

## MINUTES

### BOARD OF DIRECTORS Omni Hotel, Atlanta, GA November 19–20, 2015

#### **163. Call to Order and Opening Devotion**

Chairman Michael Kumm called the meeting to order and called on the meeting's devotion leader, Jon Vieker, Assistant to President Harrison, to provide the opening devotion.

#### **164. Meeting Docket Information/Adoption of Agenda**

After introductory comments by Chief Administrative Officer Ron Schultz regarding the electronic meeting materials provided to the board, Chairman Kumm proposed adoption of the agenda for the meeting, allowing for possible changes during the course of the meeting. This motion was introduced and carried.

#### **165. Adoption of Consent Agenda**

Chief Administrative Officer Ron Schultz called the board's attention to the proposed consent agenda to expedite addressing some of the regular business of a board meeting. After the resolution to adopt the consent agenda was formally introduced and opportunity was provided for board members to request removal of specific items to be addressed during the meeting, the following resolution was adopted as presented.

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

WHEREAS, The board's 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 actions 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 herewith accept this consent agenda which includes the following:

- Officer Reports
  - Report of the President
  - Report of the Vice-President
  - Report of the Secretary
  - Report of the Chief Administrative Officer
  - Report of the Chief Financial Officer
  - Report of the Chief Mission Officer
- Administrative Services Reports
  - Information Technologies
  - Mail Room
  - Human Resources (confidential)
- Financial Services Reports
  - Accounting
  - Internal Audit
  - Risk Management and Insurance
- Board of Directors Committee Reports
  - Governance Committee
  - Personnel Committee
- Action Items
  - Approval of August 21–22, 2015 minutes
  - Approval of October 27, 2015 minutes
  - Approval of BOD Policy Revision—5.6 Human Resources

And be it further

*Resolved*, That the minutes of this meeting reflect the acceptance of the reports and other items listed above (with copies of reports and other items attached to the protocol copy of these minutes).

### **166. President’s State of the Synod Report**

President Harrison touched on a number of subjects in his oral report, noting that from what he has seen, “the Synod is remarkably calm for a convention year.”

- The International Center is functioning very well, with key leaders in place and performing exceptionally well.
- The challenges the Synod faces are daunting. Having obtained the best statistical numbers from congregations in years, it is clear that the demographic concerns that have been discussed of late are based upon reality.
- The International Lutheran Council is being challenged to become “more than a study club.” It is growing and will continue to grow, likely adding more church bodies and more than ten million members in coming years. The council is being pushed to look into developing staff and a strategic plan going forward to increase its capacity to help its members.
- 2016 convention planning is proceeding well. There will be more floor committees for this convention in the interest of producing quality work in response to significant issues.
- Like *Roe v. Wade* decades ago, the Supreme Court Obergefell marriage decision is also bad law and promises a plethora of legal battles in its wake. Courts will now determine its application, and the serious possibility exists that there will be consequences for LCMS colleges and universities. In the face of daunting official opposition, the Synod will want to hold its institutions close and act with a unified voice, likely looking at procedures that may be followed (perhaps in the Bylaws of the Synod) should the government force the shut-down of educational institutions.
- The Evangelism Department is producing resources for a revitalized effort to help train laity and clergy to do evangelism, something not available *per se* for decades. The growth of other religious groups during these times suggests that the Synod also should be able to experience some success.
- The licensed lay deacon issue will be a major issue at the 2016 convention. In reality, it is a relatively small issue, with approximately 230 congregation currently having lay ministers preaching and administering the sacraments. For the sake of conformity with our Lutheran Confessions, a task force report will encourage the continuation of the training of lay deacons in

areas appropriate for lay deacons via a colloquy route into the Specific Ministry Pastor program, such as was already anticipated when the specific ministry pastor program was introduced.

- A task force to address the subject of student indebtedness has been functioning and has “a good handle” on the issues involved. Approximately 80 seminary students are in need of assistance, either because of indebtedness prior to entering the seminary or the use of student loans for non-education purposes. The task force hopes to assign Lutheran financial advisors to students who are struggling.
- Although student enrollment is currently down, both LCMS seminaries are doing well and are well supported by the Synod. The constant discussion of reducing to one seminary continues and will be decided when a need to do so is evident to all involved. Some today are arguing that the Synod needs no seminaries, a proposal that is “radical and a recipe for disunity and the fragmentation of the Synod.”
- Preparations for the 2016 youth gathering continue, and once again registration for the gathering is strong. Participants are busy raising money for human care projects. At the same time, the organization of a “youth corps,” something of a Synod-sponsored Peace Corps opportunity for young adults, is coming along.
- The Wittenberg Project is up, functioning, and self-supporting, and the renovated Latin School facility is being used to capacity. Kristin Lange, the facility’s new resident supervisor, has been well received by the Synod’s partner church in Germany and will be allowed to develop and lead outreach plans.
- The new model for missionary funding, with called missionaries raising 75% of their support prior to entering the field, is working very well, in part enabling the Synod to reach its goal of doubling the number of its foreign missionaries since the 2013 convention.
- The Board of Regents of Concordia College New York (Bronxville) has announced its call extended to Dr. John Nunes to serve as the school’s new president.
- The 5-01A Task Force is working to keep the Concordia University System schools close to the Synod and its theology. It is also working to satisfy boards of regents interests in increasing the size of the boards to provide additional assistance and is prepared to propose a solution “that promises to be well received.”

Following his report, President Harrison responded to questions from members of the board.

### **167. Properties of the Synod Discussion**

As legal counsel Sherri Strand prepared to introduce discussion of matters pertaining to properties of the Synod, a motion was introduced and carried to move into executive session.

---

### **167X. Executive Session I**

---

After returning to open session, the board recessed to relocate and prepare for its joint meeting with the Council of Presidents.

### **168. Board of Directors and Council of Presidents Joint Meeting**

Council of Presidents Chairman Kenneth Hennings called the joint meeting to order and called on Vice-Chairman David Maier to provide an opening prayer.

Board of Directors Chairman Michael Kumm introduced the matter for discussion, an overture to be submitted to the convention developed by a joint committee of members of the Council of Presidents, Commission on Constitutional Matters, and Commission on Handbook in response to 2004 Res. 4-11,

“To Assure Uniformity of Relationship and Asset Disposition Language in Governing Documents of Corporate Agencies of the Synod.” Southeastern District President John Denninger provided a history of events leading up to the formation of the committee and the preparation of its proposed overture, with the goal that the Board of Directors and Council of Presidents would agree upon its wording and each submit it to the 2016 convention of the Synod. Chief Administrative Officer Ron Schultz walked the assembly through the proposed document, inviting input from the assembly.

Following brief discussion in support of the proposed resolution, Council of Presidents Chairman Hennings provided an overview of current council activities. After Board of Directors Chairman Kumm did the same, the joint meeting was closed with prayer by Board of Directors member Victor Belton.

### **169. Chief Financial Officer’s Report**

As the Board of Directors resumed its own meeting, Chief Financial Officer called attention to a number of items in his printed report, noting receipts and spending compared to budget, and reported “all largely falling within their norms” for the current time in the fiscal year. He also made available printed copies of the Audit Report provided by Brown Smith Wallace LLC (copies of Chief Financial Officer’s reports and the Audit Report attached to the protocol copy of these minutes).

### **170. Legal Report and Audit Committee Report re Concordia University System Matters**

As Sherri Strand of Thompson Coburn LLP and Audit Committee Chairman Keith Frndak prepared to give their reports, a motion was introduced and carried to move into executive session.

---

### **170X. Executive Session II**

---

Upon exiting executive session, the board moved on with its business, calling on Chief Administrative Officer Ron Schultz and Secretary Raymond Hartwig to present the next item of business.

### **171. Regional Nominations and Elections Discussion**

Chief Administrative Officer Ron Schultz introduced the matter of regional nominations and elections, noting the board’s earlier discussion of the process at its May 2015 meeting. He announced that the goal for the current meeting will be to identify desired outcomes for the process, those outcomes to be incorporated into a proposed overture for the board’s consideration and adoption during its February meeting.

During the discussion that followed, the board by consensus provided direction for the proposed overture’s development:

- Requirement for regional nomination eligibility: Nominees must be members of member congregations. The board has no preference whether regional eligibility is to be determined by location of home congregations or residency address of nominees.
- Eligibility to nominate: The board favors continued use of the ballot nominations process, providing congregations the opportunity to nominate two persons from within their region.
- Development of slate of candidates: The board favors identifying top the twenty vote-getters for each position who are willing to serve, these lists to be forwarded to the Committee for Convention Nominations and its use of its current process for developing slates of candidates.
- Size of slates: The board favors continuing with slates of five candidates for regional positions, elections to mirror current process after slates have been determined.

- Identification of incumbents: The board favors considering all incumbents nominees eligible for reelection and included in the deliberations of the Committee for Convention Nominations as it develops slates of candidates.
- Floor nominations: The board favors allowing floor nominations for all regional board and commission positions, so long as such nominations are from the “pool” of names already submitted by ballot for the appropriate region.
- Nominee documentation: The board favors obtaining biographical and evaluative information as well as consent to serve from every person whose name is surfaced by the ballot vote, such information to be available for floor nominations.
- Elections: Since these are national board positions, the board agrees that elections should be by the national convention and by majority vote.

## **172. Personnel Committee—Officer Compensation**

As Personnel Committee Chairman Warren Puck and Human Resources Executive Director Val Rhoden-Kimbrough prepared to make their presentation regarding officer compensation, a motion was introduced and carried to move into executive session. With the exception of the Secretary, the officers of the Synod were excused from this portion of the meeting.

---

## **172X. Executive Session III**

---

The board, having exited executive session, recessed for the day. When it reconvened for its Friday session, Chairman Kumm called the meeting back to order and called on Office of International Mission Executive Director John Fale for his presentation.

## **173. Office of International Mission Visit**

Executive Director of the Office of International Mission John Fale introduced himself and provided a brief overview of his background. He began his presentation by asserting that there are “a lot of good things happening” in the area of foreign mission efforts, noting that the 2013 convention’s resolve to double the number of career missionaries will come close to fruition during this triennium. He outlined and discussed the executive priorities of his department:

1. Relationship Renewal with staff, Concordia University System, Mission societies, Lutheran World Relief, and districts
2. Review and Update Strategic Plan and create a monitoring tool for planned goals and Board for International Mission end policies
3. Develop Best Practices for conducting business and operations in the mission regions of international mission efforts
4. Collaborate with Mission Advancement to develop donor support of network support missionaries and ministry projects
5. Cultivate Synod-wide Support to develop a plan that will enable a realistic and sustainable model for ministry support

Executive Director Fale warned that the current situation for providing foreign ministry support will not be sustainable for very long given the reductions in support that have regularly taken place in unrestricted giving, especially by districts. The need is critical for an operating budget that will be able to support and sustain missionary efforts in the field.

#### **174. Conversation with Council of Presidents Leadership**

Upon request of the board, Council of Presidents Chairman Kenneth Hennings and Vice-Chairman David Maier joined the board for discussion of matters of mutual interest. Given the nature of the matters to be discussed, a motion was introduced and carried to move into executive session.

---

#### **174X. Executive Session IV**

---

After exiting executive session and expressing its appreciation to the representatives from the Council of Presidents, the board moved on to the next item of business on its agenda.

#### **175. Audit Committee Report**

Audit Committee Chairman Keith Frndak provided his committee's oral report of matters other than those already addressed in executive sessions, including a report of the committee's meeting with the Brown Smith Wallace auditors, an update of the work of the Internal Audit Department, and mention of the progress that is being made related to previously discussed concerns with the Synod's employee credit card program.

After the report, a motion was introduced and carried "to accept the June 20, 2015 Independent Auditor's Report" (copy attached to the protocol copy of these minutes).

#### **176. Action Items**

The board turned its attention to action items requiring its attention at this meeting.

##### **A. Overture to the 2016 Convention: To Assure Uniformity of Relationship and Asset Disposition Language in Governing Documents of Corporate Agencies of the Synod**

Chief Administrative Officer Ron Schultz again provided background to this action item (see #168 above), noting the encouragement of the committee that has worked on this resolution to the 2016 convention that the Board of Directors also submit this overture since (1) this is a matter pertaining to the governing documents of all agencies of the Synod and therefore a legal matter, and (2) because the overture that prompted 2004 Res. 4-11 was originally submitted by the LCMS Board of Directors.

After the proposed resolution was formally introduced, it was adopted by the board without further discussion, as follows.

*Resolved*, That the Board of Directors of The Lutheran Church—Missouri Synod herewith approve the following overture for submission to the 2016 LCMS convention.

#### **To Assure Uniformity of Relationship and Asset Disposition Language in Governing Documents of Corporate Agencies of the Synod**

##### **Rationale**

As the various corporations of the Synod were established, different reversionary language was used to make clear that all property of its agencies is the "Property of the Synod" (with the exception of assets held by the Lutheran Church Extension Fund—Missouri Synod and by any agency in a fiduciary capacity such as administered by Concordia Plan Services or certain funds held by the Lutheran Church—Missouri Synod Foundation—see Synod Bylaw 1.2.1 [q]). Such variety led the 1981 LCMS convention to adopt Resolution 5-07 to provide "definite procedures and policies for the establishment of additional corporations within the Synod."

More recently, legal counsel advised that it would be helpful for the unity and interests of the Synod if clear and consistent relationship and property reversionary language be included in the Articles of Incorporation of all corporate agencies, new and old. This interest resulted in the adoption by the 2004 LCMS convention of Resolution 4-11, requiring the inclusion of “clear relational and property reversionary provisions in the Articles of Incorporation of all corporate agencies.” Such provisions were developed by the Commission on Structure with the assistance of special legal counsel, to be included *verbatim* in the Articles of Incorporation of all corporate entities of the Synod, “not to be altered or deleted without the approval of the Synod, in convention, or the Board of Directors of the Synod.”

Ongoing efforts by the Commission on Constitutional Matters (including the creation of a model articles of incorporation document) to see to it that such language is found in all agency Articles of Incorporation has resulted in unforeseen difficulties and concerns, including not-for-profit corporation laws with requirements that vary from state to state. This was a subject of discussion at a joint meeting of the Council of Presidents, Commission on Constitutional Matters, and Commission on Handbook on November 20, 2014, resulting in the naming of a “Resolution 4-11 Committee” to represent the three groups. The committee’s assignment was to recommend next steps for the implementation, modification, or rescission of Res. 4-11 while continuing to honor the intentions of the resolution (and those of 1981 Res. 5-07).

As the committee reviewed its assignment, it requested comments regarding the resolution from the corporate agencies of the Synod while also examining how the provisions of Res. 4-11 impact LCMS organizational documents. After a series of telephone conference meetings, the committee requested the assistance of the Synod’s legal counsel, Thompson Coburn LLP, to consider comments received in response to the letter to the corporate agencies, to review the interaction of Res. 4-11 with provisions of the LCMS organizational documents, and to consider a new approach to the entire matter of uniformity of reversionary language.

The end result of the Resolution 4-11 Committee’s work is this overture to the 2016 LCMS convention, proposed with the assistance of LCMS legal counsel. It is consistent with existing LCMS organizational documents and advocates rescinding 2004 Res. 4-11, superseding pertinent portions of 1981 Res. 5-07, and adopting a new Bylaw 1.5.3.6.

#### Proposed Action by the Convention

Therefore be it

*Resolved*, That 2004 Res. 4-11 be herewith rescinded in lieu of the adoption of new Bylaw 1.5.3.6 by this convention to accomplish the same expectations but in a manner more amenable to legal and other requirements of the Synod’s various corporate agencies; and be it further

*Resolved*, That those portions of 1981 Res. 5-07 pertaining to matters now addressed by the adoption of new Bylaw 1.5.3.6 be superseded by this convention action and its new Bylaw 1.5.3.6; and be it finally

*Resolved*, That new Bylaw 1.5.3.6 be adopted as follows:

#### PROPOSED WORDING

1.5.3.6 Notwithstanding anything in the Bylaws to the contrary, the Articles of Incorporation or other governing documents of each agency shall contain the following provisions:

(a) That in the event of dissolution other than by direction from the Synod in convention, the assets of such agency, subject to its liabilities, shall be transferred, consistent with applicable state and federal laws, as follows:

(1) In the case of a district, university, college, or seminary, to The Lutheran Church—Missouri Synod as may be more specifically described elsewhere in these Bylaws;

(2) In the case of a corporation formed by an agency (as defined in these Bylaws), to the agency that formed the dissolving corporation, or if such forming agency is not then in existence, to The Lutheran Church—Missouri Synod itself.

(b) That all provisions of its Articles of Incorporation and Bylaws are subject to the provisions of the Constitution, the Bylaws, and the resolutions of the Synod in convention.

An agency may submit any concerns related to the inclusion of subsections (a) or (b) in its governing documents to the Board of Directors of the Synod, and the Board of Directors may determine to permit the removal or modification of these provisions for an affected agency.

And be it finally

*Resolved*, That the agencies of the Synod accommodate the requirements of this bylaw change in time for the Commission on Constitutional Matters to report the status of compliance to the 2019 convention of the Synod.

## B. Overture to 2016 Convention: Property of the Synod

Chief Administrative Officer Ron Schultz provided background for the board's submission of the following overture to the 2016 convention. A motion was introduced and carried to submit the resolution as follows.

### **To Clarify and Confirm the Distinction between Synod and Corporate Synod and to Provide Consistency for the Meaning of "Property of the Synod"**

#### Rationale

The Lutheran Church—Missouri Synod was originally founded as a *synodical union* in April, 1847. Its original name was "The German Evangelical Lutheran Synod of Missouri, Ohio, and Other States." Ultimately, in 1947, the synodical union—the Synod—shortened its name to The Lutheran Church—Missouri Synod.

In 1894, the Synod voted to form a Missouri benevolent *corporation* under Chapter 352 of the Missouri Statutes called "The German Evangelical Lutheran Synod of Missouri, Ohio, and Other States." The corporation's name eventually was also changed to "The Lutheran Church—Missouri Synod."

In 1967, the corporation filed Articles of Acceptance with the State of Missouri to convert to a nonprofit corporation pursuant to the General Not for Profit Corporation Act, Chapter 355 of the Missouri Statutes. The corporation's Articles of Incorporation have been amended from time to time, and the current Articles are included in the *Handbook* of The Lutheran Church—Missouri Synod.

Article XIV of the Synod's Constitution provides that "[t]he Synod in convention may adopt bylaws that are consistent with and do not contradict the Constitution of the Synod." The Synod's Bylaws also serve as the bylaws of the corporate entity.

The Synod's Bylaws have been amended fairly regularly over the past 150 years. Some of the amendments were designed to recognize the distinction between the synodical union (Synod) and the Missouri nonprofit corporation of the same name. An example of such is current (2013) Bylaw 1.2, which includes definitions of "Synod" and "Corporate Synod."

Bylaw 1.2.1 (f) provides, in pertinent part: "**Corporate Synod:** The Lutheran Church—Missouri Synod, the Missouri nonprofit corporation, including its offices, boards, commissions, and departments...." Bylaw 1.2.1 (u) states: "**Synod:** Refers collectively to the association of self-governing Lutheran congregations and all its agencies on the national and district levels. The Synod, as defined herein, is not a civil law entity." [The term "Agency" is defined in Bylaw 1.2.1 (a).]

Because the name of the Synod and the name of the Missouri nonprofit corporate entity are identical, certain provisions of the Synod's Constitution and Bylaws could be viewed as ambiguous and, therefore, should be amended for clarity and consistency.

One such bylaw that should be clarified for at least two different reasons is Bylaw 1.2.1 (q), which defines "Property of the Synod" as "[a]ll assets, real or personal, tangible or intangible, whether situated in the United States or elsewhere, titled or held in the name of the Synod, its nominee, or an agency of the Synod. 'Property of the Synod' does not include any assets held by the Lutheran Church Extension Fund—Missouri Synod or by an agency of the Synod in a fiduciary capacity (including, for purpose of example, the funds managed for the Concordia Plans By Concordia Plan Services and certain funds held by the Lutheran Church—Missouri Synod Foundation.)"

First, the current definition, especially when read in light of the definition of “Synod,” could lead to an erroneous understanding that the Synod owns the property of member congregations. Such a misunderstanding would be inconsistent with Article VII, paragraph 2, of the Constitution, which clearly states, “Membership of a congregation in the Synod gives the Synod no equity in the property of the congregation.” Clarification for consistency could be made by amending Bylaw 1.2.1 (q) to expressly exclude property of congregations from the definition.

Second, Article XI paragraph E of the Constitution should be amended to reflect more clearly that the duties of the Board of Directors include serving as the legal representative of both the Synod and corporate Synod, and to clarify that the Board of Directors’ role as custodian of the property of the Synod includes, in particular, property held by or titled in the name of corporate Synod or its nominee. This is not a change in responsibilities but rather a clarification.

These amendments would benefit the Synod and its members by providing clarity and consistency between the Constitution and the Bylaws.

#### Proposed Action by the Convention

Therefore be it

*Resolved*, That the LCMS *Handbook* be revised as follows:

#### PRESENT/PROPOSED WORDING

##### **Article IV Powers**

The Synod in convention is empowered to and has formed corporate entities which shall have legal powers:

1. To purchase, hold, administer, and sell property of every description in the interest of the Synod;
2. To accept, hold, administer, and, if deemed advisable, dispose of legacies, donations, commercial papers, and legal documents of every description in the interest of its work.

##### **Article XI E Composition and Duties of the Board of Directors**

2. The Board of Directors is the legal representative ~~of the Synod. It is the~~ and custodian of all ~~the~~ property of The Lutheran Church—Missouri Synod ~~the Synod~~, directly or by its delegation of such authority to an agency of the Synod. It shall exercise supervision over all ~~the~~ property ~~of the Synod~~ and business affairs of ~~the Synod~~ The Lutheran Church—Missouri Synod except in those areas where it has delegated such authority to an agency of the Synod or where the voting members of the Synod through the adoption of bylaws or by other convention action have assigned specific areas of responsibility to separate corporate or trust entities, as to those the Board of Directors shall have general oversight responsibility as set for in the Bylaws. For the purposes of this article, The Lutheran Church—Missouri Synod includes both the Synod formed by this Constitution and the Missouri corporation formed by the Synod.

##### **Bylaw 1.2 Definitions of Terms**

- 1.2.1 The following definitions are for use in understanding the terms as used in the Bylaws of The Lutheran Church—Missouri Synod:

...

(q) ***Property of the Synod***: All assets, real or personal, tangible or intangible, whether situated in the United States or elsewhere, titled or held in the name of ~~the Synod or corporate Synod~~, its nominee, or an agency of the Synod. “Property of the Synod” does not include any assets held by member congregations, the Lutheran Church Extension Fund—Missouri Synod, or by an agency of the synod in a fiduciary capacity (including, for purposes of example, the funds managed for the Concordia Plans by Concordia Plan Services and certain funds held by the Lutheran Church—Missouri Synod Foundation).

#### C. Creation of Legal Entity in Dominican Republic

Chief Administrative Officer Ron Schultz presented for the board’s consideration “A Resolution of the Board of Directors of The Lutheran Church—Missouri Synod Authorizing and Approving the Creation of a Legal Entity in the Dominican Republic.” Upon formal introduction of the resolution, it was adopted

without discussion as follows (a draft of the entity's Bylaws are attached to the protocol copy of these minutes), it being understood that the board's approval is contingent upon pending review and approval by the Synod's Commission on Constitutional Matters.

### **A Resolution of the Board of Directors of The Lutheran Church—Missouri Synod Authorizing and Approving the Creation of a Legal Entity in the Dominican Republic**

WHEREAS, The Lutheran Church—Missouri Synod (the "LCMS" or the "Synod") has determined that it is desirable to establish a legal presence in the Dominican Republic ("Dominican Republic") in the form of a nonprofit association (the "Association") under the law of the Dominican Republic to better support and facilitate the work of the LCMS in the Dominican Republic and Latin America; and

WHEREAS, The Board of Directors of the LCMS (the "BOD") has the authority, pursuant to Sections 5.8.5 and 5.8.6 of the *LCMS Board of Directors Policy Manual* (the "BOD Policy"), to approve new corporations as agencies of the Synod and to "authorize and approve the establishment of legal entities in foreign countries, as it deems necessary or appropriate, for the purpose of establishing, facilitating, and/or operating foreign missions"; and

WHEREAS, The Lutheran Church—Missouri Synod in convention adopted Res. 4-11 ("Res. 4-11") in 2004 establishing certain requirements to be included in the governing documents of incorporated agencies, which resolution allows that certain provisions may be altered or deleted with the approval of the BOD; and

WHEREAS, The Chief Administrative Officer of the LCMS, in coordination with the Chief Mission Officer of the LCMS, recommends to the BOD that the Association be established in the Dominican Republic pursuant to the BOD policy, with the LCMS, Concordia International Foundation ("CIF"), Theodore Matthias Rudolph Krey, Blake Arthur Warren, and John A. Fale as its founding members; and

WHEREAS, The Chief Administrative Officer, on advice of legal counsel, has assured the BOD that such entity shall be a properly authorized, valid, and operating legal entity in the Dominican Republic, and that its establishment and operation by the LCMS will not violate the laws of the Dominican Republic, as shall be evidenced by an opinion of local or special counsel engaged for the purpose of form such entity, and that such opinion, as well as the governing documents of the entity in the Dominican Republic, shall be reviewed and approved by the LCMS' general counsel to ensure compliance with the BOD Policy except as otherwise waived herein; and

WHEREAS, The Chief Administrative Officer has assured the BOD that the Bylaws of the Association of this legal entity have been reviewed and approved by the Synod's general counsel, verifying that the Synod retains majority control over the appointment or election of the members and/or directors who are responsible for the management of the corporation and that its stated purposes are in fulfillment of the Synod's foreign mission policies and purposes; therefore be it

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

**Section 1. Authorization and Approval of Establishment of a Nonprofit Association in the Dominican Republic.** The establishment of a nonprofit association pursuant to the laws of the Dominican Republic, with The Lutheran Church—Missouri Synod, Concordia International Foundation, Theodore Matthias Rudolph Krey, Blake Arthur Warren, and John A. Fale as its founding members (the "Founding Members"), to provide administrative support to the LCMS and LCMS-affiliated staff in the Dominican Republic and Latin American in fulfillment of the foreign mission policies and purposes of the Synod, including the advancement of education, development, public welfare, religious, missionary, and humanitarian purposes, as needed and as permitted un the law of the Dominican Republic and the Association's governing documents, in compliance with BOD Policy, is hereby authorized and approved.

**Section 2. Authorization and Approval of Documents.** In connection with the establishment of an Association in the Dominican Republic pursuant to this Resolution, the execution and/or filing of the Bylaws, in substantially the form as the draft attached as an exhibit to this Resolution and with such changes therein as may be approved by (a) the Commission on Constitutional Matters ("CCM") of the LCMS after its examination of the documents pursuant to Section 3.9.2.2.3 of the LCMS Bylaws, (b) the general counsel of the LCMS pursuant to the BOD Policy, and (c) such other employees of the LCMS as shall be charged with reviewing such documents for and on behalf of the LCMS, is hereby authorized and approved. The BOD hereby

acknowledges that certain of the language otherwise to be included in the documents pursuant to LCMS Bylaws, the BOD Policy, and Resolution 4-11 has been altered and/or omitted because such language was either not permitted or potentially problematic under the relevant law of the Dominican Republic, and the BOD hereby approves of such alterations and omissions.

**Section 3. Appointment of LCMS Representative and Authorization and Execution of Documents.** The Lutheran Church—Missouri Synod, as a Founding Member of the Association approved herein, hereby designates Ronald P. Schultz, the Chief Administrative Officer, as its representative for purposes of carrying out LCMS’ role as a Founding Member of the Association. The chief Administrative Officer and the Secretary are hereby authorized to execute and authenticate documents related to the establishment of the Association on behalf of the LCMS.

**Section 4. Further Authority.** The Chief Administrative Officer is hereby authorized and held responsible to engage officers, agents, and employees of the LCMS to take such further action, and to approve and execute such other documents, certificates, powers of attorney, and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including, but not limited to (a) the review by the CCM and the general counsel of the LCMS of the governing documents of the Association in the Dominican Republic, to verify compliance with the BOD Policy (subject to the exceptions set forth in Section 2, above), including that the LCMS directly or indirectly retains majority control over the appointment or election of the members and/or directors who are responsible for the management of the Association and that its stated purposes are in fulfillment of the LCMS’ foreign mission policies and purposes; (b) the filing of such documents with the appropriate governmental authorities in the Dominican Republic; and (c) the filing of such additional documentation with the appropriate governmental authorities in the Dominican Republic as shall be necessary for the Association to function in the Dominican Republic, including applying for visas for LCMS and Association employees, seeking certain tax benefits, if applicable, for the entity and its employees, and such other matters as the management of the Association shall determine to be in its best interest, in compliance with the intent of the Resolution. The Founding Members are authorized to take such action as may be necessary or desirable to carry out and comply with the intent of this Resolution, including authorizing CIF to proceed with the creation of the Association.

**Section 5. Repeal of Conflicting Resolutions.** All prior resolutions of the BOD or any parts thereof in conflict with any or all of this Resolution are hereby deemed not applicable to the matters authorized in this Resolution to the extent of such conflict.

#### D. Board for International Mission Representation at the 2016 Synod Convention

Chief Administrative Officer Ron Schultz presented this action item as submitted by the Board for International Mission to authorize additional Board for International Mission representation at the 2016 convention. The resolution was introduced and adopted without discussion, as follows.

WHEREAS, Bylaw 3.1.4.1 (a) states: “Each board or commission shall be represented [at Synod conventions] by its chairman or another board or commission member and by its principal staff person”; and

WHEREAS, Bylaw 3.8.3.4 states: “In carrying out its mission responsibilities, the Office of International Mission shall receive its primary focus from the mission and ministry emphases developed triennially by the national Synod in convention and from policies developed and determined by the Board for International Mission:” and

WHEREAS, Bylaw 3.8.3.5 states: “All staff [of the Office of International Mission] shall be responsible and accountable for their activities to the President of the Synod (Constitution Art. XI B 1–4) between conventions of the Synod and ultimately to the Synod in convention (Constitution Art. XI A 1–2)”; and

WHEREAS, Bylaw 1.4.6 states: “Each staff [of the Synod] develops procedures, recommends and reviews programs and ministries, manages programs, and recommends policy and program modification. Staff implements decisions in accordance with approved policy. (a) Staff is responsible to the Synod at the national or district level in accordance with the Constitution and Bylaws of the Synod at the national or district level, resolutions of the respective convention, and the policies of a district or any other agency to which it is responsible. (b) Staffs ordinarily serve as the liaison between the national and district levels. Staffs at the national and district levels consult with one another in developing program proposals. (c) Each chief executive

or executive director shall report on staff activities and recommendations to the national Synod, district, agency, or officer to which that executive is responsible and, as requested, to the president of the district or of the Synod”; and

WHEREAS, Bylaw 3.4.3.1 states: “The Chief Mission Officer shall provide staff and other resource(s) to the Board for National Mission and the Board for International Mission” and serves as an advisory representative at conventions as the “principal staff person” for the Board for National Mission and the Board for International Mission (Bylaw 3.1.4.1 [a]); and

WHEREAS, Both the President and the Board for International Mission recognize the important role played by both the Chief Mission Officer and the executive director of the Office of International Mission at Synod conventions and floor committee meetings, and have recommended that the Bylaws be revised to enable the executive director of the Office of International Mission to serve as advisory representative to the 2016 Synod convention; and

WHEREAS, The Secretary of the Synod has indicated that he intends to bring this recommendation to the Commission on Handbook, with a view toward a proposed revision to be considered by the 2016 Synod convention; and

WHEREAS, The Board for International Mission desires to make use of Bylaw 3.1.4.1 (c)—“Other exceptions must have the approval of the Board of Directors of the Synod prior to each convention”—to request that the executive director of the Office of International Mission be designated as an advisory representative of the Board for International Mission to the 2016 Synod convention; and

WHEREAS, The Board for International Mission adopted the following resolution at its May 29–30, 2015 meeting: “*Resolved*, That the Board for International Mission requests that the Synod’s Board of Directors grant an exception allowing the Board for International Mission to designate the executive director of the Office of International Mission as an advisory representative of the Board for International Mission at the 2016 Synod convention, in accordance with 2013 Bylaw 3.1.4.1 (c)”; therefore be it

*Resolved*, That the LCMS Board of Directors hereby grant an exception allowing the executive director of the Office of International Mission to serve as an advisory representative of the Board for International Mission at the 2016 Synod convention, in accordance with 2013 Bylaw 3.1.4.1 (c).

#### E. Board for National Mission Representation at the 2016 Synod Convention

Chief Administrative Officer Ron Schultz presented this action item submitted by the Board for National Mission to authorize additional Board for National Mission representation at the 2016 convention. The resolution was introduced and adopted without discussion, as follows.

WHEREAS, Bylaw 3.1.4.1 (a) states: “Each board or commission shall be represented [at Synod conventions] by its chairman or another board or commission member and by its principal staff person”; and

WHEREAS, Bylaw 3.8.2.6 states: “The staff of the Office of National Mission shall assume a coordinative role for ministry areas in response to directives from the Synod in convention or upon the request of two-thirds of the members of the Council of Presidents on behalf of the districts”; and

WHEREAS, Bylaw 3.8.2.5 states: “All staff [of the Office of National Mission] shall be responsible and accountable for their activities to the President of the Synod (Constitution Art. XI B 1–4) between conventions of the Synod and ultimately to the Synod in convention (Constitution Art. XI A 1–2)”; and

WHEREAS, Bylaw 1.4.6 states: “Each staff [of the Synod] develops procedures, recommends and reviews programs and ministries, manages programs, and recommends policy and program modification. Staff implements decisions in accordance with approved policy. (a) Staff is responsible to the Synod at the national or district level in accordance with the Constitution and Bylaws of the Synod at the national or district level, resolutions of the respective convention, and the policies of a district or any other agency to which it is responsible. (b) Staffs ordinarily serve as the liaison between the national and district levels. Staffs at the national and district levels consult with one another in developing program proposals. (c) Each chief executive or executive director shall report on staff activities and recommendations to the national Synod, district, agency,

or officer to which that executive is responsible and, as requested, to the president of the district or of the Synod”; and

WHEREAS, Bylaw 3.4.3.1 states: “The Chief Mission Officer shall provide staff and other resource(s) to the Board for National Mission and the Board for International Mission” and serves as an advisory representative at conventions as the “principal staff person” for the Board for National Mission and the Board for International Mission (Bylaw 3.1.4.1 [a]); and

WHEREAS, Both the President and the Board for National Mission recognize the important role played by both the Chief Mission Officer and the executive director of the Office of National Mission at Synod conventions and floor committee meetings, and have recommended that the Bylaws be revised to enable the executive director of the Office of National Mission to serve as advisory representative to the 2016 Synod convention; and

WHEREAS, The Secretary of the Synod has indicated that he intends to bring this recommendation to the Commission on Handbook, with a view toward a proposed revision to be considered by the 2016 Synod convention; and

WHEREAS, The Board for National Mission desires to make use of Bylaw 3.1.4.1 (c)—“Other exceptions must have the approval of the Board of Directors of the Synod prior to each convention”—to request that the executive director of the Office of National Mission be designated as an advisory representative of the Board for National Mission to the 2016 Synod convention; and

WHEREAS, The Board for National Mission adopted the following resolution at its May 29–30, 2015 meeting: “*Resolved*, That the Board for National Mission requests that the Synod’s Board of Directors grant an exception allowing the Board for National Mission to designate the executive director of the Office of National Mission as an advisory representative of the Board for National Mission at the 2016 Synod convention, in accordance with 2013 Bylaw 3.1.4.1 (c)”; therefore be it

*Resolved*, That the LCMS Board of Directors hereby grant an exception allowing the executive director of the Office of National Mission to serve as an advisory representative of the Board for National Mission at the 2016 Synod convention, in accordance with 2013 Bylaw 3.1.4.1 (c).

#### F. Board of Directors Policy Revision—5.7 Miscellaneous Policies

Chief Administrative Officer Ron Schultz presented revisions to board policy section 5.7 having primarily to do with the use of the Synod’s logo, as submitted by the Governance Committee of the board. The following resolution was introduced and adopted without discussion.

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

WHEREAS, During the course of reviewing section 5.7 of the manual, the Chief Administrative Officer solicited input and/or review from the members of the Governance Committee; and

WHEREAS, Board members were 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 recommended changes to The Lutheran Church—Missouri Synod *Board of Directors Policy Manual*, section 5.7—Miscellaneous Policies (see copy attached to the protocol copy of these minutes); and be it further

*Resolved*, That the Table of Contents, Index, and other references be updated as necessary.

#### G. Appointments to Vacant Positions

The Personnel Committee presented the slates of candidates for three vacant positions to be filled by the Board of Directors from lists provided by the Bylaw 3.2.5 (c) Committee for Convention Nominations from lists of nominees obtained by the Secretary of the Synod using the process prescribed by Bylaw

3.2.5 (a). In each case, the Personnel Committee offered comments regarding the available candidates, following which the Board of Directors took the following actions.

1. Board for International Mission, Central Region Lay Member Vacancy

The slate provided by the nominating committee contained three names:

- Jerry M. Frese, Lansing, KS
- James L. Weber, Jefferson City, MO
- Stephen Weller, McPherson, KS

Election result: Jerry M. Frese was elected.

2. Concordia Seminary (St. Louis) Board of Regents Minister of Religion—Ordained Member Vacancy

The slate provided by the nominating committee contained five names:

- Benjamin T. Ball, Worden, IL
- James D. Gier, Excelsior Springs, MO
- Brent W. Kuhlman, Murdock, NE
- Todd A. Peperkorn, Rocklin, CA
- Matthew W. Rueger, Hubbard, IA.

Election result: Todd A. Peperkorn was elected.

3. Concordia Theological Seminary (Fort Wayne) Board of Regents Lay Member Vacancy

The nominating committee provided a slate of one name, it not having sufficient nominees to provide the required “list of at least three but no more than five candidates” required by Bylaw 3.2.5 (b):

- David Daniels, Taylorsville, NC

Election result: No election.

A motion was introduced and carried to instruct the Secretary of the Synod “to redo the process in order to obtain additional names.”

### **177. 2016 Convention Arrangements Update**

Chief Administrative Officer Ron Schultz provided a convention update which included information regarding convention dates and schedule, the layout of the convention center and city of Milwaukee, available lodging, content of the convention Website, convention financing, etc.

### **178. Report on Meetings with Corporation Entities Leadership**

Chief Administrative Officer Ron Schultz reported on a very positive meeting with the executives of Concordia Publishing House, Concordia Plan Services, Lutheran Church Extension Fund, and the LCMS Foundation. Corporate Synod was represented at the meeting by President Harrison, Chief Financial Officer Wulf, Chief Mission Officer Robson, and himself. The purpose of the meeting was to discuss what it could look like to walk together. It was described as a “very open, collegial” meeting.

### **179. Solicitation of Questions for Next Meeting’s Guest—Department of Communications**

The members of the board were given opportunity to suggest questions to forward David Strand of the Communications Department for his response during his presentation at the next board meeting. The ensuing silence prompted encouragement that board members give this opportunity some thought in preparation for the next meeting.

**180. Committee/Officer/Board Time**

Chairman Michael Kumm expressed his appreciation to the members of the board for the manner in which they have addressed the business coming before the board. He in turn was commended for the leadership he has provided to the board.

**181. Adjournment**

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

Raymond L. Hartwig, Secretary