

MINUTES
BOARD OF DIRECTORS
May 19–20, 2017

69. Call to Order / Opening Devotion / Approval of Meeting Agenda

Chairman Michael Kumm called the meeting to order at the International Center with all board members present except for Christian Preus and Kurt Senske, both traveling internationally. First Vice-President Herb Mueller, appointed to offer devotions for the meeting, did so on the basis of Acts 17:22–31. The meeting agenda (pp. 9–10/545 of the printed board docket, attached to the protocol copy of the minutes) was adopted as presented.

70. Consent Agenda

The meeting's consent agenda (p. 11/545) was moved and adopted 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 herewith accepts this consent agenda which includes the following:

- Officer Reports
 - Report of the LCMS President
 - Report of the 1st Vice President
 - Report of the LCMS Secretary
 - Report of the Chief Financial Officer
 - Report of the Chief Mission Officer
- Administrative Services Reports
 - Information Technology
 - Building Operations – Facilities
 - IC Services (Mail Room – Copy Center)
 - Human Resources (Confidential)
- Financial Services Reports
 - Accounting
 - Internal Audit
 - Risk Management
- Board of Directors Committee Reports
 - Governance Committee
 - Personnel Committee
- Action Items
 - Approval of March 17, 2017 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.

71. President's Report

President Matthew Harrison extended upon his printed report (pp. 13–15/545). He spoke from a letter written by Luther on Dec 18, 1521, to the Vicar General of the Augustinian Order, in which Luther said, discussing the possibility of liberation from monastic vows, that it was time for the order to *dare something*. President Harrison spoke of his recently deceased brother Dan's lengthy illness, after a much longer period of being away from the church, and of the faithful ministry of pastors to him in his suffering. In God's cruciform way of doing things, suffering and affliction brought him to come back to church—as Dan said to many others, “the best thing I ever did.” This is the way, President Harrison noted, that God works his blessings—as at Calvary. As a board and as a Synod we will face difficult issues. But, under the certainty that in crosses and trials God “works his best stuff,” it's time for us to be *bold* and *dare something*. We face unbelievable demographic challenges, and issues with institutions, property, and bylaws. “Let's not be timid,” Harrison said, “but attack the issues the Lord has laid on our plate with gusto, knowing that it is all for good, and that the Lord will bless us richly in all of it. Let's do right by the Church.”

President Harrison thanked First Vice-President Mueller for assisting with visitation while he was tending to his brother and family. Emphasis on visitation, including President Harrison's first visit to Wyoming, has been a blessing. Ecclesiastical supervision remains a controversial topic in some venues, with much misunderstanding inflaming matters. Although the Synod is generally enjoying a fairly quiet non-convention year, as Synod and its agencies look boldly and forthrightly at plans for the future, rumors and misunderstandings have the potential to cause unfounded concerns—and these must then be responded to.

With another round of call services complete, it is noted that enrollment at the seminaries is down and vacancies are up to around 400, a level that increases mobility of pastors in the Synod. We do have a shortage, among those vacancies, of congregations able to maintain a full-time pastorate.

The *Every One His Witness* program is rolling out as a very positive, structured mnemonic approach to sharing the Gospel and following up. It is populated with modules for witnessing to specific groups, adaptable to the needs of particular contexts.

Synod's finances remain challenging. Various shifts have occurred, including in the donor base. A consultant has been asked to have an outside look at how Synod raises funds. This year's projected shortfall should be kept in context, noting that in 2010, the Synod had borrowed about \$16 million internally, against restricted funds. That borrowing was basically “paid off” early in 2015. At the same time, Synod has followed through on the 2013 convention goal of doubling the number of career international missionaries. The present fiscal year's projected shortfall will have an impact, but the financial condition of the Synod remains stronger than it has been.

72. Legal Report

As LCMS General Counsel Sherri Strand prepared to present her legal report, it was moved and carried to enter executive session.

72X. Executive Session I: Legal Report

73. Budget Presentation

The board continued in executive session to hear the presentation of the FY18 proposed budget by Chief Financial Officer (CFO) Jerry Wulf and Ross Stroh, Executive Director of Financial and Accounting Services.

73X. Executive Session II: Budget Presentation

The board returned from executive session to attend chapel.

74. Update on Concordia College Alabama and Concordia University, Portland

It was moved and carried to return to executive session, with Dr. Paul Philp, CUS Director of Institutional Research and Integrity, in attendance and with Dr. Dean Wenthe, CUS President, attending by teleconference, to discuss matters relating to Concordia College Alabama. The board continued in executive session with the CUS representatives, excusing members Gloria Edwards and Kathy Schulz, to discuss matters relating to Concordia University Portland.

74X. Executive Session III: Concordia College Alabama**74XX. Executive Session IV: Concordia University, Portland**

75. Mission Advancement

The board continued in executive session, with Gloria Edwards and Kathy Schulz returned, to hear a report from Mark Hofman regarding the work of Mission Advancement.

75X. Executive Session V: Mission Advancement

76. Budget Presentation

The board returned from lunch and resumed executive session, with Ross Stroh presenting the remainder of the budget presentation.

76X. Executive Session VI: Budget Presentation

77. Finance Report

The board continuing in executive session, Chief Financial Officer Jerald Wulf presented his report.

77X. Executive Session VII: Finance Report

78. Executive Sessions: Joint Board Meeting Report and February Board of Directors Minutes

The board continued in executive session to discuss a joint meeting of representatives of LCEF, FND, CPS and LCMS BOD, and to adopt its February minutes.

78X. Executive Session VIII: Joint Board Meeting Report

78XX. Executive Session IX: February Board of Directors Minutes

The board adopted its February minutes as presented by the Secretary.

79. Convention Surplus Report

The board continued in executive session, hearing the report from Chief Financial Officer Jerry Wulf on the convention budget surplus.

79X. Executive Session X: Convention Surplus Report

The board returned from executive session.

80. Lutheran Federal Credit Union Executive Visit

Ken Krueger, President of the Lutheran Federal Credit Union (LFCU), appointed Nov. 14, 2016, presented a report to the board on the work of the Lutheran Federal Credit Union (pp. 495–510/545). The credit union serves Synod and its employees, districts, churches and schools; members of LCMS congregations; students and families at congregational schools; agency employees and volunteers; immediate family members of LFCU members; and retirees of all of the above. It offers rostered church workers mortgages in all fifty states. A “virtual union,” most transactions are done online or through a mobile app. LFCU is also part of a credit union network offering many branches and ATMs. President Krueger noted the appreciation of members for the personal service offered by LFCU staff and the idea that this is another way to “be a bigger part of the LCMS” and of “trying to help each other.” “Isn’t that what ‘Synod’ means?”

LFCU at present has about \$13.3 million in assets, with \$10.2 million in member shares and \$5.3 million in loans to members (in addition, \$3.2 million in originated loans have been sold to LCEF) but has loan origination and asset growth more typical of a \$60–70 million institution. Small institutions bear the brunt of regulation, and LFCU had 27 restrictions in the NCUA loan agreement, including a limit on mortgage lending which has limited ability to lend since August. Industry wide, small credit unions (under \$100 mm) are experiencing decline, while larger credit unions are growing. LFCU is beating the odds.

LFCU is focusing on auto loans, partly due to limitations on the rate of mortgage lending (although somewhat relaxed this year), and on a new credit card initiative. LFCU is also working on a new effort with the Lutheran Church Extension Fund (LCEF) to serve rostered church workers in the 34 states in which LCEF does not offer loans. LFCU also plans to launch opportunities to provide direct support to LCMS “ministries of the month” in response to members’ utilizing certain levels of loans or credit card balances.

President Krueger reported that member shares, in 4 months of 2017, have increased \$1.0 million, with \$1.3 million in loans originated. LFCU is operating safely ahead of its National Credit Union Administration (NCUA)-approved budget. Discussion noted that the field of membership is limited by the charter, as established with NCUA. This limits potential participation in the credit union. Expanding, for example, to include the students or non-member staff of Concordia schools would require NCUA to be petitioned for a change to the field of membership, an avenue that might be explored.

81. Adoption of Bylaw Changes Under Bylaw 7.1.2, Pursuant to 2016 Resolution 12-14

Christian Preus and Kurt Senske joined this portion of the meeting by teleconference.

The 2016 Convention of the Synod adopted Resolution 12-14, reading as follows:

Regarding the Right of an Accuser to Appeal When a District President or President of the Synod Fails to Act or Declines to Suspend

RESOLUTION 12-14

Report R65D (CW, p. 301); Overtures 12-01, 12-11–13, 12-15–21, 12-23–27, 12-39–40, (CW, pp. 415, 419–425, 430–431)

WHEREAS, CCM Opinion 16-2791 has indicated that portions of the expulsion processes of the Synod’s Bylaws are presently in an unconstitutional state with respect to Constitution Art. XI B 1–3 and Constitution Art. XIII 2; and

WHEREAS, The Council of Presidents (district presidents and Praesidium) has expressed an interest in having input in developing bylaws that would address this in a manner consistent with the Constitution and Bylaws of the Synod and its resolutions; and

WHEREAS, The Synod in convention has the authority, under exceptional circumstances, to direct the Synod’s Board of Directors to amend bylaws under Bylaw 7.1.2, which directs the Secretary of the Synod to draft such amendments for review by the CCM and the Commission on Handbook prior to adoption; therefore be it

Resolved, That the Synod in convention direct the Board of Directors to act in this manner in order to implement clear bylaw procedures regarding this aspect of ecclesiastical supervision; and be it further

Resolved, That a consultation process shall be designed by mutual agreement of the Chairman of the Council of Presidents and the President of the Synod, by which the Council of Presidents shall have the opportunity to offer to the Secretary of the Synod input as to proposed mechanisms to implement expulsion processes consistent with and not contradicting the Constitution of the Synod; and be it further

Resolved, That said consultation be accomplished within six months of the close of the 2016 Synod Convention, unless extended by agreement of said Chairman of the Council of Presidents and the President of the Synod; and be it finally

Resolved, That these bylaw changes become effective upon adoption by a two-thirds majority of the Synod’s Board of Directors, as specified in Bylaw 7.1.2.

Secretary Sias reviewed the background of the draft to be presented, beginning with overtures submitted to the 2016 convention of the Synod and with the work of an ecclesiastical supervision task force appointed by the President, in the broader context of regular historical changes to the expulsion processes of the Synod. He then led the board through an overview of the bylaws drafted, as included below, and the process by which they have been crafted, to the specification of the convention and in extensive consultation with the Council of Presidents, and then reviewed and approved by both the Commissions on Constitutional Matters (CCM) and Handbook (COH). He emphasized a few changes made to the draft presented earlier to the Board of Directors, subsequent to the April Council of Presidents meeting. It is his belief that these bylaws correct the constitutional issue identified in Res. 12-14 and the cited CCM Op. 16-2791, as directed by the convention, in the narrowest possible way. It is also his belief that these bylaws offer a clearer procedure, facilitating better communication and cooperation between the district and Synod levels, and an opportunity for the district and Synod presidents to “speak with one voice,” should district presidents

choose to exercise this option. This feature and others came out of the extensive consultation with the Council of Presidents, which also spent a great deal of time revisiting the constitutional issue identified by the convention for remedy. As to that, a last minute request for review of CCM Op. 16-2791 has been responded to by the commission in Op. 17-2828, previously provided to the board. The commission found no grounds to overturn its earlier opinion, which was the opinion of the 1956 convention.

Secretary Sias concluded that the Synod's convention expressly directed a specific course of action, regarding a specific issue and specific bylaws, of which we are now at the final step. About nine months of consultation have taken place, involving extensive fraternal and edifying conversation, and prompting not a few changes to the proposal that will be helpful in the application of these bylaws. The Synod's Commissions on Constitutional Matters and Handbook have reviewed and approved the draft as consistent with the Constitution, Bylaws, and resolutions (especially 2016 Res. 12-14) of the Synod as to both content and language. The board's role, the Secretary indicated, is to assess whether the assignment given in Res. 12-14 has been carried out according to the express direction of the convention—and, if so, to adopt the bylaws so drafted by its two-thirds vote.

Discussion noted the ongoing concern of a number of district presidents with the central constitutional principle of the proposal, as set forth in CCM Op. 16-2791, that the President of the Synod has a constitutional authority to suspend members within the districts, should it be warranted and district officials fail to act. It was noted, also, that should the President of the Synod act in such a matter, the remainder of the adjudicatory process remains intact (i.e., requirements for previous admonition, panel hearings, appeals, etc.) just as if the district president were addressing the matter. Also discussed were matters of ascending liability and the volume of cases involving doctrine and practice in the Synod—cases which are few in number. It was noted appreciatively that the procedure, as specified, incentivizes timely consultation between the district and Synod presidents on ecclesiastical supervision matters.

It was, finally, moved and adopted by a two-thirds majority of the Board of Directors:

WHEREAS, The 2016 Convention of The Lutheran Church—Missouri Synod, in its Resolution 12-14 and according to Bylaw 7.1.2, directed the Secretary of the Synod to consult with the Council of Presidents and develop ecclesiastical supervision bylaws addressing the present “unconstitutional state” of the present bylaws “with respect to Constitution Art. XI B 1–3 and Constitution Art. XIII 2,” as indicated in CCM Op. 16-2791; and

WHEREAS, The required consultation concluded on April 25, 2017, having been extended by mutual consent of the President of the Synod and the chairman of the Council of Presidents beyond the initially specified six months; and

WHEREAS, The Secretary of the Synod has presented a complete draft of bylaws, incorporating the direction of subsequent CCM opinions 16-2794 and 16-2797, as well as changes from the consultation with the Council of Presidents, to the Commissions on Constitutional Matters and Handbook; and

WHEREAS, The Commission on Constitutional Matters has given its approval of the bylaws proposed, as to content, in its May 5–6 meeting, and the Commission on Handbook has given its approval of the bylaws proposed, as to language, in its May 3 meeting, satisfying the requirements of commission review under Bylaw 7.1.2; and

WHEREAS, 2016 Resolution 12-14 now calls upon the Board of Directors, acting under Bylaw 7.1.2, to adopt the bylaw changes proposed, the board determining that they satisfy and do not exceed the direction given by the convention in said resolution; therefore be it

Resolved, That the Board of Directors, acting under Bylaw 7.1.2 and at the express direction of the 2016 convention in Resolution 12-14, adopt the following changes to the Bylaws of the Synod.

2.14 Expulsion of Congregations or Individuals from Membership in the Synod

Preamble

- 2.14.1 *no change*
- (a) *no change*
- (b) The action to commence expulsion of a congregation or individual from membership in the Synod is the sole responsibility of the district president who has the responsibility for ecclesiastical supervision of such member, under the supervision of the President of the Synod (Const. Art. XI B 1-3). This Bylaw section 2.14, among others, provides the procedures to carry out Article XIII of the Constitution, "Expulsion from the Synod." However, it does not provide the procedure for the expulsion of the district presidents and the officers of the Synod (Bylaw section 2.15), the President of the Synod (Bylaw section 2.16), or individual members in cases involving sexual misconduct or criminal behavior (Bylaw section 2.17).

Definition of Terms

- 2.14.2 The definitions of terms used in this bylaw are as follows:
- (a)-(g) *no change*
- (h) ~~**Fails to act:** No measures initiated within the required period of time to ascertain the truth or falsity of the accusations, or the stifling of a complaint by the refusal to act.~~
- (i)-(sr) *no change*
- (t) ~~**Referral Panel:** A panel that may be formed of three circuit visitors or district presidents, who shall be selected according to these bylaws to determine, according to the facts learned from the investigation, whether or not to proceed.~~
- (us)-(yw) *no change*

Consultation

- 2.14.3 *no change*

Commencing an Action

- 2.14.4 *no change*
- 2.14.4.1 The district president shall make his determination whether or not to suspend the member within 120 days after receipt of a formal written complaint or accusation, unless the district president requests, substantiates, and is granted an extension by the President of the Synod.
- 2.14.4.2 Before informing others of a determination not to suspend, if the matter involves doctrine or practice and a formal written accusation, the district president may seek the counsel and concurrence of the President of the Synod by conveying to him the accuser's formal written accusation, the record of his investigation, and his preliminary determination. The President of the Synod shall respond within 60 days.
- (a) Should the President of the Synod concur, the district president may include the concurrence in his determination, indicating that it precludes an appeal for action by the accuser to the President of the Synod.
- (b) Should the President of the Synod not concur, he shall consult with the district president, who may revise his determination. He may request additional time to extend his investigation, which the President of the Synod may grant.

- 2.14.4.1-3 *no change (renumbered)*

Referral Panel

- 2.14.5 ~~In the determination whether or not to initiate formal proceedings, the district president may form a Referral Panel consisting of three circuit visitors of the district.~~
- (a) ~~If three circuit visitors from the district are not available to serve by reason of conflict of interest or otherwise, the district president may select a sufficient number from other districts to form the panel.~~
- (b) ~~This panel shall be formed by blind draw and shall not include the circuit visitor of the accused or the accuser. The blind draw shall be administered by the district president and audited by witnesses.~~
- 2.14.5.1 ~~After reviewing the accusation and the results of the investigation, the Referral Panel shall make the determination whether or not to initiate formal proceedings.~~
- 2.14.5.2 ~~Whether made by the district president or the Referral Panel, if the determination is district president determines not to initiate formal proceedings, the district president shall in writing so inform the accuser, any other district president involved, and the involved member, which shall terminate the matter, subject to the following:~~
- (a) If a matter of doctrine or practice is involved, the accuser may, within 15 days after receipt of such notice, appeal for action by the President of the Synod (Constitution Art. XI B 1-3). The accuser shall so notify the district president, who shall within 15 days:
- (1) notify the accused and any other district president involved that an appeal for action is underway; and
- (2) forward the appeal for action, with the record of his investigation and determination and the accuser's formal written accusation, to the President of the Synod.
- (b) The President of the Synod shall, within 15 days of receipt of such appeal for action, consult with the district president.
- (c) The President of the Synod may consult with the accuser, the accused, and others involved. He may appoint an investigative committee and / or ask an opinion of the CCM or CTCR, which opinion shall be followed. He shall consult with the vice-presidents of the Synod.
- (d) The President of the Synod may, in a matter of doctrine and practice, and within 120 days of receipt of notice, suspend the member as provided in Bylaw 2.14.6 and then, as the "suspending ecclesiastical supervisor," carry out the formal proceedings of Bylaw 2.14.7 and following.
- (e) If the determination is made not to initiate formal proceedings, the President of the Synod shall in writing so inform the accuser, any district president involved, and the involved member.
- 2.14.5.3 ~~If the district president fails to act within 60 days after receipt of the formal written complaint or accusation, the accuser may present a formal written request to the district president for the forming of the Referral Panel, which request the district president must grant.~~

Commencing Formal Proceedings

- 2.14.6 If the district president ~~or the Referral Panel or the President of the Synod, acting under Bylaw 2.14.5,~~ concludes that the facts form a basis for expulsion of the member under Article XIII of the Constitution, ~~the district president~~ in commencing ~~the formal proceedings~~ he shall
- (a) provide to the member a written notification of the member's suspended status under Bylaw 2.13.4;
 - (b) provide to the member a written statement of the matter which sets forth the facts and states that he is requesting expulsion of the member from the Synod in accord with Article XIII of the Constitution; and
 - (c) provide to the member a written notification that the member has 15 days from the date of receipt of the statement of the matter to advise his district president that there is a desire to have the matter heard and resolved.

2.14.6.1 *no change*

Hearing Panel

2.14.7 If the request for hearing as granted in Bylaw 2.14.6 (c) is made, ~~the president of the district (the district president of the suspended/accused member)~~ suspending ecclesiastical supervisor shall inform the Secretary of the Synod who shall initiate the formation of a Hearing Panel, such formation to be accomplished within 30 days of the request in accordance with the provisions in this bylaw.

2.14.7.1 At the time that the request for hearing is made, ~~the district president~~ suspending ecclesiastical supervisor shall forward to the Secretary of the Synod the statement of the matter and a written memorandum describing the manner in which there was compliance with the guidelines provided in Matthew 18:15-16, "previous futile admonition" (Constitution Art. XIII 1), as well as all of the provisions of Bylaws 2.14.3-2.14.6.1.

2.14.7.2 A Hearing Panel consisting of two district presidents (excluding the involved district president[s]), two lay reconcilers, and one ordained reconciler, selected as follows, shall conduct the hearing:

- (a) One district president shall be selected by the accused.
- (b) One district president shall be selected by the ~~district president who imposed the suspended status~~ suspending ecclesiastical supervisor (a district president may not choose himself).
- (c) *no change*
- (d) Each Hearing Panel shall be assisted by a nonvoting hearing facilitator selected according to Bylaw 2.14.2 (kj).
- (e)-(g) *no change*

2.14.7.3 Upon receipt of a request for hearing, the Secretary of the Synod shall promptly notify the accused and ~~the district president who imposed the suspended status~~ suspending ecclesiastical supervisor of their respective right to choose one Hearing Panel member and direct that the identity of their selection be transmitted to the Secretary of the Synod within 15 days from the date of such notice. If either party declines to make a selection within 15 days, the Secretary of the Synod shall then make such selection within five days.

2.14.7.4-5 *no change*

2.14.7.6 Within 15 days after the Hearing Panel is constituted, the hearing facilitator shall, after conferring with the panel, the accused, and ~~the district president who imposed the suspended status~~ suspending ecclesiastical supervisor, select a date and location within 45 days after the Hearing Panel was constituted for the panel to hear and consider

the matter, unless there is unanimous consent by the panel members for a short delay beyond such 45 days for reasons the panel deems appropriate.

2.14.7.7-2.14.7.9 *no change*

Appeal Panel

2.14.8 *no change*

Final Hearing Panel

2.14.9-2.14.9.1 *no change*

General Regulations

2.14.10-2.14.10.3 *no change*

2.15 Expulsion of a District President or Officer from Membership in the Synod

2.15.1 *no change*

Definition of Terms

2.15.2 For a definition of terms used in this bylaw, see Bylaw 2.14.2.

Consultation

2.15.3 *no change*

Commencing an Action

2.15.4-2.15.4 *no change*

2.15.4.1 The President of the Synod shall make his determination whether or not to suspend the member within 120 days after receipt of a formal written complaint or accusation, unless the majority of the uninvolved vice-presidents of the Synod concur that there is a need for more time to conclude an active investigation.

2.15.4.2 *no change (renumbered)*

Referral Panel

~~2.15.5 In the determination of whether or not to initiate formal proceedings, the President of the Synod may form a Referral Panel consisting of three district presidents.~~

~~(a) This panel shall be formed by blind draw, shall not include the district president that is a party to the matter or the district president of an accused officer or the district president of the accuser.~~

~~(b) The blind draw shall be administered by the chairman of the Council of Presidents audited by witnesses.~~

~~2.15.5.1 After reviewing the accusation and the results of the investigation, the Referral Panel shall make the determination whether or not to initiate formal proceedings.~~

~~2.15.5.2 Whether made by~~ If the President of the Synod ~~or the Referral Panel, if the determination is~~ determines not to initiate formal proceedings, ~~the President of the Synod~~ he shall in writing so inform the accuser, any other district president involved, and the involved member, which shall terminate the matter.

~~2.15.5.3 If the President of the Synod fails to act within 60 days after receipt of the formal written complaint or accusation, the accuser may present a formal written request to the President of the Synod for the forming of the Referral Panel, which request the President of the Synod must grant. If the provisions set forth in Bylaw 2.15.4 have not been carried out, the Referral Panel shall carry out these provisions in the process of making its determination, within 60 days, whether or not to initiate formal proceedings.~~

Commencing Formal Proceedings

2.15.6 If the President of the Synod ~~or the Referral Panel~~ concludes that the facts form a basis for expulsion of the

- member under Article XIII of the Constitution, ~~the President of the Synod~~ in commencing the formal proceedings he shall
- (a)–(c) *no change*
- 2.15.6.1 *no change*
- Hearing Panel**
- 2.15.7 If the request for hearing as granted in Bylaw 2.15.6 (c) is made, the ~~President of the Synod~~ suspending ecclesiastical supervisor shall inform the Secretary of the Synod who shall initiate the formation of a Hearing Panel, such formation to be accomplished within 30 days of the request in accordance with the provisions in this bylaw.
- 2.15.7.1 At the time that the request for hearing is made, the ~~President of the Synod~~ suspending ecclesiastical supervisor shall forward to the Secretary of the Synod the statement of the matter and a written memorandum describing the manner in which there was compliance with the guidelines provided in Matthew 18:15–16 and “previous futile admonition” (Constitution Art. XIII), as well as all of the provisions of Bylaws 2.15.3–2.15.6.1.
- 2.15.7.2 A Hearing Panel consisting of two district presidents (excluding the involved district president[s]), two lay reconcilers, and one ordained reconciler, selected as follows, shall conduct the hearing:
- (a) *no change*
- (b) One district president shall be selected by the ~~President of the Synod~~ suspending ecclesiastical supervisor.
- (c) *no change*
- (d) Each Hearing Panel shall be assisted by a nonvoting hearing facilitator selected according to Bylaw 2.14.2 (kj).
- (e)–(g) *no change*
- (h) ~~If a Referral Panel was formed, the three district presidents that served in that capacity are not eligible to serve on a Hearing Panel.~~
- 2.15.7.3 Upon receipt of a request for hearing, the Secretary of the Synod shall promptly notify the accused and the ~~President of the Synod~~ suspending ecclesiastical supervisor of their respective right to choose one Hearing Panel member and direct that the identity of their selection be transmitted to the Secretary of the Synod within 15 days from the date of such notice. If either party declines to make a selection within 15 days, the Secretary of the Synod shall then make such selection within 5 days.
- 2.15.7.4–2.15.7.5 *no change*
- 2.15.7.6 Within 15 days after the Hearing Panel is constituted, the hearing facilitator shall, after conferring with the panel, the accused, and the ~~President of the Synod~~ suspending ecclesiastical supervisor, select a date and location within 45 days after the panel was constituted for the panel to hear and consider the matter, unless there is unanimous consent by the panel members for a short delay beyond such 45 days for reasons the panel deems appropriate.
- 2.15.7.7–2.15.7.8 *no change*
- 2.15.7.9 Upon completion of the hearing, the Hearing Panel shall deliberate and then issue its written decision within 30 days.
- (a) Copies of the decision shall be mailed to the accused, the accuser and the accuser’s district president, the Secretary of the Synod, ~~and the President of the Synod,~~ and the suspending ecclesiastical supervisor, if other than the President of the Synod.

- (b)–(d) *no change*
- Appeal Panel**
- 2.15.8 The decision of the Hearing Panel may be appealed by the accused (if an active participant in the hearing before the Hearing Panel), or by the President of the Synod if a question of doctrine or practice is involved (Constitution Art. XI B 1–3) within 15 days after receiving the decision. Such request for an appeal shall be submitted to the Secretary of the Synod with copies provided to the district president(s) of the accuser and the accused, the chairman of the Hearing Panel, the accuser, and the President of the Synod, and shall be accompanied by a written memorandum stating the basis for the request.
- (a) *no change*
- (1) One district president shall be selected by the accused, one by the ~~ecclesiastical supervisor of the accused~~ suspending ecclesiastical supervisor, and the third by the two Appeal Panel members so selected.
- (2) *no change*
- (b)–(f) *no change*
- Final Hearing Panel**
- 2.15.9–2.15.9.1 *no change*
- General Regulations**
- 2.15.10–2.15.10.3 *no change*
- 2.16 Expulsion of a President of the Synod from Membership in the Synod**
- 2.16.1 *no change*
- Definition of Terms**
- 2.16.2 For a definition of terms used in this bylaw, see the “Definition of Terms” under Bylaw 2.14.2.
- Consultation**
- 2.16.3 *no change*
- Commencing an Action**
- 2.16.4–2.16.4.1 *no change*
- 2.16.5 The chairman of the Council of Presidents shall make his recommendation whether or not to suspend the President of the Synod within 120 days of receipt of a formal written complaint or accusation, unless the majority of uninvolved district presidents concur in his desire to extend an investigation.
- Referral Panel**
- 2.16.5 ~~In the determination whether or not to initiate formal proceedings, the chairman of the Council of Presidents may form a Referral Panel consisting of three district presidents.~~
- (a) ~~This panel shall be formed by blind draw and shall not include any district president that is a party to the matter or the accuser district president.~~
- (b) ~~The blind draw shall be administered by the chairman of the Council of Presidents and audited by witnesses.~~
- 2.16.5.1 ~~After reviewing the accusation and the results of the investigation, the Referral Panel shall determine its recommendation whether or not to initiate formal proceedings.~~
- 2.16.5.2 ~~If the chairman of the Council of Presidents fails to act within 60 days after receipt of the formal written complaint or accusation, the district president who is the accuser may present a formal written request to the chairman of the Council of Presidents for the forming of a Referral Panel, which request the chairman must grant. If~~

the provisions of Bylaw 2.16.4 have not been carried out, the Referral Panel shall carry out these provisions in the process of determining its recommendation within 60 days whether or not to initiate formal proceedings.

2.16.5.3.1 ~~Whether made by the chairman of the Council of Presidents or the Referral Panel, in the recommendation whether or not to initiate formal proceedings, the chairman of the Council of Presidents shall bring the matter to the Council of Presidents for hearing the recommendation, for discussion, and for vote.~~

(a)–(c) *no change*

Commencing Formal Proceedings

2.16.6–2.16.6.1 *no change*

Hearing Panel

2.16.7–2.16.7.7 *no change*

Final Hearing

2.16.8 *no change*

Decision by Congregations

2.16.9–2.16.9.3 *no change*

General Regulations

2.16.10–2.16.10.4 *no change*

2.17 Expulsion of Individuals from Membership in the Synod as a Result of Sexual Misconduct or Criminal Behavior

2.17.1 *no change*

Definition of Terms

2.17.2 For a definition of terms used in this bylaw, see the “Definition of Terms” under Bylaw 2.14.2.

Consultation

2.17.3 *no change*

Commencing an Action

2.17.4 *no change*

2.17.4.1 The ecclesiastical supervisor shall make his determination whether or not to suspend the member within 120 days after receipt of a formal written complaint or accusation, unless:

(a) in the event that the accused is a district president or officer of the Synod, the President of the Synod extends his investigation with concurrence of the majority of the uninvolved vice-presidents of the Synod;

(b) in the event that the accused is the President of the Synod, the chairman of the Council of Presidents extends his investigation with concurrence of the majority of the uninvolved district presidents of the Synod.

(c) otherwise, the district president requests, substantiates, and is granted an extension by the President of the Synod.

2.17.4.2 Before informing others of a determination not to suspend, if the matter involves doctrine or practice and a formal written accusation, a district president may seek the counsel and concurrence of the President of the Synod by conveying to him the accuser’s formal written accusation, the record of his investigation, and his preliminary determination. The President of the Synod shall respond within 60 days.

(a) Should the President of the Synod concur, the district president may include the concurrence in his determination, indicating that it precludes an appeal for action by the accuser to the President of the Synod.

(b) Should the President of the Synod not concur, he

shall consult with the district president, who may revise his determination. He may request additional time to extend his investigation, which the President of the Synod may grant.

2.17.4.13 In the event the district president has a conflict of interest or is unable to act, the next qualified officer of the district shall function in his place. The President of the Synod, who is the ecclesiastical supervisor of the district president, shall determine any challenge to the eligibility of the district president to act that is not agreed to by the district president.

(a) In the event that the accused is a district president ~~is the accused, the President of the Synod shall function in such instance;~~

(b) ~~In the event that the accused is an~~ officer of the Synod, the President of the Synod shall function in such instance;

(eb) In the event that the accused is the President of the Synod, the chairman of the Council of Presidents shall function in such instance, and the matter shall thereafter proceed as set forth in Bylaws 2.16.4–2.16.10.4.

Referral Panel

2.17.5 ~~In the determination whether or not to initiate formal proceedings, the district president may form a Referral Panel consisting of three circuit visitors of the district.~~

~~(a) If three circuit visitors from the district are not available to serve by reason of conflict of interest or otherwise, the district president may select a sufficient number from other districts in order to form the panel.~~

~~(b) This panel shall be formed by blind draw and shall not include the circuit visitor of the accused or the accuser. The blind draw shall be administered by the district president audited by witnesses.~~

2.17.5.1 ~~In the event that the accused is a district president, an officer of the Synod, or the President of the Synod, the Referral Panel shall consist of three district presidents selected by a blind draw administered by the chairman of the Council of Presidents and audited by witnesses. Such panel, which shall exclude any involved district president, shall function as set forth hereafter.~~

2.17.5.2 ~~After reviewing the accusation and the results of the investigation, the Referral Panel shall make the determination, within 60 days, whether or not to initiate formal proceedings.~~

2.17.5.3 ~~Whether made by the district president or the Referral Panel, if the determination is not to initiate formal proceedings, the district president shall in writing so inform the accuser, any other district president involved, and the involved member, which shall terminate the matter, subject to the following:~~

(a) If a matter of doctrine or practice is involved, the accuser may, within 15 days after receipt of such notice, appeal for action by the President of the Synod (Constitution Art. XI B 1–3). The accuser shall so notify the district president, who shall within 15 days:

(1) notify the accused and any other district president involved that an appeal for action is underway; and

(2) forward the appeal for action, with the record of his investigation and determination and the accuser’s formal written accusation, to the President of the Synod.

(b) The President of the Synod shall, within 15 days of receipt of such appeal for action, consult with the

<p><u>district president.</u></p> <p><u>(c) The President of the Synod may consult with the accuser, the accused, and others involved. He may appoint an investigative committee and / or ask an opinion of the CCM or CTCR, which opinion shall be followed. He shall consult with the vice-presidents of the Synod.</u></p> <p><u>(d) The President of the Synod may, in a matter of doctrine and practice, and within 120 days of receipt of notice, suspend the member as provided in Bylaw 2.17.6 and then, as the “suspending ecclesiastical supervisor,” carry out the formal proceedings of Bylaw 2.17.7 and following.</u></p> <p><u>(e) If the determination is made not to initiate formal proceedings, the President of the Synod shall in writing so inform the accuser, any district president involved, and the involved member.</u></p>	<p>(a)–(c) <i>no change</i></p> <p>2.17.6.1 <i>no change</i></p> <p>Hearing Panel</p> <p>2.17.7–2.17.7.1 <i>no change</i></p> <p>2.17.7.2 A Hearing Panel consisting of two district presidents (excluding the involved district president[s]), two lay reconcilers, and one ordained reconciler, selected as follows, shall conduct the hearing:</p> <p>(a)–(c) <i>no change</i></p> <p>(d) Each Hearing Panel shall be assisted by a nonvoting hearing facilitator selected according to Bylaw 2.14.2 (kj).</p> <p>(e)–(g) <i>no change</i></p> <p>2.17.7.3–2.17.7.8 <i>no change</i></p> <p>2.17.7.9 Upon completion of the hearing, the Hearing Panel shall deliberate and then issue its written decision within 30 days.</p> <p>(a) Copies of the decision shall be mailed to the accused, the district president who imposed the suspension, the suspending ecclesiastical supervisor, the accuser and his/her district president, the Secretary of the Synod, and the President of the Synod.</p> <p>(b)–(d) <i>no change</i></p>
<p>2.17.5.4 — If the district president fails to act within 60 days after receipt of the formal written complaint or accusation, the accuser may present a formal written request to the district president for the forming of the Referral Panel, which request the district president must grant. If the provisions of Bylaw 2.17.4 have not been carried out, the Referral Panel shall carry out these provisions in the process of making its determination whether or not to initiate formal proceedings.</p>	
<p>Commencing Formal Proceedings</p> <p>2.17.6 If the district president or the President of the Synod or the chairman of the Council of Presidents or the Referral Panel, whichever the case may be, concludes that the facts form a basis for expulsion of the member under Article XIII of the Constitution, the appropriate ecclesiastical supervisor in commencing the formal proceedings shall</p>	<p>Appeal Panel</p> <p>2.17.8 <i>no change</i></p> <p>Final Hearing Panel</p> <p>2.17.9–2.17.9.1 <i>no change</i></p> <p>General Regulations</p> <p>2.17.10–2.17.10.4 <i>no change</i></p>

82. Concordia Seminary St. Louis Campus Master Plan

President Dale Meyer and Pastor Shawn Kumm, Chairman of the Board of Regents, joined the board to present an overview of the Concordia Seminary Campus Master Plan (pp. 190, 265–341, 464–465/545), developed in a two-year study and consulting process with broad involvement of students, faculty, and regents. The plan represents a prospectus, an overview or roadmap. No specific actions are to be approved at this time. With the board’s approval, stages would be planned and presented for the board’s approval. Aspects of the plan invite collaboration with other Lutheran entities in St. Louis, to make use of space available on the campus, and some interest has been expressed in these possibilities.

CSL finances are driven by active donations. Demographically, these are expected to decline. The endowment stands at about \$150 million—expected to provide 20-30% of seminary income by 2025. Acres unused for core seminary operations, given current demographics, can be developed as a stream of long-term dependable revenue, helping to finance the core operations of the institution.

President Meyer noted that the seminary budget annually is about \$23 million, and the anticipation is to keep it in that neighborhood and have “deep pockets” to respond to future challenges and opportunities. President Meyer believes that while both our seminaries suffer the same decline in enrollment as seen in virtually all North American seminaries, they have a vital connection to the congregations of the Synod who will respond to the need. We need pastors to seek out the “middle” segment of congregations who may or may not come—the latter, especially if there is no pastor to seek them out. This need will bring both seminaries, both of which we need, up to a “new normal” student population.

The board, thanking President Meyer and Regent Chair Kumm for presenting a carefully constructed plan, left action on the plan to a later point in the meeting (action item J).

83. Chairman Update

It was moved and carried to enter executive session to receive a “state of the board” update from the chairman, with vice-chairman Ed Everts taking the chair.

83X. Executive Session XI: Chairman Update

Having returned from executive session, the board adjourned for dinner.

84. Appointments to Concordia Plans / Plan Services Board and LCEF Board of Members

The board resumed its agenda Saturday morning at the St. Louis Airport Hilton with Keith Frndak newly absent due to work responsibilities. Following a devotion based on 1 Peter 3:13–22 by Vice-President Mueller, Chairman Kumm called upon Kathy Schulz, chair of the personnel committee, to deliver the committee’s recommendations on two categories of appointments.

The Personnel Committee, together with the Office of the Secretary and LCMS Human Resources, has carried out the initial work of Board Policy 5.7.2 with respect to five regular and one vacancy appointments to the Board of Directors—Concordia Plan Services / Board of Trustees—Concordia Plans (pp. 90–91/545; Appointments Book pp. 3–71/203). From a field of one commissioned nominee and eight lay nominees received, committee recommended the following regular appointments to 2017–2020 terms (all of whom are incumbents):

- Kenneth M. Boerger, Parma, OH (OH) – Commissioned Minister
- Brenda P. Blisk, Vienna, VA (SE) – Layperson
- Randall L. Boushek, Elk River, MN (MNN) – Layperson
- Thomas K. McCain, Cohasset, MA (NE) – Layperson
- Mark Swenson, Plymouth, MN (MNS) – Layperson

The committee also recommended the following vacancy appointment to the remainder of the vacant 2015–2018 term left by Philip J. Fluegge:

- Scott A. Seefeld, Pewaukee, WI (SW) – Layperson

The Personnel Committee, together with the Office of the Secretary and LCMS Human Resources, has also carried out the initial work of Board Policy 5.7.2 with respect to four regular, three alternate, and one vacancy appointments to the Lutheran Church Extension Fund Board of Members (Members-at-large) (pp. 90–91/545; Appointments Book pp. 72–203/203). From a field of ten nominees received, two of which declined to be considered, the committee recommended the following regular appointments to 2017–2020 terms:

- John L. Daniel, Allentown, PA (SELC)
- Charles P. Olander, New Holland, IL (CI)
- James I. Ridley, Upper Marlboro, MD (EN)
- John “Brad” Urbach, Pierre, SD (SD)

The committee also recommended the following alternate appointments, in order of succession, to 2017–2020 terms:

1. Scott D. Ernst, Sioux City, IA (IW)

2. Stanton G. Ullerich, Storm Lake, IA (IW)
3. Marc Higgins, Maumelle, AR (MDS)

Finally, the committee recommended the following vacancy appointment, to the remainder of the vacant 2017–2019 term left by James R. Saalfeld:

- Richard T. Peltier, Houston, TX (TX)

The board approved the recommendations brought by the Personnel Committee. The Secretary will notify those appointed and thank those who participated in the nominations process for allowing their names to be considered.

The chair thanked the Personnel Committee and Human Resources for their diligent and efficient work in processing nominations for Chief Administrative Officer.

85. Governance Committee

With governance committee chairman Christian Preus not in attendance, committee members Gloria Edwards and Eric Ekong presented the report of the board's governance committee (p. 88/545). The committee recommended changes, proposed by the Secretary, to clarify the handling of executive sessions and to reflect the customary practice of posting pending minutes to the board's web site. The committee noted a concern that the process accommodate adequate review of the minutes prior to posting. The committee declined changes as proposed to the income management / fund raising section, seeking further definition and clarification, asking that a revised proposal be brought for review at a future meeting. The committee also noted a desire to standardize the formats of reports coming to the board from Synod entities and agencies, to allow for efficient and uniform review.

The following resolution was moved by the governance committee and adopted:

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

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

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

Resolved, The Board of Directors adopts the changes to The Lutheran Church—Missouri Synod Board of Directors *Policy Manual*, Sections 2.7.3, 2.4.7, and 2.4.8, as indicated (pp. 193–195/545); and be it finally

Resolved, The Board also directs the table of contents, index and other references to be updated, as necessary.

Revisions adopted are attached to the protocol version of the minutes.

86. Commission on Constitutional Matters Visit

As part of the board's regular schedule of visiting with various Synod agencies, Chairman George Gude of the Commission on Constitutional Matters appeared before the board to discuss matters of common interest to the commission and the board. He presented a brief overview of the commission's work of rendering opinions on constitutional and bylaw questions and of reviewing, under Bylaw 3.9.2.2.3, the governing documents and policies of Synod agencies for conformity with the Constitution, Bylaws, and resolutions of the Synod.

The commission is charged by 2016 Res. 9-02A with reviewing all governing documents of Synod agencies for compliance with the new Bylaw 1.5.3.6, which requires relationship and asset disposition language to be included in agencies' governing documents. Chairman Gude noted the latitude provided in bylaw 1.5.3.6, but also that the commission considers it to require the indicated language in the fundamental governing documents (articles or otherwise) where it will clearly govern *all the articles* of an agency's governing documents. The commission notes that, while it will determine whether compliant language is in place in each agency's documents, it is unable to assure that the statements included in agency documents will, in each jurisdiction, have the legal effect anticipated.

Bylaws 3.10.6.7.1 and 3.10.6.7.5.2 require Concordia Boards of Regents to have policies in place on dispute resolution and faculty termination (among many other policies required). These policies were to some extent formerly included in Synod's bylaws, and relied upon by the schools. With those bylaws removed over the years, there is a need for schools to make sure appropriate policies are in place—something Concordia University System is presently addressing.

In discussion, the board noted with appreciation the extensive volunteer time the commission expends examining agency articles, bylaws, and policy manuals for consistency with the Constitution, Bylaws, and resolutions of the Synod.

87. Action Items

Chairman Kumm brought a variety of action items from the prepared board docket:

(A) Adoption of 2017–2018 (FY18) LCMS Mission and Ministry Operating Budget

Jerald Wulf, Chief Financial Officer, and Ross Stroh, Executive Director of LCMS Financial and Accounting Services, presented the proposed FY18 LCMS Operating Budget to the board in executive sessions II and VI above. The July 1, 2017–June 30, 2018 (FY18) Mission and Ministry Operating Budget was presented as follows:

Total Spending Plan	\$ 78,085,066
Total Revenue	<u>\$ 78,085,066</u>
Surplus (Deficit)	\$ 0

After discussion in those executive sessions, it was moved and approved:

Resolved, That the Board of Directors approve the 2017/2018 (FY18) Mission and Ministry Operating Budget contingent on management reducing expenses by one million dollars (\$1,000,000), with actions taken to be reported no later than the August board meeting; and

Resolved, That the Board of Directors allow non-substantial deviations to be made by the Chief Financial Officer to set a final budget consistent with the intention of such a surplus budget.

(B) Adoption of FY18 LCMS Capital Budget

Jerald Wulf, Chief Financial Officer, and Ross Stroh, Executive Director of LCMS Financial and Accounting Services, presented the proposed FY18 LCMS Capital Budget to the board in executive session VI above.

Background: The Board of Directors policy requires all Synod departments to submit their requests for capital items as a separate annual budget for approval. The CFO has identified the source of funding to be general corporate cash or capital debt, as necessary. Departments and other corporate entities are charged for the capital acquisitions over the economic life of the asset via depreciation. All items with a purchase price above the capitalization level of \$5,000 and a useful life of longer than one year or an aggregate amount above \$5,000 when purchased together are capitalized.

Capital expenditures planned in Information Technology and Facilities are comparable in amount to those planned in FY2017; the Office of International Mission planned only \$15,000 in capital expenditures in FY2017.

After discussion in executive session, it was moved and adopted:

Resolved, That the Board of Directors approves the 2017/2018 Capital Budget request totaling \$1,627,740 as indicated below, with funding provided by corporate cash, capital debt (when authorized by the Board of Directors), restricted funding, and/or through allocations to other corporate users, subject to adequate funds being available, as determined by the Chief Financial Officer.

Department	Description	Amount
Office of International Mission	Sri Lanka – construction of a building that will include a church, offices, hostel for housing students, preschool, classroom, and library space	\$350,000
	Belize – purchase property to be used as a worship facility and community center	\$150,000
	Dominican Republic – purchase land for future construction of housing for professors and students at the seminary	\$300,000
	Subtotal	\$800,000
Information Technology	PC/Mac purchases	\$283,100
	Network & desktop printers/scanners	\$17,230
	Projects/Infrastructure	\$91,000
Subtotal		\$391,330
Facilities	Upgrade conference rooms	\$52,255
	Document folder	\$7,075
	<i>The cost identified for each project is typically shared among the corporate and trust entities of the LCMS International Center using various methods of allocation. These amounts represent Synod's share.</i> A/C chiller	\$46,117
	Passenger van	\$42,000
	Cargo van	\$38,000
	Flooring (Kitchen & Walther room)	\$15,321
	Front lobby reconfiguration	\$92,857
	Ceiling & light replacement	\$42,450
	Repair/remodel/reconfigure Room 420, kitchenette, storage room	\$6,855
	The FMB has standing approval for a \$150,000 capital contingency budget to be used for unplanned emergencies	\$93,480
Subtotal		\$436,410
TOTAL		\$1,627,740

(C) Designation of 2016 Convention Surplus

Chief Financial Officer Jerald Wulf presented his report on the convention surplus in executive session IX above.

Background: The Budget for the 2016 Synodical Convention, based on the best estimates of cost at the time, and adopted more than one year prior to the actual gathering in Convention, was used as the basis for the per communicant assessment charged to each District. Due to changes in plan after development of the budget, unanticipated net savings, and the negotiating efforts of the LCMS Office of Travel and Meeting Planning, not all resources collected were expended. Where planned costs were included in the budget, but were not incurred, it is appropriate to return those savings to the districts, who may elect to distribute them to each congregation, based on communicant membership at the time the original assessment was made, or provide for some other disposition.

It also seems prudent, however, to establish a contingency fund from designated net assets remaining after setting convention accounts. This has been the practice of the Board of Directors with respect to National Youth Gatherings (NYGs), to have funds available to meet unforeseen costs related to future NYGs, such as a natural disaster in the planned host city which necessitates the NYG to be moved to a different host city on rather short notice.

After discussion in executive session, it was moved and adopted:

WHEREAS, It has been the recent practice of The LCMS, Inc., to distribute to its component districts all or a portion of the monies remaining from the assessed cost of holding each triennial Synod convention on the same basis as the convention assessment was made; and

WHEREAS, After settling all accounts related to the 2016 Synod Convention, there remain unused monies available for disposition; therefore be it

Resolved, That the Board of Directors of The LCMS hereby designates \$250,000 of the net assets generated by the 2016 Convention to be kept as a contingency account to meet unforeseen costs arising in connection with future Synod Conventions, and be it further

Resolved, That the Board of Directors of The LCMS, Inc. approve \$153,000 of net assets arising from the triennial convention assessment as a distribution to its component districts on the same basis as the convention assessment was made, if so elected by each district; and be it finally

Resolved, That any remaining amount be designated to fund the cost of task forces, study groups, and other convention-mandated activities included in the FY 2018 operating budget.

(D) Concordia University Wisconsin Campus Master Plan Revision

Background: The Board of Regents of Concordia University Wisconsin has adopted a revision of its Campus Master Plan (pp. 143–145/545), which was approved and recommended to the Board of Directors by the Concordia University System (CUS) Board of Directors on March 2, 2017. The revision includes two significant items: a more precise site location for the proposed new academic facility (adjacent to Luther Hall), and a more precise site location for the proposed sports complex, near the existing football stadium.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the revisions to the Campus Master Plan of Concordia University Wisconsin.

(E) Concordia University Ann Arbor Campus Master Plan Revision

Background: The Board of Regents of Concordia University Wisconsin has adopted a revision of its Ann Arbor Campus Master Plan (pp. 147–149/545), which was approved and recommended to the Board of Directors by the CUS Board of Directors on March 2, 2017. The revision includes two significant items: the addition of an academic facility, located adjacent to the existing Kreft Center, and the addition of a potential soccer and baseball stadium, located adjacent to Highway 23 on the south side of Geddes Road.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the revisions to the Campus Master Plan of Concordia University Ann Arbor.

(F) Concordia College—New York Interim Campus Master Plan

Background: Concordia College—New York (CCNY) recently approached CUS, seeking funding from the Lutheran Church Extension Fund to pursue a number of smaller projects on campus, including the development of a comprehensive Campus Master Plan. Procedure for review and

approval of campus funding projects, however, involves an existing Campus Master Plan, which CCNY does not possess. The Board of Regents for CCNY, responding to the request of the Concordia University System and Chief Administrative Officer, has adopted an interim Campus Master Plan (pp. 151–155/545), a major part of which is the development of a comprehensive Campus Master Plan. This interim plan was approved and recommended to the Board of Directors by the CUS Board of Directors on March 2, 2017.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the Interim Campus Master Plan of Concordia College New York; and be it finally

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod encourages the Administration and Board of Regents of Concordia College New York to develop the comprehensive Campus Master Plan according to the schedule outlined in the letter of request for approval.

(G) Concordia College—New York LCEF Loan Approval Request

Background: Concordia College—New York contacted the Concordia University System national office regarding the potential of securing funding from the Lutheran Church Extension Fund. The proposed funding is intended to fund a number of smaller projects on the campus. Among the projects to be funded is the development of a comprehensive Campus Master Plan. The projects are outlined in the attached document describing the loan amount and repayment plans (pp. 157–161/545). The CUS Board of Directors on March 2 granted and recommended to the Board of Directors approval of a requested loan of up to \$3.4 million, divided into one loan of \$1.4 million, amortized over 120 months, and another of \$2 million, amortized over 240 months. The interest rates are indicated to be a ten-year fixed rate of 3.57%, which will reset every 5 years at a rate of LCEF Cost of Funds + 1.57%.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the loan of up to \$3.4 million for the Lutheran Church Extension Fund according to the terms provided in the Term Sheet for Concordia College New York.

(H) Concordia University, Irvine Campus Master Plan Revision

Background: Concordia University, Irvine (CUI)’s Campus Master Plan (pp. 163–168/545) consists of four phases, the first (scheduled to commence in 2017), including a new Music, Worship & Theology Building; internal circulation improvements; an expansion of Concordia West parking lot; and initial athletic field lighting; and the second (anticipated to commence in 2018), to include a Concordia University Center upgrade and possible addition; an athletic field restroom and locker building; a track and soccer field viewing deck; and sand volleyball courts. The third phase, estimated to begin between 2020 and 2030, involves demolition of five buildings (to stay within city-imposed limits) and construction of a new Science, Nursing, and Health Care building; an addition to Grimm Student Union; a new residence hall; a recreation / lap pool with service / restroom building; and a tennis court deck. The fourth phase, estimated to begin between 2025 and 2035, would demolish two buildings and construct a Liberal Arts, Alumni, and Advancement Building. This revised master plan was approved and recommended to the Board of Directors by the CUS Board of Directors during the week of April 24, 2017.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the Revised Campus Master Plan presented by Concordia University, Irvine.

(I) Concordia University Irvine Music, Worship, and Theology Building and Funding

Background: Concordia University, Irvine, having increased its traditional undergraduate headcount from approximately 1,200 to 1,600 since the fall of 2010, having last made a significant investment in the campus facilities more than a decade ago, having realized the best six financial years in the school's history (increasing liquidity from a negative position to almost \$22 million at June 30, 2016), and intending to continue to attract students in a very competitive environment, desires to obtain funding and commence work on its new Music, Worship, and Theology Building (pp. 170–187/545). On April 25, 2017, the CUS Board of Directors approved CUI's proposal, with its specific terms and conditions, and recommended it to the Board of Directors.

It was moved and adopted:

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the Music, Worship, and Theology Building project of Concordia University, Irvine; and be it further

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves Concordia University, Irvine obtaining financing for the Music, Worship, and Theology Building from one or more banks or other lenders in a total amount not to exceed \$15,000,000 provided that:

- A. The time for repayment of such indebtedness shall not exceed thirty years; and
- B. The interest on such indebtedness may be fixed or variable but the rate of interest shall not exceed LIBOR + 3% or in the case of LCEF, LCEF Cost of Funds + 3%; and be it finally

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the refinancing of the existing indebtedness of Concordia University, Irvine, provide that (i) the terms shall be deemed favorable (as determined, jointly, by the President and CFO and approved by the Finance Committee of Concordia University, Irvine) in comparison to those in existence at the time of such refinancing and (ii) the principal amount of such indebtedness (including the indebtedness of the Music, Worship, and Theology Building Project) may not increase by more than \$15,200,000 (to accommodate rounding and including, to the extent appropriate the Music, Worship, and Theology Project described above) above the principal amount of such indebtedness immediately before the refinancing.

(J) Concordia Seminary Saint Louis Campus Master Plan

The board resumed consideration of the Concordia Seminary Saint Louis Campus Master Plan, presented on Friday by President Meyer and Regents Chair Kumm. It was moved and adopted:

WHEREAS, The Board of Directors of The Lutheran Church-Missouri Synod, a Missouri nonprofit corporation (the "LCMS Board") has been presented with a document entitled "2017 Campus Master Plan of Concordia Seminary (St. Louis)" dated January 2017 (the "Master Plan") by the Board of Regents of Concordia Seminary (St. Louis) (the "Concordia Seminary SL Board"); and

WHEREAS, Section 3.3.4.5(e) of the LCMS Bylaws provides that the LCMS Board shall approve "capital projects in relation to campus property management agreements and institutional master plans, and shall establish and monitor criteria for determining institutional viability, fiscal and otherwise"; and

WHEREAS, The Master Plan as presently drafted lacks many details that would permit the LCMS Board to provide a final approval of the Master Plan but the LCMS Board is willing to provide a conditional approval as set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LUTHERAN CHURCH—MISSOURI SYNOD AS FOLLOWS:

1. The Master Plan as presented to the LCMS Board is conditionally approved subject to the condition that Concordia Seminary SL Board not proceed with any contracts regarding construction, real estate, land/equipment acquisition or similar activity relative to a project or aspect of the Master Plan without the following:
 - (a) submitting to the LCMS Board a detailed plan for such project or aspect of the Master Plan at least six months prior to the anticipated start date for such project or aspect; and
 - (b) obtaining the prior written approval of the LCMS Board of such project or aspect of the Master Plan.
2. The officers and employees of The Lutheran Church-Missouri Synod are authorized to take all further actions deemed appropriate to fulfill the intent of this Resolution.

Concordia Seminary also sought authorization to begin demolition of Fritz and Metzger halls, as identified for such in the Campus Master Plan. It was, therefore, further moved and adopted:

WHEREAS, Fritz and Metzger Halls are Concordia Seminary Dormitories that were built in the 1960s to meet the housing needs of the time. There is currently no housing demand that would require the use of these dormitories and none is anticipated; and

WHEREAS, Metzger Hall has been closed for several years and Fritz was closed this past year, as this housing is unappealing to both internal and external users; and

WHEREAS, Fritz and Metzger Halls were identified in the Campus Master Plan as buildings that should be demolished. They are unneeded, architecturally out of place, and at the end of their useful lives. The costs to renovate these buildings into what the Campus Master Plan envisions for student housing would be better spent on new construction; and

WHEREAS, In February 2017, a burst steam pipe in Fritz Hall, which triggered the fire sprinklers, caused excessive damage. The insurance settlement for this claim is approximately \$200,000. An informal proposal from a local demolition company was obtained and a cost of \$265,000 was estimated for the entire project; and

WHEREAS, On Thursday, May 18, 2017, the Concordia Seminary Board of Regents resolved to “authorize(s) the demolition of Fritz and Metzger Halls, subject to any authorization also required by the LCMS Board of Directors;” therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the demolition of Fritz and Metzger Halls on the Campus of Concordia Seminary.

(K) Sri Lanka – Colombo Property Development Plan

Background: Chief Mission Officer (CMO) Kevin Robson, on behalf of the Office of International Mission, submitted a development plan for a sanctuary, seminary and school classrooms, a preschool, dormitories, and church administration offices in Colombo, Sri Lanka. These facilities would support missions, pastoral education, and the work of the Lankan Lutheran Church (pp. 130–141/545). The plan is included in the FY2018 LCMS Capital Budget, “subject to adequate funds being available, as determined by the Chief Financial Officer.”

It was moved and adopted:

WHEREAS, The Lutheran Church-Missouri Synod owns real property in Sri Lanka that can be developed for the support of the Lankan Lutheran Church; and

WHEREAS, The Office of International Mission desires to develop this site for the benefit of the Lankan Lutheran Church and the further spreading of the Gospel of Jesus Christ in and around Sri Lanka; and

WHEREAS, The project would incorporate church, offices, a hostel for housing students, preschool, class room, and library space; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod approves the Property Development Plan presented by the Office of International Mission.

(L) Approval of New Corporate Entity for Mission Work in Belize

Acting Chief Administrative Officer Val Rhoden-Kimbrough 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 country of Belize." A Memorandum of Association and Articles of Association for this new entity (attached to the protocol version of the minutes) have been reviewed by LCMS Legal Counsel and have been found by the Commission on Constitutional Matters not to conflict with the Constitution, Bylaws, or resolutions of the Synod. The following resolution was moved and adopted as slightly amended:

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LUTHERAN CHURCH— MISSOURI SYNOD
AUTHORIZING AND APPROVING THE CREATION OF A LEGAL ENTITY
IN THE COUNTRY OF BELIZE

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

WHEREAS, The Board of Directors of the LCMS (the "BOD") has the authority, pursuant to Sections 5.8.4 and 5.8.5 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 Resolution 9-02A in 2016 establishing and revising 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 acting 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 Belize pursuant to the BOD Policy, with the LCMS related entity "LCMS – Dominican Republic" its founding and sole member.

WHEREAS, The acting 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 Belize and that its establishment and operation by the LCMS will not violate the laws of Belize, as shall be evidenced by an opinion of local or special counsel engaged for the purpose of forming such entity, and that such opinion, as well as the governing documents of the entity in Belize, shall be reviewed and approved by the LCMS's general counsel to ensure compliance with the BOD Policy except as otherwise waived herein;

WHEREAS, The acting Chief Administrative Officer has assured the BOD that the bylaws of the Association of this legal entity have been reviewed and approved by 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;

NOW, 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 Belize.

The establishment of A Not-for-Profit Company Limited by Guarantee pursuant to the laws of Belize, with LCMS entity “LCMS – Dominican Republic” as its founding and sole member (the “Founding Member”), to provide administrative support to LCMS and LCMS-affiliated staff in Belize and Latin America 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 under the law of Belize and the Association’s governing documents, in compliance with the BOD Policy, is hereby authorized and approved.

Section 2. Authorization and Approval of Documents. In connection with the establishment of a not-for-profit company in Belize pursuant to this Resolution, the execution and/or filing of the Articles and Memorandum, in substantially the form as the drafts 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.

Section 3. Appointment of LCMS Representative and Authorization and Execution of Documents. The Lutheran Church—Missouri Synod, herewith authorizes LCMS–Dominican Republic to serve as the founding and sole member for LCMS–Belize. The acting Chief Administrative Officer and the Secretary are hereby authorized to execute and authenticate any documents necessary, if any, related to the establishment of LCMS–Belize on behalf of the LCMS.

Section 4. Further Authority. The acting 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 company in the country of Belize, 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 company and that its stated purposes are in fulfillment of the LCMS’s foreign mission policies and purposes; (b) the filing of such documents with the appropriate governmental authorities in Belize; and (c) the filing of such additional documentation with the appropriate governmental authorities in Belize as shall be necessary for the company to function in Belize, including applying for visas for LCMS and company employees, seeking certain tax benefits, if applicable, for the entity and its employees, and such other matters as the management of the company shall determine to be in its best interest, in compliance with the intent of this Resolution. The Founding Member is authorized to take such action as may be necessary or desirable to carry out and comply with the intent of this Resolution, including authorizing LCMS – Dominican Republic 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.

88. International School and Property Update

The board welcomed CMO Kevin Robson and Dr. Al Collver, Director of Church Relations, for an update on the Synod's International Schools and international property actions. It was moved and carried to enter executive session.

88X. Executive Session XII: International School Update

88XX. Executive Session XIII: International Property Update

The board returned from executive session.

89. Board Retreat Discussion

The board's August meeting has been extended to include Thursday, Aug. 24, largely to accommodate interviews of candidates for Chief Administrative Officer (CAO). The retreat will be abbreviated to a half day and will focus on whether the present BOD Policy Manual meets the board's needs. A matrix has been constructed to facilitate organized review of sections of the policy manual by the board's committees.

90. Overview of Next Meeting

On Thursday, Aug. 24, CAO candidate interviews will be conducted by the full board with the help of Val Rhoden-Kimbrough. Initial interviews, to be conducted by the personnel committee, are planned for the last week in June. In August, CFO Jerry Wulf will also present the budget revised as instructed by the Board.

The chairman suggested that the property review completed four or five years ago should be reinitiated by the audit committee, with assistance from Legal Counsel and Church Relations / International Missions.

Chairman Kumm recognized Joe Isenhower of LCMS Communications, who, having served the Synod since February of 1973, was covering his last board meeting before retirement. Those in attendance sang the doxology in thankfulness for his service and for the Lord's faithfulness to and through him.

91. Officer / Committee / Board Time

The board had no additional questions to address in officer / committee time.

92. Meeting Review

It was moved and carried that the board move into executive session to review the meeting, in keeping with BOD Policy 2.7.1.11.

92X. Executive Session XIV: Meeting Review

93. Adjournment

Having returned from executive session, Vice-President Mueller offered a closing word from 1 Cor 1 and a benediction. The board adjourned at 11:35 a.m. Saturday.

John W. Sias, *Secretary*