

MINUTES

LCMS BOARD OF DIRECTORS Airport Crowne Plaza Hotel St. Louis, Missouri September 10–11, 2010

[Note: The members of the Board of Directors participated in the September 9 orientation activities for all board and commission members provided by the President's Office at the St. Louis Crowne Plaza Airport Hotel, and attended the September 11 Installation Service for all officers and newly elected board and commission members at Concordia Seminary.]

1. Call to Order, Opening Prayer, and Adoption of Agenda

This first Board of Directors meeting of the triennium was called to order by Chief Administrative Officer Ron Schultz serving as interim chairman. He noted the presence of all members of the board except James Carter (who participated in the first session of the meeting via telephone conference call due to a family schedule conflict). Curtis Pohl, who served as the chaplain for the meeting, provided the opening prayer.

Chief Administrative Officer Schultz provided a brief overview of the agenda of the meeting and of the weekend activities associated with the installation of newly elected officers and board and commission members. He proposed two changes to the printed agenda for the meeting: (1) Concordia University System Interim Executive Director Alan Borcharding will present a report during the Friday afternoon session; and (2) James Carter has asked that the board consider changing the order of business to hold board officer elections at an earlier time than scheduled to accommodate his participation by telephone. After a motion “to adopt the agenda as introduced” was made and seconded, a motion “to amend the agenda by making the proposed changes” was introduced and carried. Without further discussion, the motion was also carried as amended.

2. Personal Introductions

In preparation for the election of board officers, each member of the board was asked to share background information regarding family, professional experience, and service in the church.

3. Board of Directors Officers Elections

The chair reviewed the election process used by the board in the past. A motion was introduced “to proceed accordingly.” Discussion followed regarding how James Carter would participate in the voting process. After it was agreed that he would use his cell phone to communicate his vote directly to those tallying the votes, the motion was carried.

A. Election of Chairman: After Donald Muchow and Robert Kuhn were nominated for the position of chairman, nominations were closed and ballots were cast and counted (Muchow – 6; Kuhn – 9). Robert Kuhn was declared elected chairman of the Board of Directors for the 2010–2013 triennium. He expressed appreciation for the confidence placed in him by the board, also recognizing the good service of the previous chairman, Donald Muchow. The latter expressed his appreciation for the cooperation he received during the past triennium and assured the board of his willingness to assist the new chairman. Chairman Kuhn assumed the chair for the remainder of the meeting.

B. Election of Vice-Chairman: After Donald Muchow and Michael Kumm were nominated, nominations were closed and ballots were cast and counted (Muchow – 6; Kumm – 9). Michael Kumm was declared elected vice-chairman of the Board of Directors.

Election of Representative At-Large: After Gloria Edwards and Walter Brantz were nominated, nominations were closed and ballots were cast and counted (Edwards – 6; Brantz – 9). Walter Brantz was declared elected representative at-large on the Board’s Executive Committee.

A motion “to destroy the ballots” was introduced and carried.

Later in the session, Dr. Kuhn noted that one of the responsibilities of the chairman is the appointment of members to the board’s personnel, policy, and audit subcommittees. He asked for the members’ input regarding their preferences for service on one or other of the committees, stating that assignments would be made by the end of the meeting.

At the start of the second day’s session, Chairman Kuhn shared additional thoughts as the newly elected chairman, particularly noting the need for the board to stay within its areas of responsibility: business, finance, and legal. He assured the board of his intention to do everything possible to enable the members to work together, even in times of disagreement. He stated his intention to chair meetings in an orderly manner according to *Roberts Rules of Order*, also continuing the practice of allowing discussion before motions are made and entered into the minutes.

4. Board of Directors Responsibility—LCMS Handbook

Secretary Raymond Hartwig provided copies of draft versions of those portions of the 2010 *Handbook* of particular significance to the board. These included Constitution Article XI E, “Composition and Duties of the Board of Directors”; Bylaws 3.3.4.2ff. outlining the powers and duties of the board; Bylaw sections 1.4 and 1.5 governing relationships in and general regulations for agencies of the Synod; Bylaw 3.2.5 and the board’s responsibility for filling vacancies in elected board and commission positions; and Bylaw 3.12.1 and the board’s responsibility, acting jointly with the Council of Presidents, to designate the five geographic regions to facilitate regional elections at the 2013 Synod convention.

The board also discussed the consequences of the decision of the convention (Res. 8-16A) to retain the 2007 *Handbook* composition of the Board of Directors until the 2013 convention elections. The Vice-President–Finance—Treasurer will continue to serve as a nonvoting member until such time as the amendments to Articles X and XI of the Constitution are ratified by the congregations of the Synod. Secretary Hartwig also reported that the Commission on Constitutional Matters has determined that new Bylaw 3.3.4.1 will require modification by the Commission on Handbook to include the Secretary of the Synod as a voting member of the board, this in keeping with Article F 1 of the Constitution (unchanged by the convention).

5. Quarterly Board of Directors Process, Dockets, and Meetings, and Introduction to Board Portal

[In the absence of the Secretary for a portion of the meeting due to his participation in the orientation of the new mission boards of the Synod, board member Kurt Senske served as interim secretary and is responsible for the minutes contained in this section.]

Chief Administrative Officer Ron Schultz, after introducing his executive assistant, Brenda Wilson, provided an orientation for the members of the board that included an overview of the quarterly board process; explanation of the docket, supplemental docket, and committee material information provided to board members prior to meetings; example of typical board and committee meeting schedules; description of “special” board meetings and actions; meeting minutes; communication between staff and board members; expectations of confidentiality of certain board materials; and the purpose of and content placed on the board Internet portal.

During discussion, it was suggested that the Policy Committee review whether it would be best practice for risk management or legal counsel to review the minutes of board meetings prior to their distribution and dissemination. It was agreed that the committee should take another look at current policy and practice governing the board’s minutes.

6. Convention Actions: Impact on Board of Directors

Secretary Raymond Hartwig provided a brief overview of convention actions significantly impacting the Board of Directors, as follows:

| <u>Res./Ov.</u> | <u>Title</u> | <u>Action</u> |
|-----------------|--|--|
| Res. 1-08 | To Encourage Wittenberg Project | Assist in informing the Synod |
| Res. 2-03 | To Appoint Task Force to Study Congregational Size, Generations, and Life-Stage Ministries | Assist Task Force in regular reporting |
| Res. 4-02 | To Address Corporate Synod’s Financial Crisis | Consider recommendations of Blue Ribbon Task Force for Funding the Mission/evaluate all assets |
| Res. 4-04A | To Study Higher Education System and Bring an Action Plan to 2013 Convention | Appoint task force to research fiscal strength of LCMS system and bring recommendations to next convention |
| Res. 4-05 | To Revise Convention Election Process | Establishes order of BOD elections |
| Res. 4-08 | To Improve Procedure for Establishing Synod Convention Times and Locations | BOD made responsible for site of Synod conventions |
| Res. 4-14 | To Amend Bylaw 1.5.3 re Agency Meetings meetings | BOD to establish policy for agency |
| Res. 7-03 | To Provide for Removal of Individual Board Commission Members | Establishes role for BOD in board or member removal process |

| | | |
|-------------------------------|---|--|
| Res. 8-07 | To Study Future District Function and Configuration | Board has role in possible realignment/reconfiguration of districts |
| Res. 8-08A | To Realign National Synod Ministries Around Two Mission Boards | BOD assumes BUE functions/consults re “transition team”/develops policy for RSO granting process |
| Res. 8-09 | To Develop Process for Developing Triennial Mission and Ministry Emphases | BOD to embrace mission and ministry emphases and develop ministry goals |
| Res. 8-10 (also Res. 8-39) | To Amend Constitution Articles X and XI | BOD to appoint Chief Financial Officer |
| Res. 8-12A | To Direct Board of Directors to Amend the Bylaws as Necessary | BOD to resolve bylaw issues left over from convention |
| Res. 8-14A | To Elect Five Vice-Presidents by Geographic Region | BOD and COP to designate five region boundaries |
| Res. 8-16A | To Ensure Regional Representation on the Board of Directors | BOD composition to change with 2013 convention |
| Res. 8-40 | To Perform Final Audit of Outgoing Boards and Administration | Perform audit of outgoing boards and administration |
| Ov. 1-07 | To Set Aside Reformation Day 2010 for Fasting, Prayer, Confession, Repentance | Observe Synod-wide day of fasting, prayer, confession, and repentance |
| Ov. 4-06 | To Establish KFUE-FM Endowment Funds for Seminary Tuition | Establish two endowment funds from proceeds of KFUE-FM sale |
| Ov. 4-07 | To Affirm Integral Value of KFUE and Seminaries | BOD cautioned regarding liquidation of assets in manner detrimental to work of LCMS |
| Ov. L4-28 | To Commit 53 rd Sunday Offering in 2012 to Support Church Missions | Commit to a special offering in 2010 for mission work |

In discussion that followed, the Secretary was asked to place the text of these resolutions on the board portal.

7. Policy Manual and Financial Orientation

Chief Administrative Officer Ron Schultz walked the board through the latest version of the Board of Directors Policy Manual, noting the content of each chapter and responding to questions throughout.

Vice-President–Finance—Treasurer Tom Kuchta provided an introduction to financial matters for the particular benefit of the new members of the board, describing the budget process and noting all of the resources available in the financial reports provided to the members of the board, including the program budget summary, operating budgets, debt and loan guarantees, unrestricted assets of corporate Synod and related entities, total dollars appropriated per ministry department, total expenses, monitoring, accounting

department activities, and statements of financial position. He concentrated particular attention on the net assets section of the Statement of Financial Position, explaining the various kinds of assets to be reported by a nonprofit corporation.

8. Concordia University System Report

Concordia University System Interim Chief Executive Alan Borcharding provided an update regarding Concordia Ann Arbor, stating that the school continues to work on increasing enrollment and improving its financial position. While it is too soon for firm fall enrollment data, the following is known: (1) The administration believes that traditional undergraduate enrollment will meet the school's fall goal. (2) The administration is dramatically increasing its fundraising efforts. (3) The Vice-President of Enrollment Management has accepted a position with another institution—a difficult time for a vacancy in this position as recruitment efforts begin for the fall 2011 entering class. He noted that while Dr. Rusty Nichols and the administration are working hard to improve the school's enrollment and finances, the Michigan economy is presenting a significant challenge.

Following the presentation, a motion was introduced and carried “to move into executive session.”

8X. Executive Session I

After exiting executive session and after brief discussion of the Concordia Ann Arbor situation, a motion was introduced “that the Board of Directors suggest to the Interim Chief Executive that he ask for a meeting of the four agencies involved to address further the substance of what has been reported at this meeting.” After prolonged discussion, a motion was introduced and carried “to postpone the matter until a time determined by the chair later in the meeting.”

At this time the board turned its attention to the action item in its docket: “Auditor Letter of Representation of Support, Concordia Ann Arbor.” The school's external audit firm has requested that the LCMS state its ongoing support for the institution during the current fiscal year. The nature of the support is to pledge that the Concordia University System Line of Credit will continue to be available as already promised. No pledge of operating funds or subsidy is required. After explanation by Alan Borcharding and Tom Kuchta and brief discussion, the board adopted the following resolution:

Resolved, That the LCMS Board of Directors authorizes the Treasurer of the Synod to send the following statement to the audit firm Rehman Robson:

“Concordia University – Ann Arbor may not be able to continue as a ‘going concern’ without continued financial support from The Lutheran Church—Missouri Synod (‘Synod’) and Concordia University System (‘CUS’) and the availability of a line of credit to finance the operations through the period ending June 30, 2011.

“As Vice-President–Finance—Treasurer of the Synod and as authorized by the Board of Directors of the Synod, I represent that the existing authorized CUS line of credit is and will

remain available to meet the operational cash flow and debt principal needs of the university through June 30, 2011.

“The existing CUS line of credit, combined with the MICEF Letter of Credit, should suffice to meet operational needs through June 30, 2011.”

Later in the meeting, the matter that was postponed (see above) was brought back by the chair. Further information was provided by Chief Administrative Officer Ron Schultz, including the suggestion by the interim CUS executive that two representatives from each of the four involved groups meet prior to the board’s next meeting in Nashville, the outcome of the meeting to be shared with the four groups as deemed helpful and necessary. A motion was introduced and carried “to move into executive session” to discuss this suggestion.

8XX. Executive Session II

After moving out of executive session, a motion “to table the resolution” in question was introduced and carried. It was the consensus of the board that a meeting of representatives of the involved groups should take place, Chairman Kuhn inviting board members interested in serving in this manner to express their interest to him.

9. Status of National Office Implementation/Officers’ Reports

A. President

President Matthew Harrison reported on early activities of his new administration, providing extensive detail of the progress being made. He called particular attention to the eleventh resolve of 2010 Res. 8-08A, “That due to the significant impact of these decisions and with the understanding that for ‘decency and order,’ care be taken that the implementation of these actions not bring undue hardship on ministry and personnel charged with these national operations, a ‘transition team’ will immediately be put together by the President of the Synod in consultation with the Board of Directors and the Council of Presidents.”

Regarding the “transition team” called for in the resolution, President Harrison expressed his openness to input provided by the Board of Directors regarding the makeup of this team. In discussion that followed, members of the board offered suggestions for how to proceed and for the makeup of this team, with the “immediately” required by the resolution understood to refer to the initiation of transition efforts. Suggestions for members of the transition team were offered, and the chairman of the board offered the board’s assistance.

The President named the three individuals who will work most closely with him as his staff. Rev. Jon Vieker will serve as Senior Assistant to the President, Mrs. Barbara Below will serve as Assistant to the President, and Dr. Albert Collver will serve as Director of Church Relations—Assistant to the President.

B. Vice-President

First Vice-President Herbert Mueller expressed his appreciation for being a member of the Board of Directors and spoke of his transition from the Southern Illinois District to the Synod. He responded to comments and questions and assured the board of his interest in working hard at transition with the rest of the new administration during these early days after the convention.

C. Secretary

Secretary Raymond Hartwig called attention to his printed report (Section A – Page 67, attached to the protocol copy of these minutes) also calling attention to the minutes from the May 20–21, June 11, July 12, July 15, and August 18 meetings of the board. Each, in turn, was approved as presented.

A motion was introduced and carried “to move into executive session to consider approval of the executive session minutes” accompanying the regular minutes just approved.

9X. Executive Session III

Secretary Hartwig also reported briefly on progress being made on the Constitutional Amendment Ballot, the *Convention Proceedings*, and the 2010 *Handbook*.

D. Chief Administrative Officer

Chief Administrative Officer Ron Schultz called attention to his printed report (Section A – Page 69ff., attached to protocol copy of these minutes) and provided an update on nominations received for the Chief Financial Officer position. He also provided a brief explanation of the LCMS CrossConnect project for the benefit of the new members of the board, also noting progress that is being made on several phases of the project under the very capable leadership of Aileen Sandoval, Special Projects Coordinator.

10. Legal Orientation Overview

Chairman Kuhn called on Sherri Strand of Thompson Coburn LLP, legal counsel for the Synod, for a brief orientation for new members of the board. She described who and what Thompson Coburn is, where it maintains offices, and the variety of services provided by Thompson Coburn as the Synod’s legal counsel. She also spoke to the board members regarding their fiduciary duties (terminology that courts and statutes use to describe the relationship of a member to his/her board) and regarding conflicts of interest bylaw requirements, attorney/client privilege, and confidentiality expectations.

Upon completion her orientation presentation, a motion “to move into executive session to receive the legal report” was introduced and carried.

10X. Executive Session IV

After the board returned to open session, the chair called on Vice-President–Finance—Treasurer Tom Kuchta for his report.

11. Officers’ Reports (continued)

E. Vice-President – Finance—Treasurer

After momentarily calling attention to his regular report and offering to respond to any questions (Section A – Page 1ff., attached to protocol copy of these minutes), Chief Financial Officer Kuchta directed the board’s attention to an August 26 memo he provided to the board, “Items to be Considered as Cost Reduction Measures” (Section C[S] – Page 129), some of which, he noted, can be undertaken by the board without convention action. In addition to a proposed new funding model, the memo included mention of the 2009 early retirement program, the number of administrative assistants employed in the International Center, consolidation of certain staff functions, printing expense, KFUO and Synod ministries fundraising, study of space needs, and other potential cost-reduction measures. He noted in particular several 2010 convention resolutions, in particular Res. 4-02 “To Address Corporate Synod’s Financial Crisis” and its resolve that the board evaluate all assets of the Synod, “taking action to ensure that they are being used effectively to carry out the Synod’s mission and ministry.” He noted that these are items that will require considerable time and attention.

He also noted that the board has approved annual fundraising for unrestricted income (though the first such effort ended up partially derailed) and suggested that the board consider no longer funding ministries with unrestricted income, these ministries in return not charged for general and administrative expenses. After lengthy discussion of the presentation and how its content might be moved forward, it was agreed that main players such as the Administrative Team and the newly established Operations Team (Bylaw section 3.5) should take this up and bring a proposal back to the board.

12. Action Items

A. Revised 2010/2011 Budget

Chief Financial Officer Tom Kuchta provided a brief explanation for the need to adopt a revised budget as a result of decisions made by the 2010 Synod convention, specifically noting that \$2 million of KFUO-FM sale proceeds to cover transaction costs have been included. After its introduction and a detailed look at the proposed changes to the budget adopted in May 2009, the following resolution was adopted:

Resolved, That the Board of Directors approve, as revised, the 2010/2011 Mission and Ministry Operating Budget as follows:

| | |
|-----------------------------------|--------------|
| Total Spending Plan | \$86,931,920 |
| Total Revenue (Source of Funding) | \$87,181,714 |
| Surplus (Deficit) | \$ 249,794 |

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 a final budget that is consistent with the intentions of a surplus/balanced budget.

The revised spending plan adopted by the board (with revised 2010/2011 numbers *italicized*) follows:

The Lutheran Church—Missouri Synod
Corporate Synod
Revised 2010/2011 Mission and Ministry Operating Budget

| | Total Expense Budget | | Undesignated Revenue | |
|---|----------------------|------------|----------------------|-------------|
| | 2010/2011 | 2009/2010 | 2010/2011 | 2009/2010 |
| Program Boards: | | | | |
| Missions | 30,539,874 | 29,893,592 | 3,537,157 | 3,599,209 |
| Fan into Flame | 1,547,901 | 3,315,026 | (1,650,000) | (1,170,000) |
| Pastoral Education | 3,416,696 | 3,350,394 | 1,141,801 | 1,212,094 |
| University Education | 5,442,494 | 5,045,272 | 5,344,274 | 4,990,272 |
| District & Cong. Services | 3,058,698 | 3,161,506 | 808,724 | 997,285 |
| Youth Gathering | 6,880,205 | | | |
| Communications | 2,145,879 | 1,978,539 | 1,574,040 | 1,463,518 |
| Human Care | 7,743,053 | 10,658,861 | | |
| Nat'l Housing Program | 1,586,341 | 1,046,888 | | |
| Black Ministry | 675,163 | 663,608 | 519,188 | 544,608 |
| Total Program Boards | 63,036,304 | 59,113,686 | 11,275,184 | 11,636,986 |
| KFUO | 2,093,319 | 3,591,666 | 478,194 | 209,206 |
| Suppl. Retirement Vets of the Cross | 520,019 | 462,675 | 27,157 | 27,157 |
| Eccl. Services and Commissions: | | | | |
| CTCR | 788,685 | 772,776 | 729,185 | 703,376 |
| Comm. On Worship | 434,804 | 448,526 | 269,189 | 316,526 |
| Comm. Min. Growth and Support | 610,923 | 603,013 | 367,611 | 384,783 |
| Roster Maintenance | 409,500 | 385,068 | 342,170 | 320,738 |
| Recruitment Retention | | | | |
| Conflict Resolution | 50,400 | 18,400 | 50,400 | 18,400 |
| Ch. Rel., COS, CCM, Concord | 616,899 | 529,863 | 576,899 | 509,863 |
| Total Eccl. Serv. and Comm. | 2,911,224 | 2,757,646 | 2,335,467 | 2,253,686 |
| Synod Officers and Administration: | | | | |
| President/Vice-Presidents | 2,547,638 | 1,384,022 | 2,254,638 | 1,078,022 |
| Treasurer | 406,610 | 329,336 | 406,610 | 329,336 |
| Board of Directors | 379,055 | 375,062 | 379,055 | 375,062 |
| Secretary | 332,106 | 315,054 | 332,106 | 315,054 |
| Council of Presidents | 153,750 | 153,500 | 153,750 | 153,500 |
| Concordia Historical Institute | 500,000 | 400,000 | 500,000 | 400,000 |
| National Convention | 2,512,368 | | | |
| Circuit Counselors Conference | 4,500 | | 4,500 | |
| Other | | 358,895 | | 358,895 |
| Total Officers/Administration | 6,836,027 | 3,315,869 | 4,030,659 | 3,009,869 |
| General and Administrative | | | | |
| Accounting | 2,128,569 | 2,246,286 | 1,803,468 | 1,903,356 |
| External Audit | 100,000 | 57,000 | 100,000 | 57,000 |

| | | | | |
|-------------------------------|--------------------|--------------------------------|--------------------|-------------|
| Internal Audit | 976,293 | 1,044,469 | 578,293 | 647,969 |
| Legal | 450,000 | 450,000 | 450,000 | 450,000 |
| State/Federal Tax Reporting | 142,164 | 137,534 | 124,564 | 119,934 |
| Property and Insurance | 4,916,409 | 4,933,275 | 673,450 | 647,197 |
| Foreign Exchange | 10,000 | 15,000 | 10,000 | 15,000 |
| Human Resources | 1,244,622 | 956,950 | 769,951 | 482,398 |
| General Services | 4,764,131 | 4,659,142 | 3,223,045 | 3,185,885 |
| Concordia Technologies | 3,290,653 | 3,849,364 | 2,639,153 | 2,079,352 |
| Cross Connect Project | 784,017 | 478,434 | 15,552 | 445,684 |
| Total Gen. and Admin. | 18,806,858 | 18,827,454 | 10,387,476 | 10,033,775 |
| Interest | 120,600 | 227,500 | (816,500) | 59,940 |
| Contra-Expense Adjustment | (7,395,501) | (7,110,709) | (7,392,501) | (7,110,709) |
| Unallocated G & A Expense | 71 | 91 | 71 | 91 |
| Net Contra-Expense Adjustment | (7,392,430) | (7,110,618) | (7,392,430) | (7,110,618) |
| Total | 86,931,920 | 81,185,878 | 20,325,206 | 20,120,000 |
| | | Projected Unrestricted Revenue | 20,575,000 | 20,120,000 |
| | | Surplus/(Deficit) | 249,794 | |

The above report includes the following major adjustments to the budget that was approved May 2010:

| | Total <u>Expense</u> | Sales & <u>Service</u> | Restricted <u>Funds</u> | Unrestricted <u>Funds</u> | <u>Surplus</u> |
|-----------------------------------|-------------------------|---------------------------|----------------------------|------------------------------|-----------------|
| 2010/2011 Approved Budget | \$81,593,554 | \$21,601,135 | \$46,893,751 | \$19,098,667 | \$1,326,333 |
| Adjustments: | | | | | |
| LCEF Support | | | | | 50,000 |
| National Offering | | | | | 100,000 |
| New Mission Executives | 340,715 | | 340,715 | | -340,715 |
| New Board Meeting Expenses | 105,600 | | 105,600 | | -105,600 |
| President Office Budget Revisions | -1,059 | | 1,000 | -2,059 | 2,059 |
| Transition Costs – President | 425,028 | | | 425,028 | -425,028 |
| District Functions Task Force | 65,000 | | | 65,000 | -65,000 |
| Church Relations Transition Costs | 82,569 | | | 82,569 | -82,569 |
| Church Relations Revisions | 36,007 | | 40,000 | -3,993 | 3,993 |
| Eliminate Program Board Meetings | -114,500 | | -12,000 | -102,500 | 102,500 |
| Eliminate WR/HC Staff Positions | -371,574 | | -371,574 | | |
| WR/HC Other Expense – G & A | -91,588 | | -91,588 | | |
| Housing Corp. Adjustment | 269 | 177 | 92 | | |
| Eliminate Worship Executive | -88,286 | | -55,000 | -33,286 | 33,286 |
| Worship Additional Grant | 55,000 | | 55,000 | | |
| DCS Additional Grant | 20,000 | | 20,000 | | |
| Additional Audit Fees | 13,000 | | | 13,000 | -13,000 |
| KFUO-FM Revisions | -1,210,535 | -1,697,000 | 222,699 | 263,766 | -263,766 |
| Treasury Adjustment | -44,017 | | | -44,017 | 44,017 |
| Accounting Adjustment | -139,478 | | | -139,478 | 139,478 |
| CHI Increase | 100,000 | | | 100,000 | -100,000 |
| Youth Gathering | | 15 | | -15 | 15 |
| General Services | | 6 | | -6 | 6 |
| G & A Expense – Various Orgs | <u>156,215</u> | | | <u>156,215</u> | <u>-156,215</u> |
| Revised Budget Numbers | \$86,931,920 | \$19,904,333 | \$46,702,380 | \$20,325,206 | \$249,794 |

B. 2010–2013 Triennium Meeting Dates

The Board considered proposed triennium meeting dates provided by the Chief Administrative Officer. After discussion of specific dates and related issues, it was agreed to adopt only a portion of the schedule at the present time. The following resolution, adjusted accordingly, was introduced and adopted:

WHEREAS, The Board of Directors has traditionally determined and subsequently published its meeting dates for the upcoming triennium at its first meeting after the LCMS convention; and

WHEREAS, The Board of Directors in its August 2009 meeting concluded that it would meet only once each triennium in conjunction with the LCEF Fall Conference (the first year of the triennium); and

WHEREAS, Due to logistics considerations, the board previously set the two remaining meetings for 2010, specifically September 9–12 (originally 11–13) and November 17–19; therefore be it

Resolved, That the Board of Directors of The Lutheran Church—Missouri Synod adopt the following portion of the regular meeting schedule for the 2010 – 2013 triennium:

2010: November 17 – 19 (scheduled in conjunction with the LCEF Fall Conference)

2011: February 16–18
May 18–20
August 24–26

and be it further

Resolved, That this schedule be published and made publicly available by the Chief Administrative Officer and the Secretary, as appropriate, to comply with the spirit of 2007 convention Res. 7-05B, “To Promote Transparency in Governance of Synod and Its Institutions,” and Bylaw 1.5.3 which states, in part, “All agencies shall announce their upcoming meetings.”

C. Granting of Recognized Service Organization Status

Secretary Raymond Hartwig introduced the following action proposed by the RSO Standing Committee to provide interim policy to govern the RSO-granting process until such time as the new organizational structure adopted by the 2010 convention is in place, noting the importance of uninterrupted continuation of this process. After discussion, the resolution was adopted as submitted.

Background:

The 2010 convention did away with program boards, until now the primary players in our Synod’s RSO granting process. It also adopted changes to Bylaw 6.2.2 regarding who may grant RSO status: “According to policies adopted by the Synod’s Board of Directors, recognized service organization status may be granted by the Office of National Mission, the Office of International Mission, the boards of the synodwide corporate entities, and other agencies as identified in the Board of Directors’ policy....”

The offices of national and international mission will in due time assume the RSO-granting role played by the program boards (Bylaws 3.8.2.7 and 3.8.3.6), but those offices will not be organized for a period of time, during which time the RSO-granting process is expected to continue. An interim Board of Directors policy under Bylaw 6.2.1 (b) [“The Board of Directors of The Lutheran Church—Missouri Synod shall adopt common policies for granting recognized service organization status.”] and Bylaw 6.2.2 [“According to policies adopted by the Board of Directors, recognized service organization status may be granted...”] will be helpful to provide the necessary order for the process to continue.

Since the new mission offices will be under the direct supervision of the new Chief Mission Officer, who will, “at the direction of the President, supervise the work of the Office of National Mission and the Office of International Mission” (Bylaw 3.4.3.5), it is reasonable (until these mission offices are in place) to designate the Chief Mission Officer to act in their place. It is also reasonable (until the Chief Mission Officer is in place) that the President of the Synod, under whom the Chief Mission Officer will serve, be given that responsibility—in every case after due diligence has been performed and a recommendation has been made by the appropriate mission and ministry department, as assigned by the RSO Standing Committee.

Therefore be it

Resolved, That the Board of Directors, under the authority provided by the Bylaws of the Synod, adopt an interim policy to govern the granting of recognized service organization status during the transition period following the 2010 Synod convention, as follows:

- Until such time as the Office of National Mission and the Office of International Mission are in place, final decisions for the granting of recognized service organization status to organizations that formerly related to program boards shall be the responsibility of the Chief Mission Officer of the Synod.
- Until such time as a Chief Mission Officer has been appointed and assumes office, final decisions for the granting of recognized service organization status to organizations that formerly related to program boards shall be the responsibility of the President of the Synod.

D. Document Transfers to Concordia Historical Institute (CHI)

Secretary Raymond Hartwig introduced the following resolution as proposed by the Board of Governors of Concordia Historical Institute, emphasizing its importance in light of decisions made by the 2010 convention of the Synod. It was adopted without further discussion, as follows:

Background:

LCMS Bylaw 3.6.2.2.1 (b) states:

All records created by officers of the Synod, boards, commissions, committees, task forces, and other agencies owned or controlled by the Synod are the property of the Synod and may be disposed of only under procedures and guidelines established by the Department of Archives and History and supervised by it.

Bylaws 3.6.2.2.1 (c) – (f) provide further specific directions related to the kinds of records to be transferred to and preserved in the archives of the Synod. The intention of such transfer and storage is not merely for warehousing the records and the information they contain but to make them available for historical research (Bylaw 3.6.2.2.2).

The Board of Directors of the Synod has been considering a “Document Retention and e-Discovery Policy for LCMS,” including a staff position reported directly to the Chief Administrative Officer of the Synod that would “be responsible for data security policy management, document retention, disaster recover/business continuity, and data compliance,” and the Synod’s IT Roadmap Committee was to incorporate this project into their activities.

The decisions of the 2010 LCMS convention to restructure the Synod’s boards and other entities will potentially involve significant relocation of records as functions of former entities are allocated between the two new boards for national and international mission. It is imperative that all offices give due consideration to the bylaws pertaining to the preservation of the Synod’s records.

Therefore be it

Resolved, That all LCMS entities and offices involved in the restructuring decisions of the 2010 LCMS convention be reminded of Bylaw 3.6.2.2.1 and their responsibility to see that appropriate records are transferred to the archives at Concordia Historical Institute; and be it further

Resolved, That staff members of the Synod who are responsible for the records of entities involved in the restructuring process be encouraged to refer to the “Records Management Program” document prepared by Concordia Historical Institute for guidance on the kinds of records to be preserved and to consult with the Institute’s staff with specific questions about the disposition of records, and be it further

Resolved, That the IT Roadmap Committee give due consideration to the purposes and intentions of Bylaw 3.6.2.2.1 with respect to the permanent preservation of the Synod’s historical records in whatever form they are created and maintained; and be it further

Resolved, That the archivist at Concordia Historical Institute be a part of the IT Roadmap Committee of the Synod and be consulted with respect to the preservation of permanent historical records currently being created by the officers and entities of the Synod; and be it finally

Resolved, That the person filling a data security position, whenever it might be created, work in consultation with the archivist at Concordia Historical Institute with respect to developing policies and procedures for the preservation and accessibility of the Synod’s permanent historical records, including their widest possible use for historical research.

E. Election of LCMS Foundation Members-at-Large

Secretary Raymond Hartwig called the board’s attention to the list of nominees and accompanying biographical and evaluative information for the five Member-at-Large positions and one alternate Member-at-Large position to be filled. The persons appointed serve three-year terms and attend an annual

fall meeting for the purpose of electing LCMS Foundation trustees and handling any other business requiring Members' attention.

Secretary Hartwig explained that after taking into consideration the declinations of a number of nominees, four nominees remain who have indicated their willingness to serve and two nominees have not returned documentation indicating whether they will be willing to serve. At the suggestion of the chair, a motion was introduced "to elect the four who have agreed to serve by acclamation." The motion carried, thereby electing the following persons as Members-at-Large of the LCMS Foundation:

Edward Dollase, Georgetown, TX
Marilyn Langemeier, Bridger, MT
Judy May, Fort Wayne, IN
Robert Pieters, Hubertus, WI

Of the remaining two nominees, it was agreed to go ahead with the remaining two elections, deciding by ballot which will be asked to serve as Member-at-Large and as alternate Member-at-Large, these persons to be contacted to ascertain their willingness to serve. The results of the ballot that followed were:

Mark Moksnes, Chanssen, MN (Member-at-Large)
Paul Wills, Bel Air, MD (alternate Member-at-Large)

F. Concordia University System Members

Secretary Raymond Hartwig called the board's attention to the slate of candidates for the three layperson Concordia University System Member positions to be filled by the Board of Directors, such Members to meet in person once each triennium, with other meetings by conference call. He reported that of those nominated, four have agreed to serve if elected: Myrna Baneck of Mandan, ND; James K. Gruetzner of Albuquerque, NM; Richard D. Peters of Amery, WI; and Paul R. Schilf of Brandon, SD. The following three persons were elected:

Myrna Baneck, Mandan, ND
James K. Gruetzner, Albuquerque, NM
Richard D. Peters, Amery, WI

Following the election, a motion "to destroy the ballots" of this and the previous election was introduced and carried.

13. Koinonia Project/Harmony Task Force

Vice-President Herbert Mueller provided a brief report on the two initiatives underway, the "Koinonia Project" with which he has been tasked by the President of the Synod, and the efforts of the Task Force on Harmony which the 2010 convention has asked to continue its work. He explained his plans to work with both initiatives, cooperating and collaborating fully with the task force in an effort to develop one set of strategies for moving forward toward the mutual goal. It was also noted that vacancies that have occurred on the task force will not be filled.

14. Announcements of Appointments

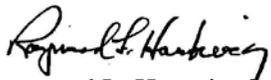
Chairman Kuhn announced his appointments for the subcommittees of the board, as follows:

- Audit Committee: Curtis Pohl (chairman)
Walter Brantz
Ed Everts
Keith Frndak
- Personnel Committee: Donald Muchow (chairman)
James Carter
Michael Kumm
Warren Puck
- Policy Committee: Kermit Brashear (chairman)
Victor Belton
Gloria Edwards
Kurt Senske

Chairman Kuhn also asked that the minutes include his appointments to the committee that will facilitate the nominations and selection process for the Chief Financial Officer position, namely the board's Personnel Committee assisted by Val Rhoden-Kimbrough, Executive Director of the Human Resources Department, Chief Administrative Officer Ron Schultz, and Secretary Raymond Hartwig.

15. Adjournment

After Chairman Kuhn introduced to the board Human Resources Executive Director Val Rhoden-Kimbrough and Internal Audit Department Executive Director Joann Spotanski, who will work closely as staff persons for the board's subcommittees, a motion was introduced and carried "to adjourn the meeting." The meeting was closed with words of benediction by the chair, after which the board's subcommittees met briefly for orientation.


Raymond L. Hartwig, Secretary