

MINUTES

BOARD OF DIRECTORS September 20–21, 2004

1. Call to Order

Interim Chief Administrative Officer (CAO) Tom Kuchta called the meeting to order with all members of the Board present. He read the prayer included in the docket to open the meeting.

2. Board Officer Elections

Prior to the election of officers and for the benefit of the new members of the board, the members introduced themselves. A nominating ballot was distributed for the position of chairman of the board. Victor Belton, James Fandrey, Jean Garton, and Robert Kuhn were nominated. Robert Kuhn was elected on the first ballot.

A nominating ballot was distributed for the position of vice-chairman. Victor Belton, James Fandrey, Jean Garton, Ted Kober, Christian Preus, Walter Tesch, and Edwin Trapp were nominated. James Fandrey was elected on the fourth ballot.

A nominating ballot was distributed for a member position on the board's Executive Committee. Victor Belton, Ted Kober, Christian Preus, and Walter Tesch were nominated. Christian Preus was elected on the first ballot.

A motion to destroy the ballots carried and the ballots were destroyed.

3. Approval of Agenda

Chairman Robert Kuhn called for additions to the printed agenda of the meeting. The following additions were made:

- Appointment of legal counsel (in connection with legal counsel report)
- Appointment of representatives to the 2 + 2 + 2 group (under action items)
- Method for handling requests for input from the Commission on Constitutional Matters regarding property and legal issues (under action items)
- Appointment of Lutheran Church Extension Fund—Missouri Synod Members-at-Large (under appointments)

A motion to adopt the agenda as amended was carried.

4. Board Self-Governance Policy

Interim CAO Tom Kuchta called upon Secretary Raymond Hartwig for a brief orientation presentation. The materials that the Secretary had prepared for the orientation of all officers and board members in conjunction with their installation on Saturday, September 18, were reviewed (copy attached to protocol copy of the minutes), with more specific attention given to the final pages, sections from the Board's Policy Manual discussing membership and service on the Board. Brief discussion followed regarding

several policy requirements. It was agreed that suggestions for changes to the policies may continue to be suggested either to the Board's Policy Committee or to the full Board.

The Interim CAO distributed current contact information, requesting that corrections be returned to him before the end of the meeting. He also distributed statements of compliance to the conflict of interest policy of the Synod for the members' signatures.

Chairman Kuhn called attention to the published list of committee memberships, noting in particular his need to appoint policy, personnel, and audit committees. He asked returning Board members to communicate to him their interest in serving on a particular board and asked new members to indicate to him their preferences also. He noted that other committees of the Board from the past triennium may no longer be needed.

In a later session of the meeting, the chair announced his appointments to Board committees for the triennium (officers of the Synod attend committee meetings of their choice):

Audit Committee

1. Betty Duda
2. James Fandrey
3. David Hawk
4. Julie Martinez

Personnel Committee

1. Edward Balfour
2. Elizabeth Fluegel
3. Jean Garton
4. Christian Preus
5. Edwin Trapp

Policy Committee

1. Victor Belton
2. Ted Kober
3. Walter Tesch

The committees were instructed by the chair to meet briefly prior to the end of the Board meeting to select their chairmen. David Hawk will serve as chair of the Audit Committee, Christian Preus as chair of the Personnel Committee, and Ted Kober as chair of the Policy Committee.

5. Joint Meeting with Board for Communication Services

Chairman Kuhn welcomed the members of the Board for Communication Services (BCS) to the joint meeting, noting that Ernest Garbe had been elected by the BCS to serve as its chairman and David Berger as its secretary.

Attention was called to materials supplied by the BCS in the Board of Directors docket, "Policy Manual for Official Periodicals" and "Code of Ethics" of the Society of Professional Journalists (copies attached to protocol copy of minutes). BCS Executive Director Tom Lapacka provided a brief overview, highlighting policies pertaining to specific objectives, editorial content, controversial subjects, dissent, demands for publication, and more. Discussion regarding specific policies followed, and it was

announced that a sub-committee of the BCS has been formed to review BCS policy, this review to be shared with the Board of Directors upon its completion.

Lengthy discussion followed regarding the purpose of *Reporter* in the life of the Synod that included a variety of related topics:

- The development of policies to help guide the several bylaw functions of the periodicals;
- Interest in a single publication, including discussion of circulations, demographics, publication timing realities, recent studies and consultations, increasing circulations, reaching the households of the Synod, informing people on the congregational level of work that is of benefit to them on the national level, elevation of the *Witness* to role of flagship publication, reaching younger people;
- Objectivity in reporting and quality of articles;
- Manner in which other denominations address issues such as financing, reaching younger people, interaction between readers and writers;
- Use of the Internet in a coordinated manner, use of the Synod's Web page for referral to other sources of information;
- The fracturing of communication efforts in the Synod and within the International Center, such fragmentation and insistence on personal choice throughout the church being a hard trend to counter;
- Better cooperation between the Board of Directors and the Board for Communication Services and how each board can be of assistance to the other in carrying out goals and objectives, given the BCS bylaw authority for the organization of communication services in the Synod;
- The need for close analysis of the best ways to communicate information today, with content the primary issue with current articles in the official publications;
- The need for alternative sources for funding, accompanied by a need to address hard issues in determining how Board of Directors financing can best be directed;
- The importance and difficulty of not alienating other entities while carrying out bylaw authority governing communications activity, given the competition that exists between entities;
- The difficulty of the Board of Directors in understanding its authority in this and other areas given the changes that were made by the convention;
- The critical need, as in our decisions regarding our theology, also not to try to solve our communications fragmentation or increase periodicals circulations by only giving people what they think they want, not succumbing to partisan politicking.

The two boards also discussed issues related to the supervision and management of the KFUE radio stations. The sequence of actions leading up to the present was rehearsed and the involvement and opinions of the Commission on Constitutional Matters were discussed. Several suggestions were made of possible actions by the BCS, to be communicated to the Board of Directors when decided. A report from the KFUE Radio Committee was also distributed (copy attached to protocol copy of minutes) and discussed briefly.

During the following session, the chairman of the Board for Communication Services reported to the Board of Directors the series of actions taken by his board:

M/S/P: That the Board for Communication Services respectfully requests the Board of Directors continue to manage KFUE on an interim basis with its KFUE Radio Committee with the addition of two advisory representatives from the BCS (Ernest Garbe and Steve Siegel).

M/S/P: That the Board for Communication Services respectfully requests the KFUE Radio Committee to prepare a formal report and list of specific recommendations for action in the areas of finance, staffing, and programming by April 1, 2005.

M/S/P: That the Board for Communication Services respectfully requests Dr. Martin Schramm to withdraw his question of August 11 (sic), 2004, to the CCM.

In response, after expressing its thanks to the Board for Communication Services for the positive reception and conversation earlier in the day, the Board of Directors adopted the following resolution:

Resolved, That the Board of Directors concurs with the first motion adopted by the Board for Communication Services.

6. Reports

A. President (IA-1)

President Gerald Kieschnick began his oral report by expressing his apology for anticipated absences from the Board meeting due to responsibilities with the Council of Presidents, meeting simultaneously in the building. He then called attention to his printed report (attached to the protocol copy of the minutes) and highlighted several of the listed visits, meetings, and travels. He responded to questions and discussion from the Board on a variety of subjects:

- Discussions with official visitors from Wittenberg, Germany, regarding the absence of a Lutheran church in the city;
- A recent visit with James Dobson regarding marriage and family issues;
- Continued relationships and meetings with the Evangelical Lutheran Church in America;
- Feedback from youth participants to the LCMS youth gathering in Orlando regarding the size of the gatherings, the presence of non-LCMS participation, messages left from music and event offerings, and more;
- Confusion that has resulted from the “One Mission—*Ablaze!*” offerings and intentions to investigate these matters by the President, Treasurer, Chief Accountant, and the Executive Director of the Board for Mission Services;
- The remarks of the Bishop of the Evangelical Lutheran Church in America to the convention, leaving a general impression of agreement between the two church bodies;
- The need for an air of civility at conventions of the Synod when serious issues are being discussed and decided, despite the presence of strong contrary opinions;
- Questions and concerns regarding the ballots that have been mailed to congregations regarding constitutional amendments;

President Kieschnick also provided a PowerPoint presentation reflecting upon the 2004 convention, its theme, the Synod’s mission statement, pre-convention events, various details from the convention including its unfinished business, challenges to be addressed for the 2007 convention, the convention’s

mission-focused atmosphere, and efforts to make the convention experience a positive experience for delegates. The President repeated his encouragement that the agencies of the Synod take the unfinished business of the convention seriously even though the convention was unable to address all that was to come before it.

B. First Vice-President (IA-2)

First Vice-President William Diekelman spoke of the meetings in which he has been involved in the brief time since assuming office, including positive and helpful meetings with out-going Vice-President Daniel Preus. He will assume responsibility for the “Sowing the Seed” survey effort that is underway by the Board of Directors, with more than 3,000 responses received to date. A report will be provided to the Board at its November, 2004 meeting.

C. Secretary (IC-1)

Secretary Raymond Hartwig called attention to the minutes of the last regular and special meetings of the Board as well as the minutes of the final session of the convention, to be approved by the Board. The Board through a series of actions adopted the minutes as distributed by the Secretary:

Resolved, That the minutes of the May 20–22, 2004 regular meeting of the Board of Directors be approved as distributed.

Resolved, That the minutes of the June 18, 2004 conference call meeting of the Board of Directors be approved as distributed.

Resolved, That the minutes of the July 10, 2004 special meeting of the Board of Directors at the time of the convention be approved as distributed.

Resolved, That the minutes of the July 12–14 meetings of the Board of Directors during the course of the 2004 convention be approved as distributed.

Resolved, That the minutes of the final session of the 62nd Regular Convention of the Synod on July 15, 2004, be approved as changed in one detail that will be reflected in the minutes to be published in the *Convention Proceedings*, more accurately reflecting the absence of discussion of Res. 7-21 prior to its adoption by the convention.

Secretary Hartwig called attention to his printed report and also his report summarizing the history of blind missions in the LCMS since 1926, as included in the Board’s docket (copies attached to protocol copy of minutes). After discussion, the board adopted the following resolution with the suggestion that the proposed discussion center in the language provided by the Bylaws of the Synod pertaining to this subject:

Resolved, That the Board invite Robert Roegner, Executive Director for the Board for Mission Services, and a representative from blind ministry to meet with the Board of Directors at the time of the Board’s November, 2004 meeting.

The Secretary highlighted and offered further information regarding several of the items included in his report:

- The Board of Governors of Concordia Historical Institute continues to advocate for the relocation of the Institute’s museum function to the International Center. A proposal to the International Center’s Facilities Management Services Board is being offered.
- Ballots for congregational voting on the constitutional amendments adopted by the 2004 convention have been mailed to all congregations. Duplicate ballots are being provided when requested.
- Preparations are underway for the training of the newly appointed reconcilers of the Synod, with October 15 the deadline for these appointments. The organization Ambassadors of Reconciliation will be providing the training early in 2005.
- Work has begun on the *Standard Operating Procedures Manuals* authorized by Res. 8-01A of the 2004 convention to facilitate the ecclesiastical supervision, expulsion, and dispute resolution processes of the Synod. In most cases, the manuals are to be developed by the Commission on Constitutional Matters in consultation or with the concurrence of the Council of Presidents.
- Work continues on the revised *Handbook* of the Synod. The Commission on Constitutional Matters will meet in early October to give final attention to the *Handbook*, incorporating the results of convention actions. The target date for publication of the *Handbook* remains the end of 2004.

D. Vice-President–Finance—Treasurer (IB)

Vice-President–Finance—Treasurer and Interim Chief Administrative Officer Tom Kuchta referred to his printed report (attached to protocol copy of minutes) and highlighted a number of items:

- The positive developments at Concordia University, River Forest to reduce the Synod’s responsibility for bond guarantees (Betty Duda, a member of the school’s board of regents, complimented the school’s board and staff for their devotion and hard work that is enabling the school to turn the corner);
- The less-than-anticipated premium increase in Worker Benefit Plan premiums that will have a positive affect on the Synod’s budget;
- The on-going conversation in the Synod regarding confusion that exists with respect to the “One Mission Ablaze” national offering and other uses of the “*Ablaze!*” concept;
- The expenditures for special legal counsel, resulting in an overage in the budget for legal fees of approximately \$94,000, noting that the Board has no further current commitments to Bryan Cave or Armstrong Teasdale;
- The response received from the President of the Synod upon request for a copy of the letter first received and reported by the President from the Denver attorney, Martin Nussbaum (the President explained that the sender considers the letter a draft not be to shared but he is willing to respond to inquiries from members of the Board);
- The report of the Administrative Team’s review of the activities of the Foundation to date, noting changes underway to improve communication and accountability on the part of the Foundation;
- The “Insurance Report” provided by the Treasury/Risk Management & Insurance Office of the Synod, noting the significant savings that have been realized and shared by the Synod’s entities (copy attached to the protocol copy of minutes);
- The financial statements of the Synod, calling attention to the improvement in net assets, noting areas of variance from the budget, and offering explanations as necessary.

Discussion followed regarding the Concordia University, River Forest refinancing efforts. The Board adopted the following resolution, asking the Chief Financial Officer to handle the matter:

Resolved, That the Board of Directors offers its encouragement and thanks to the Board of Regents, the Chief Financial Officer, and all who have been involved and working together to turn the Concordia University, River Forest situation around.

Discussion followed regarding the significant financial contributions that have been made by the Schwan Foundation in recent years, adversely referenced by several overtures submitted to the recent convention. Treasurer Kuchta reported that he was able to inform the floor committee regarding the contributions and the manner in which they are regularly and openly shared with the full cooperation of the Schwan Foundation. As a result, the floor committee set aside the negative overtures and developed a resolution to thank the Foundation, encouraging the Board of Directors to continue to monitor restricted gifts—a resolution that was not brought to the floor of the convention due to lack of time. After further discussion favoring going on record thanking the Foundation for its support of the work of the church, the following resolution was adopted:

Resolved, That a letter be sent to the Schwan Foundation expressing the Synod's thanks for the foundation's generous support of The Lutheran Church—Missouri Synod and related ministries.

E. Performance Reports

Performance reports submitted for review by the various entities of the Synod were noted. Interim CAO Kuchta commented specifically on the reports provided by Concordia Technologies and General Services, noting that the same fragmentation that exists in the communication efforts of the Synod similarly holds true in the area of technology services. He reported that opportunities exist for better coordination and that a new position in the Synod, Chief Information Officer, is being discussed. A report is planned for the November meeting of the Board.

7. Appointments

A. Commission on Structure

Bylaw 3.917 requires that five members of the Commission on Structure be appointed by the Board of Directors in conjunction with the first meeting of the Board following each national convention of the Synod, such appointments to be made in consultation and mutual concurrence with the President of the Synod. The names of ordained ministers nominated according to the Board's nomination process were: Alan J. Barber, Albert Buelow, James Byork, David W. Callies, Robert C. Green, George Gude, Paul F. Howe, Alston Kirk, William G. Moorhead, Richard T. Nuffer, Eugene Oesch, James Pragman, Richard S. Radtke, Walter L. Rosin, Daryl Rothschild, Arthur W. Scherer, David Schroeder, Kurtis D. Schultz, Ken Schurb, Timothy Sims, Marvin Temme, Richard L. Thompson, Walter Tietjen, and Preston Wagner. The names of commissioned ministers nominated were: Perry Bresemann and David Frank. The names of laypersons nominated were: Larry A. Bauermeister, Bruce Dannemeyer, Rufus J. Davis Jr., David Domsch, Ernest Garbe, Marilyn Maxner, Richard Peters, Donald Prevallet, James Sack, Lowell Schoer, John P. Schuelke, David Thomas, and Lee Warneke.

The President provided initial commentary regarding his responsibility for concurrence. After a motion was introduced to proceed with the process and to allow the President to indicate those names he wished to strike, a second motion to postpone action until later in the meeting was carried.

The Board returned to the matter in a later session, with further discussion of the ballot. The President indicated those names of nominees that he intended to remove from further consideration. A motion to refer this matter to the Personnel Committee for consultation with the President prior to further consideration of these appointments by the Board failed. A motion to proceed with the voting from the entire list carried. George Gude and Richard Nuffer were elected on the first ballot. Eugene Oesch, Richard Radtke, and Lowell Schoer were elected on the third ballot. It was noted that the concurrence of the President will be required before proceeding with the appointments.

B. LCMS Foundation Members

One group of members of the LCMS Foundation are appointed by the LCMS Board of Directors (Bylaw 3.603). The annual meeting of the members of the Foundation is scheduled for November 19, 2004. As representatives of the “owners,” the members then elect the members of the Board of Trustees and approve changes to the Articles of Incorporation and Bylaws of the Foundation.

Given these responsibilities and an interest in closer working relationships between the corporate Synod and the LCMS Foundation, it was recommended to the Board that it again appoint either LCMS Board of Directors members, the Chief Administrative Officer, or program board officials. Accordingly, the board took the following action:

Resolved, That the Board of Directors appoint the following Board members as members of the LCMS Foundation, with David Hawk serving as alternate:

1. Edward Balfour
2. Betty Duda
3. James Fandrey
4. Elizabeth Fluegel
5. Christian Preus

C. Concordia University System Council of Members

As one of its several duties, Bylaw 3.8.2.2 provides for the election of three laypersons to the Board for University Education by the Council of Members of the Concordia University System. The Bylaws of the Concordia University System provide for the appointment of three members to this Council of Members by the Board of Directors of the Synod.

After discussion regarding the advisability of appointing members of the Board of Directors to this council, the Board took the following action:

Resolved, That the Board of Directors appoint the following Board members to the Council of Members of Concordia University System:

1. Victor Belton
2. Jean Garton
3. Edwin Trapp

D. Lutheran Church Extension Fund Members-at-Large

The Board of Directors appoints fifteen persons as Members-at-Large of the Lutheran Church Extension Fund—Missouri Synod, five each calendar year. The names placed in nomination were John Edson, Vic

Bryant, Warren Puck, Richard Peters, James Bode, Ernest Heinecke, James Roegge, and Jay Wheeler. As a result of balloting, the Board took the following action:

Resolved, That the Board of Directors appoint the following persons to three-year terms as Members-at-Large of the Lutheran Church Extension Fund—Missouri Synod:

1. James Bode, College Park, GA
2. Vic Bryant, St. Louis, MO
3. John Edson, Plymouth, MN
4. Ernest Heinecke, Olive Branch, MS
5. Warren Puck, Manning, IA

Appropriate motions to destroy the ballots for this and the earlier appointments were introduced and carried throughout the elective process.

8. Legal and Human Resources Reports

As per its policy, the Board moved into executive session to receive reports from Legal Counsel Len Pranschke and Human Resources Executive Director Barbara Ryan.

8X. Executive Session

Upon exiting executive session, the Board approved the minutes from previous executive sessions as follows:

Resolved, That the Board approve the minutes of the executive sessions during the May 20–22 and July 10, 2004 meetings of the Board.

9. Actions Resulting from Legal and Human Services Reports

A. Appointment of Legal Committee

The Board discussed the appointment of legal counsel for the triennium. A motion was introduced to appoint a legal committee to do two things, as follows. A suggestion immediately followed that the motion be divided into two motions: (1) “That the Board appoint a legal committee to obtain information/proposals from qualified law firms including the Stolar law firm to represent the Synod, the committee to report back to the Board as soon as possible, at least by the November meeting”; and (2) “That the Board appoint a legal committee to look more closely and gather information regarding the issue of the possibility of in-house legal counsel or other arrangements that would provide necessary legal services to the Synod, to report back as soon as possible.” After agreement that the second motion be amended to include the obtaining of input from the Council of Presidents, the first motion was also amended to include the words, “and to instruct the legal committee to take into consideration the needs of the constituents that are currently being served by the Synod’s legal counsel.” After further discussion, the second of the two motions was adopted as follows:

Resolved, That the Board appoint a legal committee to look more closely and gather information, including input from the Council of Presidents, regarding the issue of the

possibility of in-house counsel or other arrangements that would provide necessary legal services to the Synod, to report back as soon as possible.

Consideration of the first of the two motions continued at length. After discussion, a motion “to postpone until some time in the future, no sooner than November after the report from the previous motion is presented to the Board” resulted in a tie vote. The chair voted in favor of postponement and the motion to postpone carried.

The chair requested input regarding the make-up of the Legal Committee. After suggestions were offered, a motion was introduced that the members of the Legal Committee be “the three lawyers on the Board, the First Vice-President, Betty Duda, Victor Belton, and the Interim Chief Administrative Officer. After discussion, the motion was defeated. After further discussion, the following action was adopted by the Board:

Resolved, That the chairman appoint a committee of three to work with staff to accomplish this task, at least one of which will not be an attorney.

Later in the meeting the chair announced his appointments to the Legal Committee of the Board, as follows:

Legal Committee

1. Victor Belton
2. David Hawk
3. Christian Preus
4. Raymond Hartwig (staff)
5. Tom Kuchta (staff)

B. Process for Chief Administrative Officer Appointment

The Board discussed final preparations for the interview process to fill the position of Chief Administrative Officer (CAO). A suggestion was offered that the President discuss his review of the candidates with the Personnel Committee due to shortage of time. It was agreed, however, that the entire Board should hear his review. After his review it was agreed that the Board would proceed with the interview process with the understanding that the four persons selected for interviews do not necessarily constitute the final slate of candidates.

The Board will meet on October 11 and 12 with the intent to conduct all interviews on the first day of the meeting and to arrive at a decision the day following. The Executive Director for Human Resources will prep the Board regarding the questioning and will ask the same questions of all candidates. The interviews will be conducted at the International Center, with lodging and the following day’s meeting at the Crowne Plaza Hotel near the airport.

C. Officer Salary Determination and Adjustments

The Board of Directors (Policy 3.2.7.2, Matters Requiring Board of Directors Action) reserves to itself the responsibility for the establishment of and/or the adjustment of officers’ salaries. At the 2004 convention, the Reverend William Diekelman was elected to the office of First Vice-President of the Synod. His prior ministry has included 31 years of experience at the congregation and district level, of which ten years have been service as a district president. He has also served on various Lutheran-related boards of directors and possesses an LLD from Concordia University, River Forest. On the basis of his

experience and after discussion, the board accepted the recommendation of the Executive Director of Human Resources by adopting the following resolution:

Resolved, That effective September 1, 2004, the starting salary for Reverend William Diekelman, First Vice-President of the Synod, be set at \$108,000 annually (89 percent of the SM salary range).

Also at the 2004 convention, Dr. Gerald Kieschnick, President; Dr. Raymond Hartwig, Secretary; and Dr. Thomas Kuchta, Vice-President–Finance—Treasurer, were re-elected to their positions as officers of the Synod.

After reviewing the officers' salaries in comparison with officers of other entities of the Synod, it was noted that the salaries of the officers of the Synod have fallen behind, this in part because newly hired senior management in other entities have required higher salaries, in part because of the salaries of long-term executives of other entities have benefited from merit increases. Because no merit adjustments are awarded to officers of the Synod on an annual basis to recognize their performance, it was suggested by the Executive Director of Human Resources that re-election by the Synod should be interpreted as an "impressive – if not excellent" performance appraisal of their service during the triennium.

Upon recommendation by the Executive Director of Human Resources and the Personnel Committee and after brief discussion, the board adopted the following series of resolutions adjusting the salaries of the officers of the Synod re-elected at the 2004 convention:

Resolved, That effective July 1, 2004, the salary for Gerald Kieschnick, President, be adjusted to \$143,315, which is 119 percent of the SM range; and be it further

Resolved, That effective July 1, 2004, the salary for Raymond Hartwig, Secretary, be adjusted to \$124,680, which is 103 percent of the SM range; and be it further

Resolved, That effective July 1, 2004, the salary for Thomas Kuchta, Vice-President–Finance—Treasurer, be adjusted to \$124,680, which is 103 percent of the SM range; and be it finally

Resolved, That a review of officers' salaries be done each triennium following the convention of the Synod to assure equity among officers of the corporate entities of the Synod.

(The officers excused themselves from participation in the discussion or the voting on the above resolutions.)

10. Board-Related Actions

A. Meeting Schedule for Triennium

The Board discussed meeting dates for the coming triennium, taking care to avoid conflicts of schedule with other organizations. The following schedule was developed, to be finalized at the board's next regular meeting:

2004 November 18, 8:00 a.m. to November 19, 4:00 p.m.

2005 February 24, 8:00 a.m. to February 25, 5:00 p.m.

May 22, evening, to May 24, 5:00 p.m.
August 19, 8:00 a.m. to August 20, 5:00 p.m.
November 17, 8:00 a.m. to November 18, 4:00 p.m.

2006 February 23, 8:00 a.m. to February 24, 5:00 p.m.
May 21, evening, to May 23, 5:00 p.m.
August 25, 8:00 a.m. to August 26, 5:00 p.m.
November 16, 8:00 a.m. to November 17, 4:00 p.m.

2007 February (undetermined)
May (in conjunction with convention floor committee weekend)
July (in conjunction with convention)

B. Board Representatives for 2 + 2 + 2 Meetings

The Board continues to participate in meetings with representatives from the President's Office and the Council of Presidents, referred to as "2 + 2 + 2" meetings. The Board adopted the following resolution:

Resolved, That the chairman and the vice-chairman of the Board be appointed to represent the Board for the 2 + 2 + 2 meetings.

C. Board Correspondence

Chairman Kuhn explained how correspondence received by the Board was handled during the past triennium. Early in the triennium the chair acknowledged receipt and brought correspondence to the next meeting of the Board. Later in the triennium, the chair consulted with the chief administrative officer and the secretary and responses were provided when possible, providing copies to the Board and bringing only necessary matters to the Board for a response. The Board took the following action:

Resolved, That the same process used during the latter part of the preceding triennium be continued during the current triennium.

D. Responses to Commission on Constitutional Matters Inquiries

As a result of recent convention action (Res. 7-02A), the Commission on Constitutional Matters may at times be required to request input from the Board of Directors when responding to questions regarding property, business, or legal matters. The chair asked the Board how it wished to handle these requests. A number of suggestions were offered and discussed. The Board adopted the following resolution:

Resolved, That upon receipt of requests from the Commission on Constitutional Matters, the Board will receive information via E-mail and conference calls will be arranged to respond to the requests.

E. Board of Directors Retreat

The Board discussed the desirability of participating in a retreat for the Board, possibly in conjunction with a future regular meeting, this for the purposes of planning for the triennium and cultivating positive relationships between Board members. After further discussion, the chair suggested that a committee be formed to research and develop recommendations for a date, location, and program for a retreat. The following resolution was introduced and, following discussion adopted by the Board:

Resolved, That Bill Diekelman, Betty Duda, and Ted Kober be named to form a planning committee for a Board retreat.

11. Other Action Items

A. Budget Revision

Subsequent to the approval of the 2004–2005 operating budget by the Board of Directors at its May, 2004 meeting, several items were identified that suggest reconsideration by the Board of the approved budget:

- Transition costs of approximately \$500,000 were budgeted for all Synod officers and key staff, pending convention elections. As a result of the elections, the operating budgets of the offices of President, Secretary, and Treasurer have been overstated in the amounts of \$229,179, \$94,254 and \$112,390 respectively. Reductions of these budgets by these amounts will increase the budgeted surplus of the Synod by \$435,823.
- The budgeted development cost for the Board for Mission Services was understated by approximately \$1.2 million. The LCMS Foundation has committed to raise additional funding for the Board for Mission Services to cover this increase in development expense. The net result of these adjustments will be to increase net assets released from restriction and development costs by a corresponding \$1.2 million, with no change in unrestricted funding.

The affected budgets will read as follows:

Dept.	<u>Previously Approved</u>			<u>Proposed</u>			Change
	Total Expense Budget	Total Revenues Budget	Undesig. Budget	Total Expense Budget	Total Revenues Budget	Undesig. Budget	
Missions	\$24,742,744	\$19,963,454	\$4,779,290	\$25,983,118	\$21,203,828	\$4,779,290	\$0
Pres/VP	\$ 2,021,237	\$ 742,000	\$1,279,237	\$ 1,792,058	\$ 742,000	\$1,050,058	\$229,179
Treas.	\$ 396,049	\$0	\$ 396,049	\$ 283,659	\$0	\$ 283,659	\$112,390
Secretary	\$ 364,610	\$0	\$ 364,610	\$ 270,356	\$0	\$ 270,356	\$ 94,254
						Net Undesignated Change	\$435,823
						Add Previously Approved Surplus	<u>\$532,709</u>
						Total Surplus	\$968,532

After additional explanation by the Interim Chief Administrative Officer, the Board adopted the following resolution:

Resolved, That the Board approve the revised 2004–2005 operating budgets of the President’s Office, Secretary, Treasurer, and Board for Mission Services as proposed, increasing the budgeted surplus from \$532,709 to \$968,532.

B. Change of Registered Agent

Bradford L. Hewitt, former Chief Administrative Officer, has been the registered agent of the Synod with the State of Missouri. Upon his departure, it has become necessary to identify another registered agent. In the interest of not having to change agents each time there is a change in personnel, a corporate registered

agent was recommended to the Board. It was reported that CT Corporation System provides such service at a fee of \$156.75 per year.

Following further explanation by the Interim Chief Administrative Officer, the Board adopted the following resolution:

Resolved, That the Board engage CT Corporation System as the registered agent for The Lutheran Church—Missouri Synod.

C. Revised Master Plan—Concordia, River Forest

Higher education policies require institutions to present master plan revisions for review and approval. Higher education has, in turn, agreed to present master plan revisions to the Board of Directors for review and approval.

Concordia University, River Forest recently revised its master plan, approved by the former BHE/CUS Board at its July 8–9, 2004 meeting. Revisions include the sale of apartment and condo complexes and the removal of 10 capital projects on the main campus (old and new master plans are attached to the protocol copy of the minutes).

Interim Chief Administrative Officer Kuchta explained that this request for approval is perfunctory, the outcome of previous conversations and permission already granted. After discussion, the Board gave its approval of the revisions with the following resolution:

Resolved, That the Board of Directors during its regularly scheduled (September 20–21, 2004) meeting approved the revisions made to the Concordia University, River Forest master plan.

12. Adjournment

All business to come before the Board having been considered, the meeting was adjourned.

Raymond L. Hartwig, Secretary