understand how compensation is being carried out and compare this to its policy.

Preus noted quite a disparity of comments from the entity board members regarding compensation and the feeling that they “must compete with the market,” a point at which Preus pushed back with the idea that our top executives should be service minded. Our group was asked whether this board considers laity different than clergy.

Preus suggested obtaining compensation data from all synodwide corporate and trust entities. It was moved and, after a consent amendment to add historical data, and with the note that the data received would be reviewed in executive session, adopted:

Resolved, That the board direct the Personnel Committee, with assistance of LCMS Human Resources Executive Director Nathan Thomas, to collect from each snyodwide corporate and trust

entity the full compensation package of each top executive and each next level management employee, including the history of compensation for the past five years; and be it further

Resolved, That the Personnel Committee prepare a summary report listing all such compensation and report back to the board as soon as reasonably possible.

It was suggested that Thomas also provide materials suggesting a “market” frame of reference for such packages, although the market (except perhaps if limited to religious nonprofits) was also felt to be an inadequate sole basis for compensation.

The board entered executive session.

261X. Executive Session V: Personnel Committee

The board returned from executive session.

The committee reviewed nominations and made recommendations for the appointment of an ordained or commissioned minister to a vacant position, representing the Great Lakes Region, on the Board for International Mission. The committee recommended appointment of the Rev. Thomas Dunseth.

262. Convention Report / Overtures

Chairman Preus, having relinquished the chair to Vice-Chairman Grams, introduced a number of overture ideas drafted by the Secretary (item A) or by the Chairman (items B–F) as possible submissions to the 2026 Synod convention, to address issues encountered where the bylaws may require adjustment:

(A) To Amend the Bylaws to Replace the Concordia University System, the Synodwide Corporate Entity, with the Commission for University Education (pp. 201–8/642)

The overture would complete an aspect of 2023 Res. 7-04B as originally proposed, now that the *HotChalk* litigation is concluded, to which Concordia University System (CUS) was a party, namely, to convert the synodwide corporation into a commission of the Synod. The name would remain as an identifier for the universities collectively, but the activity (now focused on connection and affirmation rather than business functions) will be better and more efficiently served without the overhead of a separate corporate identity.

The board reviewed the overture as prepared by the Secretary.

It was moved and adopted:

Resolved, That the Board of Directors adopt the proposed overture, entitled “To Amend the Bylaws to Replace the Concordia University System, the Synodwide Corporate Entity, with the Commission for University Education,” (pp. 200–207/642) and direct the Secretary to submit it on its behalf for consideration by the 2026 Synod convention.

Chairman Preus noted the following need further development. The Secretary suggested that board input be gathered and a final draft circulated for comment and revised for final approval by the board in an internet conference prior to, or at, its February meeting.

(B) To Amend the Bylaws to Clarify the Responsibilities of the Board of Directors of the Synod (p. 209–10/642)

Preus noted that the proposed amendment to Bylaw 3.3.4.7 essentially clones, for the Board of Directors and within the domain of property and business matters, a provision the President has for addressing failures of officers and agencies of the Synod to adhere to the Constitution, Bylaws, and resolutions. He noted the language may need to be clarified to avoid the impression that it is meant to limit the board’s authority in this area.

Preus noted also a change at Bylaw 3.3.4.9, to allow the board to appoint additional officers and staff without the President's approval.

Attorney Huger noted the definition of the word *oversight* in general legal context. Preus noted this, along with the word *agency*, is a longstanding concern. This would be a larger issue, perhaps for referral to the Commission on Handbook.

It was moved and carried to proceed with preparation of this overture, for final approval at a subsequent meeting.

(C) To Amend the Bylaws to Align the Authority of the Mission Boards with Their Responsibility (pp. 211–12/642)

Preus noted the mission boards presently have oversight over the mission offices. This would change *oversight* to *supervision*. In response to a question from the President, Preus noted the intention is not to remove the President's supervision of mission office staff, but to add to it the board's supervision of implementation of policies. The *endorsement* of mission office strategic plans and *provision of input on* budget would be changed to *approval* of both. CMO Galchutt noted his impression also that the policies of BNM apply to the districts.

The Secretary explained the origin of the mission boards in the 2010 restructuring. The President noted that the reality even prior to 2010 was that policy governance in the prior program boards had led to extremely powerful executives. The 2010 restructuring removed that power and gave it to the President. He suggested that some form of policy concurrence would be preferable to two lines of supervision.

It was moved and carried to proceed with preparation of this overture, with the guidance of the board's discussion, for final approval at a subsequent meeting.

(D) To Amend the Bylaws to Eliminate Regional Elections for the Board of Directors of the Synod and to Revise Limitations on Elections from One District (p. 213/642) and To Amend the Bylaws to Eliminate Regional Elections for the Board for National Mission and Board for International Mission (p. 218/642)

Preus noted the overture regarding the board of directors as self-explanatory, the rationale being that these provisions restrict what the members of the Synod can do in convention to elect their own directors. The regional function of the directors is also very limited and is very different from that of the regional vice-presidents, who have a better-defined regional role as well as regional "qualification." Similar arguments could be made regarding the mission boards. Preus noted challenges filling regional seats on the Board of Directors and more so on the mission boards, to the exclusion of good candidates, because of the regional and district requirements.

Preus noted two arguments against: the board is functioning well, so why tinker. The other is that this will be opposed because the regionality was put in place in 2010 to "ensure" there would be representation from the saltwater districts. Concerns were expressed regarding potential perceptions of the changes. Preus suggested the floor committee might weigh the issues and decide.

It was moved and carried to proceed with preparation of these overtures, with the guidance of the board's discussion, for final approval at a subsequent meeting.

(E) To Amend the Bylaws to Rename and Clarify the Authority of Certain Officers of the Synod to Better Assist the Board of Directors of the Synod (pp. 213–16/642)

Preus noted this as the overture with the most impact on the board's work. The CMO in his impression has too much responsibility and authority for one person, reporting to the President who also has too much responsibility and authority as a result of the 2010 restructuring. This is a minor attempt to roll back and relieve the CMO of some of this load. Preus had discussed with officers and received good input, noting that this probably requires more work and that immediate answers are not evident. There is also opportunity to work on the officers reporting to the board (CAO and CFO). The thought is to make the CAO a Chief

Operating Officer with more evident and broad authority. Board discussion noted the criticality of “getting this right” and the thought that this may require more work of a significant committee or the whole board.

The President noted that moving fund development to the CFO is probably a good idea; the President should, however, have concurrence on a fund development executive. Communications, as well, could be shifted if concurrence is retained in executive hiring. Preus noted discussion with officers that alignment of correlated functions under officers will allow those officers to staff out responsibilities appropriately to direct reports. Grams noted also the relevance of changes being proposed to corporate formation bylaws.

It was moved and carried to proceed with preparation of this overture, with the guidance of the board’s discussion, for final approval at a subsequent meeting.

The board thanked the Chairman for his work. The drafts, the board later clarified, are to be circulated by January 16. Comments are to be submitted by January 30. A redraft would be circulated for final board reaction and hopefully approval in the first week of February.

263. Res. 7-04B: To Revise Bylaws to Revisit and Renew Relationship of Colleges and Universities with the Synod

With Grams continuing in the chair, Chairman Preus introduced Op. 23-3023 (pp. 220–44/642) of the Commission on Constitutional Matters (CCM), constituting a review of the governing documents and governance practices (as reflected in provided policy manuals) of the higher education institutions of the Synod, as directed by the noted resolution, part C. “[A]ll boards of regents and boards of associated foundations [are] directed to correct any identified noncompliance with the Synod Constitution, Bylaws, and resolutions.” The board is to report to the convention on this project, which needs to be moved along. Chairman Preus suggested that the Secretary, CAO, and Chairman, with assistance of Legal Counsel, contact the universities and assess progress. The board did not disagree.

The Secretary noted the relevance of the corporate governance work the board is doing and the different roles of CCM and the board. The CCM can indicate what is consistent with the Constitution, Bylaws, and resolutions of the Synod as they exist; whether these documents have the right provisions in place to give the necessary assurances to the Synod, with respect to its agencies, and to achieve effective operation in the Synod on business, property, legal matters, is more a concern for the board.

Additional materials, including reviews and correspondence between the commission, the Secretary, and the educational institutions, have been provided for the board’s review through a secure portal.

264. Governance Committee

With Preus resuming the chair, Governance Committee Chairman Jesse Yow elaborated on his committee’s written report (pp. 95–96/642), noting:

- Two items, 25-004 and 26-016, were adopted in the consent agenda.
- Item 25-017: Non-Solicitation and Non-Hiring Policy Regarding Corporate Synod and Synodwide Corporate Entity Executives. The committee received from the Personnel Committee a draft of this item. The committee discussed the timing, scope, intended purpose, and other aspects of the proposed policy, tabling the item until discussion could be had with the full board. Yow noted the committee feels it got enough input in the board’s discussion of the Personnel Committee report the day before to move forward with the project. A draft is to be expected at the board’s February meeting.
- Item 25-006: Districts of the Synod. Chairman Preus had suggested expansion of a section dealing with districts of the Synod. The committee will return to this as soon as possible. Preus noted in the Council of Presidents report a desire to discuss district and educational institution sustainability; he questioned whether this might be relevant to the committee’s work in this area.

- Item 24-056: Conflict of Interest. The committee expects to work on this in January and to bring a draft to the board’s February meeting.
- The committee also reviewed the form of the board’s self-review (pp. 109–10/642), slated to be initiated in February and reviewed at the board’s May meeting. Comments are welcome. The survey is to be sent out before the end of the year. The board will review the results in the spring.

265. LCMS Entity Activity Development (LEAD) Committee

LEAD Committee Chairman Andrew Grams reported via a slide deck (pp. 548–75/642) on the committee’s work on a corporate governance bylaw proposal chiefly impacting Bylaw section 1.5, an annotated draft of which was included in the docket (pp. 246–67/642). Grams noted the work of the Secretary and his assistant, Christian Boehlke, in guiding and drafting this significant project. This work stems from a Nov. 23, 2024, resolution of the BOD. It aims to address requirements still “on the books” from 1981 Res. 5-07 for formation of corporate entities, as well as changes in needs for instrumental entities across the Synod and a number of opinions of the Commission on Constitutional Matters on corporate documents. The LEAD Committee has worked extensively with subcommittees drawn from corporate Synod, synodwide corporate entities, districts, and educational institutions of the Synod to ensure that concerns would be surfaced and needs met. The changes proposed (still in final stages of development) aim to modernize—as is critically needed—and clarify current bylaws to meet today’s operational needs and future challenges.

The proposal allows for two non-agency categories of instrumental entities, passive investment entities (IE) and special-purpose entities (SPE), which would not be subject to Bylaw section 1.5 requirements for agencies of the Synod. The Board of Directors is also granted the ability to grant a waiver (as it already can for Bylaw 1.5.3.6) for more of the requirements for agencies, except for those agencies mandated by the Bylaws (synodwides, districts, educational institutions, etc.), while the requirements for its to grant such a waiver are clarified and strengthened. There are also certain changes to Bylaw 1.5.3.6 requirements for language required to be in governing documents, designed to address issues that have been identified since the implementation of this language nearly a decade ago, in 2016. Finally, a category of “managed agencies” is created, which have boards not necessarily independent of their parents or other agencies of the Synod.

The special-purpose category is intended to make space for instrumental entities for property development/redevelopment, which would not fit within the Synod agency category and might involve partnerships with outside entities. The CCM and BOD have been faced with certain opportunities for these, which are not able to be implemented under current bylaws.

Proposed also is to allow BOD to assign new functions to existing synodwide corporate entities (this is not presently allowed, though BOD can create a new entity), subject to a Synod comment period.

The special purpose entity provision was the principal focus of much discussion. Concern was expressed regarding the “ancillary to but supportive of,” language, which seems expansive, and regarding “non-Synod partners.” These aspects, it was noted, would require great judgment of the Board of Directors of the Synod to check potentially inappropriate or risk-fraught use of this vehicle. This topic was identified as needing an independent discussion. The Secretary noted the board has three choices it might commend to the convention: to say no to SPEs at this time, to say *yes*, leaving the board to “bar the door” to any potential bad ideas, or to adopt a *via media* of saying *yes* with very limited scope: allowing property development/redevelopment, requiring LCEF participation, and requiring BOD approval of each project. Even so, Grams noted, there are risks of litigation, bankruptcy, liability, or complexities of being involved in for-profit activities.

Grams noted helpful feedback received from LCEF, CPS, and CUNE, but limited feedback otherwise. He also suggested that, as the board looks at its officer structure, the regulatory changes here suggest that there be a more expansive compliance office of some kind. Finally, Grams noted that a floor committee will have the chance to adjust the proposal.

The board developed specific guidance for the committee:

- Demanded were “specific and clear definitions” of the categories of agency and other instrumental entities “that would satisfy Leo Mackay.”
- Generally, some wording needs to be improved throughout, but the main concern is with the SPEs. The effort of the committee was praised as outstanding for a near-first draft.
- Regarding the SPEs, the board discussed whether these should be made an option at this point and how broad the definition should be. The *via media* on SPEs, allowing property development/redevelopment, requiring LCEF participation, and requiring BOD approval of each project, was generally reviewed positively, though some members do not favor SPEs at all, and other members suggested serious concerns with the church getting into a very complex environment, even for our most capable entity.
- More input continues to be desired, and future drafts should continue to be shared with the board.
- As a side note, suggestions were given of using legal conventions to distinguish defined terms and even a thoroughgoing restatement of the Bylaws to use more clear and conventional definitions.
- The committee and board and others involved will need to think carefully how to present this complex proposal to the convention in a way that it will understand.
- Packaging needs to be considered. There may be two aspects here: bringing the bylaws essentially up to date and adding essentially a new feature, special purpose entities. The thought was that this might be presented as two separate items, or at least be clearly severable.

The action item on p. 590 was not brought, the guidance received being sufficient for the committee. The overture is to be redrafted and circulated for comment as described for the others.

266. Legal Review

The board entered executive session.

266X. Executive Session VI: Legal Review

The board returned from executive session.

The board by consensus referred to the Commission on Handbook for study the idea that defined terms be treated according to legal convention in the Bylaws, capitalizing or otherwise indicating them, and dealing with variations of forms of defined terms.

267. February 2026 Board of Directors Meeting at Concordia University, Irvine

The February meeting is scheduled for St. Louis. There have been suggestions to move it to Irvine to have a joint meeting with the CUI BOR, which is meeting Feb. 19–20. Thomas will give a “state of the university” address, which is an opportunity for LCMS BOD to join. Preus could provide an update and a Q&A could be hosted, similar to the MI BOD joint meeting. A change to meeting date is also contemplated due to travel to the West Coast, but Feb. 18 is Ash Wednesday.

It was moved (p. 591/642) and, being amended to meet from Thursday afternoon into Saturday morning, adopted:

WHEREAS, The LCMS Board of Directors (“BOD”) is currently scheduled to meet on Friday and Saturday, February 20-21, 2026; and

WHEREAS, It is proposed that the meeting dates be changed to Thursday and Friday, February 19-20, 2026; and

WHEREAS, The revised meeting will be held on the campus of Concordia University Irvine; and

WHEREAS, Both February 19 and February 20, 2026, are intended to be all-day meetings, which shall include a joint meeting with the Concordia University Irvine (“CUI”) Board of Regents; therefore be it

Resolved, That the BOD regular meeting shall be held on the campus of Concordia University Irvine; and be it further

Resolved, That the meeting be scheduled to begin in the afternoon on February 18 and to conclude in the morning on February 21, to include a joint meeting with the CUI Board of Regents; and be it finally

Resolved, That the revised date be communicated to all board members and relevant stakeholders for calendar alignment and logistical planning.

Loc suggested the joint meeting with the BOR might be Thursday afternoon, with dinner with the BOR to follow. Lori will follow up just after Thanksgiving on travel arrangements, which should be made as soon as possible.

Chairman Preus noted board members have suggested a need for more time for discussion. He had asked CAO Loc to prepare a resolution to provide additional time at the board’s May meeting. It was moved (p. 592/642) and, after processing of the amendment indicated hereafter, adopted:

WHEREAS, The LCMS Board of Directors (“BOD”) is currently scheduled to meet on Friday, May 15 and Saturday, February 16, 2026; and

WHEREAS, The Board of Directors has expressed a desire to allow additional time for thorough discussion of matters on the agenda; therefore be it

Resolved, That the May 2026 Board of Directors meeting be extended to begin on Thursday, May 14, at 1:00 p.m. CDT, and conclude on Saturday, May 16, at 12:00 noon CDT; and be it further

Resolved, That the revised date be communicated to all board members and relevant stakeholders for calendar alignment and logistical planning.

An amendment was proposed to move the meeting to Wittenberg. After discussion, in which the First Vice-President indicated floor committee weekend would follow in two weeks and the Secretary indicated he could not entertain international travel at that time, and in which CFO Haak roughly approximated a cost of \$40k, the proposed amendment was withdrawn.

268. Action Items

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

(A) Board Policy Revision, Section 7, Management Policies for Agencies Outside of Corporate Synod

It was adopted as part of the consent agenda (pp. 13, 386):

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 7, “Management Policies for Outside 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 25-004, attached to the October 17, 2025, Governance Committee minutes (redline, pp. 97–105; clean, 387–96/642); and be it further

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

(B) Board Policy Adoption, Policy 5.3.10: Housing Allowance

It was adopted as part of the consent agenda (pp. 13, 397):

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 has proposed a new Section 5.3.10, “Designation of Housing Allowance for Ministers of the Gospel Employed by 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 25-016, attached to the October 17, 2025, Governance Committee minutes (p. 399/642); and be it further

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

Chairman Preus introduced the following action items:

(C) Release of Funds to Resolve LCMS Guarantee of Concordia University System Debt

CFO Haak brought a resolution to resolve the LCMS obligation under an LCEF loan that resulted from the closure of Concordia University Portland with an unsecured CUS line of credit outstanding. It was moved and adopted:

WHEREAS, LCEF, the LCMS, and Concordia University System (“CUS”) negotiated a loan arrangement (The Loan) from LCEF to CUS for \$15,385,487 with a guarantee by LCMS of \$10,000,000 related to the closure of CUP; and

WHEREAS, The Loan balance is currently \$11,550,807.45; and

WHEREAS, The LCMS has been granting funds to CUS to make payments on The Loan since 2022; and

WHEREAS, LCEF has agreed to credit \$1,000,000, which was retained by LCEF as backing for an indemnification to University of Oregon from the sale of the CUP campus, against the loan and the LCMS guarantee; and

WHEREAS, LCEF has agreed to release the LCMS guarantee on The Loan and all covenants within The Loan pertaining to the LCMS in exchange for an additional payment of \$9,000,000; and

WHEREAS, CUS continues to not have revenue streams of their own sufficient to fund either their own operations or servicing The Loan; therefore be it

Resolved, That the Board of Directors authorizes payment of \$9,000,000 to LCEF to pay down the principal of the CUS debt in exchange for the release of the LCMS guarantee of The Loan.

(D) Vacancy Appointment, Board for International Mission, Individual Member, Great Lakes Region

The Office of the Secretary was notified of the resignation, effective June 1, 2025, of the Rev. Scott Yakimow, an individual member of the Synod representing the Great Lakes Region on the Synod’s Board for International Mission, having been elected by the 2023 LCMS convention for the 2023–29 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 and 188–89), with the board’s role further defined in its Policy 4.5.3.

The Board of Directors is required to appoint an individual member to fill this vacancy position as follows (pp. 399–400/642):

Board for International Mission
one (1) individual member (ordained or commissioned) representing the Great Lakes region
for the remainder of the 2023–2029 term (more than one-half term)

The Office of the Secretary sent out a call for nominations on June 3, 2025, requesting response by July 11, 2025, and compiled information on all nominees, including the slate of candidates from the previous convention. This information has been submitted, in its entirety, to the Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), to the Personnel Committee, and to the Board of Directors for inclusion in the board appointments book (pp. 1–97/97 of the board’s appointment supplement).

The Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), 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 October 7, 2025, presented the following slate to the board:

Candidates (three to five selected by the Standing Committee on Nominations)
Dunseth, Thomas W. — Highland, Mich. (MI)**
Rogness, Noah J. — Tomah, Wis. (SW)
Willman, Sean — Hillsdale, Mich. (MI)
Non-Candidate Consenting Nominees
Wangelin, William R. — Lansing, Mich. (MI)
Withdrew
*Stechholz, David P. — Livonia, Mich. (MI)
No Response
Jerabek, Todd R. — Embarrass, Wis. (NW)

** from the 2023 Convention Slate of Candidates; subsequently withdrew.*

*** added by the Standing Committee on Nominations subsequent to Stechholz’s withdrawal.*

Personnel Committee Recommendation

The Personnel Committee met on October 21, 2025, and recommended Dr. Stechholz, who subsequently withdrew. Upon notification, the Standing Committee on Nominations on November 7 added a third candidate to its commended list and the Personnel Committee on the same date met again and recommended the appointment of Rev. Dunseth.

Proposed Action:

The board, having considered the slate of candidates, as well as nominations, biographical statements, and evaluations of all consenting nominees, and the recommendation of its own Personnel Committee, by majority vote elected from the slate of candidates:

Rev. Thomas W. Dunseth — Highland, Mich. (MI)

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

(E) Advisory Representation Exception per Bylaw 3.1.4.1 (c) for Concordia Plan Services and the Lutheran Church Extension Fund

It was moved (p. 402–3/642) and adopted as read:

WHEREAS, Synod Bylaw 3.1.4.1 (a) provides that each board of the Synod shall be represented at conventions of the Synod (Convention[s]) by a board member and “its principal staff person”; and

WHEREAS, Synod Bylaw 3.1.4.1 (c) requires any exceptions to be approved by the Board of Directors of The Lutheran Church—Missouri Synod (BOD) prior to each convention; and

WHEREAS, Synod Bylaw 3.1.5 provides that advisory representatives shall have voice but no vote; and

WHEREAS, In such a role, advisory representatives may provide information and other assistance requested or otherwise helpful during a convention; and

WHEREAS, James Sanft currently is the chief executive of CPS, but has announced his retirement, to occur in 2026; therefore be it

Resolved, That the BOD approve an additional “principal staff person” for the CPS board as an advisory representative for the 2026 Synod Convention, to be effective only if at the time of the convention: (a) either CPS has employed a new chief executive, and/or is transitioning to a new chief executive, and (b) both James Sanft and the new chief executive are serving in leadership roles for CPS.

(F) Acceptance of Audited Consolidated Financial Statements

Audit Committee Chairman Mackay noted the committee gave its approval by unanimous electronic consent after its meeting. It was moved and adopted (p. 404/642):

WHEREAS, The Audit Committee of the Board of Directors met with representatives of Armanino LLP and management to discuss the audited consolidated financial statements of The Lutheran Church—Missouri Synod for the year ended June 30, 2025, and made inquiries of them regarding the audit; and

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

WHEREAS, The auditors’ opinion on the financial statements, dated November 20, 2025, is unmodified; and

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

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

Resolved, That the Board of Directors accept the audited Consolidated Financial Statements of The Lutheran Church—Missouri Synod for the year ended June 30, 2025 (pp. 475–530/642).

(G) Concordia University Nebraska Master Plan Approval

It was moved and adopted (p. 532/642):

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

WHEREAS, Preliminary records indicate that multiple properties may require further research to determine the existence or applicability of a reversionary interest (BOD Policy 6.3.3.11[b]) and the status of any reversionary interest affecting the properties of CUNE (“CUNE Property”) is currently unknown, to which end a title search has been conducted to investigate this matter; and

WHEREAS, CUNE seeks to align the CUNE Property with the Constitution, Bylaws, and Resolutions of the Synod, in a manner consistent with applicable Nebraska state law; and

WHEREAS, CUNE has undertaken a long-range planning process, which has led to a revision of its comprehensive Campus Master Plan (“Revised Campus Master Plan”); and

WHEREAS, The Revised Campus Master Plan includes anticipated projects extending beyond ten years including cost estimates, and submitted to the LCMS Board of Directors Audit Committee for oversight review (2023 Bylaw 1.2.1[p]; BOD Policy Manual 6.3.3.11[f]); and

WHEREAS, The CUNE Board of Regents has approved this Revised Campus Master Plan; therefore be it

Resolved, That the LCMS Board of Directors approve the CUNE Revised Campus Master Plan as presented.

(H) Concordia University Nebraska Capital Project: Baseball/Softball Complex

It was moved (p. 533/642) and adopted as read:

WHEREAS, In accordance with 2023 Bylaw 3.3.4.5(e) and BOD Policy 6.3.3.12, the Synod Board of Directors shall approve capital projects in relation to campus property management agreements and institutional master plans, and shall establish and monitor criteria for determining institutional viability, fiscal and otherwise; and

WHEREAS, Concordia University, Nebraska (CUNE) included new baseball and softball fields in its master plan, which was previously approved by the Lutheran Church—Missouri Synod Board of Directors at their November 18–19, 2022, meeting and further revised for approval by the Synod Board of Directors in its regularly scheduled meeting in November 2025; and

WHEREAS, The CUNE Board of Regents approved moving forward with a cost-effective, high-quality baseball and softball alternative at the July 29, 2025, Board of Regents meeting; and

WHEREAS, The leadership of CUNE and the CUNE Board of Regents have agreed to fully fund this project through donations, with no long-term financing; and

WHEREAS, The required documentation, including the master plan, project purpose, funding plan, and financial details, has been submitted to the Audit Committee of the Synod Board of Directors for review; therefore be it

Resolved, That the Synod Board of Directors hereby approve the construction of the new baseball/softball complex at CUNE, under the conditions established by the CUNE Board of Regents and presented to the Synod Board of Directors.

(I) LCMS Papua New Guinea Branch

After explanation by Attorney Huger, it was moved and, without objection, carried to reflect in the minutes that the directors have all resigned from the board of the LCMS Papua New Guinea Branch, effective November 22, 2025. This will be reflected to PNG in the form of a corporate resolution. A proposed action item (p. 593/642) was not taken up.

(J) Approval of CTSFW Lease Agreement, Subordination of Reversionary Interest, and Consent Use with The Lutheran Foundation, Inc.

After some discussion appreciative of the care taken by the seminary to structure the arrangement, it was moved (pp. 596–97/642) and adopted:

WHEREAS, In accordance with 2023 Bylaw 3.3.4.5 (e) and BOD Policy 6.3.3.12, the Synod Board of Directors (“BOD”) shall approve capital projects in relation to campus property management agreements and institutional master plans, and shall establish and monitor criteria for determining institutional viability, fiscal and otherwise; and

WHEREAS, Concordia Theological Seminary, Fort Wayne (“CTSFW”) proposed a project as part of its Campus Master Plan, wherein The Lutheran Foundation, Inc. (“Foundation”) would lease (“Foundation Lease”) approximately 5 acres (“Leased Property”) of CTSFW property (“CTSFW Property”) to build and maintain its own administration building, likely Saarinen inspired, to be located to the south of the lake (“Foundation Building”); and

WHEREAS, The Synod holds a reversionary interest (“Reversionary Interest”) on CTSFW Property, including the Leased Property. The CTSFW Property also has certain use restrictions that require CTSFW Property to be used for the maintenance and operation of an educational or religious institution of The Lutheran Church—Missouri Synod (“Use Restrictions”); and

WHEREAS, As a condition to its execution of the Foundation Lease, the Foundation is requiring that the Synod subordinate its Reversionary Interest and the Use Restrictions to the Foundation Lease; and

WHEREAS, At its November 22, 2024, meeting, the BOD resolved:

1. That the BOD authorize Chief Administrative Officer, Felix Loc, to work with UB Greensfelder representative(s) to take all necessary and appropriate steps to secure the reversionary rights in the property in the name of The Lutheran Church—Missouri Synod; and
2. That the BOD of Directors of The Lutheran Church—Missouri Synod approve the Campus Master Plan (pp. 361–94/640) as proposed by Concordia Theological Seminary, Fort Wayne; and

WHEREAS, The CTSFW Board of Regents has approved moving forward with a Foundation Lease for a term not to exceed 75 years; and

WHEREAS, Drafts of the Foundation Lease and the Subordination, Consent and Nondisturbance Agreement are attached hereto as Exhibits 1 (pp. 599–628/642) and 2 (pp. 632–35/642); therefore be it

Resolved, That the BOD approve of CTSFW entering into the Foundation Lease as presented at the 22 November 2025 meeting of the BOD; and be it further

Resolved, That the BOD approve subordinating its Reversionary Interest and Use Restriction in the Leased Property for the term of the Foundation Lease as contemplated in the above recitals as a component part of the CTSFW Campus Master Plan approved by the CTSFW Board of Regents and the BOD in November of 2024, subject to the Subordination, Consent, and Nondisturbance Agreement.

269. Meeting Review

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

269X. Executive Session VII: Meeting Review

The board returned from executive session.

270. Adjournment

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

John W. Sias, *Secretary*