

MINUTES

BOARD OF DIRECTORS Marriott Waterside Hotel, Tampa November 19–20, 2009

139. Call to Order and Opening Prayer

Chairman Donald Muchow called the meeting to order with all members of the board in attendance. Roy Schmidt, chaplain for the meeting, opened the meeting with prayer.

140. Wittenberg Project Presentation

Chairman Muchow called on Dr. Samuel Nafzger, who serves as chairman of the International Lutheran Mission Society of Wittenberg (ILSW), to introduce the members of the society's supervisory board who were present: Bishop Hans Joerg Voigt and Mr. Ulrich Schroeder of partner church SELK, and Mr. Kermit Almstedt, Dr. Tom Kuchta, and Rev. David Mahsman of the LCMS. The two remaining members of the board who were not present were Rev. Gert Kelter of the SELK and Dr. Bruce Kintz of Concordia Publishing House. Each ILSW board member present provided brief comment about the project, their comments summarized by Dr. Nafzger: "The time is just right for this kind of project."

141. Approval of Agenda

Chairman Muchow called attention to the agenda for the meeting. One item, provision for Dr. Dale Meyer, President of Concordia Seminary, to address the board, was added before a motion was introduced and carried "to approve the agenda as changed."

142. Legal Counsel and Human Services Reports

A motion "to move into executive session" to receive the legal counsel and human services reports was introduced and carried.

142X. Executive Session I

143. Officer Reports

A. President

President Gerald Kieschnick called attention to his printed report (Section A, pp. 1-4, copy attached to protocol copy of these minutes) and highlighted items in the report. He noted that meetings on August 21–22, September 28–29, and October 7 all had to do with the Evangelical Lutheran Church in America's decisions regarding same-gender unions and the ordination of pastors involved in same-sex relationships, also noting some of the ramifications of this decision for the LCMS and its congregations. He will be working with the Commission on Theology and Church Relations on a treatise to provide assistance to the Synod. He also called attention to his September 9 participation in a second meeting with Japan Lutheran Church Leaders to discuss the issue of women's ordination, and he mentioned topics covered during his September 14 meeting with Concordia University System presidents, which included the need for well-qualified board of regent members and a developing interest in no longer requiring presidents of universities to be male.

He also reported regarding his October 7 conference call with all LCMS members of boards of inter-Lutheran agencies during which he shared the documents he has prepared in response the ELCA actions and offered counsel to try to continue to work together with the ELCA to the greatest extent possible. He called attention to the Lutheran Malaria Initiative conference call on October 29, noting that this is one area in which the LCMS and ELCA are continuing to work together, with three committees working on various aspects of the initiative to move it forward. Early pilot efforts involving districts and congregations will likely be followed by a 2010 Synod convention action.

He spoke at some length regarding the November 3–5 Pastoral Formation Summit in Fort Wayne and the participation of 46 people in an effort to envision what pastoral education might look like in the Synod's future, also reporting his efforts to quell rumors and anxiety regarding any sale of one or both of the Synod's seminaries and assure the seminaries of the board's interest in assisting them in providing their valuable service to the Synod. He also described his October 29 meeting with the descendants of Martin Stefan and their concerns that their family name has been tainted and that some personal property should be returned. In concluding his report, the President spoke of the regional gatherings across the country to roll out the report of the Blue Ribbon Task Force on Synod Structure and Governance, of the intended purposes of these gatherings, and of his plan to issue a public response to the task force report, calling attention to three areas that, for him, beg further consideration: commissioned minister franchise issues, franchise issues for congregations with more than 1,000 members, and checks and balances issues with the task force's proposal for national office structure. He also spoke briefly regarding the Wittenberg Project in response to a question regarding the project in light of the Synod's bigger picture interests.

B. First Vice-President

First Vice-President William Diekelman called attention to his report (Section A, p.5, copy attached to protocol copy of these minutes) and called particular attention to LCMS Pray 2009, leadership provided by Board of Directors member Victor Belton, held at the St. Louis Crowne Plaza. He also spoke briefly of the Lutheran Malaria Initiative and the assistance that has been provided by the Board of Directors endorsement at its August meeting.

C. Vice-President—Finance—Treasurer

Vice-President—Finance—Treasurer Thomas Kuchta called attention to his printed report (Section A, pp. 7–103, attached to the protocol copy of these minutes) and called particular attention to the “Schedule of Expenses Compared with Budget” for the first three months of the fiscal year, ending September 30. He noted a budget variance of \$1,466,802, also commenting that the number for LCMS World Mission, while showing a deficit of \$88,909, is a very positive number given the fact that some of the department's regular income is not received until later in the year. He credited LCMS World Mission leaders for the work they have done to bring expenditures into line with budget and income. He reported that *Fan Into Flame* campaign costs continue to be a concern, with shortfalls still continuing to grow, with a negative variance of \$1.6 million anticipated by November. To date, approximately \$14 million has been spent on fundraising expenses, though such expenses should “slow down” after December when payments will no longer be made to the campaign's outside consultants.

Commenting on other negative variances, he noted a loss of \$108,742 by KFUE FM operations, explained that the \$86,000 shortfall for the Audit Department is a timing issue that will reverse itself, attributed the \$66,000 negative variance for the Cross-Connect software program to being an amount not capitalized, and reported that some of the legal fees include fees associated with the sale of KFUE FM, cost that will be reimbursed from income from the sale. Since the finalization of the report, the budget variance stands at \$927,000 due to improvement in gains from investments. He also noted that \$621,000 in early retirement expenses will also need to be reflected in reports to come. He concluded his report by

calling attention to the statement of activities of KFUE AM and FM for the first three months of the fiscal year, noting that KFUE FM has lost \$161,000, gifts of \$54,050 having been generated by \$82,481 in development costs—a concern that the Board for Communication Services will be dealing with during its current meeting. Brief discussion followed the report.

D. Secretary

Secretary Raymond Hartwig called attention to his printed report (Section A, pp. 105f., copy attached to protocol copy of these minutes) and presented the minutes of the August 20–21 meeting of the board for approval. The minutes were approved as presented.

He also called the board's attention to the action item approved by the board via e-mail and Board of Directors Portal since the last meeting, in which the board voted unanimously to “approve the revised Master Facilities Plan for Concordia Mequon and endorse the institution's request to purchase the Obenberger property using operating funds” (documentation attached to the protocol copy of these minutes). Discussion followed regarding how e-mail actions between meetings are to be officially and publicly recorded, to be addressed by the Policy Review Committee.

The Secretary concluded with a brief review of his printed report, specifically calling attention to a draft position description and suggested time line developed for the board's use as it serves as the nominations committee for the position of Vice-President–Finance—Treasurer in preparation for the 2010 convention. Later in the meeting, the board reviewed and agreed to use the position description and time line for the present time, both to be finalized at a later time.

E. Chief Administrative Officer

Chief Administrative Officer Ron Schultz called attention to his printed report (Section A, pp. 115ff, copy attached to the protocol copy of these minutes), calling particular attention to a proposed resolution “to postpone appointments to the Board for Human Care Ministries and the Board for Communication until the Board of Directors meets during the convention pending the result of convention action on Blue Ribbon Task Force on Synod Structure and Governance recommendations.” After discussion, the resolution was defeated.

144. Joint Board of Directors—Council of Presidents Session

Included on the Board of Directors agenda was a joint session with the Council of Presidents. The topic for the meeting, “Macro Funding The Lutheran Church—Missouri Synod,” was introduced by a panel of four: David Buegler, Fifth Vice-President of the Synod; Bradford Hewitt, former Chief Administrative Officer of the Synod and current Senior Executive Vice-President and Chief Operating Officer for Thrivent Financial for Lutherans; Merle Freitag, President of the Lutheran Church Extension Fund—Missouri Synod; and Thomas Kuchta, Vice-President–Finance—Treasurer of the Synod. Each responded in turn to a series of four questions developed from input from members of the Board of Directors and Council of Presidents. A summary of the responses of the four panelists follows.

Question *Some suggest that our funding challenge is a symptom of a deeper problem. What do you believe is the root cause of the funding challenge in the Synod.*

- Freitag: Our funding challenge is not a simple “increase stewardship” issue. Over the last four years our Synod's membership has decreased by 125,000, which, using averages, results in a loss of \$92 million per year in contributions. Also, while “per member” giving has increased year after year, more is being used locally and less is being sent on to district and Synod, and that

received by the Synod is increasingly restricted funds. Better education and communication of the work of the Synod at large is necessary to improve brand loyalty in the pews.

- Hewitt: Is this truly a funding challenge? The Synod faces three challenges, but not really funding. Its income is substantial. The challenges are (1) Ownership: There is a need to understand whom the Synod is truly serving and get back to serving the needs and interests of pastors and congregations. (2) Overhead: There is a need to attack the Synod's overhead challenge—years ago at a time when the Synod was of similar size as today and growing, it had one-tenth of the staffing that it has today. (3) Organization: The Synod has grown into a very complicated organization and needs to simplify.
- Kuchta: There isn't "a root cause," that is, just one cause for the funding challenges the Synod faces. The people in the pews are extremely generous, but conditions have changed, and congregations today do much more on their own without help, probably in part due to a lack of communication and mixed messages from the national church. Another root cause is the absence of stewardship promotion, with only two such persons on the national Synod staff, while clergy are often reluctant to talk about Bible-based stewardship. The issue of harmony in the Synod is overblown compared to other church bodies, but congregations withholding funding because of disagreement is problematic.
- Buegler: Root cause is bad decision theology in two areas, stewardship and distribution. We need to dust off the doctrine of divine ownership of all things, of Christian sacrifice, of power of the Word that causes the decisions of a sanctified life, of distribution theology regarding tithing. Since the loss of the unified budget, stewardship education and informed distribution decisions have also been lost.

Question: The current LCMS national ministry funding model shows that approximately 80% of the national office operating revenue is received through direct, restricted gifts and 20% is received through the congregation-to-district-to-national channel. Do you believe this is/can continue to be a viable funding model for the future? If not, what realistic alternative(s) do you see?

- Hewitt: The current funding model has been viable for a long time, but it isn't stable, efficient, or able to fix issues and has the potential to cause unintended consequences. Not many alternatives are realistic, so the real question must be what needs to be fixed first, and then fixing the funding model over a five to ten year time frame.
- Kuchta: At last convention, a special convention was advocated because of failure of support of national ministries. Time needs to be devoted to structural change that will have an ongoing impact on the Synod's financial situation. While the restructuring of the national office is important and helpful, it is the recommendations of the task force on funding that need to be taken seriously. While our Synod is financially well off, its assets are primarily not held by the Synod but by its agencies. Other entities need to recognize their franchise with the LCMS.
- Buegler: Even an 80/20 split might be viable, but it is a moving number, and it is heading in a direction that will no longer be viable. One alternative would be to bring back some form of an assessed fair share, since 12% of the Synod's congregations give no unrestricted dollar support, 22% give less than \$1,000. This is unacceptable and not viable for the Synod. Congregations need to be helped to grow beyond themselves.
- Freitag: Yes, this can be a viable funding model so long as the people providing the offerings have the same priorities as the people who need to build the budget of the Synod. One suggestion would be to focus on growth, another to stop the bleeding. Above all, the Synod needs to communicate, communicate, communicate while living within its means, making changes when necessary instead of merely waiting for things to get better.

Question: It has been suggested that the Synod over the years has become an immense web of corporate agencies and organizations that operate independently of each other, and that the Synod has

lost its ability to manage these agencies and organizations in an orchestrated fashion for the good of the church. Are there changes to that structure that would aid the church to more efficiently—financially and organizationally—accomplish its objectives?

- Kuchta: Many areas need to be looked at to see if structural change is needed, but every time this is suggested, it gets criticized by people in the church who don't want change of any kind. The national office needs to become more efficient, but a critical look at districts is also essential. The Synod needs to get closer to its congregations. It also needs to look at its seminaries and their cost per student, and it needs to look at its colleges and universities, possibly allowing some to become independent and retaining others for church worker training.
- Buegler: The Synod has created a structure without a master plan, and the result is waste and complication. Change should be made, not in a piecemeal fashion but in a coordinated manner, to some extent developing a master plan to become more efficient. Right now the proposal of the Blue Ribbon Task Force on Synod Structure and Governance is the best shot available.
- Freitag: That the Synod is a highly complex organization is true, and a blank page approach to reorganization would be most helpful. The Synod needs to create a mutual expectation and focus between its partners that will help to develop brand identification and support among its members. There also are many Recognized Service Organizations associated with the Synod who get substantial benefits without any cost.
- Hewitt: The Synod has a really interesting governmental organization with voluntary franchise and taxation. It has been around for a long time. It needs to separate system from structure, to reform the structure and to enhance system to include by mutual agreement shared responsibility and accountability.

Question: Do you believe that the recommendations of the Blue Ribbon Task Force on Synod Structure and Governance being prepared for the 2010 convention will help improve the Synod's financial health, have no impact, or be harmful to it? Please give the rationale for your answer.

- Buegler: The current recommendations cannot hurt the financial picture, nor can they have no impact, so they therefore have to be positive. But these are recommendations that are not primarily intended to provide financial help. Their purpose is to strengthen congregations in mission, which, if implemented, will also improve the financial health of the Synod.
- Freitag: The inefficiencies of the current structure result in silos rather than in cooperation. The task force recommendations will, therefore, help—but only modestly. It is too easy just to punt the ball further ahead when there is, in fact, a need to put something in place that will have a more immediate impact.
- Hewitt: The task force recommendations can't hurt and answer the need to start to do something, but they are not the answer to the Synod's financial health. They address structural issues, and if this helps with mutual encouragement and mission, that is an important piece that will provide some help and have a positive impact.
- Kuchta: I have gone on record saying that the current task force proposals will have no significant financial impact. Projected numbers show savings of \$3.2 million over twelve years by going to quadrennial conventions and \$1 million per convention by proposed delegate reductions, in both cases savings to the congregations of the Synod but not to the national Synod. The cumulative effect of other changes more directly benefiting the Synod is estimated to be \$725,000. What could have a significant impact are long term recommendations having to do with district structuring, seminaries, colleges, and the task force on funding recommendations.

Following the panel presentation, comments from Board of Director and Council of Presidents members in attendance included the following:

- One of the leadership problems our Synod faces is the disenfranchisement of women and ethnic groups.
- Synod governance and structure years ago was mainly the task of volunteers on both the national and district levels. As positions have become professionalized, much cost has been added—perhaps ten times more. This is not to suggest that the Synod can go back to years ago, but it does demonstrate magnitude.
- We don't do a very good job of inculcating our vision. The Synod should have unity of command with one vision and one message so that the Synod can unify behind that vision and message.
- There is much competition for mission dollars, resulting in the need to sit down at table with all other causes, each making its case for unrestricted dollars, where possible increasing the amount of unrestricted dollars, building relationships using whatever structure is in place. This will require the involvement of all levels of the Synod.
- Money is a trailing rather than a leading indicator of mission. Limitations on the Board of Directors that are codified in the structure of the Synod need to be changed. If we believe we are structurally inefficient and still continue to provide funding, this suggests we actually have too much money. Less would force us to organize differently. Too many people in the church believe that they are constrained in their ability to act because they don't want to confront others, even with legitimate issues. At the seminary level, more attention needs to be given to leadership development of pastors, equipping them to be proactive rather than reactive.
- At the last convention, fee assessment of Recognized Service Organizations did not fly. This was the proposal of the funding the mission task force that received the most contradiction and opposition.
- Other church bodies long to be as unified as the LCMS, but even with this, there is internal strife that results in withholding supper. Equally dangerous is the conclusion that people who give are the loyal ones. Both extremes are dangerous.
- Relationships are all-important. The farther a congregation is from district or Synod, the more this relationship suffers. Feeling connected is especially important for decisions regarding distribution.
- We are The Lutheran Church—Missouri Synod. We fail to emphasize this, at times not even using the name “Lutheran.” Pastors are and should be trained to be pastors. It would be better if business aspects of the church were handled by other than pastors.

After panel members responded to wrap-up questions regarding what they see as the future of the LCMS and what is needed to be done now to enhance financial ability for the future, Board of Directors Chairman Donald Muchow and Council of Presidents Chairman Larry Stoterau provided updates of the issues and business before their board and council, this followed by general discussion of how the board and council might offer support to convention business, especially the task force report.

Discussion followed regarding the reports of the Blue Ribbon Task Force on Synod Structure and Governance (BRTFSSG) and the Blue Ribbon Task Force on Funding the Mission (BRTFTM). After many ideas were shared and discussed, the following action was introduced and adopted by those in attendance:

Resolved, That the Council of Presidents and the Board of Directors, having given serious study and discussion to the full reports of the BRTFFFM and the BRTFSSG, likewise put the documents before congregations, delegates, and other members of the Synod to give them serious prayerful study and discussion.

Following the joint meeting, the President of the Synod announced to the members of the Board of Directors that they would be welcome to attend one of the regional gatherings being held to discuss the recommendations included in the Blue Ribbon Task Force on Synod Structure and Governance Report. Arrangements will be made for their attendance at a meeting of their choice.

145. Committee Reports

A. Personnel Committee

Personnel Committee Chairman Gloria Edwards reported that her committee met with Human Resources Executive Director Val Rhoden-Kimbrough regarding the request by the Board for Mission Services to be granted an exception to the Board of Directors hiring freeze, a request that was not granted by the Chief Financial Officer and the Chief Administrative Officer. The committee listened to an appeal by LCMS World Mission Executive Director Tom Zehnder in this regard, emphasizing the importance of the North American Missions position in question, but the committee also supported the refusal of the request, which is now being appealed to the Board of Directors. Discussion followed regarding the economic effect of the request, which would reduce the opportunity provided by the Synod's early retirement program to include salary increases in the next fiscal year's budget. It was also noted that requests for exceptions from numerous other departments have been denied and that support of the decision not to grant the exception will demonstrate the board's support for certain proposals in the report of the Blue Ribbon Task Force on Synod Structure and Governance.

The board was also updated on the work of the Human Resources Department, including its handling of employees benefits, its involvement in the Vice-President–Finance—Treasurer nominations process, ramifications of task force changes on the International Center, its support of KFUE staff upon announcement of the FM station sale, early discussion of 2010 salary matters, its efforts to limit further legal liabilities in the human resources area, and its work at distinguishing between employee severance packages and separation agreements.

In response to the mention of the Vice-President–Finance—Treasurer candidate search, a motion “to put in place a Vice-President–Finance—Treasurer Search Committee consisting of Val Rhoden-Kimbrough, Raymond Hartwig, and Ron Schultz, with Gloria Edwards serving as chair” was introduced and carried.

The board also considered a resolution introduced by the committee to authorize interim persons to serve in the event that the Chief Administrative Officer, the Vice-President–Finance—Treasurer, or the Secretary of the Synod become incapacitated or are otherwise unable to continue. After brief discussion, the following resolution was adopted:

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

- Chief Administrative Officer: Dr. Tom Kuchta, so long as he continues to serve as Vice-President-Finance—Treasurer
- Vice President-Finance/Treasurer: Mr. Charles Rhodes, so long as he continues to serve as Executive Director of Accounting
- Secretary of the Synod: Mr. Ron Schultz, so long as he continues to serve as Chief Administrative Officer;

and be it further

Resolved, That these names be forwarded to the Department of Human Resources and maintained as required should the need arise for the appointment of an interim.

B. Policy Review Committee

Policy Review Committee Chairman Kurt Senske reported on behalf of his committee, calling attention to its proposed resolution regarding the adoption of revisions to the Board of Directors Policy Manual as suggested by the Commission on Constitutional Matters. He noted that staff initially reviewed the proposed changes and submitted a proposal to the committee, a proposal which the committee has endorsed for presentation to the board. Given the sizeable list of changes and given the cosmetic nature of most of the proposed changes (e.g., changing “synodical” to “Synod” throughout the document, updating bylaw references to refer to the 2007 *Handbook* of the Synod, *etc.*), the committee asked the board to act on the recommendations of the Commission on Constitutional Matters *en toto*, also providing a list of those changes and the copy of the policy manual with changes incorporated (both documents attached to the protocol copy of these minutes), such changes honoring the recommendations of the commission with only one exception, which will be reported to the commission. After discussion, the board adopted the following resolution proposed by the committee:

Resolved, That the Board of Directors approve the changes to the Board of Directors Policy Manual as detailed in the documents provided by the Policy Review Committee.

Earlier in the meeting a discussion in connection with the report of the Secretary raised the question of how best to record officially any actions taken by the board via electronic means between meetings. After discussion, the following resolution proposed by the Chief Administrative Officer was introduced and carried:

Resolved, That the Board of Directors revise its Policy 2.4.4 to provide a means for officially recording board e-mail actions, as follows:

2.4.4. Interim Board Actions (Mail Ballots)

The board may take action between board meetings by use of mail ballot or electronic ballot (i.e., electronic mail, internet, etc.) in accordance with the Missouri Nonprofit Corporation Act, provided all voting members of the board cast a vote and the result of the voting is unanimous. The actions shall become effective immediately upon unanimous vote unless otherwise directed in the resolution. The result of the balloting shall be memorialized by way of a Certificate of the Secretary attesting to the documented activity. Such certification will be the official record and shall be published and achieved in the same manner as official minutes of the board.

The committee chairman concluded his report by informing the board that his committee is continuing its review of the policy manual of the Board for Mission Services.

C. Audit Committee

Audit Committee Chairman Curtis Pohl reported on behalf of his committee (printed report attached to the protocol copy of these minutes), noting that Brown Smith Wallace has issued an unqualified opinion on the Synod’s June 30, 2009 audited consolidated statements and recommending that the Board of Directors receive the report. The following resolution was introduced and adopted:

WHEREAS, The Audit Committee of the Board of Directors has met with representatives of Brown Smith Wallace and management to discuss the audited consolidated financial statements of The Lutheran Church—Missouri Synod for the year ended June 30, 2009, and has made inquiries of them regarding the audit; and

WHEREAS, The Audit Committee has received a summary of the required communications from representatives of Brown Smith Wallace in accordance with generally accepted auditing standards; and

WHEREAS, The auditors' opinion of the financial statement, dated October 8, 2009, is unqualified, they having not identified any material weaknesses in internal controls during the audit that would require management's attention; and

WHEREAS, Based upon the Audit Committee's review of the June 30, 2009 audited financial statements and discussions with representatives of Brown Smith Wallace and management, the Audit Committee has recommended the following action; therefore be it

RESOLVED, That the Board of Directors receive the Audited Financial Statement of The Lutheran Church—Missouri Synod for the year ended June 30, 2009.

Tom Kuchta explained the purpose for proposed endowment investment and spending policies discussed by the Audit Committee and presented by the committee to the board for its consideration. After discussion, it was agreed that the Audit Committee and the Vice-President—Finance—Treasurer should give further attention to the documents.

Concluding his report, the Audit Committee chairman reviewed the Internal Audit Department's Performance Report and the status of its 2009–2010 objectives, provided an update on LCMS Purchasing Card audit results and management's response, noted that the committee is giving attention to a concern of a board member regarding language used in audit engagement letters, and reported the committee's approval of further study and/or analysis of cash receipting processes used in the International Center.

D. Task Force on Harmony

Betty Duda reported on behalf of the Harmony Committee that the previously announced interview meetings have been held and that the presentations at those meetings have been recorded according to the process developed by the committee. After transcriptions have been received, the committee will discuss the results of the interviews at its next meeting in January.

E. Issues, Etc. Committee

As the Issues, Etc. Committee (Raymond Hartwig, Robert Kuhn, and Walter Brantz) prepared to give the final installment of their report, for which time on the board agenda had been requested, a motion "to move into executive session to receive the report of the committee" was introduced and carried.

145X. Executive Session II

146. Board for Pastoral Education

Board for Pastoral Education Executive Director Glen Thomas reported regarding the November 4–5 Pastoral Ministry Summit on the campus of Concordia Theological Seminary in Fort Wayne. The 48 persons in attendance ultimately were divided into eight "vision formation" groups to discuss and describe "the future of LCMS theological education in 2015 and beyond." The result was diverse visions of some components but there also were areas of agreement, including the need for stronger partnership with Concordia University System schools and the need to identify the best congregations to serve as teaching congregations. He further reported that a majority of the participants in the summit favored the

continuation of two seminary campuses, and all saw the summit as a very positive experience, its success depending upon what happens following the meeting.

He reported that since the summit, conversations have taken place regarding how best to proceed, and that President Kieschnick has spoken of the appointment of a task force to follow up on recommendations. In the discussion that followed, he also reported that the board's action during its August 2009 meeting expressing concern regarding the constituency of Seminary Comprehensive Study Committee will be under consideration by the Board for Pastoral Education.

Later in the meeting, Concordia Seminary President Dale Meyer appeared before the board to discuss recent developments in and by the Synod that have potential adverse consequences for the Synod's seminaries. He spoke of his goals for the seminary, the challenges he has faced since assuming office, and challenges before the seminaries for the present and future.

Near the end of the meeting the following resolution, proposed to address some of the concerns raised by President Meyer and to provide support to the seminaries of the Synod, was introduced and adopted:

WHEREAS, The Office of the President and the Board for Pastoral Education (BPE) facilitated a very successful Pastoral Ministry Summit on November 4–5, 2009, on the campus of Concordia Theological Seminary, Fort Wayne, Indiana; and

WHEREAS, The Pastoral Ministry Summit provided a significant step forward in the development of a vision for the future of theological education in The Lutheran Church—Missouri Synod (LCMS); and

WHEREAS, The boards of regents of the two seminaries of the LCMS have demonstrated responsible leadership and governance of the seminaries, especially during the turbulent economic times experienced over the past year; and

WHEREAS, The Board of Directors of the LCMS in its May 2009 meeting requested that the BPE conduct a comprehensive study of seminary efficiencies; and

WHEREAS, Both seminaries are currently involved in comprehensive reviews of the efficiencies of their operations, the results of which will be made available to the Board of Directors of the Synod; therefore be it

Resolved, That the Board of Directors express its support for the continued efforts of the BPE and the President's Office to facilitate the formation of a vision for the future of theological education in the LCMS; and be it further

Resolved, That the Board of Directors commend the boards of regents of the two seminaries for their leadership and governance over the past twelve months; and be it further

Resolved, That the Board of Directors express its confidence that the substance of its request of the BPE to conduct a comprehensive study of seminary efficiencies will be addressed through the ongoing efforts of the BPE and the President's Office, in conjunction with the boards of regents of the two seminaries, to facilitate a vision for the future of theological education in the Synod; and be it finally

Resolved, That the Board of Directors withdraw its previous request of the BPE for a comprehensive study of seminary efficiencies.

147. Board for University Education/Concordia University System

As Board for University Education Executive Director Kurt Krueger began his report, noting positive developments at Concordia University Irvine, a motion “to move into executive session” was introduced and carried.

147X. Executive Session III

Upon exiting executive session, the board responded to an item of mutual interest with the Board for University Education, *i.e.*, the composition of the search committees identified in Bylaw 3.8.3.7.2 (d), committees that assist with the choosing of college and university presidents. The following resolution was introduced and adopted:

Resolved, That the Board of Directors request that the Board for University Education seek revision of Bylaw 3.8.3.7.2 (d) relative to the composition of the search committees that assist with the choosing of college and university presidents, so that such committees include individuals with more varied backgrounds and knowledge of the many responsibilities of a university president.

148. Commission on Constitutional Matters Memorandum to Board of Directors/Report of the KFUEO Committee

Printed copies of a confidential memorandum from the Commission on Constitutional Matters intended to be presented to the Board of Directors by the Secretary of the Synod were distributed early in the meeting to provide opportunity for the members of the board to become familiar with its content prior to formal presentation. At the same time, copies of a draft of a Board of Directors report to the 2010 convention were also distributed for the board’s consideration.

When the board prepared to hear the memorandum, a motion was introduced and carried “to move into executive session to consider the memorandum from the Commission on Constitutional Matters.” During the executive session that followed, the board also received a report from the KFUEO Committee regarding the status of the sale of KFUEO FM.

148X. Executive Session IV

Near the end of the meeting, the board also took up the matter of the use of the proceeds from the sale of KFUEO FM. The following resolution was introduced, discussed briefly, and adopted:

Rationale

The KFUEO Task Force in its findings and recommendations to the Board of Directors stated that, in light of all circumstances, the sale of KFUEO FM is the best course (1) as part of the reallocation of the assets of the Synod and (2) in order to carry out a proactive ministry utilizing advanced media. The task force further concluded that appropriate means should be adopted to ensure that proceeds from the sale of KFUEO FM are segregated and placed in a board-designated fund and that a major portion thereof should be made available to the Board for Communication Services for advanced media.

As a result of a conference call of members of the KFUE Task Force and members of the Board for Communication Services, it was agreed that (1) the Board for Communication Services will develop a strategic plan for the most advanced and effective means for the proclamation of the Gospel through the use of electronic media after the sale of KFUE FM is concluded, and that (2) the Board for Communication Services will present to the Board of Directors at its February 2010 meeting its proposals for implementation of its strategic plan.

Action

Therefore be it

Resolved, That the Board of Directors direct that the proceeds derived from a sale of KFUE FM, after deducting expenses related to such sale, be placed in a board-designated fund until further action is taken by the Board of Directors.

149. Concordia Plan Services Update

James Sanft, President of Concordia Plan Services, provided a PowerPoint update of the CPs mission, project background, overview of current program, gaps/challenges in current program, and proposed design change, implications, and next steps (copy of PowerPoint presentation attached to the protocol copy of these minutes). He also spoke briefly of health care reform proposals being discussed by the federal government and potential consequences for Concordia Health Plans, noting that it is too early to know what specifically will materialize from the discussions underway. Discussion followed.

150. Board for Mission Services Presentation

Board for Mission Services Executive Director Tom Zehnder introduced other representatives of his board, Kermit Almstedt, Scott Snow, and Kurt Buchholz, and thanked the board for the opportunity to address four matters of interest.

Scott Snow of the board's National Mission Team spoke of efforts to enhance faith-sharing opportunities via the Internet, shared several *Ablaze!* stories, and called attention to resources available on the LCMS World Mission Web site. The *Ablaze!* initiative will continue to be lifted up in the next year to maintain the progress that is being made.

Associate Executive Director Kurt Buchholz noted changes made in budgeting that have the Missions Department currently operating in the black. He granted that the *Fan Into Flame* campaign has been a concern due to campaign costs, but current deficits will begin to turn around in the new calendar year. He expressed appreciation to the Board of Directors for his department's opportunity to assume direct responsibility for its fundraising. Even under adverse economic conditions, revenue has increased and future prospects look positive.

Tom Zehnder asked the board to reconsider the decision to deny his request for an exception to the current hiring freeze for a position important for carrying out national *Ablaze!* goals and to assist district in their vital need to conduct urban ministry.

Board for Mission Services Chairman Kermit Almstedt introduced a suggested board resolution to address matters pertaining to Hong Kong properties and the use of proceeds as collateral for new building costs.

The minutes for this conversation will be provided shortly

A motion “to move into executive session” to discuss matters related to Concordia International School Hong Kong, was introduced and carried.

150X. Executive Session V

Following the executive session, the board returned to the appeal of the decision not to grant an exception to the hiring freeze to LCMS World Mission. A motion “to allow the exception to the board hiring freeze requested by the Board for Mission Services to take place” was introduced and seconded. After discussion, the motion was defeated.

151. Other Action Items

A. BUE Advisory Representative Exception Request

Board for University Education Executive Director Kurt Krueger submitted the following resolution for Board of Directors consideration. After introduction and brief explanation, the resolution was adopted as follows:

WHEREAS, The Rev. Dr. Ray Halm is President Emeritus of Concordia University Irvine and currently serves as the Director of the Concordia University Education Network (CUENet) in Bend, Oregon; and

WHEREAS, As a member of the Next Generation Task Force and as Senior Director of CUENet, Dr. Halm welcomes the opportunity to keep before the church in convention the importance of increasing the number of Synod-certified teachers and of providing theological training for non-Lutheran teachers in LCMS schools; and

WHEREAS, Dr. Halm’s ability to influence the church to meet the goals of the Next Generation Task Force will be enhanced if he is granted advisory representative status by the Board of Directors; and

WHEREAS, This request is being made by Elmer Gooding, Chairman of the Board for University Education, and Kurt Krueger, Executive Director of the Board for University Education and President of Concordia University System; therefore be it

Resolved, That the Board of Directors grant an exception to approve Dr. Ray Halm as an Advisory Representative to the 2010 convention (cf. Bylaw 3.1.4.1 [c]).

B. Commission on Structure Advisory Representative Exception Request

Marvin Temme, Chairman of the Commission on Structure, submitted the following request for an exception that will allow Commission on Structure members attend the 2010 convention and floor committee meetings in an advisory capacity. The proposed resolution was introduced and, after brief discussion, adopted as submitted:

Background

The Blue Ribbon Task Force on Synod Structure and Governance Final Report includes two references to the Commission on Handbook (currently the Commission on Structure) that add new, specific duties to this commission. These duties are believed to require the participation of the

commission members at both the 2010 floor committee weekend and the 2010 LCMS convention. These new, specific duties are responsibilities transferred from the Commission on Constitutional Matters. Page 31 of the task force report states,

In order to delineate clearly between judicial and legislative functions, the work of bringing the Handbook of the Synod into compliance with the actions of the convention is given to the Commission on Handbook. The COH would have to be present, along with the CCM, as floor committees develop resolutions for the convention and at the convention itself, so that their work would be facilitated. In order to assure the confidence of the Synod in the membership of the COH, it is recommended that the process of appointing the COH mirror the process used to appoint the CCM [underline added].

Further, the report states (p. 39),

The Commission on Constitutional Matters (CCM) would continue to be responsible for interpreting the Constitution, Bylaws, and resolutions of the Synod, while the Commission on Handbook (presently the Commission on Structure) would be responsible for the ongoing maintenance and management of the *Handbook*, that is, the Constitution and Bylaws, consistent with convention action, in addition to making recommendations to the convention for modification of the same.

Due to the large amount of *Handbook* material that will be coming before the July 2010 convention, and in light of the recommendation of the task force that the Commission on Handbook be responsible for *Handbook* revisions, presumably immediately upon adoption of this section of the task force report at the 2010 convention, the Commission on Structure requests that the Board of Directors grant an exception under Bylaw 3.1.4.1 to allow the entire commission to attend both the Floor Committee Weekend activities and the LCMS convention in Houston in July, 2010.

Action

Therefore be it

Resolved, That the Board of Directors herewith grant an exception under Bylaw 3.1.4.1 for the members of the Commission on Structure to be designated as advisory representatives to the 2010 Synod convention, also to include Floor Committee Weekend activities.

C. Amend Bylaw 1.3.4 re Expectations of Synod Membership

Marvin Temme, Chairman of the Commission on Structure, submitted the following resolution on behalf of his commission, proposing a change to Bylaw 1.3.4. After brief explanation and discussion, the resolution was introduced and adopted as follows:

Background

During its November, 2009 meeting, the Commission on Structure adopted a resolution to change the wording of Bylaw 1.3.4 regarding expectations of Synod membership, to be presented as an overture to the 2010 convention. The resolution advocates the addition of wording that will help to underscore the expectations that accompany membership in the Synod. The commission is requesting Board of Directors' support for the proposed bylaw change.

Action

Therefore be it

Resolved, That the LCMS Board of Directors support the recommendation of the Commission on Structure that Bylaw 1.3.4 be amended to read:

1.3.4 Congregations together establish the requirements of membership in the Synod (Constitution, Art. VI). In joining the Synod, congregations and other members obligate themselves to fulfill such requirements and to diligently and earnestly promote the purposes of the Synod by word and deed, including financial support of the work of the Synod and the provision of annual statistical information to enable the Synod to plan current and future ministry efforts based upon an accurate picture of the results of current ministries “within our churches, communities, and world” (Mission Statement of the Synod) [new wording is underscored].

1.3.4.1 Members agree to uphold the confessional position of the Synod (Art. II) and to assist in carrying out the objectives of the Synod (Art. III), which are the objectives of the members themselves. Thus, while congregations of the Synod are self-governing (Art. VII), they, and also individual members, commit themselves as members of the Synod to act in accordance with the Constitution and Bylaw of the Synod under which they have agreed to live and work together and which the congregations alone have the authority to adopt or amend through conventions.

152. Future Meetings

Suggestion was made that the amount of meeting time for regular meetings be evaluated to allow for adequate time to conduct necessary business and thereby help to avoid end-of-meeting stress. Board members were reminded of coming meetings, the February meeting to be extended to allow time for interviews of candidates for the office of Vice-President–Finance—Treasurer, the May meeting to be followed immediately by participation in Floor Committee Weekend. Details of both meetings were discussed. It was agreed that the entire board will have the opportunity to participate in interviews of candidates for the Vice-President–Finance—Treasurer position.

153. Adjournment

A motion “to adjourn” the meeting was introduced and carried. The meeting was closed with prayer.

Raymond L. Hartwig, Secretary