

## MINUTES

**BOARD OF DIRECTORS**  
**THE LUTHERAN CHURCH—MISSOURI SYNOD**  
**Regular Meeting**  
**Saint Louis, MO**  
**November 7- 8, 2014**

### **81. Call to Order/Opening Devotion**

Chairman Michael Kumm called the regular business meeting to order with all members present except Secretary Raymond Hartwig. Bart Day, interim Chief Mission Officer, who served as devotional leader for the meeting, provided the opening devotion. Sherri Strand (Thompson Coburn LLP), Megan Mertz/Joe Isenhower (*Reporter*), Bart Day (interim Chief Mission Officer), Barb Below (President's staff) and Brenda Wilson (recorder) were also present.

### **82. Adoption of Agenda**

The agenda for the meeting was presented by Chairman Kumm for adoption with the flexibility to change if needed. A motion to adopt the agenda was introduced and carried.

### **83. Adoption of Consent Agenda**

Chairman Kumm called attention to the following consent agenda action, noted its content and offered opportunity for board members to remove any items from the resolution for separate attention by the board later in the meeting. A motion was introduced and the resolution was adopted without discussion as follows:

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

WHEREAS, The board policy reads:

- 3.6.2 Consent Agenda
  - 3.6.2.1 The Board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
  - 3.6.2.2 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.
  - 3.6.2.3 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.
  - 3.6.2.4 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 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 accepts this consent agenda which includes the following (reports and other documents attached to the protocol copy of these minutes):

Officer Reports	Report of the LCMS President Report of the 1st Vice President Report of the LCMS Secretary Report of the Chief Administrative Officer Report of the Chief Financial Officer Report of the Chief Mission Officer
Administrative Services Reports	Information Technologies Human Resources (confidential)
Financial Services Reports	Accounting Internal Audit
Board of Directors Committee Reports	Governance Committee Personnel Committee Audit Committee (did not meet, no report)
Action Item	Approval of August 22, 2014 minutes

; and be it further

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

#### **84. Update on BoardEffect for iPad**

Chairman Kumm called on Ron Schultz to give an update on BoardEffect (BE). BoardEffect is the platform the Board uses to publish meetings, dockets, resources and information. Ron gave background on moving from a single board to a multiboard, upgrades to BE, and tips and navigation tools for Board members for using the BE app.

#### **85. President Harrison's Comments**

President Matthew Harrison began his comments by giving some highlights.

- Traveled to the New England for former District President James Keurulainen's funeral and commemorated his service to the LCMS and 37 years in prison ministry.
- Recently visited with Bill Hecht in Washington DC, noted that three US senators are LCMS.
- Met with CUS Board and committee in Atlanta. Reported that CUS would like self-perpetuating board, they point to problems of convention-appointed board members. Next convention all nominees have to be approved by president of CUS and Secretary Raymond Hartwig. Under Dean Wenhe's leadership CUS came up with a unified Lutheran identity statement.
- Rev. Dr. Daniel Gard was installed as president at Concordia University Chicago with a positive start.
- Report on progress on convention resolutions has been received with rave reviews.
- Rev. Dr. Larry Vogel, Commission on Theology and Church Relations has traveled to come up with solutions with lay deacons

- Rev. Bart Day has been meeting with Districts to talk about what they are doing on the mission front.  
There are 12 pilot districts identified to revitalize churches and schools and to help them with resources. Districts have identified that more help with health and wellness of church workers is needed.
- Met with Lutheran Hour Ministries about what is going on, looking for things we can do together. Gave grant for Hmong refugees in Lebanon. Similar meeting with Lutheran Women Missionary League, had good conversation, good strength in women in the faith and the money raised for missions.
- Recent CCM decision was met with some pushback, but we have never had any district calling for international work without coordinating with us. Rev. Dr. Al Collver made the case that if everyone is going to do what they want to do it is going to be chaos. Just need to work together and will be beneficial for all to partner together. CCM says the bylaw needs to be interpreted by the OIM and OIM needs to put policies in place.
- Maggie Karner addressed Brittany Maynard, a woman that killed herself who was also diagnosed this past spring with a stage-four glioblastoma multiforme brain tumor.
- Questioned the action item in reference to the position approval of Rev. Golter in docket. If BOD has to approve this one, does BOD have to approve other personnel moves within the Office of the President. Warren Puck, Personnel Committee Chair responded the reason the position approval came before the Committee is stated in Bylaw 3.3.1. The position needs to be approved by the BOD since it was not part of the FY15 budget, the appointment came after the budget was approved.

## **86. Legal Counsel Report**

Chairman Kumm called for a motion to move into executive session to receive the legal report from Sherri Strand of Thompson Coburn LLP, legal counsel of the Synod. The motion was introduced and carried.

## **86X. Executive Session I**

## **87. Joint CUS Board Meeting**

Upon exiting Executive Session I Chairman Kumm welcomed the CUS Board and asked CUS and BOD members to introduce themselves. Chairman Kumm called for a motion to move into executive session, the motion was introduced and carried.

## **87X. Executive Session II**

Upon exiting the joint CUS Board and LCMS Board meeting Chairman Kumm thanked the CUS Board for coming.

After the BOD recessed for lunch the BOD continued to be in Executive Session for follow-up discussion on the CUS joint meeting.

## **87X. Executive Session II (cont)**

Upon exiting executive session Chairman Kumm called on Jerald Wulf, Chief Financial Officer for the financial report

### **88. Financial Report**

Chief Financial Officer Jerald Wulf called attention to the most recent Synod operating report financial reports ending September 30, 2014. As with most churches, this quarter is our summer slump.

- He made note that our cash balance is between \$14 and 15 million. (We have another \$7.5 million cash that belongs to our two Seminaries.) Our cash balance has been declining since July. However, at this time, about 5 years ago, the balance was about \$400,000 negative. The last calendar typically contains the greatest gift receipting of the year, So I expect our cash balance will improve over the next three months or so.
- And, in the net assets section undesignated unrestricted balance, net assets are still a negative amount. Ideally this should be some positive number. However, the deficit is now less than the amount board designated net assets, which indicates no donor resources are being used to provide cash flow...
- And, variable revenue and expenses are each behind budgeted levels by about the same amount. Restricted revenues are not materializing at planned levels (due to summer slump) and expenses are not being made until those revenues are collected. We try to watch our cash flows very closely.

### **89. Audit Committee Report**

Audit Committee Chair Keith Frndak referenced his committee's report (attached to the protocol copy of these minutes), which included the recommendations received from our auditors, a report from Joann Spotanski, Executive Director, Internal Audit and a report given by Jerald Wulf, Chief Financial Officer on endowment funds.

The Committee introduced a motion to receive the audit; motion approved and carried.

### **90. LCMS Reimbursement Policy and Credit Card Policy Overview**

Chairman Kumm called on Ronald Schultz, Chief Administrative Officer for an overview of the expense reimbursement policy and P-Card policy training course being offered employees by Accounting and Human Resources in response to the Boards concern with credit card use and activity. The scope encompassed all employees and volunteers of the LCMS.

Training courses were by led Karen Sansone, Director of Tax & Compliance.

The LCMS Reimbursement Policy and Credit Card Policy employee training stressed:

- Accountability
- Exercise good Stewardship
- Improvements to claim process
- Documentation

To summarize the LCMS Reimbursement Policy:

The policy reimburses for ordinary and necessary business expenses...reasonable in amount, adequately accounted for and submitted with documentation in a timely manner

What's different with the Credit Card Policy?

- Condensed to a single policy, easier to find
- Introduction of a Travel Card

- Chip & Pin technology for greater security
- Credit limits & Executive monitoring
- Training extended to viewers
- New checklist tool
- Digitalized receipts & reports

Chairman Kumm made a motion to go into Executive Session for continued discussion on the CUS joint meeting; the motion was introduced and carried.

## **87X. Executive Session II (cont)**

### **91. HR Organizational Survey Presentation**

Upon exiting executive session Chairman Kumm called on Ronald Schultz, Chief Administrative Officer to introduce Val Rhoden-Kimbrough, Executive Director, Human Resources and Bonni Baird, Manager, Training and Organizational Development, Val gave overview of the organizational development survey purpose and design and turned it over to Bonni to go through survey results.

Topics covered in survey were:

- Training needs
- Demographics of employees
- Pay and Benefits satisfaction
- Senior Leadership/Top management
- Immediate Supervisor
- Co-Worker relationships
- Job engagement
- Organization commitment

Summary of the survey:

Our employees are:

- Highly engaged in their jobs
- Proud of their workplace
- Have strong organizational commitment
- Satisfied with benefits – particularly healthcare
- Good working relationships with co-workers and supervisors
- Would like more communication from Sr. Leaders
- Would like more coaching/dev. from supervisors

Bonni closed highlighting that employees are committed to working together.

### **92. Wittenberg Project**

Chairman Kumm asked Rev. Dr. Jon Vieker, Senior Assistant to the President to take place at table with the Board, Jon is taking on roles on a couple of committees he will talk about.

President Harrison opening comments, “Delighted, Wittenberg project is coming together. Building is going to pay for itself right out of the chute. Committee is now working on worship space. The kick off will be the first week of May, 2015.” Jon has taken responsibility for the chapel design and leading LCMS side of dedication ceremonies.

Jon gave a little background of the Chapel design committee coordinating, displayed the Chapel Layout design and explained with a quick walkthrough of the design idea considerations. Celebration plans for the week were shared with the Board including dedication coordination, community outreach, worship opportunities, tours, BBQ etc.

Chairman Kumm introduced Mark Hofman, Executive Director, Mission Advancement to tell how different things are today since last time we heard about funding.

Mark's Campaign plan: classic campaign strategy: Volunteer-driven, staff supported. Built in phases and rollout to build momentum & excitement.

Two phase campaign phase:

Lead Gifts (Silent) phase:

(Goal was to secure at least 50% of required funding – started January 2012 and is ongoing)

- Lead donors and major donors engaged first
- \$500,000 from a \$1 million matching fund allocated to lead and major donor engagement
- List available (online) of lead and major donor naming opportunities
- Showed layout of the building with naming items identified
- Donor appreciation plan:
  - Prompt gift receipts
  - Personal thank you letter from PH
  - Special certificate for Reformation 500 Club members
  - John Pils Wittenberg Christmas ornament
  - CPH-produced Wittenberg medallions
  - Limited number of John Pils Wittenberg art prints
  - Recognition plaques in the Old Latin School, with possible photos provided to donor

Public phase:

- Launched the Reformation 500 Club in May 2014 (congregations, schools, church groups)
- Sola Verb (“Word Alone”) Club for individuals/families contributing \$500 to \$1,000
- Synod-wide direct mail appeal (scheduled to drop March 2015)
- Goal is to complete the campaign in time for dedication of the Center in May
- Backup plan: Ongoing appeals /solicitations as needed to complete funding of the renovation as measured by the amount of any borrowing needed through LCEF.

Through October 31, \$3,262,814 had been given or pledged in restricted contributions to support the Project. One hundred thirty two congregations and schools have joined the Reformation 500 Club. Twenty six households have given at the Sola Verbe level. Detailed campaign reports are provided to the volunteer campaign cabinet and members of the International Lutheran Society of Wittenberg.

Chairman Kumm turned our attention to the agenda noting changes to agenda changing scheduled time of retreat discussion and Action Items. Then Chairman Kumm called on Ron Schultz to introduce Deaconess Kim Schave, Director of Policy and Projects Administration newly hired in CAO office.

### **93. Board Retreat Review and Next Steps**

Chairman Kumm turned chairmanship over to James Carter Jr., Retreat Committee chair, for the follow-up discussion. Mr. Carter began discussion and review by thanking the Committee; Sherri Strand, Legal Counsel, Thompson Coburn LLP, for use of their facilities; Dr. Robert Krizek, Communications Resource Associates, retired St. Louis University professor, for facilitating the retreat; and to Ronald Schultz, Chief Administrative Officer for coordinating. Carter turned the presentation over to Ron.

The basic outline of the presentation is as follows:

- Summary of the survey results
- Review of Next Steps and Status
- Comments, Q&A

The survey summary was all respondents were satisfied with a strong feeling that value will be derived from how the board follows through on next steps. After the summary of the survey results Ron presented the eight “Next Steps” for follow up that came out of the retreat.

Below are the eight “Next Steps” and their status:

	Next Steps	Status
1	Build time into Board meeting for meaningful discussion of issues emerging from retreat as well as other retreat-type items/issues that may emerge in future BOD meetings.	Seeking Input from Board
2	Invite Selma committee to the next Board meeting to cover legal and financial risks.	In Progress
3	Have International Mission representative attend Board meeting and cover vision/plans.	Scheduled
4	Regularly invite representatives of entities/ programs to BOD meetings to present strategic plans	Plan Proposed
5	CAO to create a directive to obtain information needed by the Board to make thoughtful decisions. CAO to bring a plan/directive back to the Board.	Seeking Input from the Board
6	Invite Corporate Communication reps to a Board meeting to review their messaging strategies with the goal of the Board making recommendation(s) to the President.	Plan Proposed
7	Governance Committee will examine Bylaws with an eye to suggesting possible changes to the Bylaws that would help the Board be more effective.	Under Consideration
8	CAO to work to create systems that would help the Board understand and manage legal and international affairs/issues.	Underway

Each step was discussed with a commitment to follow through.

#### **94. Action Items**

##### **A. Approval of New Position – Office of the President**

Chairman Kumm asked for a motion, moved and seconded, no additional discussion. Action item carried as follows.

##### **Background:**

It was announced at the end of September that Rev. Randy Golter had accepted a new position to serve in the Office of the President as Special Assistant to the President (announcement attached for reference).

Bylaw 3.3.1 states that the President is “empowered to engage staff to carry out the duties of his office” with the approval of the LCMS Board of Directors. This approval would typically take place during the annual budgeting process. However, the position description was not finalized until after the FY 15 personnel budgeting process was completed and the budget adopted.

Bylaw 3.3.1 *The President of the Synod shall be a full-time executive and shall serve as a voting member of the Board of Directors of Synod...*

*(b) He shall, with the approval of the Board of Directors of the Synod, be empowered to engage sufficient staff to carry out the duties of his office.*

CFO Wulf has confirmed that funds are available in the approved FY15budget. The available (unused) funds are in other budget areas under the authority of the office of the president.

In order to adhere to the requirement of the bylaw, the President's office and the BOD Personnel Committee are requesting that the following resolution be adopted by the board.

Proposed Action:

*Resolved*, That, pursuant to Bylaw 3.3.1 (b), the Board of Directors ratifies the creation of the position of *Special Assistant* to the President in the Office of the President and for the position to be filled in accordance with LCMS Human Resources policies.

B. Designation of Chief Administrative Officer as Convention Manager

A motion was moved and seconded, Chairman Kumm asked Ron Schultz to address action. After brief discussion action item was carried and approved as written.

WHEREAS, The LCMS *Handbook* indicates that the Director of General Services serves as the convention manager (Bylaw 3.1.9 (a)); and

WHEREAS, This position has been eliminated from the organization and the other duties associated with it have been distributed to others within the organization; and

WHEREAS, This position and related responsibilities were under the day-to-day supervision of the Chief Administrative Officer; and

WHEREAS, Upon and since the resignation of the previous Executive Director of General Services, the responsibilities of the convention manager have been carried out in the interim by the Chief Administrative Officer; and

WHEREAS, Planning is underway for the 2016 LCMS Convention in Milwaukee ; therefore be it

*Resolved*, That the Board of Directors direct the Chief Administrative Officer to assume the convention manager responsibilities, delineated in Bylaw 3.1.9, formerly belonging to the recently eliminated Director of General Services position; and be it further

*Resolved*, That the Chief Administrative Officer is authorized to delegate such duties to another while retaining supervision of the individual; and be it finally

*Resolved*, That the Chief Administrative Officer is directed to, in his capacity as a member of the Commission on Handbook, work with the commission to revise Bylaw 3.1.9 to remove reference to the Director of General Services.

C. Revisions to the National Housing Support Corporation Bylaws

Chairman Kumm brought the action item before the board stating no significant changes are being made to the NHSC Bylaws, primarily operational changes. Action item was carried as submitted.

WHEREAS, The LCMS National Housing Support Corporation (“National Housing”) is a nonprofit corporation organized and existing under the laws of the State of Missouri and an “agency” as defined in the Bylaws (the “LCMS Bylaws”) of The Lutheran Church—Missouri Synod (“LCMS” or the “Synod”); and

WHEREAS, In 2003 the Board of Directors of The Lutheran Church—Missouri Synod (“LCMS”) approved the formation of LCMS National Housing Support Corporation (“National Housing”) as a

nonprofit corporation organized and existing under the laws of the State of Missouri to assist with the housing ministry efforts of LCMS; and

WHEREAS, The Articles of Incorporation and Bylaws of National Housing, which were approved by the Board of Directors of LCMS, provide that LCMS is the sole member of National Housing and that nothing in the Articles of Incorporation or Bylaws shall be inconsistent with the Constitution and Bylaws of LCMS; and

WHEREAS, The Board of Directors of LCMS delegated several of its powers as sole member of National Housing to the governing board of the Board for Human Care Ministries (“Human Care”), a program board of LCMS; and

WHEREAS, National Housing desires to amend and restate its Bylaws so that all of its corporate documents are in alignment and consistent and in connection therewith, LCMS, as sole member of National Housing, has been asked to authorize and approve the amendment and restatement of the Bylaws of National Housing; and

WHEREAS, The LCMS Bylaws require that the Commission on Constitutional Matters (“CCM”) examine the articles of incorporation, bylaws and policy manuals of agencies of LCMS such as National Housing; and

WHEREAS, The Board of Directors desires to approve the Amended and Restated Bylaws of National Housing; therefore be it

*Resolved*, That the Board of Directors of LCMS does approve the Amended and Restated Bylaws in substantially the form attached hereto as Exhibit A.  
(*Exhibit A filed with Protocol Documents*)

## **95. Committee/Officer/Board Time**

Chairman Kumm passed chair to Vice Chairman Ed Everts.  
Open discussion time included the following:

Rev. Michael Kumm asked the board to reconsider meeting in November in conjunction with the LCEF Fall Leadership Conference. After discussion, a motion was put before the Board to move the November board meetings back in line with LCEF’s annual Fall Leadership Conference beginning in 2015 or as soon as there is meeting space available for the Board to meet. Motion was seconded and carried

Rev. Kumm also asked the Board to consider different meeting format such as length, days, and time. After discussion and many possibilities, it was determined that the Chairman and CAO would follow up.

Rev. Kumm resumed the chair, a question was asked of Rev. Herbert Mueller, First Vice-President, about the Koinonia Project, if the BOD should be involved in and be a part of the effort to bring us all together. Rev. Mueller gave a brief description of what was happening with the project. Rev. Mueller stated that he believes the Board is good at putting the basic principles behind the Koinonia Project into practice already.

With all business to come before the board having been attended to, a motion was introduced and carried to adjourn the business meeting.

The meeting was closed with prayer.

Prepared by Brenda Wilson, Executive Assistant to the Chief Administrative Officer,  
in the absence of the Secretary