

**MINUTES**  
**BOARD OF DIRECTORS**  
**THE LUTHERAN CHURCH—MISSOURI SYNOD**  
**May 14–15, 2009**

**111. Call to Order, Opening Devotion, and Approval of Agenda**

Chairman Donald Muchow called the meeting to order, calling on Victor Belton for an opening devotion from John 5. Rev. Belton continued to serve as chaplain for the duration of the meeting.

All members of the board were present for at least a portion of the meeting. President Gerald Kieschnick, unable to be present due to district convention responsibilities, participated in the May 15 morning session via an electronic video conferencing, at the conclusion of which he commented favorably on the experience and on some of the potential uses for such technology in the future.

After Chairman Muchow called attention to the agenda and provided an overview of the meeting, a motion was introduced and carried to adopt the agenda as presented.

**112. Officer Reports**

A. President

President Gerald Kieschnick began his report with observations from recent district conventions, noting that to date all eligible district presidents had been elected. He also reported on his meetings with those program boards currently experiencing vacancies in their executive positions, described his Food for the Poor trip to Guatemala, and spoke of his efforts to work with district presidents to properly handle delegate exception requests for the upcoming 2010 convention of the Synod.

Calling attention to his printed report (Section A, page 1ff.—attached to protocol copy of these minutes), he highlighted his April 2 Thrivent Executive Relations Meeting attendance, noting the reduction in the current year's Thrivent block grant and anticipating another reduction of 20 to 40 percent in coming years. He also reported on seminary candidate placement and of plans to address a number of concerns that have developed with the process in conjunction with the next meeting of the Council of Presidents.

Inviting questions from the board, he responded with comments regarding specific actions at some district conventions and a recent opinion of the Commission on Constitutional Matters clarifying that districts may not take actions contrary to decisions of the national Synod.

B. First Vice-President

First Vice-President Bill Diekelman called attention to his printed report (Section A, pp. 15ff.—attached to protocol copy of these minutes), commenting on his attendance at meetings of the AALC/LCMS Commission on Fellowship, the Committee on Lutheran Cooperation with leadership of the Evangelical Lutheran Church in America, and the Advisory Group for North American Missions. He called particular attention to the *Reporter* article featuring the mission efforts of board member Victor Belton and spoke of personal contact with unique opportunities to do mission work via the Internet. After reporting on Council of Presidents election results (Larry Stoterau, chairman; Jon Diefenthaler, vice-chairman), he spoke of his attendance at several other meetings and district conventions.

### C. Secretary

Secretary Raymond Hartwig presented the minutes of the board's February 19–20 meeting. A motion “to approve the minutes of the February 19–20 meeting of the Board of Directors as presented” was carried without discussion. He noted several items in his printed report (Section A, pp. 93ff.—attached to protocol copy of these minutes), provided a progress update on Concordia Historical Institute's museum project, and noted his service as essayist for the South Dakota District convention, April 29–May 2.

### D. Chief Administrative Officer

Chief Administrative Officer Ron Schultz called the board's attention to his printed report (Section A, pp. 95ff.—attached to protocol copy of these minutes) and provided additional information regarding the LCMS Information Technology Assessment and the LCMS CrossConnect software implementation project. He reported regarding leadership changes as a result of the information technology assessment and reorganization efforts to provide greater efficiency, which will no longer include providing service to outside customers except the LCMS Foundation. He also provided explanation for CrossConnect budget changes, the setting aside of some original plans, and a scaling back of the scope of the project to no longer include some financial and payroll elements.

As interim Human Resources Executive Director, the CAO also reported that the executive director vacancy is being used as an opportunity to evaluate the Synod's human resource department and programs. Quest Consulting was engaged to conduct a strategic review and a final report has been received. Areas requiring improvement have been identified, including compensation management, performance review, and employee recruitment. These needs will be taken into consideration when filling the vacancy. Additional training is also being planned for existing staff.

He called particular attention to his report regarding legal expenses, noting that the report does not include legal expenses associated with KFUEO FM activity.

### E. Vice-President—Finance—Treasurer

Vice-President—Finance—Treasurer Tom Kuchta called attention to his report (Section A, pp. 11ff.—attached to protocol copy of these minutes) and to specific pages in his financial report, explaining that a positive \$2.7 million favorable variance in expenses compared with budget is misleading due to a positive miscellaneous income variance of \$9.1 million from the sale of properties in Hong Kong, without which the report would show a deficit of \$6.4 million, for which the Board for Mission Services is largely responsible. While this deficit is expected to be reduced to \$2.5 million by the end of the year, fund raising revenues continue to deteriorate resulting in the deficit despite the cutting of expenses. Use of the Hong Kong dollars to cover the deficit will reduce the amount of cash available for Hong Kong missions, money that will need to be restored from future revenues. He also noted that much of the *Fan Into Flame* negative variance of \$1.9 million will likely remain at year-end and will be included in next year's budget.

He also called attention to the other major unfavorable variance in his report, the Supplemental Retirement Fund for Veterans of the Cross, this due to stock market losses, to be covered by the Board for Human Care Ministries. Regarding the Synod's Risk Endowment Fund established in 2002 to benefit colleges, universities, and seminaries and used as guarantee for school loans, he noted that a \$5 million balance must be restored and suggested that the fund be divided into two accounts that differentiate between CUS schools and the seminaries, which would result in \$1.246 million in income to the Synod. He also called particular attention to a report showing an unrealized gain for the Risk Endowment Fund as of March 31, 2009 of \$487,153.50, to show that the fund “hasn't lost money.”

He also called attention to the Treasury/Risk Management & Insurance Office Report included in his report (Section A, pp. 85ff.), noting a small increase in premium cost; he noted a shortfall in KFUE revenue, noting development costs charged to KFUE of \$294,000 to raise revenue of \$323,000 and reporting an overcharge to KFUE of \$80,000 in general and administrative expenses by the Synod; he called the board's attention to the new policy adopted by the Board for University Education to address some Board of Directors' concerns, this policy also to be considered by the Board for Pastoral Education at its next meeting; and he spoke of discussions of a possible merger of the LCMS Foundation with the LCMS Church Extension Fund, put on hold to address legal concerns raised by LCEF.

Near the end of the meeting, the Treasurer again stressed the seriousness of the financial crisis that the Synod is facing. To at least begin to address the Synod's unmet unrestricted funds needs, he suggested dedicating the 2010 convention offering for this purpose. He also suggested that the Synod consider doing fund-raising for unrestricted dollars, another topic he already addressed in a March 19, 2009 memorandum to the board. The board agreed to discuss the matter of fund-raising for unrestricted dollars at its next meeting. The following resolution was also introduced and adopted:

*Resolved*, That the Board of Directors advocate that the offering from the 2010 convention be used to help to alleviate the Synod's unmet unrestricted funds needs; and be it further

*Resolved*, That the March 19, 2009 memorandum of the Vice-President—Finance—Treasurer to the Board of Directors be memorialized by publishing it in the minutes of this meeting.

Accordingly, the March 19, 2009 memorandum reads as follows:

## **MEMO**

**To:** LCMS Board of Directors  
**From:** Thomas W. Kuchta  
**Date:** March 19, 2009  
**Re:** Various Financial Matters

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### INTRODUCTION

The Lutheran Church—Missouri Synod (LCMS) budget for the fiscal year ending June 30, 2001 included unrestricted revenues of \$28,386,244. In preparing the current budget, unrestricted revenues are estimated to be \$20,000,000. This is \$1,500,000 less than last year. Unrestricted revenues have decreased every year after June 30, 2001.

At the last Board of Directors (BOD) meeting, it was agreed that there would be no salary increases or bonuses for the year ending June 30, 2010. Further, a hiring freeze was established. Even with these actions it will be necessary to reduce our current level of spending by approximately \$1,500,000 in order to achieve a balanced budget. It should be evident that ministries will be affected.

There is no reason to expect unrestricted revenues to increase in subsequent years. The obvious question, then, is how we will achieve balanced budgets in the future. If the BOD grants salary

increases in the future, there must be a corresponding decrease in other expenses, including ministry activities. It is neither reasonable nor practical to assume that salary freezes can continue beyond next year. Therefore, it should be evident that ministries will be adversely affected in the future.

Some might suggest that we should reduce staff levels. Attached to this memorandum is a schedule comparing staff levels from 2002 to the present. For that period, staff levels have been reduced by 25%. How much deeper can we cut?

During the past seven years, actual financial results show a negative budget variance of approximately \$5,100,000. The negative variance was funded by prior years accumulated unrestricted net assets with the consequence being that unrestricted net assets are negative (\$305,000) at June 30, 2008. In laymen's language, we have depleted our accumulated operating profits.

#### 2004 SYNOD CONVENTION

Prior to the 2004 convention, I expressed my concerns that the Synod was facing serious future problems in being able to sustain its level of financial support for mission and ministry because of decreasing unrestricted income. I expressed these concerns with both the Council of Presidents (COP) and the BOD in some very tense and difficult meetings. In the meeting with the COP, a meeting which my comments were not well received, I informed the districts that the annual pledges to the Synod continued to reflect a downward trend.

My concerns were addressed by the 2004 convention by Resolution 4-07 which established a Blue Ribbon Task Force for Funding the Mission (BRTFFM). The resolution also included a provision that until the 2007 convention, the districts would ensure maintaining or increasing current levels of financial support to the Synod. In fact, district contributions continued to decrease. The BRTFFM submitted its recommendations to the church in July, 2006.

Resolution 4-01 initiated *Stewardship Ablaze*. However, there has been minimal funding for this project provided by the Synod.

#### 2007 CONVENTION

The BRTFFM recommendations were reviewed by Floor Committee 4. None of the recommendations were presented to the convention. The rationale of the floor committee seemed to be that no action should be taken until the Blue Ribbon Task Force on Synod Structure and Governance (BRTFSSG) makes its recommendation to the church.

#### BLUE RIBBON TASK FORCE ON SYNOD STRUCTURE AND GOVERNANCE

In my opinion, the current recommendations by the BRTFSSG will have an immaterial effect on the financial operations of Synod, Inc. Most of the BRTFFM recommendations have not been considered by the BRTFSSG. The recommended elimination of program boards and commissions and the transfer of some national office functions to the districts will not resolve the financial problems of National Synod. Functions transferred to the districts will need to be funded by the districts with the likely result that contributions to the Synod will decrease.

## FISCAL CONFERENCE

After the 2007 convention, the COP, to its credit, called for and held a fiscal conference. All 35 districts participated in the conference. At the conclusion of the conference, the districts agreed to increase annually the subsidy paid to the Synod. Unfortunately, district remittances continue to decrease.

## BOARD OF DIRECTORS' RESPONSIBILITY

I believe it is evident that two conventions, two blue ribbon task forces, and a fiscal conference have not positively impacted the Synod's unrestricted income. I also believe that the BOD needs to understand the seriousness of our fiscal position.

Is the Synod going bankrupt? ABSOLUTELY NOT! In preparing next year's and subsequent years' budgets, will it be necessary to reduce significantly the financial support to ministries? EMPHATICALLY YES! Personally, I find this to be unacceptable, as I'm sure each of you do. So what should the BOD do?

The options available to the BOD are to borrow funds, redeploy existing assets, and/or initiate a program of fund-raising for unrestricted revenues.

## MORTGAGE ON THE INTERNATIONAL CENTER

The BOD could obtain a mortgage for the International Center. This would provide approximately \$10,000,000. While the mortgage payments would have to be satisfied from unrestricted revenues, in the short-term there would be sufficient cash so that ministry support would not have to be reduced. As the Synod has been free of debt for some time, in my opinion this is the least attractive alternative.

## KFUO FM

In a memorandum to the BOD dated March 10, 2009, President Kieschnick suggested that the BOD defer any decision to sell the station. It should be noted that most concerns expressed by the President have been addressed by the KFUEO Committee as reported to the BOD by Kermit Brashear on two separate occasions.

If it is decided to sell the FM station (no decision has been made), the sales proceeds will be unrestricted income subject to BOD designation as to the use of the proceeds. It has been reported to the BOD that the committee recommends designating a majority of the proceeds to be used for providing electronic communications in a way that capitalizes on 21<sup>st</sup> Century technology. The use of the remainder of the proceeds would be determined by the BOD.

As discussed previously in this memorandum, the Synod's ability to fund national ministries has reached a crisis stage. Therefore, I recommend that the BOD not defer its consideration of selling the FM station. The BOD needs to act boldly at this critical time.

## CONCORDIA ANN ARBOR

Concordia Ann Arbor has had financial problems for the past decade, operating at a profit in only one year. Full-time enrollments continue to be small at approximately 600 students.

About five years ago, the BOD considered closing the school and selling the property. This issue came to the BOD based on a recommendation from the Concordia University System (CUS). The Michigan District president requested that the BOD not take any action. Further, he indicated that the Michigan District would increase its non-financial support for and promotion of the school. The BOD agreed not to sell the school.

Currently, the Executive Director of CUS has been having conversations with the leadership of Concordia Wisconsin (Mequon) as to the possibility of a merger. In a recent meeting with Kurt Krueger I suggested that instead of a merger, we should consider closing the school and selling the property. Further, I suggested that an appraisal be obtained to determine the value which I estimate to be \$60 to \$70 million.

At present Ann Arbor has debt of \$15,000,000. Also, CUS has debt to Lutheran Church Extension Fund (LCEF) of approximately \$25,000,000. Annual debt service of approximately \$3,500,000 is funded from the Synod's unrestricted income. If the property was sold and the debt retired, the Synod would have \$3,500,000 of unrestricted income available for national ministries. If the proceeds were to exceed \$40,000,000, the excess could be put into an endowment. The income from the endowment could be used to fund the annual subsidy to CUS.

It is my opinion that a university of 600 students cannot operate at a profit as evidenced by the last 10 years' performance. Therefore, I recommend that the BOD enter into discussions with the CUS, the Michigan District, and the Ann Arbor Board of Regents about the possible closure of the school and sale of the property.

#### ANNUAL FUND-RAISING

During my tenure as Treasurer, we have not had a fund-raising program for the solicitation of unrestricted gifts. Last week I met with Tom Ries of The Lutheran Church—Missouri Synod Foundation (Foundation) to determine if the Foundation could be of assistance. Tom committed to developing a fund-raising plan in time for the BOD's May meeting.

#### CONCLUSION

I believe we have a crisis of not being able to fund the needs of the national ministries. Inaction will worsen the crisis. We must act boldly and fulfill our responsibility as stewards of the church. For His sake, we must provide the resources to spread "The Word."

### **113. Legal and Human Services Reports/Executive Session Minutes**

A motion was introduced and carried "to move into executive session to receive the legal report." During the executive session, the minutes from the executive sessions of the board's February meeting were also approved.

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### **113X. Executive Session I**

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### **114. Budget Presentations**

#### **A. Mission and Ministry Operating Budget**

In his introduction to the budget adoption process, Chairman Don Muchow expressed appreciation “for every dollar given to mission and ministry by trusting donors responding to the grace and Gospel of God” and emphasized the importance of accountability on the part of the board following the good work done by the program board and commission executives. He encouraged bearing in mind the work of the Blue Ribbon Task Force on Synod Structure and Governance and the importance of carefully assessing budget proposals in light of the Synod’s mission and vision, suggesting that there may be opportunities for creative Kingdom work during a time of economic downturn. He called on the board to lead by example, possibly reducing its own budget by 15 percent.

Tom Kuchta commented that the budget process, although very challenging, enjoyed the cooperation of Synod’s leadership who recognized the problem, worked together to provide for a balanced budget, and reduced requests for unrestricted funding by \$2.5 million. The budget process was also helped significantly by the salary and hiring freeze already adopted by the board (a reduction in spending of \$1.8 million).

Accounting Department Executive Director Charles Rhodes provided a detailed slide presentation (Section B, pp. 2.07ff.—attached to protocol copy of these minutes). After brief discussion of the presentation, the following resolution was introduced and adopted:

*Resolved*, That the Board of Directors approve the 2009/2010 Mission and Ministry Operating Budget as presented:

Total Spending Plan	\$81,403,378
Total Revenue (Source of Funding)	\$81,403,378
Surplus (Deficit)	\$0

and be it further

*Resolved*, That the Board of Directors allow non-material deviations to be made by the Vice-President–Finance—Treasurer to set the final budget consistent with the intentions of a surplus/balanced budget.

A breakdown of the budget by department of the Synod as adopted by the board follows:

AREA	UNRESTRICTED ALLOCATION	TOTAL BUDGET
<u>Program Boards:</u>		
Mission Services	\$ 3,599,209	\$ 29,893,592
<i>Fan into Flame</i> Fundraising	\$ (1,170,000)	\$ 3,315,026
Pastoral Education	\$ 1,212,094	\$ 3,350,394
University Education	\$ 4,990,272	\$ 5,045,272
District and Cong. Services	\$ 997,285	\$ 3,161,506
*Youth Gathering		
Communications	\$ 1,463,518	\$ 1,978,539
Human Care		\$ 10,658,861
National Housing Program		\$ 1,046,888
Black Ministry	<u>\$ 544,608</u>	<u>\$ 663,608</u>
Total Program Boards	\$ 11,636,986	\$ 59,113,686
 <u>KFUO</u>	 <u>\$ 209,206</u>	 <u>\$ 3,591,666</u>

<u>Suppl. Retirement to Veterans of the Cross</u>	\$ 27,157	\$ 462,675
<u>Ecclesiastical Services and Commissions:</u>		
Theology & Church Relations	\$ 703,376	\$ 972,776
Worship	\$ 316,526	\$ 448,526
Ministerial Growth & Support	\$ 384,783	\$ 603,013
Roster Maintenance	\$ 320,738	\$ 385,068
Recruitment Retention		
Conflict Resolution	\$ 18,400	\$ 18,400
Church Rel., Const., Structure, Concord	<u>\$ 509,863</u>	<u>\$ 529,863</u>
Total Eccle. Serv. and Comm.	\$ 2,253,686	\$ 2,957,646
<u>Synod Officers and Administration:</u>		
President & Vice-Presidents	\$ 1,078,022	\$ 1,384,022
Treasurer	\$ 329,336	\$ 329,336
Board of Directors	\$ 375,062	\$ 375,062
Secretary	\$ 315,054	\$ 332,554
Council of Presidents	\$ 153,500	\$ 153,500
Concordia Historical Institute	\$ 400,000	\$ 400,000
*Synod Convention		
Other	<u>\$ 482,415</u>	<u>\$ 482,415</u>
Total Officers & Admin.	\$ 3,009,869	\$ 3,333,369
<u>General and Administrative:</u>		
Accounting	\$ 1,903,356	\$ 2,246,286
External Audit	\$ 57,000	\$ 57,000
Internal Audit	\$ 647,969	\$ 1,044,469
Legal	\$ 450,000	\$ 450,000
State/Fed. Tax Reporting	\$ 119,934	\$ 137,534
Property/Insurance	\$ 647,197	\$ 4,933,275
Foreign Exchange	\$ 15,000	\$ 15,000
Human Resources	\$ 482,398	\$ 956,950
General Services	\$ 3,185,885	\$ 4,659,142
LCMS - Concordia Technologies	\$ 2,079,352	\$ 3,849,364
CrossConnect Project	<u>\$ 445,684</u>	<u>\$ 478,434</u>
Total General and Admin.	\$ 10,033,775	\$ 18,827,454
<u>Interest</u>	<u>\$ 59,940</u>	<u>\$ 227,500</u>
Contra-Expense Adjustment	\$ (7,110,709)	\$ (7,110,709)
Unallocated G & A Expense	<u>\$ 91</u>	<u>\$ 91</u>
Net Adjustment	\$ (7,110,618)	\$ (7,110,618)
<u>Total</u>	<u>\$ 20,120,000</u>	<u>\$ 81,403,378</u>
Projected Unrestricted Revenue	\$ 20,120,000	
Surplus (Deficit)	<u>\$ 0</u>	

\*Youth Gathering and Synod convention occur only every three years.

During the budget process, the matter of vacancies in program board executive director positions in light of the work of the Blue Ribbon Task Force on Synod Structure and Governance was discussed. Following the adoption of the budget, the following resolution was introduced and adopted:

*Resolved,* That because of the work of the Blue Ribbon Task Force on Synod Structure and Governance, the Board of Directors take seriously its responsibilities and

authority under Bylaws 3.3.5.3 and 3.3.5.5 (a) should steps be taken by program boards to fill vacant executive director positions at this time.

The Chief Administrative Officer was instructed to take this board action to any boards showing interest in filling executive director positions at this time.

Discussion followed regarding the board's own expenditures and the need to identify further budget reductions. After discussion of possible measures to be taken, the following resolution was introduced and adopted:

*Resolved*, That the Board of Directors direct the Chief Administrative Officer to strive to hold the board's actual expenditures to a level 15% below the budgeted amount.

The board continued its consideration of issues surfaced during the budget presentation. A motion was introduced and carried "to move into executive session to discuss seminary and university issues."

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## **114X. Executive Session II**

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Later in the meeting the board returned to its discussion of seminary concerns and possible steps to be taken. After the stated objectives of the next Board for Pastoral Education meeting were noted, the following resolution was introduced and adopted by the board:

*Resolved*, That in the interest of reduction of cost, achievement of savings, and improvement of quality, the Board of Directors request that the Board for Pastoral Education make a comprehensive study of the facilities, personnel, and efficiencies of present seminary education and provide a final report to the Board of Directors at the earliest possible date.

The board resumed discussion of matters surfaced during the budget discussion, including the possibility of centralizing certain services. The following resolution was introduced and adopted:

*Resolved*, That the Board of Directors direct staff to study centralized services possibilities, including printing, communication, and technology, and identify opportunities for efficiencies via the centralizing of services; and be it further

*Resolved*, That regular updates be provided to the board.

### **B. Capital Budget**

Charles Rhodes presented the proposed 2009/2010 Capital Budget for the board's consideration. Included in the budget:

KFUO Radio	Studio Console Control Boards	\$	31,272
	KFUO Building Air Conditioning Unit	\$	26,500
Concordia Technologies	Hosting (Network Storage Increase)	\$	22,000
	Corporate Synod Upgrades	\$	297,910

LCMS World Mission	Missionary Apartment Hong Kong	\$ 2,400,000
	Hanoi School – Registered Capital	\$ 3,100,000
CrossConnect	Constituency Relations Management	\$ 1,397,572
	Net Communities	\$ 214,952
General Services	Window Sealing	\$ 69,000
	Short Door/Power Assist	\$ 60,000
	Sliding Doors	\$ 26,114
	Upgrade Equipment – Mtg Rooms, Chapel	\$ 120,004
	Ceiling Replacement – Cafeteria Hallway	\$ 10,000
	Scanner – Research	\$ 5,000

After brief discussion, the following resolution was introduced and adopted:

#### Background

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

#### Action

*Resolved*, That the Board of Directors approve the 2009/2010 capital budget requests totaling \$7,780,324 as shown above by the detailed list, with funding provided by general corporate cash, capital debt, or through allocations to other corporate users.

#### C. Convention Budget

The 2010 Convention Budget was presented by Charles Rhodes for consideration. He noted the following factors impact the budget and result in an increase compared to previous conventions:

- Nine regional gatherings to inform delegates regarding the proposal of the Blue Ribbon Task Force on Synod Structure and Governance add \$387,400 to the budget
- Increased audio visual and labor costs will increase the budget significantly (e.g., a \$25,000 to \$108,000 increase for improved electronic voting equipment)
- Three additional days of food and lodging for the Council of Presidents, Board of Directors, Synod officers, convention staff, commissions due to increased length of convention
- Added meetings for Committee for Convention Nominations and Blue Ribbon Task Force on Synod Structure and Governance

The following resolution was introduced and adopted without discussion:

*Resolved*, That the Board of Directors approve the 2010 Convention Budget request totaling \$2,512,368 for the purpose of establishing the district per communicant assessment.

A breakdown of the 2010 Convention Budget is as follows:

	<u>2007</u>	<u>2010</u>	<u>Change</u>
Revenues:	\$40,000	\$40,000	\$0
Expenses:			
Pre-convention & Admin.	\$ 297,580	\$ 318,268	\$ 20,688
BOD/COP/Officers	96,600	260,650	164,050
Convention Week	407,700	739,500	331,800
Exhibit	20,500	27,000	6,500
Floor Committees	121,200	163,000	41,800
Installation Weekend	7,500	5,750	<1,750>
Public Relations	27,000	40,000	13,000
Publications	396,700	406,000	9,300
Delegate and Registration	33,250	22,000	<11,250>
Special Events	97,500	82,500	<15,000>
Tours	100	0	<100>
Worship Service	0	20,000	20,000
Nominations Committee	0	40,300	40,300
BRTFSSG	<u>0</u>	<u>387,400</u>	<u>387,400</u>
Total Expenses	\$ 1,505,630	\$ 2,512,368	\$ 1,006,738
Total Communicants	1,867,959	1,867,959*	
Assessment per Communicant	\$ 0.78462	\$ 1.32357	\$ 0.53895

Chairman Muchow and CAO Schultz were asked to convey by letter the thanks of the board to all who worked on the budgets.

### **115. Blue Ribbon Task Force on Synod Structure and Governance/CAO Performance Evaluation**

Task force Chairman Robert Greene expressed appreciation for the opportunity to meet with the board to address questions associated with the work of the task force. A motion “to move into executive session” was introduced and carried. While in executive session, the board also reviewed the performance evaluation of Chief Administrative Officer Ron Schultz.

### **115X. Executive Session III**

Near the end of the meeting, the board discussed further the report from the chairman of the Blue Ribbon Task Force on Synod Structure and Governance and the proposal by a member of the board that the task force consider including in its recommendations the position of chief executive officer, separate from the ecclesiastical structure, to handle the business of the Synod. The following resolution was introduced and adopted:

*Resolved*, That the Board of Directors strongly recommend that the Blue Ribbon Task Force on Synod Structure and Governance include in its final report the establishment of the position of Chief Executive Officer (CEO). Under this organizational plan (a) the president of the Synod will supervise all ecclesiastical aspects of the Synod; and (b) the CEO will supervise all business, legal, and property aspects of the agencies of the Synod to the extent such authority is assigned to the Board of Directors and the program and services entities of the Synod.

## **116. Committee Reports**

### **A. Issues, Etc. Committee**

As Committee Chairman Raymond Hartwig prepared to provide a report of the Issues, Etc. Committee's activities since the February board meeting, a motion "to move into executive session" was introduced and carried.

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## **116X. Executive Session IV**

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### **B. Personnel Committee**

Gloria Edwards reported regarding matters discussed by her committee. She noted that the introduction of some of the new software capabilities obtained by the Synod has been put on hold due to financial considerations. However, the work of consultants to evaluate the Synod's human resources department and its executive director position has moved forward toward the filling of the position this summer.

She called attention to the board's responsibility to fill one ordained parish pastor position and three layperson positions on the Board of Directors of Concordia Plan Services. Attention was called to a letter from Concordia Plans Services President James Sanft stressing the qualifications required for service on the board and offering information regarding the positions to be filled and several of the candidates for the positions. After discussion, the individuals appointed were the following:

- Rev. Ronald Carnicom, Hackensack, MN (parish pastor position)
- Mr. Phil Fluegge, Shelby Township, MI (benefit plan investment experience)
- Mr. Frederick Kraegel, Henrico, VA (benefit plan investment experience)
- Mr. Mark Schmidtke, Valparaiso, IN (employee benefit plan design experience)

A motion "to destroy the ballots" was introduced and carried.

After reporting that the Personnel Committee continues to work on compensation issues and is gathering compensation information from other church bodies, she called attention to her committee's proposal for a voluntary early retirement offering to assist further the Synod's efforts to reduce costs. After providing explanation for the proposal, the following resolution was introduced by the committee and adopted by the board:

*Resolved*, That the Board of Directors approve the offering of a Voluntary Early Retirement Program for employees of The Lutheran Church—Missouri Synod, age 62 and older, consisting of the following components:

1. A five percent incentive of annual salary to be paid out semi-monthly throughout a span of 60 months, the minimum incentive amount to be set at \$200.
2. Eligible employees less than 65 years of age shall have payments made directly to Concordia Plan Services for their Concordia Health Plan premiums at their current enrollment level or a lesser enrollment level through attaining age 65.
3. At age 65 and older, eligible employees shall have payments made directly to Concordia Plan Services for the Medicare Supplement coverage (both for themselves and their spouse if enrollment in the Concordia Plans has been based on employee and spouse coverage).
4. Combined time between 2 and 3 above will total five years.  
and be it further

*Resolved*, That following the offer of a Voluntary Early Retirement Program, positions vacated will remain subject to the hiring freeze.

### C. Audit Committee

Audit Committee Chairman Curtis Pohl walked the board through his committee's printed report (attached to the protocol copy of these minutes), providing a preliminary report of the results of an LCMS World Relief & Human Care Ministries Operational/Financial audit, commenting on the Internal Audit Department's Performance Report, updating the status of the 2008/2009 Internal Audit Department Objectives, and providing a progress report on corporate entity audits performed by the department.

He brought forward an action of his committee advocating that a letter of thanks be sent from the chairman of the Board of Directors to Concordia University Texas, congratulating them on their \$100 million relocation project that was completed on time and within budget. This prompted the introduction of a motion "to send a letter to Concordia University Texas as advocated by the Audit Committee." After the motion was carried, the committee suggested that the content of the letter include the following:

Greetings in the name of our risen Lord and Savior, Jesus Christ!

It was with great happiness that Synod's Board of Directors received the financial report summarizing the Concordia University Texas relocation project, which showed that a \$100 million project was completed on time and on essentially budget, with the variance being far less than one percent. On behalf of the entire Synod, and particularly on behalf of all those students who will benefit from the new campus which has been made possible in no small part by your excellent planning and management, thank you!

## **117. Action Items**

### A. Board for Mission Services Endowment Fund

Section 4 of the document governing the LCMS Board for Mission Services Mission Services Endowment Fund currently reads:

4. In addition to the distribution in paragraph 3, the Foundation shall distribute to the LCMS Board for Mission Services, from the corpus of the fund, such amounts as shall be determined necessary in the sole discretion of the LCMS Board for Mission Services for one of the following:

- a) an extraordinary emergency has occurred that requires a substantial expenditure that is not included in the LCMS Board for Mission Services' operating budget ("emergency"); or
- b) the operating expenses of the LCMS Board for Mission Services exceeds its available revenue for that year ("operating loss").

The Board for Mission Services during its April 17, 2009 meeting reviewed this provision in its Endowment Fund document and adopted a resolution to amend paragraph b). It noted that board has operated with the understanding, notwithstanding the discretionary language of paragraph b), that any portion of the operating loss of the LCMS Board for Mission Services would be paid out of available monies within the Mission Fund. It also noted that such practice could be reason for the fund "to lose somewhat of its endowment characteristic" and "discourage individuals from initially contributing to the fund." The board therefore took an action to amend paragraph b) and requested that the Board of Directors of the Synod agree to the amendment.

After brief discussion, the following resolution was introduced and adopted by the Board of Directors:

*Resolved*, That at the request of the Board for Mission Services and upon its resolution, the Board of Directors of The Lutheran Church—Missouri Synod does herewith concur with the recommended change to Section 4, paragraph b) of the LCMS Board for Mission Services Mission Services Endowment Fund, as follows:

- b) the operating expenses of the LCMS Board for Mission Services exceeds its available revenue for that fiscal year ("operating loss"), but only if there remains, after any payment under this paragraph, \$3,000,000 in the corpus of the Mission Fund.

#### B. LCMS World Mission Budget Deficit

In a May 8, 2009 conference call, the Board for Mission Services discussed its budget shortfalls despite the diligence of its staff in holding the line on expenses and implementing \$1.4 million in budget cuts during the current fiscal year. Allowing for continuing reductions in undesignated spending, a deficit of approximately \$2.5 million is anticipated.

The board also noted that approximately \$9.2 million in liquid assets has become available from the sale of property in Hong Kong, and that funds could be borrowed from these assets and then repaid as *Fan Into Flame* or other funding becomes available. The board therefore took an action to request that the Board of Directors of the Synod revise its restriction on the use of the Hong Kong Property Fund to allow for the operating deficit of LCMS World Mission at the end of the current fiscal year to be offset by monies from the fund. With the action the Board for Mission Services also committed itself to replenishing, in future years and from direct *Fan Into Flame* funds raised, all such monies which are borrowed from the Hong Kong Property Fund for the purpose of eliminating any operating deficit from the current fiscal year.

After brief discussion of the following resolution, it was introduced and adopted as follows:

*Resolved*, That at the request of the Board for Mission Services and upon their resolution, the Board of Directors of The Lutheran Church—Missouri Synod does herewith revise its restriction (August 2008 Board of Directors Minutes, attached to the protocol copy of these minutes) on the Hong Kong Property Fund to allow for monies from this fund to be used to offset the LCMS World Mission operating deficit for fiscal year 2008/2009.

### C. Approval of LCMS Foundation Articles of Incorporation and Bylaws

In an action taken by the LCMS Foundation Members on November 20, 2008, changes were made to the Eighth and Ninth articles of the Foundation's Articles of Incorporation. Article Eighth was amended to correct a number of cross-references, and Article Ninth was added to provide indemnification rights, as follows:

NINTH: The Corporation may or shall, as the case may be, provide indemnification to persons as follows:

- A. The Corporation shall indemnify, to the fullest extent to which it is empowered to do so under Missouri law or any other applicable laws as from time to time may be in effect, any officer or Trustee of the Corporation who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was an officer or Trustee of the Corporation, or is or was serving at the request of the Corporation as a member, director, trustee, officer, agent, or employee of another entity, against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding.
- B. The Corporation may indemnify any agent or employee of the Corporation who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was an agent or an employee of the Corporation, or is or was serving at the request of the Corporation as a member, director, trustee, officer, agent, or employee of another entity, against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding.
- C. Expenses incurred in defending a civil, criminal, or administrative action, suit, or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking, by or on behalf of the person to be indemnified, to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in these Articles or otherwise.
- D. The indemnification provided in this Article Ninth shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of the Members, or disinterested Trustees or otherwise, both as to actions in his or her official capacity and as to actions in another capacity while holding such office, and shall continue as to a person who has ceased to be an officer or Trustee (or agent or employee of the Corporation so chooses to indemnify) and shall inure to the benefit of the heirs, executors, and administrators of such person. The provision of this Article Ninth shall be deemed a contract between the Corporation and any person entitled to indemnification hereunder; provided, however, that nothing contained in these Articles shall prohibit the Corporation from entering into or requiring the Corporation to enter into individual indemnification agreements with any person the Corporation indemnifies.

Upon clarification that the Articles of Incorporation and amendments in question had already been reviewed by the Commission on Constitutional Matters, the following resolution was introduced and adopted:

*Resolved*, That the LCMS Board of Directors approved the LCMS Foundation Articles of Incorporation as amended by the LCMS Foundation Members on November 20, 2008.

The board turned its attention to an amendment to the LCMS Foundation Bylaws, Article II, Section 1, whereby the former statement, “No more than one elected Trustee can be from the same district of The Lutheran Church—Missouri Synod, and all trustees must be communicant members of congregations which are members of the Synod,” is proposed to read: “No more than two elected Trustees can be from the same district of The Lutheran Church—Missouri Synod, and all Trustees must be communicant members of congregations which are members of the Synod.”

Upon clarification that the Bylaws and amendments in question had already been reviewed by the Commission on Constitutional Matters, the following resolution was introduced and adopted;

*Resolved*, That the LCMS Board of Directors approve the LCMS Foundation Bylaws as amended by the LCMS Foundation Members on November 20, 2008.

#### D. Concordia University Wisconsin Bond Issue

In its April 2009 meeting, the Board for University Education adopted a resolution to endorse the request from Concordia University Wisconsin to refinance its current bonds (approximately \$17 million) and to utilize the bond issue for financing its environmental center and science laboratory projects, the total not to exceed \$21 million. The \$3.5 million request for the environmental center will be reduced by the amount of cash received for that project at the time that the bond is executed. The board recommended approval by the Board of Directors.

After brief introduction and explanation by Vice-President—Finance—Treasurer Tom Kuchta, the following resolution was introduced and then adopted without discussion:

WHEREAS, Concordia University Wisconsin, Inc. (“CU Wisconsin”) is the beneficiary of bonds issued by the Wisconsin Health and Educational Facilities Authority (the “Authority”) in 2005 and 2006, to wit: \$10,540,000 Variable Rate Demand Revenue Bonds, Series 2005 and \$12,000,000 Variable Rate Demand Revenue Bonds, Series 2006 (the “Prior Bonds”); and

WHEREAS, CU Wisconsin has determined to refinance the Prior Bonds (the “Refunding”) in order to provide improved credit enhancement in the form of a direct pay Letter of Credit issued by JPMorgan Chase Bank, N.A. (the “Letter of Credit”); and

WHEREAS, CU Wisconsin has determined to construct and equip an environmental center and science labs and related improvements on its campus (the “Project”); and

WHEREAS, CU Wisconsin intends to finance the cost of the Refunding and the Project through Revenue Bonds, Series 2009 (Concordia University Wisconsin, Inc.) (the “Bonds”) in an amount not to exceed \$20,000,000 to be issued by the Authority pursuant to a Trust Indenture between the Authority and The Bank of New York Trust Company, National Association and secured by the Letter of Credit; and

WHEREAS, In connection with the issuance of the Bonds, The Lutheran Church—Missouri Synod (“LCMS”) has been asked to execute various agreements pursuant to which LCMS would agree to refrain from taking certain actions such as exercising

reversionary rights that it has with respect to certain property owned by CU Wisconsin or related entities, during the time that the Bonds remain outstanding and CU Wisconsin's obligations with respect to the Bonds remain ongoing; therefore be it

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

*Section 1, Approval of Project and Refunding Transaction.* The request by CU Wisconsin to construct the Project and proceed with the Refunding and finance the same through issuance of the Bonds in an amount not to exceed \$20,000,000 is hereby approved. The Bonds will be variable rate bonds secured by the Letter of Credit. Obligations under the Letter of Credit will be secured by CU Wisconsin without an LCMS guarantee or any other financial obligation.

*Section 2, Authorization and Approval of Documents.* The following documents are hereby approved in substantially the forms presented to the Board of Directors of the LCMS at this meeting and inserted in the records of the LCMS (copies of which documents shall be filed in the records of the LCMS), and the LCMS is hereby authorized to execute and deliver each of such documents (the "Documents") with such officers' signatures thereon being conclusive evidence of their approval and the LCMS' approval thereof; (a) Second Amended and Restated Reversion Agreement (Nigbor Property) between the LCMS and CU Wisconsin, (b) Second Amended and Restated Reversion Agreement (School Sisters Property) among the LCMS, CU Wisconsin, and Concordia University Wisconsin Foundation, Inc., (c) Second Amended and Restated Reversion Agreement (Shawano Property) between the LCMS and CU Wisconsin, (d) Reversion Agreement (Huebner Property) among the LCMS, CU Wisconsin, and Concordia University Wisconsin Foundation, Inc., and (e) Campus Real Estate Reversion Suspension Agreement between the LCMS and CU Wisconsin.

*Section 3. Execution of Documents.* The officers of the LCMS are hereby authorized and directed to execute the Documents for and on behalf of and as the act and deed of the LCMS.

*Section 4. Further Authority.* The LCMS shall, and the officers, agents, and employees of the LCMS are hereby authorized and directed to, take such further action, and to approve and execute such other documents, certificates, and instruments, as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out and comply with and perform the duties of the LCMS with respect to the Documents.

*Section 5. Effective.* This Resolution shall be in full force and effect from and after its passage by the Board of Directors of the LCMS.

#### E. Concordia Theological Seminary Construction Proposal

Treasurer Tom Kuchta provided a brief history of the building project and reminded the board of the measures included in the construction project policy adopted by the Board for University Education that is soon also to be adopted by the Board for Pastoral Education. Extensive discussion followed regarding a concern with the lease agreement, regarding whether this constitutes a change to the seminary's Master Plan, and regarding the role of the Board of Directors at this point in the process. The following resolution was adopted:

*Resolved*, That the Board of Directors, having reviewed the proposal of Concordia Theological Seminary under the powers granted to it by Bylaw 3.3.5.5 (a) (2), request

that the Board for Pastoral Education and the seminary's Board of Regents review the long term lease in light of the following:

- Concern that the lease contains no provision to ensure that the theological content of the material produced will be consistent with the doctrine of The Lutheran Church—Missouri Synod.
- Concern should the seminary change its physical plant needs;
- Concern that there is no evidence that due diligence has been performed to determine the financial ability of the lease partner;
- Concern that there is no evidence that documents have been reviewed by legal counsel; and
- Concern that there is no evidence that the construction project has been carried out in such manner to assure that encumbrances such as mechanics liens have not been attached.

### **118. KFUE Discussion**

Chairman Donald Muchow called on KFUE Committee Chairman Walter Tesch for the committee's report. A motion "to move into executive session" was introduced and carried.

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### **118X. Executive Session V**

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Later in the meeting, the chair provided opportunity for Walter Tesch to share a document he produced regarding a new era of communication opportunities (attached to the protocol copy of these minutes).

### **119. Wittenberg Project Discussion**

Chairman Donald Muchow offered opening remarks, making comparisons to a "trip to Abilene" anecdote first used by management expert Jerry B. Harvey in an article, "The Abilene Paradox and other Meditations on Management." He noted that the Synod has expended funds and efforts that to date have not produced an outcome of mission and ministry and compared this to the classic "trip to Abilene." He encouraged the board to decide on a course of action that can be passed along to the board that has supervisory responsibilities for the project.

President Gerald Kieschnick highlighted observations made in his report following his February 26 trip to Wittenberg (report attached to protocol copy of these minutes) and summarized the recommendations he was led to make by his visit. Samuel Nafzger added observations as a participant in the trip to Germany, emphasizing two major issues for the board to take into consideration: (1) There are indeed fiscal matters that must be dealt with by the board, and (2) there also are church relations implications that require sensitivity on the part of the board. David Mahsman, also a trip participant, called attention to a report by LCMS World Missions Area Director, Brent Smith, cautioning against certain uses of the property and emphasizing the importance of a connection with the Wittenberg community.

The board turned its attention to an action proposing changes to its appointments to the Supervisory Board of the International Lutheran Society of Wittenberg. The society's Articles of Association include the following regarding the composition of the board:

- (1) The Company (ILSW) has a supervisory board consisting of 7 (seven) members. The supervisory board carries out the duties assigned to him [sic] by these Articles of Association. Further tasks and competencies can be assigned to the supervisory board by a resolution of the shareholders' meeting.
- (2) The shareholders' meeting is further responsible for regulating the activity of the supervisory board and the procedure by which it can pass resolutions and determining the remuneration to be granted to the advisory board members.
- (3) The members of the supervisory board shall be appointed as follows:
  - (a) LCMS will nominate 2 (two) supervisory board members.
  - (b) Concordia Publishing House (CPH) will nominate further 1 (one) supervisory board member.
  - (c) SELK will nominate further 3 (three) supervisory board members.
  - (d) The two entities named supra lit. (a) and (b) jointly nominate 1 (one) further supervisory board member.

The maximum term of office of the supervisory board members shall be four years. The shareholders' meeting can determine a shorter term of office for all supervisory board members. Re-appointment is permitted.

A shareholder or shareholder jointly entitled to nominate a supervisory board member may at any time recall and replace a supervisory board member he/they has/have nominated. In this case, he/they shall notify in writing the other shareholders, the supervisory board, and the managing directors without undue delay.

- (4) Meetings of the supervisory board can be convened by any board member and by any managing director. Paragraph 8 (2) applies accordingly. The supervisory board will meet at minimum once a year, *inter alia* to adopt the annual financial statement.
- (5) The supervisory board meeting is quorate if all board members have been properly invited and at least 4 (four) are present or duly represented.

The following resolution was introduced and discussed extensively. An additional resolve "that by this action the Board of Directors does not commit the LCMS to further expenses at this time related to the renovation of the building" was offered as an amendment to the resolution and was carried. A second additional resolve "that the Board of Directors regularly receive reports at its regularly scheduled meetings" was also offered as an amendment to the resolution and was carried. After further discussion, the amended resolution was adopted as follows:

*Resolved*, That the Board of Directors reaffirm Thomas Kuchta's place on the Supervisory Board of the International Lutheran Society of Wittenberg; and be it further

*Resolved*, That the Board of Directors rescind its November 2007 delegation for appointment of the second LCMS member to the Supervisory Board of the International Lutheran Society of Wittenberg, given jointly to the Board for Mission Services and the Board for Human Care Ministries; and be it further

*Resolved,* That the LCMS Board of Directors appoint Samuel Nafzger as the second LCMS appointee to the supervisory board; and be it further

*Resolved,* That the above-named representatives (Thomas Kuchta and Samuel Nafzger) jointly cast the vote for the LCMS half of the ILSW supervisor to be named jointly by the LCMS and CPH; and be it further

*Resolved,* That the Board of Directors direct its representatives to put forward and recommend to the Concordia Publishing House Board of Directors the appointment of Kermit (Butch) Almstedt, chairman of the LCMS Board for Mission Services, as the joint representative of the LCMS and CPH; and be it further

*Resolved,* That by this action the Board of Directors does not commit the LCMS to further expenses at this time related to the renovation of the building; and be it finally

*Resolved,* That that the Board of Directors regularly receive reports at its regularly scheduled meetings.

## **120. Board for University Education**

Board for University Education Executive Director Kurt Krueger reported that the Board of Regents of Concordia University Ann Arbor at its April 24, 2009 meeting adopted a resolution which stated that “Concordia University Ann Arbor pursues consolidation (LCMS Bylaw 3.8.3.4 [p]) with Concordia University Wisconsin. He noted that the bylaw grants to his board the “authority, after receiving the consent of the Board of Directors of The Lutheran Church—Missouri Synod by its two-thirds vote or the appropriate board of regents by its two-thirds vote, to consolidate, relocate, separate, or divest a college or university.” The Ann Arbor Board of Regents also directed its president to proceed with a fact-finding process involving individuals from the four entities mentioned in the bylaw and accomplish the necessary “due diligence” for both Concordia Ann Arbor and Concordia University Wisconsin, as well as the Board of Directors and the Board for University Education of the Synod, with recommendations for implementation to be presented by July 1, 2009.

He offered as the reason for pursuing consolidation the struggle of the Ann Arbor school over three decades to achieve sustainability, evidenced by negative financial results in nine of the past ten years, a projected current-year deficit of \$1.5 million, significantly lower undergraduate and total student enrollments compared with the previous year, and a growing accumulated debt of \$15.5 million. Consolidation with Concordia University Wisconsin is being pursued because the Wisconsin school is a strong educational institution capable of strengthening the ministry of Lutheran higher education in lower Michigan by providing experienced administrative, academic, and financial leadership, new academic and co-curricular programs, and robust admissions, fundraising, and IT processes. Concordia University Wisconsin’s leadership team has expressed interest in consolidation and has presented a plan for merging the two schools.

He reported that the Board of Regents of Concordia University Wisconsin will be considering the Ann Arbor regents’ resolution to pursue consolidation. If they approve moving forward, a study team will be formed to accomplish due diligence and will report its findings by July 1, making a recommendation regarding next steps in relation to a possible consolidation.

He also provided brief reports from Concordia University Irvine, which experienced a net loss of \$5.4 million in 2009 but still regards “breaking even” a possibility for 2009, and Concordia College Selma, which anticipates a balanced budget by 2010. In the latter case, the search for a next president is

underway, with the close of the nominations process on July 31. The school is also looking at a proposal to acquire the United Methodist Children’s Home properties (37 acres; 18 buildings).

In the discussion that followed, Vice-President–Finance—Treasurer Tom Kuchta, who will serve on the Ann Arbor study team, reminded the board that the study will be completed by July 1 and recommended that the board wait for a report at its August meeting.

### **121. Board of Directors Development**

Dr. Lynne Walker was welcomed to the meeting and provided a brief oral report from a survey of the board, noting that questions regarding the board’s responsibilities scored lowest on the survey. A full written report will be provided to the board.

Much of Dr. Walker’s time with the board was spent in discussion of what are the “ends” that the board is working to achieve. The board directed its attention to the objectives of the Synod provided in its Constitution (Article III) and discussed which of the objectives seem to be adequately addressed, which are most important, their appropriateness for the Synod’s environment today, and their importance to the board in its role as steward of the resources of the Synod. There was general agreement that “stewardship” (*i.e.*, “efficiency”) may be the best description of the board’s responsibilities—something over which the board does have some control.

Dr. Walker will take this consensus and work at producing some performance measures to help assess forward movement, financial efficiency, teamwork, synergy, consecration, partnership, etc.

### **122. Adjournment**

All business to come before the board having been attended to, a motion “to adjourn the meeting” was introduced and carried and the meeting was closed with prayer.

Raymond L. Hartwig, Secretary