131. **Call to Order**

Chairman Michael Kumm called the board’s February meeting to order with all members present by internet conference due to COVID-19-related considerations. Also in attendance were Chief Administrative Officer (CAO) and acting Chief Financial Officer (CFO) Frank Simek, Chief Mission Officer (CMO) Kevin Robson, and General Counsel Matt Buesching of Thompson Coburn. Chairman Kumm called upon Secretary Sias to offer an opening devotion, which he did on the basis of 2 Cor 6:1–10, the Epistle for Invocavit, and a portion of the 1550 Luther anthology pamphlet, *Sayings in which Luther Found Comfort* (AE 43:169–77).

132. **Adoption of Agenda**

The meeting agenda (p. 7/300 of the printed board docket, attached to the protocol copy of the minutes) was moved and, after brief discussion, adopted.

133. **Consent Agenda**

The meeting’s consent agenda (pp. 8–9/300) was moved and adopted:

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

WHEREAS, The Board policy reads

- Consent Agenda
  - 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.
  - The consent agenda should consist of routine matters that require board action. Typically, these items include approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and acceptance of routine or non-controversial action items.
  - The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
  - Any item which appears on the consent agenda may be removed from the consent agenda by a member of the Board. Items removed from the Consent Agenda will be considered at another time during the meeting as determined by the Chairman. The remaining items will be voted on by a single motion. The approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

therefore, be it

Resolved, That the Board of Directors herewith accept this consent agenda which includes the following:

- Officer and related Strategic Reports
  - Office of the President, First Vice-President, and Church Relations
  - Secretary; Rosters, Statistics, and Research Services; Commissions on Constitutional Matters / Handbook; and Conflict Resolution / Expulsion
- Council of Presidents
- Chief Administrative Officer and Chief Financial Officer
- Board of Directors
- Legal, Risk Management, External Auditing
- Accounting
and be it further

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

134. Results of Postponing FY22 Convention

With Lynne Marvin, Senior Director, LCMS Event Planning and Procurement, joining the board, Secretary Sias presented a report (pp. 1–9/75 of the presentation document supplement) on the recently-concluded Const. Art. XI B 8 congregational referendum. He referenced the official notice published on Feb. 16, the morning after voting closed (also attached to the protocol minutes) and, noting the board’s role in assisting the Secretary in facilitating convention-related processes, shared with the board some analysis of the voting (in which a remarkable 63.32% of congregations participated in a voting period of just 45 days) and implications of the use of online voting with email notification and validation for future balloting and registration processes. In the present referendum, participation rates varied among the districts as indicated in the official notice. Likelihood of participation was diminished in congregations with low membership or pastoral vacancies; even in those situations, congregations having provided more email contacts for lay leadership were more likely to respond. An uneven distribution of very small and vacant congregations across the districts may have contributed “naturally” to the variation in response rate observed.

Secretary Sias noted that, while a handful of districts have made firm plans to meet yet in 2021 (some later than originally scheduled), many districts, including some with previously “firm” plans, have rescheduled or are evaluating rescheduling to 2022. Looking toward the deferred 2023 Synod convention, the gathering of nominations for the Committee on Convention Nominations has commenced and will continue until the normal close of nominations, nine months prior to the rescheduled 2023 convention date. Study groups intended to offer reporting to this round of district conventions are being urged to disseminate their work on original schedule, while also being mindful of the opportunity to use the extra year to refine their work further.

Terms of elected and appointed officers, board, and commission members that are linked to the convention cycle and that would have concluded on Aug. 31, 2022, after the 2022 Synod convention—including those of certain LCMS Board of Directors members—have been extended by this action until Aug. 31, 2023, regardless of term limits. (Districts will experience a similar stretch either of the 2018–22 district triennium or of the 2021–25 district triennium, depending on in which year they hold their conventions.) Sias noted he is imploping those whose terms have been stretched to “stay the course” so as not to necessitate a considerable number of short-term vacancy appointments. By this action the Synod asked those already generous of their time for one more year. He joins the Synod in that earnest request.

In further discussion, it was noted that details of the triennial stretch, including some remoter implications, such as the impact of the delay of Synod reconciler training by a year, are being handled individually. The Office of the Secretary is dealing with daily questions on the district and Synod levels, but most have a readily sensible answer, obviously compatible with the Bylaws. A few districts may experience issues with
unusually long numerical nomination periods and the changes that might occur in an added year before their conventions. The Commission on Constitutional Matters will be called upon for any thorny questions that fall outside the scope of previous opinions (CCM Op. 20-2938 and 20-2960), but none have yet arisen. Sias clarified again that, after the 2023 convention, the regular 3-year cycle would continue, the subsequent district conventions to occur in 2025 and Synod, in 2026. There will be no “2-year triennium” to make up for the “4-year triennium” before.

Lynne Marvin briefly updated the board on ongoing efforts to close out arrangements for the 2022 convention and to set a definite date and location for its 2023 replacement. She is working with the City of St. Louis and hotels involved to “roll arrangements” from 2022 to 2023 as cost-effectively as possible, while also exploring prudent potential alternatives.

By consensus, the board authorized Lynne Marvin, Senior Director, LCMS Event Planning and Procurement, working under CAO Simek as convention manager (Bylaw 3.1.9 [a]), to “shop” convention arrangements for 2023 and 2026, with the approval of the board required (Bylaw 3.1.9 [j][2]) for any arrangements that may, for reasons of economy, have to be made at this time for 2026.

135. Report of the President

Called upon to expand on his written report (pp. 24–29/300), President Matthew Harrison noted, generally, his thankfulness for “the Lord’s blessings in a crazy year” and for excellent teamwork and collaboration among dedicated staff. Progress has been made in fund tracking, financial reporting, and “dashboarding” for the board to monitor and executives to manage expense to revenue.

Harrison noted the “extraordinary” participation of congregations in the convention deferral vote and his gratefulness to the Office of the Secretary for its work, to all those who were involved in facilitating and encouraging participation in the vote, and to all who weighed in to provide congregations with the “best information possible at the time.”

Turning to the Council of Presidents, Harrison noted that the group, with the help of an outstanding presentation by Minnesota South District President Lucas Woodford, is engaging one of the issues that lies before the Synod, namely, critical race theory. First Vice-President Lange is working with the council on completing the work of 2016 Res. 13-02A, “To Regularize Status of Licensed Lay Deacons Involved in Word and Sacrament Ministry.” By this resolution, Synod voted to “phase out” the licensing of lay deacons to do the work of a pastor, in favor of utilization of existing routes to ordained ministry, while providing a means by which certain exceptions could be approved yearly for existing situations. While tremendous progress has been made with lay deacon colloquy, the council has been to an extent “out of compliance” with the resolution, with, in places, some continued training and licensure of new deacons for Word and Sacrament. The risk, as with the 1989 resolution that initially authorized the practice, is that limited emergency exceptions could again become the rule. On this issue, Lange has been “steadily and graciously pulling us into line.”

The council continues to address the question of “what’s next” for difficult-to-serve parishes, with a continued push from some quarters for new routes to ministry. Harrison noted that “we have the Specific Ministry Pastor program, with 17 approved last COP meeting.” The number of specific ministry pastors in service is growing, but “overwhelmingly in large congregations calling additional pastors and having a lot of impact on their local formation,” and only to a much lesser extent where the program was intended to solve the problem of serving otherwise unserved parishes. With nine alternate routes to ministry, Harrison noted, he is “not in favor of opening more.” There needs to be an understanding, in specific, limited circumstances, of lay readers, the spiritual priesthood, filling a gap. A non-ordained man can lead in worship, read a sermon—not deliver the sacraments, but have supervising pastors periodically present to do this. Finding a way forward together is a process. “We have been living outside of AC XIV so long,” Harrison noted, “it will take us a while to realize what it means to live inside it again.” In later discussion on this topic, Harrison noted that, despite the resolution, adopted by a 75% vote of the 2016 convention,
“it’s been a struggle to bring consensus in this area.” The council is “willing to make very rare exceptions for the sake of the Gospel, annually reviewed” and is working through the transition “as well as we can.”

Biweekly council Zoom meetings have allowed blossoming issues to be timely addressed and made quarterly meetings calmer. A majority of the council was prepared to come to St. Louis for its April meeting, but, cognizant of the number that would not attend, the majority preferred not to attempt it. The council’s first face-to-face meeting since February 2020 will probably take place in September 2021.

Harrison noted highlights in other areas:

- Office of International Mission (OIM): Harrison plans to travel to the Dominican Republic to meet with Brazilian partners concerning an effort to send nine “fully-trained, excellent” Brazilian “alliance missionaries” to the Latin America/Caribbean and Africa regions. This is an exciting development, working with a mature daughter church to multiply mission very cost-effectively. OIM network-supported missionaries have 300+ days funding in reserve, even while there is a deficit in OIM operations (covered by other surpluses) and some turnover among missionary personnel (with new missionaries being called steadily by the board).
- Office of National Mission: The office is adapting to an online, rather than in-person, approach to Making Disciples for Life conferences, “learning how as they go.” In terms of COVID response, Doxology programs are continuing apace with mercy funding, as is the enhanced Soldiers of the Cross program.
- Internationally, Denis Rakotozafy, a strong confessional Lutheran president with a Ph.D. from Concordia Theological Seminary, Fort Wayne, has been elected “overwhelmingly” as bishop of the Malagasy Lutheran Church. The church body, of 4 million baptized members and 8,500 congregations, is pursuing fellowship with the LCMS, meeting in September with the Commission on Theology and Church Relations.
- The loss of Concordia College—New York “is painful.” Harrison expressed thankfulness for the institution’s graduates, who “have served and are serving the church and the world in God-pleasing vocations around the globe.” Finally, he noted, the college “simply could not function in a context with so few Lutherans. It is difficult for institutions trying to survive on the edge.”
- Concordia Seminary, St. Louis, has been blessed with a new president, the Rev. Dr. Thomas Egger. Harrison is “very pleased” with the selection and has “heard nothing negative from anyone about him.” Asked to comment, Chairman Kumm, another elector, noted Egger’s “tremendous presentation and his understanding of the needs of seminary,” leading to a “hands-down selection.” At Concordia Theological Seminary (CTS), Fort Wayne, the Rev. Dr. Lawrence Rast has been approved for another five-year term as president; at about the same time, CTS also received a ten-year accreditation approval “with high accolades.” Seminary recruitment numbers are “looking stronger.” This April’s placement offers 77 candidates from the two, “not enough” for about 120 requests for candidate calls. The Church Worker Recruitment Initiative, aimed at closing this gap over time is “continuing apace.”
- Harrison and East-Southeast Region Vice-President Christopher Esget attended the “mini-march”-formatted Life March in Washington, DC, with LCMS placards “front and center” in coverage. District visitations are continuing apace.

136. Report of the Chief Mission Officer

Chairman Kumm called on Chief Mission Officer (CMO) Kevin Robson to expand on his written report and those of the units he supervises (pp. 46–69/300; 10–19/75 in the presentation docket supplement). Since the board’s November meeting, the two mission boards issued a resource tool, a discussion document designed to facilitate congregational engagement with mission priorities and to promote awareness of means by which congregations can participate in the revision of existing, or suggestion of new, mission priorities. This document is available on the Synod’s website.
CMO Robson’s units are working on the FY22 budget proposal, evaluating “structure and positions” in the mission offices. He shared highlights from a number of areas, noting that President Harrison touched on many items already in his report:

- **The Board for National Mission** meets next Friday with a “standard agenda.” One prominent focus is on continuing to work through the definition of the board’s role and the effectiveness of its ends policies.

- **In the Office of National Mission (ONM),** the National Youth Gathering is, moving forward for 2022. The related youth leaders conference is also planned to take place in Houston, with a hybrid in-person / online model, in July. ONM is continuing to develop its Internet Resource Center / Learning Management System, progressing in online delivery of formerly live content.

- **The Office of International Mission (OIM)** has a missionary orientation upcoming. Robson noted the startup of an English-speaking B.Th. program with our church partner in Riga, Latvia, with a pilot class last autumn and now two sessions going simultaneously. LCMS missionaries John Bombaro and Charles Cortright are teaching 35 students from all over Europe and beyond. A full program will be starting this autumn. OIM is working with LCMS Communications to review and expand on a successful pilot of “LCMS Missions Unpacked,” an online resource intended to “bring the user into the field,” to give a “wonderful sense of what is going on” in the mission. The FY22 budget will show an emphasis on safety and security, with recruitment also a focus. No NSM missionaries are presently under financial stress. The office is “chipping away” at converting its accounting processes from TangiCloud to Banner, so as to harmonize regional accounting with that of mission administration.

- **Regarding the Office for Pastoral Education** and related areas, the Pastoral Formation Committee (Bylaw 3.10.4) has been meeting regularly and working on areas directed or suggested by the 2019 convention: under Res. 6-02, “To Promote Residential Seminary Education as the Preferred Option for the Preparation of Men for Pastoral Ministry,” to explore the possible consolidation of non-residential routes to ordination under the SMP umbrella, and under Res. 6-03A, “To Enhance the Specific Ministry Pastor (SMP) Program,” to make general improvements to that program. The committee is gathering information and working with the seminaries, and its work is expected to bear fruit in a report to the 2023 convention. Robson noted “Current Context of Pastoral Formation,” a white paper by the Rev. Dr. James Baneck, Executive Director of Pastoral Education,” now available online. Baneck is also working on a “Synod 101” initiative, aimed at introducing recent seminary graduates and others to the mechanics of participating in and benefiting from the Synod; a pilot project is now being developed for use with the Post-Seminary Applied Learning and Support (PALS) program.

- **Mission Advancement (MA):** Year to date, unrestricted gifts from living donors have exceeded $3 million (M), where only $2M was budgeted for the entire fiscal year. It is a “real delight to see a response from contributors” on an appeal for funds to be “used where needed most.” A scheduled assessment of the Mission Advancement unit has been paused due to work-from-home but is on the radar soon after return to in-person work. Mission Advancement Executive Director Mark Hofman is working with Mission Central structure and support, looking to sustain the work long-term. He is also working with gift counselors and mission advocates for enhanced planned giving in coordination with The Lutheran Church—Missouri Synod Foundation.

- **Communications:** The department has done a “great job” the last few weeks with some “key stories.” Improvements, online and in print, to the Lutheran Witness are bearing fruit, with a large number of users over the past few months directed from online resources to the print subscription page. Communications is studying audiences and channels in concert with the Department of Rosters, Statistics, and Research Services, consulting with Concordia Publishing House about increasing print subscriptions, evaluating where the LCMS is going in a “shifting landscape” of social media, and pursuing increased integration with OIM and MA, especially as relates to work overseas.
137. **International School Update**

The board entered executive session.

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137X. **Executive Session IA: International School Update**

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138. **Concordia University System and Concordia College—New York**

The board continued in executive session.

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138X. **Executive Session IB: Concordia University System and Concordia College—New York**

The board returned from executive session.

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139. **Financial Report and Giving Trends**

Ross Stroh, Executive Director of LCMS Accounting and Financial Services, presented financial reports as of December 31, 2020, and January 31, 2021, (pp. 96–109 and 290–300, respectively), elaborating on and updating his written report (pp. 94–95, 110–11300; 31–38/75 in the presentation docket supplement).

At the end of FY21’s first seven months (Jan. 31), corporate Synod has a gain of $5.24 million (M), $4.91M ahead of budget, involving a $460 k negative (unfavorable) deviation with regard to budgeted revenue and a $5.37M positive (favorable) deviation on the expense side. Covering the major areas, Stroh noted a favorable variance of $1.15M in the mission and ministry program areas, reflecting reduced spending and revenue received ahead of or above expenditure. Ecclesiastical programs have a favorable variance of $624k; Management and General revenue is ahead of expense by $3.3M, $2.7M of which is due to unrealized gains on investments. Mission Advancement shows a favorable variance of $533k, mostly due to its receiving its allocation on funds raised ahead of schedule, but also in some measure to cost reductions. Unrestricted revenue is behind budget by $689k because of timing; the Payroll Protection Program Loan forgiveness anticipated this fiscal year has not yet been received.

Through Jan. 31, revenue exceeds expenditure by $5.24M. Correcting for seven months’ anticipated PPP loan forgiveness at $2.13M, $2.73M in unrealized investment gains in excess of budget, district revenue and Schwan grant timing, corporate Synod’s adjusted year-to-date favorable variance amounts to $4.5M.

Returning to the $460k negative deviation with regard to budgeted (realized) revenue, Stroh noted that this value includes a favorable variance, on the unrestricted side, of $2.72M, due to the $2.73M in unrealized investment gains in excess of budgeted values. That is more than offset by a negative variance, on the restricted side, of $3.18M. Stroh explained, however, that on the restricted side, funds are only treated as “realized revenue” and included in this figure when expended. Reduced spending, due principally to coronavirus limitations, has resulted in restricted funds being released behind schedule. Taking into account this effect and the anticipated PPP forgiveness, revenue would show a positive variance of $5.3M.

Displaying a slide of net assets without donor restrictions, Stroh noted that the last three fiscal years have shown an increase, from $4.19M in 2018, to $15.99M after seven months of FY2021. (This includes $4.8M in land, buildings, and equipment and $21.5M in board-designated funds, indicating a deficit in undesignated, unrestricted funds that, while reduced by $5M since the beginning of FY21, still stands at $10.3M.)

Stroh noted $28M in cash and cash equivalents, 159 days of cash on hand, a current ratio of 3.4, and a program spending ratio of 73.9% (depressed due to coronavirus impacts from 79% last year).
LCMS Accounting is gathering information for Payroll Protection Program loan forgiveness and plans to submit in March, as soon as US Bank reopens the portal for such submissions.

CAO Frank Simek explained the development of procedures for monthly tracking of gifts and other income by the Operations Team and Office of the President (pp. 57–75/75 in the presentation docket supplement). Monthly charts monitor receipting relative to net asset releases, resulting in growth or diminishment of fund balances. Actual results are being tracked retrospectively at present; the hope is that the work will develop further to project receipts prospectively over the course of the fiscal year.

Simek showed charts of monthly and cumulative income relative to budget, previous year actual, and the prior-three-year average. Unrestricted gifts are running very well, ahead of all comparatives, except that some receipts typical of December appear instead to be in January. The $15.3M total includes district receipts, which fell off in January relative to budget and years prior but are on track with the budget cumulatively. Also included are unrestricted gifts and grants, which strongly exceeded all comparatives. Unrestricted bequests are behind the three-year average but ahead of budget. Finally, unrestricted (realized) investment income is ahead of budget and near the three-year average, and unrealized gains on investments are significantly ahead, as noted in Stroh’s report.

On restricted side, YTD gifts are very close to last year and a little below the three-prior-year average. Gifts and grants spiked in December but dropped more significantly in January. Bequests have been above the norm, as has restricted investment income and unrealized investment gains (strongly so).

Summarizing, Simek noted that unrestricted income exceeds FY19, year-to-date, by $3.29M ($1.39M, gifts and grants, and $2.34M, unrealized investment gains) and exceeds budget by $4.71M ($1.87M, gifts and grants, and $2.73M, unrealized investment gains). Restricted income is ahead of last year by $844k (a decline of $1.98M in gifts offset principally by a $766k increase in bequests and $1.95M in unrealized investment gains). Simek noted that the increase in unrestricted gifts roughly offsets the decrease in restricted gifts—which may be conjectured to mean that donors are giving at similar levels but in a less-restricted fashion due to appeals for funds that can be used where needed most.

CAO Simek noted that these monthly income analyses will be a part of regular board reports going forward. In discussion, it was noted that if the analysis can also differentiate restricted income centers and include major expense centers and timing, this could prove to be a very helpful budget planning tool.

140. Board Designated Funds

LCMS Accounting and Financial Services Executive Director Ross Stroh presented an accounting of funds currently designated by the board for specific purposes. These fund designations total $21.5 million (M) but are significantly offset by the accumulated undesignated net asset deficit ($10.3M as of Jan. 31, 2021). As requested at the board’s November meeting, the Operations Team proposed that the board adjust certain designations (p. 39/75 in the presentation docket supplement). After hearing Stroh’s brief overview of the proposal, Chairman Kumm assigned this item to the Audit Committee to bring a proposal to the May meeting of the board.

141. Governance Committee Report

Governance Committee Chairman Christian Preus reported on his committee’s meeting of January 28 (pp. 115–116/300). He noted the committee’s conversation with leaders of the four remaining district church extension funds (CEFs: Central Illinois, Michigan, Southern, and Texas) regarding their relationship with the Board for Church Extension, a continuation of a conversation with Lutheran Church Extension Fund regarding the dual role of its board as the Board for Church Extension (Bylaws 3.10.7–7.1). The CEF leaders reported good working relationships with BCE and that none of the district CEFs have plans at present to merge into LCEF. Taking into account all this input, the governance committee has determined not to recommend changes to the structure or function of the Board for Church Extension at this time.
The committee also reviewed and recommended various changes to policies related to legal matters and representation for the Synod and its agencies, which were treated under action items below (pp. 168–94/300). It was noted that RSO policies and agreement revisions are under review by others and are expected to come through the governance committee in time for the board’s May meeting.

142. Audit Committee Report

Audit Committee Chairman Keith Frndak reported on his committee’s meeting of February 18. The committee received a detailed presentation from Joel Rivers and Mark Ross on computer systems security, integrity, and training. LCMS staff work and coordination with CPS seems to be proceeding satisfactorily. The report on fourteen security topics was “complete and well-accepted.”

Chairman Gerhard Mundinger, President Dean Wenthe, and Paul Philp, of Concordia University System (CUS) updated the committee on the state of the system and the colleges. Reviewing college and university closures, the CUS team updated the committee on Bronxville, Portland, and Selma; with regard to Selma, CUS advised that it has written off the $2.2M owed to CUS by the closed institution.

The committee also reviewed and accepted Executive Director Joann Spotanski’s report on work of Internal Audit. Internal Audit reiterated a couple of concerns from the recently-concluded audit, including the use of board-designated funds and making clear accounting decisions on these, as well as on certain expense authorization procedures.

Finally, the committee discussed “macro succession planning” for Accounting and Internal Audit departments, which are exposed to a risk of aligned retirements in the short-term. Staff is taking this concern seriously.

143. Personnel Committee Report

Personnel Committee Chairman Larry Harrington reported on his committee’s meeting of January 20 (pp. 117–18/300). The committee reviewed salary analyses and recommendations presented by LCMS Human Resources as an initial step toward the board’s development of salary guidance for the FY22 personnel budget. This discussion followed formulae established some years ago. The committee also discussed the process for reappointment of the Chief Mission Officer, an activity that is due, but with the board’s consideration of the matter deferred until its May meeting. Human Resources Executive Director Val Rhoden-Kimbrough discussed with the committee the remote work arrangements still in place for most employees and efforts to maintain employee engagement during this period. The board’s appreciation for continued dedicated service of employees under these circumstances was expressed in a letter from Chairman Kumm.

Chairman Kumm noted that the Personnel Committee has been asked to resume its search for a Chief Financial Officer, paused during the coronavirus pandemic. The position will be budgeted for FY22.

144. Salary Guidance for FY22 Budget Planning

The board entered executive session.

144X. Executive Session IIA: Salary Guidance for FY22 Budget Planning

145. Legal Report

The board continued in executive session.

145X. Executive Session IIB: Legal Report
146. **2019 Convention Surplus**

The board continued in executive session.

146X. **Executive Session IIC: 2019 Convention Surplus**

The board returned from executive session.

147. **Initial Proposal of 2019 Res. 7-03 Committee on Governance of the Concordia University System**

Christian Preus, chairman of the committee assembled pursuant to 2019 Res. 7-03 to propose a new governance model for the Concordia University System, addressed the board regarding the committee’s draft proposal. This was included in the board’s docket in the form of a proposed overture to the 2023 Synod convention (pp. 196–222/300). Preus reviewed the resolution’s charge to the board and the committee it formed to draft the proposal. The committee has met on at least a monthly basis over the past fifteen months and has spent a great deal of time in consultation with involved parties and in drafting and revising the proposal, largely by prolonged conversation and consensus. He also reviewed the “two kingdoms approach” by which the committee attempted to grant maximum flexibility to boards of regents with regard to “left-hand” business, financial, and legal matters while strengthening the same regents in the “right-hand,” ecclesiastical role for which they are responsible and accountable to the Synod and its congregations. In support of the latter, a typical academic accreditation process has been adapted to ecclesiastical purposes. With the interests of the Synod lying principally on the “right-hand” side, proposed bylaws governing the new “affiliate” relationship for the schools have reduced left-hand detail and increased right-hand structure and specificity. While the proposal involves the functional replacement of Concordia University System, as regards right-hand oversight on behalf of the Synod, with a new Commission for University Education, the Concordia University System Board of Directors has been asked to and, by way of a very capable committee, has drafted the initial “Lutheran Identity and Mission Outcome Standards” that would be the basis of the ecclesiastical accreditation process.

Review of membership and composition of the boards of regents has received a lot of discussion but, unlike in other areas, no consensus has developed on a proposed change. (It is possible that, especially with the delay of the convention, this could receive further attention and work from the committee.) President selection has also received some discussion but here, too, no substantial change has achieved consensus. Discussion with college and university presidents and boards has been significant and fruitful. As part of this discussion, the committee came to feel strongly that coordination among the schools will be important to their collective health but that—even though the individual institutions’ ability to carry this forward together is in doubt—it would be unwise to impose a model for such collaboration and consolidation from above.

Also included in the docket was communication from the Board of Regents of Concordia University Texas regarding the proposal and the compiled questions, observations, and recommendations from a Nov. 19–20, 2020, meeting of the Concordia University System college and university presidents and board of regents chairs, previously shared with and considered in detail by the drafting committee (pp. 223–40/300). Preus noted some regent chairs and presidents have expressed a desire for more direct input in the process. The view has also been expressed by some that the detail of ecclesiastical accreditation should be greatly curtailed. The committee felt, on the other hand, that the detail is at an appropriate level to lend structure to the Synod’s maintenance of good and productive relationships with the schools.

Preus noted that among the action items is a proposed resolution to disseminate the overture, which constitutes the initial report and proposal of the committee, to the Synod for the comment period required by the resolution (p. 195/300). Despite the delay of the convention, the committee felt this an appropriate time to seek comment from the broader Synod, especially in view of districts that may convene yet in 2021.
Discussion noted appreciation for Preus’ work and the careful, methodical, and thoughtful work of the committee. It also noted that the proposal, if adopted, would significantly reduce BOD’s responsibility for oversight of property and business matters on the campuses. The board discussed the timing of the release of the document to the Synod for review. The allowance of more time for broader discussion after the initial release was felt to be better for the quality of the product finally presented to the 2023 convention.

A board member noted his church needs a rostered teacher, which none of the Concordias can provide for this coming school year. Does the proposal meet the Synod’s needs? Will it ensure the universities meet their commitments to the Synod? Preus noted a great deal of thought and effort put into the ecclesiastical accreditation concept. It is designed to enhance the right-hand relationship and improve confessional Lutheran identity. It is not realistic to see this as the ideal solution. This will be a big advantage with an institution that wants to be faithful; an institution that would rather be independent, he observed, will certainly find opportunity for that here—and would ultimately be identified as such.

Concluding, Preus noted with appreciation the service of the Secretary as the primary drafter, who listened to the committee’s many conversations and crafted bylaw language to capture the thought of the consensus.

148. Policy Task Force

In response to discussion at the previous meeting about the potential need for a board retreat, Larry Harrington reported that the board’s last retreat was in 2017. This retreat was the genesis of a policy task force, whose work was slowed by the resignation of Eric Ekong, its first chair, by COVID, and by many other demands. The committee, presently chaired by Harrington and including also board members Preus, Hoem, and Sias, has resumed work and intends to bring a proposal treating at least the early parts of the board policy manual for the board’s review at its May meeting.

149. Action Items

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

(A) Appointment of Interim Persons

The Personnel Committee proposed (pp. 118, 161–62/300), in accordance with the Bylaws of the Synod, Board Policy, and the LCMS Human Resources Policy, “Appointment of Interim Persons,” a resolution designating, for certain officer-level positions not covered by the presidential line of succession, persons to “provide interim direction and leadership…in the event there is an unexpected resignation, disability, disposition, or death.” It was moved by the committee and adopted:

WHEREAS, In accordance with the Bylaws, Board Policy, and the Human Resources Policy, “Appointment of Interim Persons,” each board, commission and department is to identify a person to provide interim direction and leadership to the board, commission, or department in the event there is an unexpected resignation, disability, disposition, or death of the officer currently serving; therefore be it

Resolved, That the Board of Directors name the following individuals to serve during a board-authorized interim vacancy until action can be taken by the board to appoint someone to fill the vacancy:

<table>
<thead>
<tr>
<th>Position</th>
<th>Designated Interim Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Administrative Officer</td>
<td>Mr. Ross Stroh – Executive Director Accounting</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Mr. Frank Simek – Chief Administrative Officer</td>
</tr>
<tr>
<td>Chief Mission Officer</td>
<td>Rev. Dr. Jon Vieker – Senior Assistant to the President</td>
</tr>
<tr>
<td>Secretary of the Synod</td>
<td>Rev. Peter Lange – First Vice-President</td>
</tr>
</tbody>
</table>

These names are to be forwarded to the Department of Human Resources, who shall maintain them as required should the need for appointment of an interim be necessary.
After clarification by CMO Robson that this action item simply updates, due to various employment transitions, the membership of the WFOE established some years ago, it was moved and adopted:

WHEREAS, The Board of Directors (“BOD”) of The Lutheran Church—Missouri Synod (“LCMS”) at its May 18–19, 2018, meeting approved the establishment of a legal entity structured as a Wholly Foreign-Owned Enterprise (“WFOE”) in the People’s Republic of China (“PRC”) to be solely owned and controlled by LCMS Holdings Limited (“Holdings”), Hong Kong in connection with the activities of Concordia International School Shanghai (“CISS”) operations, as currently based in Shanghai; and

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

WHEREAS, The CBICC Articles of Association, which have been approved by PRC government in order to comply with applicable laws relative to the legal establishment and operation of CBICC in the PRC, state as follows:

Article 17 The Board of Directors (the “Board”) [that is, of CBICC] shall consist of five (5) Directors appointed by the Shareholder [that is, Holdings, as sole shareholder].

Article 18 The Chairman of the Board shall be appointed by the Shareholder from the existing Directors….

Article 28 The Company’s [that is, CBICC’s] management organization shall be under the leadership of the General Manager, who shall be accountable to and shall act according to the instructions of the Board. The Company shall have one General Manager, who shall be nominated by the Shareholder and appointed or dismissed by the Board. …The General Manager of the Company shall be the Legal Representative of the Company.

Article 36 The Company shall have one Supervisor.

Article 37 The Supervisor shall be appointed by the Shareholder.

and

WHEREAS, The Holdings Board of Directors, with the concurrence of the LCMS BOD, effective August 2018, made the following initial nominations and appointments to the aforementioned positions:

- **Directors (5)**: Mr. John Brantingham (member, CISS Board of Directors), Rev. Kevin Robson (LCMS Chief Mission Officer), Dr. Mary Scott (Head of School, CISS), Mr. Frank Simek (LCMS Chief Administrative Officer), Mr. Jerald Wulf (LCMS Chief Financial Officer).
- **Chairman of the Board (1)**: Mr. Frank Simek.
- **Supervisor (1)**: Mr. Fred Voigtmann (chairman, CISS Board of Directors).
- **General Manager (1)**: Dr. Mary Scott (Head of School, CISS).

WHEREAS, In a Holdings Board of Directors (“Holdings BOD”) meeting on February 4, 2021, the Directors of Holdings resolved (see attached)

1. To nominate and appoint the following individuals to the positions cited above under Articles 17, 18, 28, 36 and 37 of the proposed CBICC Articles of Association:
• **Directors (5):** Mr. Frank Simek (LCMS Chief Administrative Officer; re-appointed), Rev. Kevin Robson (LCMS Chief Mission Officer; re-appointed), Mrs. Josefina Shen (chairwoman, CISS Board of Directors; appointed and replacing Mr. John Brantingham, dismissed); Mr. Steven Winkelman (Head of School, CISS, call accepted; appointed and replacing Dr. Mary Scott, dismissed) and Mr. Ross Stroh (Director, LCMS Accounting; appointed and replacing Mr. Jerald Wulf, dismissed).

• **Chairman of the Board (1):** Mr. Frank Simek (re-appointed).

• **Supervisor (1):** Mr. Curt Larson (CISS Assistant Head of School—Finance; appointed and replacing Mr. Fred Voigtmann, dismissed).

• **General Manager (1):** Mr. Steven Winkelman (nominated and replacing Dr. Mary Scott, to be dismissed by CBICC Board).

Therefore be it

Resolved, That the LCMS Board of Directors concur with and endorse the action of the Holdings BOD to nominate and appoint the above listed individuals to the positions cited above under the proposed CBICC Articles of Association.

(C) **Election of Directors and Supervisors for China Evangelical Lutheran Church—Legal Corporation**

In response to a request from CMO Robson and CAO Simek, pursuant to the requirements of Taiwan law, with the awareness of the Board for International Mission, and on the basis of discussions with current board members, some of whom are transitioning, it was moved and adopted:

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

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

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

• “The directors shall be elected by the donator, LCMS, within two months before the expiration of the term of office of the existing directors. In the event that the number of vacancies in the board of directors equals to one third of the total number of directors due to any force majeure or special event, or due to any director's resignation for any cause, the LCMS shall elect succeeding directors to fill the vacancies under the same term of office as the original directors” (Article 8).

• “The CELC-LC shall have three supervisors, including one executive supervisor, who shall be elected by LCMS with the tenure of three years and they shall be eligible for reelection upon expiration. Supervisors shall be present at board meetings” (Article 14-2); and

WHEREAS, The current directors’ and supervisors’ 3-year terms expire March 31, 2021 which requires the LCMS to elect individuals to serve the next 3-year term commencing April 1, 2021; and

WHEREAS, The CELC-LC board of directors recommend the following to serve a 3-year term commencing April 1, 2021:
and

WHEREAS, All of the above-listed recommended candidates to fill board and supervisor positions have ecclesiastical connection to and/or are under the supervision of the LCMS President and/or the Chief Mission Officer; therefore be it

Resolved, That the Board of Directors elect the above-listed directors and supervisors to serve a 3-year term beginning April 1, 2021.

(D) Adoption of Initial Proposal, 2019 Res. 7-03 Committee on Governance of the Concordia University System

The board having discussed this item, as included in the board’s docket in the form of a proposed overture to the 2023 Synod convention (pp. 196–222/300), under the committee’s report above, it was moved and adopted:

WHEREAS, The 2019 Synod Convention adopted Resolution 7-03, directing the Synod Board of Directors to propose a new governance plan of the Concordia University System (CUS) for consideration by the Convention of the Synod now scheduled to convene in 2023; and

WHEREAS, 2019 Resolution 7-03 directed that the proposed new governance plan specifically address the objectives of 2013 Res. 5-01A and 2016 Res. 7-02B by continuing to:

• strengthen all CUS institutions’ connection to the Synod;
• strengthen the confessional Lutheran identity of all CUS institutions;
• review the composition, size, and selection of boards of regents;
• review the process for selecting presidents of institutions;
• review the overall governance of CUS and the boards of regents of the CUS institutions;
• review the financial models for the institutions;

and

WHEREAS, 2019 Resolution 7-03 directed that consideration of a new governance plan include the active involvement of the President of the Synod, the Concordia University System Advisory Council (CUS Institution Presidents), the CUS Board of Directors, the President of CUS, the institutions’ respective Boards of Regents, and others as needed; and

WHEREAS, Under the direction of the Board of Directors, a committee was formed that included the active involvement and participation of all those identified in Res. 7-03 (Res. 7-03 Committee); and

WHEREAS, The Res. 7-03 Committee has been working the past fifteen months to address the issues presented by Res. 7-03 and has presented to the Board of Directors a proposed report setting forth details of a proposed new governance plan addressing the objectives established by Res. 7-03; and

WHEREAS, Res. 7-03 directs that a report from the Synod Board of Directors be disseminated to the Synod for a six-month period of comment commencing not later than fifteen months prior to the start of the 2023 Convention of the Synod. Therefore, be it

Resolved, That the Board of Directors, upon consideration of the proposed report from the Res. 7-03 Committee, adopt this report of a proposed new governance plan for CUS to be disseminated to the Synod as directed by Res. 7-03; and be it finally
Resolved, That the Secretary of the Synod be directed to disseminate the report to the Synod as prescribed by Res. 7-03.

(E) Concordia University Nebraska Music Building Proposal

It was moved and, after brief discussion, adopted (pp. 241–75/300):

WHEREAS, The Executive Committee of the Concordia University System Board of Directors, acting on behalf of the entire board, adopted the following resolution in a Zoom meeting on January 22, 2021:

WHEREAS, Concordia University Nebraska outlined necessary upgrades to its existing music facility in its approved 2016 Campus Master Facility plan; and

WHEREAS, The funds for such a design, renovation, and addition have been made possible through a generous donor; and

WHEREAS, The Lutheran Church Extension Fund has approved refinancing of the debt from the previous Dunklau Center project and an incorporation of this project with the institutions Line of Credit; and

WHEREAS, The Board of Regents of Concordia University Nebraska has approved the following:

- A guaranteed maximum price (GMP) for the project (renovation and new construction) of no greater than $15.5M is received.
- Gifts and identified gift commitments for the Music Building is at a minimum of $12M GMP by or before January 31, 2021.
- Interim funding is secured from LCEF to cover construction costs until the gift commitments are received.
- Construction documents receive final approval from the Executive Vice President and Interim President of Concordia University.
- Approval from the Concordia University System Board of Directors and the Board of Directors of The Lutheran Church—Missouri Synod is received at next possible meeting.
- The total project cost includes a maintenance endowment of not less than $1.5M established through gifts, identified gift commitments, and declared gift intentions; and

WHEREAS, LCEF has offered a rate of 3.875% for three years with the rate set to reset after three years for another three-year period; and

WHEREAS, The project is anticipated to be able to be fully paid off in 8 years; therefore, be it

Resolved, That the Executive Committee of the Concordia University System (CUS) Board of Directors acting in a specially called meeting on January 22, 2021 via Zoom approves the request of Concordia University Nebraska for the renovation and addition to its Music Facility together with the funding proposed by the refinancing of the Dunklau project loan, integration of this project, and the institution’s Line of Credit; and be it further

Resolved, That the Executive Committee of the CUS Board of Directors report this action taken on behalf of the CUS Board to the full CUS Board of Directors at its February 2021 meeting; and be it finally

Resolved, That the Executive Committee of the CUS Board of Directors forward this action to the Board of Directors of The Lutheran Church—Missouri Synod for its consideration and action at its February 2021 meeting with the encouragement that it approve the same.
Therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approve the request of Concordia University Nebraska for the renovation and addition to its Music Facility together with the funding proposed by the refinancing of the Dunklau project loan, integration of this project, and the institution’s Line of Credit with the Lutheran Church Extension Fund (LCEF).

(F) Revision of Board Policies, Sections 4 and 5.8

It was moved by the Governance Committee and adopted (pp. 164–94/300):

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

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

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

Resolved, That the Board of Directors adopt the changes to the following policies found in The Lutheran Church—Missouri Synod Board of Directors’ Policy Manual as indicated in pp. 169–94/300 of the board docket:

- Section 4 – Board of Directors Executive Limitation Policies, Exhibit A
- Section 5.8 – Legal Policies, Exhibit B
- Engagement of Legal Counsel for Agencies of the Synod Policy, Exhibit C
- Responding to Litigation Brought Against Agencies of the Synod Policy, Exhibit D
- Initiating Litigation Brought Against Agencies of the Synod Policy, Exhibit E
- Engagement of Legal Counsel for the Synod Policy, Exhibit F
- Responding to Litigation Brought Against the Synod or Corporate Synod Policy, Exhibit G
- Initiating Litigation by the Synod or Corporate Synod, Exhibit H;

and be it further

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

150. Meeting Review

It was moved and carried to enter executive session for the board to review the meeting according to its policies.

150X. Executive Session III: Meeting Review

151. Adjournment

The board returned from executive session. With the agenda concluded, Chairman Kumm offered a closing prayer and the board adjourned. Chairman Kumm thanked the board members and staff for their labors.

John W. Sias, Secretary