

MINUTES
(pending)

BOARD OF DIRECTORS
San Antonio Rivercenter Hotel
November 21–22, 2013

16. Call to Order/Opening Devotion/Approval of Agenda

Chairman Michael Kumm called the meeting to order and called on Vice-President Herbert Mueller (devotion leader for the meeting) to provide an opening devotion. With all members of the board present except Keith Frndak (excused absence due to family matter), a motion was introduced and carried to adopt the agenda for the meeting as presented.

17. Meeting Facilitation

Chief Administrative Officer Ron Schultz provided updated information to facilitate board members' operation of their iPads for Board of Directors business.

18. Copyright Issues

As the board prepared to discuss with legal counsel issues related to copyright laws and interests, a motion was introduced and carried to move into executive session.

18X. Executive Session I

19. Post-Convention Report

Secretary Raymond Hartwig used a PowerPoint presentation to provide a final report of matters of interest from the 2013 convention, specifically the presidential election four weeks prior to the convention and regional elections—both new to the Synod as a result of 2010 convention decisions.

Presidential Election Eligibility:

- 5,527 congregations or parishes were eligible to send delegates to district conventions, which delegates were the voters for the presidential election
- From those eligible congregations, 10,348 delegates were eligible to attend district conventions
- 4,700 congregations were represented by at least one delegate at district conventions (85% of those eligible)
- 8,507 total voting delegates attended the district conventions (82% of those eligible)
- 4,143 of those delegates were pastors, and 4,364 were laypersons

Presidential Election Participation:

- Of the 4,700 congregations with delegates at district conventions, 4,039 had at least one voter participate in the presidential election
- Of the 6,432 voters in the election (78% of district convention attendees), 3,235 were pastors and 3,197 were laypersons, leaving 1,769 potential voters who did not participate in the presidential election

- In the experience of Election-America (the vendor that provided the voting system), this was an extraordinarily high rate of participation (78%) compared to its experience with financial organizations, professional societies, and labor unions
- 604 of the Synod's 605 electoral circuits had voter participation
- 88% of the Synod's largest congregations (1,000+ confirmed members) participated (237 of 268), as did 89% of congregations with 500–599 confirmed members (512 of 578); 84% of congregations with 200–499 confirmed members (1,407 of 1,669); and 59% of congregations with up to 199 confirmed members (1,520 of 2,556)
- Participation according to districts ranged from 67% to 92%

Regional Nominations Process:

- The Board of Directors and Council of Presidents will be responsible for evaluating and making any changes to the alignment of the five regions designed three years ago in preparation for the 2013 convention
- Congregation participation in the 2013 convention regional nominations process left ample room for improvement. In the regional vice-presidential nominations process—
 - Great Lakes Region: 283 of 1,205 congregations submitted nominations
 - Great Plains Region: 430 of 1,191 congregations submitted nominations
 - East-Southeast Region: 249 of 1,181 congregations submitted nominations
 - Central Region: 296 of 1,168 congregations submitted nominations
 - West-Southwest Region: 243 of 1,285 congregations submitted nominations
- Two regions also nominated lay members of the Board of Directors of the Synod—
 - Central Region: 187 of 1,168 congregations submitted nominations
 - West-Southwest Region: 124 of 1,285 congregations submitted nominations
- The 2016 Synod convention will elect a full complement of regional officers and board members, suggesting need for greater participation—
 - 5 regional vice-presidents
 - 3 regional Board of Directors lay members
 - 10 regional Board for National Mission members
 - 10 regional Board for International Mission members

20. Officer Reports

A. President

President Matthew Harrison called attention to his printed report [pp. 11–13 of 228, attached to protocol copy of these minutes] and noted its content before addressing additional topics orally:

- Rev. Roosevelt Gray has accepted the position of Director of Black Ministry of the Synod, a position that he was offered previously but has now accepted.
- Repayment of internal borrowing by the Synod, at one time totaling \$16 million, now hovers around the \$2.1 million mark with progress continually being made.
- A new computer report has been developed showing unrestricted and restricted giving by district/geographical district using zip codes provided, the first of what is intended to be a regular report [attached to protocol copy of these minutes].
- The numerous task forces authorized by the 2013 convention have “pretty much” been appointed. The big issue coming out of the convention was its directive regarding visitation, which the Council of Presidents is organizing to carry out, beginning with the administration's visitations of districts in the coming year. District presidents' visitations of circuits will follow as a second stage of the effort.

- Developments on the international front continue to be “interesting.” The Ethiopian church, Mekane Jesus, has asked for fellowship talks. The Lutheran Church in Madagascar will soon vote on fellowship with the LCMS. The International Lutheran Council (ILC) continues to respond to multiple invites from church bodies that have left the Lutheran World Federation. Recent Roman Catholic/Lutheran conversation has led to bilateral dialogue between the ILC and Rome. A recent meeting with the Pontifical Council on Christian Unity resulted in plans for a three-year, seven-meeting dialogue.
- Efforts to develop an office and strong presence in Washington D.C. that will do its own fund development continue, its purpose more aggressively to educate regarding our Synod’s position on public issues and work to develop a like-minded presence throughout the United States.

After comments regarding his own well-being and that of his family, President Harrison participated in discussion prompted by his report.

B. First Vice-President

First Vice-President Herbert Mueller noted his printed report in the meeting docket [pp. 14–16 of 228, attached to the protocol copy of these minutes]. He added comments regarding applications being processed and the important role of district presidents in the pastoral colloquy process. He also provided a brief activity report of the Koinonia Project.

C. Secretary

Secretary Raymond Hartwig called attention to his printed report [pp. 17–18 of 228, attached to the protocol copy of these minutes], calling particular attention to the minutes of the September 14–16 meeting and presenting them for approval. A motion was introduced and carried to approve the minutes as presented. He requested that the board move into executive session to consider three sets of executive session minutes for approval (February 21–22, May 16–17, and July 23). A motion to move into executive session was introduced and carried.

20X. Executive Session II

The return to open session marked the conclusion of the Secretary’s report.

D. Chief Administrative Officer

Chief Administrative Officer Ron Schultz noted his printed report [pp. 19–26 of 228, attached to protocol copy of these minutes] and added an oral report of the Thrivent Financial Reformation Anniversary grant program, which will make dollars available on a one-time basis for a national Lutheran public awareness campaign, the submission of a project plan the next step in the application process. He also provided information regarding the legal budget in his printed report before responding to questions regarding travel and expense reimbursement policies.

E. Chief Financial Officer

Chief Financial Officer Jerry Wulf noted as an addendum to his printed report [pp. 27–77 of 228, attached to the protocol copy of these minutes] a reduction of the New Jersey District’s financial commitment to the Synod from \$50,000 to \$30,000 due to a miscalculation by the district. He also reported that Mr. Ross

Stroh has accepted the position of Executive Director of Accounting, Mr. Charles Rhodes having recently retired.

Later in the meeting, Chief Financial Officer Wulf again called attention to his printed report and added additional comments. He reported that districts are remitting their mission dollars as per usual, and that there has been a delay of “about a year” in construction plans for Concordia International School Hanoi as a result of government procedural matters.

[Note: During its Thursday morning session (November 21), the Board of Directors met in joint meeting with the Council of Presidents to discuss matters of mutual interest. A brief report follows.]

21. Joint Council of Presidents/Board of Directors Meeting

The joint meeting of the Council of Presidents (COP) and Board of Directors (BOD) was called to order by COP Chairman Larry Stoterau, who noted the three-fold agenda for the meeting and called on BOD Chairman Michael Kumm for an opening prayer.

(1) Concordia Publishing House Copyright Issue

Concordia Publishing House (CPH) Chief Executive Officer Bruce Kintz provided background for the discussion of the copyright issue, surfaced during the 2013 convention of the Synod. He spoke of the mission role of the Synod’s publishing house; the importance of copyrights for CPH (including the copyright it holds for *Luther’s Small Catechism*) as its “single most important factor in its success and sustainability”; the readiness of CPH to grant permissions to congregations to use copyrighted material; the assorted permission issues “nested” in the Small Catechism; the diligence practiced by CPH to manage the Synod’s intellectual property; and the need for copyright protection, without which all future investment in curriculum and electronic technology would be unwise and the long-term health and sustainability of CPH would be seriously affected.

BOD Chairman Michael Kumm spoke on behalf of the Board of Directors, the legal representative of the Synod and custodian of the Synod’s intellectual property, noting the board’s interest in supporting the copyright interests of CPH. Sherri Strand of Thompson Coburn LLD, legal counsel of the Synod, offered additional clarifying comments. She also used the opportunity to speak of the new marriage statement on the LCMS Web site provided upon request of the Council of Presidents to make clear the Synod’s stand on marriage for the sake of its congregations should they face legal challenges because of their convictions.

(2) Concordia Plan Services Update

President/Chief Executive Officer James Sanft and Chairman of the Concordia Plan Services Board Fred Kraegel reported to the joint meeting regarding (1) retirement plan changes going into effect July 1, 2014, and (2) latest developments regarding the U.S. Government’s Affordable Care Act. Chairman Kraegel first spoke of the accumulated amount of experience and expertise of the members of his board. CEO Sanft then addressed the group regarding the two major subjects for consideration.

(1) Re: Retirement Plan Changes, there has been overall positive response to the “take-aways” intended by CPS as it introduced the changes: its comprehensive communication campaign has been very successful, which has resulted in a strong level of acceptance and support of the changes being made, which communications effort will be continued into 2014 and beyond. He noted and commented on several common misunderstandings regarding the changes and encouraged invitations for presentations and Webinars, also identifying the many avenues being used to monitor public discussion of the changes.

CPS is preparing for their introduction in 2014, reminding workers and employers of upcoming changes and decisions to be made, and helping employers to understand and consider their options.

(2) *Re: Affordable Care Act (Health Care Reform)*, CPS President Sanft opened his remarks by noting the “significant marketplace confusion” that currently exists, with changes occurring regularly. CPS strategy is to stay the course, recognizing that Obamacare will have significant impact upon participating employers and workers. However, not only will Concordia Health Plan survive. It will be even stronger, with significant product changes for 2015 to expand the base of those it will serve. For the present, he noted two critical issues associated with the Affordable Care Act: its contraceptive services mandate and its federal subsidies for low-income households when purchasing coverage from the new “exchanges.” Concordia Health Plan remains a grandfathered plan, exempt from some but not all regulatory requirements. Some LCMS ministries (e.g. churches) have “exemption” while others (e.g. service agencies) have “accommodation.”

He also discussed Senate Bill 1164, “Church Health Plan Act of 2013,” which has gained new interest and support from both political parties. It would clarify that all ministries participating in a denomination benefit plan are “church” and therefore “exempt.” It would also provide members access to federal subsidies while still obtaining coverage from a denomination health plan.

C. COP/BOD Upcoming Issues

The chairmen of the BOD and COP spoke briefly about the major issues being faced by each. COP Chairman Larry Stoterau reviewed 2013 convention resolutions anticipating particular responses from the council, described the pastoral vacancy situation in the Synod, and noted ecclesiastical supervision issues. Board of Directors Chairman Michael Kumm noted the new and reduced-in-number composition of his board and spoke briefly of corporate international matters; audit, finance, and legal matters; and the Wittenberg Project. The remainder of the allotted joint meeting time was taken up with discussion, concluding with a noon luncheon.

22. LCEF Credit Union Presentation

Lutheran Church Extension Fund President and Chief Executive Richard Robertson was introduced, who in turn introduced Randy Peterson (Chairman of LCEF Board of Directors), Becka Jones (Sr. Vice-President–Marketing and Customer Support), Leonard Pranschke (LCEF Legal Counsel), Tom Helfrich (Chief Financial Officer/Sr. Vice-President–Finance) and Tom Buuck (Sr. Vice-President/Chief Credit Officer) who participated by telephone.

CEO Robertson introduced the subject of LCEF sponsoring a federally chartered credit union for LCMS congregations, rostered church workers, and others, explaining that the subject, given consideration in the past, was approached one more time as a final consideration of the subject. The primary reason for its consideration was the possibility of providing financial resources to LCMS Lutherans by replacing secular providers—thereby also providing outreach, messaging, and stewardship opportunities.

He reminded the board that a credit union is a member-owned cooperative institution in which the depositors are its members, each with a vote to select directors, all earnings staying within the institution to build capital. The LCEF, as it sponsors the organization of a credit union, is seeking federal status, which will provide a shared branch network, exemption from state and federal income tax, and insured deposits. Membership will be open to the LCMS and its districts, congregations, students, school families, employees, entity volunteers, agencies/entities of the Synod, and households and their immediate families. Membership will not be open to the Synod’s universities and RSOs at this time.

Regarding credit union governance, a credit union is governed independently, having 5 to 15 directors who do not receive compensation and are elected from the credit union's membership for two- or three-year terms. An LCMS credit union would be governed independently of the LCMS and LCEF by a board of seven members and a three-member supervisory committee, a three-member credit committee, and a nominating committee. To provide initial control, the first board would have LCEF ties, as would its nominating committee. Care would be taken with trade marking and licensing, and a long-term contract with LCEF would include certain services and rights.

CEO Robertson also spoke of "ministry outcomes." A credit union would replace secular providers of personal financial services, would provide "touch points" for the LCMS to connect with people, would provide lower cost options for checking accounts, would promote stewardship lifestyle, and could provide promotional money for the LCMS through marketing opportunities. An LCMS credit union would provide opportunities for the LCEF to operate in all 50 states, to cross-promote other Synod products, to make mortgage licensing available in all 50 states, and provide sponsorships of Synod and district functions.

He reported that after feasibility studies via survey and focus groups and studies of risks and contingencies and impacts, the response has been very positive, with high interest also expressed by non-LCEF-associated potential customers. There would be no need for "brick and mortar" construction of facilities, as the services would be Web- and mobile-delivered, with ready access available through existing credit unions. There would be a selective roll-out in the first 12 to 36 months, with an initial focus on rostered church worker lending in all 50 states. While two to four thousand members would make the envisioned credit union profitable, expectations are that participation would be much greater. Products provided would include credit cards, home loans, auto loans, small business loans, consolidation loans, checking, savings, and certificates of deposit. Because of low fixed costs, the program could be shut down if unsuccessful, or it could still serve rostered church worker needs nationwide by retaining the charter but reducing the program.

After final comments by the LCEF board chairman, the Board of Directors expressed its appreciation for the informative and enthusiastic presentation of the LCEF initiative (to sponsor a federally chartered credit union for LCMS congregations, rostered church workers, and others), and looks forward to continuing discussions in support of the initiative.

After further discussion later in the meeting, the board agreed to meet via conference call at an appropriate time to approve an LCEF assets policy to accommodate plans for an LCMS federal credit union.

23. Legal Report

As Sherri Strand of Thompson Coburn, legal counsel for the Synod, prepared to give her report, a motion was introduced and carried to move into executive session.

23X. Executive Session III

Upon exiting executive session, the board moved on to proposed action items in the meeting docket.

24. Action Items

A. Board of Directors Regular Meeting Dates, 2013–2016 Triennium

Chief Administrative Officer Ron Schultz provided explanation for the return of this item to the docket for the meeting after the board’s action taken at its September 2013 meeting. After discussion, the following resolution was introduced and adopted.

WHEREAS, The board at its recent September meeting adopted a resolution titled “Triennium Meeting Dates”; and

WHEREAS, After the adoption of the resolution, a number of board members expressed the desire to consider meeting times that minimize the time away from their employment duties; and

WHEREAS, Subsequent conversation led to a request for the board chairman and the Chief Administrative Officer to review the adopted dates and bring a revised recommendation to the board in November; and

WHEREAS, The chairman and the Chief Administrative Officer observed that

- based on the past triennium, one and a half days of board meeting time seems sufficient to complete the work of the board;
- committee meetings could be conducted by audio conference or Internet eliminating the need to meet on-site the day before the regular meeting, thereby providing a high degree of flexibility for travel; and
- scheduling regular meetings on Fridays and Saturday mornings partially addresses the desire of some to minimize impact on time away from other job duties; and

WHEREAS, The meetings would generally follow an outline of travel on Thursdays, meetings 8:00 a.m.–5:00 p.m. on Fridays at the LCMS International Center (when in St. Louis), and meeting 8:00 a.m.–12:00 noon on Saturdays; and

WHEREAS, The Board of Directors Policy Manual calls for a retreat to be scheduled on a regular basis; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod adopt the following Triennial Regular Meeting Schedule for 2013–2016:

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
	Feb. 14	Feb. 13–14 ⁴	Feb. 19–20 ⁴
	May 16–17	May 15–16	May 26–27 ¹
Sept. 14–16 [#]	Aug. 21–24 [*]	Aug. 21–22	Sept. 15–16 ²
Nov. 20–22 ^{#4}	Nov. 7–8	Nov. 6–7	Nov. 17–18 ^{3,4}

[#] Previously adopted by the board (11/2010)

^{*} Board Retreat dates (travel on 8/21 & 8/24)

¹Tentative, dependent upon scheduling of floor committee weekend

²Tentative, dependent upon the scheduling of new board/commission member installation

³Scheduled in conjunction with Lutheran Church Extension Fund Fall Conference

⁴Possibly meeting with Council of Presidents

And be it further

Resolved, That the Board of Directors' budget continue to make funds available for attendance at the LCEF Fall Conference for those who desire to attend; and be it further

Resolved, That a board retreat be scheduled in conjunction with the August 2014 meeting at a location determined by the Governance Committee; and be it finally

Resolved, That this schedule be published and made publicly available by the Chief Administrative Officer and the Secretary, as appropriate, to comply with the spirit of 2007 Res. 7-05B which states in part, "All agencies shall announce their upcoming meetings."

B. Extension of Registration to Engage in Business—Republic of the Philippines

Chief Administrative Officer Ron Schultz provided brief background information before this resolution was introduced and adopted as presented.

WHEREAS, The Lutheran Church—Missouri Synod (the "LCMS") originally registered to engage in business in the Republic of the Philippines ("Philippines") in 1948 in order to facilitate certain mission work in that country and has recently been notified that it must file with the Securities and Exchange Commission ("SEC") of the Philippines to extend its registration; and

WHEREAS, The LCMS has engaged a certified public accountant to assist with the filing with the SEC and has been informed that the SEC will require an authenticated resolution of the LCMS Board of Directors (the "BOD") authorizing the extension of registration; and

WHEREAS, The Republic of the Philippines requires a notarized resolution of the Board of Directors even though board policy does not require board action to re-register or extend registration in a foreign country; and

WHEREAS, The Chief Mission Officer of the LCMS, in coordination with the Chief Administrative Officer of the LCMS, recommends to the BOD that the LCMS extend its registration in order to maximize its ministry options and opportunities in the Philippines; therefore be it

Resolved, That the Board of Directors of the LCMS hereby pledge and agree as follows:

Section 1. Authorization and Approval of 50-Year Extension of Philippines Registration.

The 50-year extension of the registration of the LCMS to engage in business in the Philippines pursuant to the laws of that country is hereby authorized and approved.

Section 2. Authorization and Approval of Documents.

In connection with the 50-year extension of the registration of the LCMS to engage in business in the Philippines pursuant to this resolution, the authentication of this resolution and the provision to the SEC of copies of the governing documents of the LCMS, as required, is hereby authorized and approved.

Section 3. Confirmation of Business Address and Fiscal Year

The current address of The Lutheran Church—Missouri Synod in the Philippines is 41 Denver Street, Barangay Pinaqkaisahan, Cubao, Quezon City 1100, Philippines. The Lutheran Church—Missouri Synod operates on a July 1–June 30 fiscal year.

C. Revised Master Facilities Plan of Concordia University Irvine

The LCMS Bylaws require approval of revised master facilities plans by the LCMS Board of Directors. The following action, submitted by Dr. Alan Borcharding of the Concordia University System with explanation provided by Chief Financial Officer Jerry Wulf, was adopted by the board after brief discussion (revised plan documents are attached to the protocol copy of these minutes).

Resolved, That the LCMS Board of Directors approve the revised Master Facilities Plan of Concordia University Irvine.

25. Committee Reports

A. Legal Review Committee

Chairman Michael Kumm, noting the need for legal counsel review by the Board of Directors, announced his appointment of the Legal Review Committee that will lead the board's review process. Ed Everts will chair the committee, with James Carter, Christian Preus, and Kurt Senske also serving as members.

B. Governance Committee

Governance Committee Chairman Kurt Senske reported on behalf of the Governance Committee that the committee has discussed the matter of the appointment of additional board members as provided by Bylaw 3.3.4.1 (Board Policy 2.10.3.4) and the question whether additional skill sets will be needed for the board to conduct its business during the current triennium. The committee decided that no additional members will be needed (also taking into consideration Audit Committee needs) and that no recommendation is being brought forward by the committee for the appointment of additional board members. He noted that two lessons were learned regarding addressing this matter going forward: (1) The question of need should be answered before calling for nominations; and (2) a consistent format for providing candidate information will be important. He also noted that names of good nominees were received and will be forwarded to the next convention's Committee for Convention Nominations.

He also reported that the committee discussed the use of a consent agenda by the board for its meetings and proposed the following action item on behalf of the committee, adopted by the board as follows:

Resolved, That the Board of Directors approve the following addition to the Board of Directors Policy Manual.

2.1.1 Consent Agenda

- 2.1.1.1 The board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time for substantive issues.
- 2.1.1.2 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.
- 2.1.1.3 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.

- 2.1.1.4 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 chair. 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 in the consent agenda.

And be it further

Resolved, That the above section's policy numbering and other references be adjusted accordingly.

The report of the Governance Committee also included discussion of the possibility of a retreat to assist the board in its role as Board of Directors of the Synod. The committee requested that the chair and the Chief Administrative Officer bring recommendations to the committee prior to the next meeting.

The attention of the board was called to an action item presented by the committee to approve changes to Section 2 of the Board of Directors Policy Manual, substantial changes primarily being updates resulting from convention actions, as follows:

- Under subsection 2.4, policy 2.4.5.1 regarding a quorum for meetings is being changed to read: ~~“Eight voting members~~A majority of voting members of the board shall constitute a quorum at any properly called or scheduled meeting.”
- Under subsection 2.4, policy 2.4.11 regarding the policy review calendar is being changed to read: “Board policies shall be reviewed, refined and updated as necessary. Every board member has the responsibility to review its policies and make suggestions for improvements as necessary. In order to meet the board’s intent to regularly review its policies, the ~~Policy Review~~Governance Committee shall instruct the Chief Administrative Officer to and shall supervise a review of all policies at least once each triennium.”
- Under subsection 2.6, policy 2.6.2 regarding board elections of officers is being changed to read: “The elections shall be by simple majority and take place as the first order of business after ~~lunch~~the first half day of the first meeting (see 2.6.1 above) with the name of every board member who does not choose to be removed on each ballot cast first for chairman and then for vice-chairman.
- Under subsection 2.9, policy 2.9.3 regarding the Executive Committee of the board is being changed to read: “The Executive Committee, in accordance with Bylaw 1.5.3, may act on behalf of the board in times of emergency between board meetings and in all matters delegated to it by specific action or by policy of the board, including response to legal action. ~~Any member of the Executive Committee may request full Board action on any matter. Such request must be honored.~~ Minutes of the Executive Committee shall be sent to the board within two weeks of the committee action.
- Under subsection 2.10, policy 2.10.1.4 regarding board committees is being changed to read: “Such ad hoc committees as the board may establish from time to time under the provisions of Bylaws 1.5.3.3–1.5.3.5.

After brief explanation, the resolution advocating these changes was introduced and carried as follows:

WHEREAS, Board of Directors Policy 2.10.1.3.1 directs the Governance Committee to review policies of the board and 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 as outlined on the attached pages to The Lutheran Church—Missouri Synod Board of Directors Policy Manual, Section 2 (attached to the protocol copy of these minutes); and be it further

Resolved, That the board also direct the Chief Administrative Officer to update the Table of Contents, Index, and other references, as necessary.

The committee chairman reported that the Governance Committee has also given consideration to the manner in which the annual policy review will be conducted. It recommends that input be requested from the members of the board early-on after each board meeting, with input to be brought in a report to the next meeting.

At the completion of the report, Chairman Kumm asked Kurt Senske to change his committee membership from the Governance Committee to the Audit Committee in order that committee memberships might be apportioned equally within the board. Christian Preus was asked to serve as chair of the Governance Committee going forward.

B. Personnel Committee

Personnel Committee Chairman Warren Puck provided a brief overview of his committee's November 20 meeting minutes (attached to the protocol copy of these minutes), including reference to the results of the Comprehensive Performance Review of Jerald Wulf as Chief Financial Officer. A motion was introduced and carried to move into executive session to discuss the results of the performance review.

25X. Executive Session IV

Upon its return to open session, a motion to reappoint Jerald Wulf to the position of Chief Financial Officer for a second three-year renewable term of office was introduced and carried.

Personnel Committee Chairman Puck called attention to the names submitted by the Secretary of the Synod of four persons eligible for appointment to two additional lay positions on the Board of Directors of Concordia Plan Services (Bylaw 3.7.1.3) resulting from an action taken by the 2013 convention of the Synod, one position to expire August 31, 2014, and the other August 31, 2015. Four names were presented by the committee for consideration: Robert P. Lesko, Kristi A. Matus, Ty Schommer, and Larry Vickers. By ballot vote, the two persons elected to the lay positions were:

Robert P. Lesko, Newark, NJ
Kristi A. Matus, Hartford, CT

At the conclusion of the Personnel Committee report and the day's session, a motion to recess until morning was introduced and carried.

C. Audit Committee Report

Audit Committee member Ed Everts, reporting on behalf of committee Chairman Keith Frndak, read his committee's report (attached to the protocol copy of these minutes), which included discussion of the annual audit of the Synod by Brown Smith Wallace LLC and a report of the results of the Annual Officer/Key Employee Expense and Prerequisites Audit. Chief Financial Officer Jerald Wulf added positive comments regarding the results of the audit and commended the Synod's accounting staff. Further discussion followed regarding certain areas of the audit, including the use and accountability of Synod expense cards and the inclusion of honoraria provided to the 2nd through 6th vice-presidents and additional compensation provided to the President in discussions regarding compensation when salaries and budgets are being considered by the board.

26. Concordia Publishing House Copyright Issue

A motion to move into executive session was introduced and carried as Synod's legal counsel was called forward to assist in discussion of a resolution addressing the Concordia Publishing House copyright issue discussed earlier in the meeting with the Council of Presidents (see agenda item 21 above).

26X. Executive Session V

Upon return to open session, the following resolution was introduced and adopted.

WHEREAS, Concordia Publishing House (CPH) was formed in 1868 upon authorization of the Synod in convention to supply publishing and distribution services for the Synod and its agencies; and

WHEREAS, CPH owns the copyrights on numerous publications, including the 1986 translation of *Luther's Small Catechism*; and

WHEREAS, CPH allows LCMS congregations and individuals the right to use the 1986 translation of the *Enchiridion* for noncommercial personal, congregational, or classroom use under permission policies set forth on the CPH Web site; and

WHEREAS, Overtures have been submitted in recent years proposing resolutions to the Synod in convention that would require CPH to release copyrighted materials and make the *Small Catechism* available at no cost; and

WHEREAS, Such resolutions would diminish CPH's control and/or management of its copyrighted publications; and

WHEREAS, The conventions of the Synod have declined to propose or vote on such resolutions to direct CPH to make such copyrighted items available at no cost as proposed in said overtures; and

WHEREAS, The LCMS Board of Directors is the legal representative of the Synod and the custodian of all property of the Synod (Bylaws 1.2.1 [q] and 3.3.4); and

WHEREAS, The LCMS Board of Directors has reviewed the mission and governing documents of CPH and considered legal counsel concerning such overtures; therefore be it

Resolved, That the Board of Directors supports CPH's continued ownership and protection of its copyright holdings, including *Luther's Small Catechism*; and be it further

Resolved, That the Board of Directors unanimously discourages the submission of overtures or proposed resolutions designed to require CPH to provide *Luther's Small Catechism* beyond the current permissions granted, or to release its ownership, control, and management of such copyrighted material.

27. Wittenberg Project Report

Board of Directors Chairman Michael Kumm, who also serves as chairman of the ILSW board overseeing the Wittenberg Project, provided an update of the planning and early construction work being done on the facility in Wittenberg. When LCMS representatives on the board attend its annual meeting in Wittenberg, they will be accompanied by potential donors as part of ongoing efforts to obtain the \$1.3 million needed to complete the project. He emphasized that this constitute a return of a confessional Lutheran presence in Wittenberg and that this project "couldn't be in a better place at a better time." It will not only be an ideal location to receive visitors from around the world in 2017. It will also provide LCMS higher education and research opportunities as well as provide a location for confessional Lutheran worship in a city where such opportunity currently does not exist.

28. Open Discussion

Chairman Kumm opened the floor of the meeting for comments and discussion "for the good of the board." Comments by board members expressed hope for a board retreat to take time for discussion of such topics as religious freedom, Concordia University System debt elimination, "board visioning," and a sharing by the board of the President's "global view" as the board offers leadership and coordination for the overall operations of the Synod.

29. Adjournment

Following words of appreciation by the chair for the collegiality of the meeting, a motion to adjourn was introduced and carried and the meeting was closed with prayer.

Raymond L. Hartwig, Secretary