

**South Dakota Synod, ELCA
Synod Council
Zoom Meeting
March 19, 2021**

Present: Bishop Constanze Hagmaier, Carla Borchardt, Rev Jonathan Vehar, Rev. Ramona Hayes, Michael Miller, Pam Seefeldt, Rev. Jackie Braun, Jim Iverson, Bonnie Lange, Rev. Tera Kossow, Malcom Chapman, Valerie Parsley, Jan Haugen-Rogers, Dave Poppens, Rev. Jim Fowler, Rhonda Hansen, Rev. Dave Lund, Deacon Kris Wollman, Erik Gilbertson, Tom Stotz, Cynthia Wall, Rev. John Paulson, Terry Zell, Rev. Layne Nelson

Staff: Lois Borchardt, Rev. Renee Splichal Larson, Rev. Jonathan Steiner, Kathy McHenry, Rev. Dan Johnson

Absent: Stan Jung, Truman Dick, and Caylee White Eagle

The meeting of the South Dakota Synod Council was called to order at 8:30 am. Deacon Kris Wollman led in an opening prayer.

Filling Vacancies

Rev. Lon Kvanli has resigned, and the Prairie Rivers Conference has nominated Rev. John Paulson to complete Rev. Kvanli's term. Without objection, Pastor Paulson was seated on the Synod Council.

Council members introduced themselves.

Approve the Agenda

**MSC to approve the agenda.
SC.2021.03.01**

Approving the Minutes

The minutes of the December 12, 2020 and January 30, 2021 meetings were in Google Drive. There were no corrections.

**MSC to approve the minutes of the December 12, 2020 and January 30, 2021
meetings of the Synod Council.
SC.2021.03.02**

Treasurer's Report

Gilbertson presented highlights of the closed out 2020 mission plan and revised 2021 mission plan. At the end of the 2020 fiscal year, Mission Support from congregations was strong, and the synod ended the year at 104% of budgeted support.

**MSC to receive the Treasurer's Report.
SC.2021.03.03**

Presentation of the 2022 Mission Plan

Gilbertson presented the 2022 Mission Plan highlighting an anticipated 3% increase in Mission Support over 2021. The budget would include a 3% increase in staff compensation.

	Adopted	Revised	Proposed
INCOME	2021	2021	2022
MISSION SUPPORT FROM CONGREGATIONS	1,733,093	1,799,011	1,852,981
Program Ministry Income			
Pine Ridge Ministry Income	45,000	45,000	45,000
Other Income Streams			
SD Synod Mission Support	29,927	28,866	28,866
DEM Support Staff	10,000	10,000	10,000
Interest Income	8,000	10,000	10,000
SDS Transportation LLC Income	5,000	5,000	5,000
Misc Income	1,000	1,000	1,000
TOTAL INCOME	1,832,020	1,898,877	1,952,847
EXPENSES			
	Adopted	Revised	Proposed
CHURCHWIDE MISSION	2021	2021	2022
Mission Support to ELCA	779,892	809,555	833,842
% of Mission Support	45.0%	45.0%	45.0%
Region III	7,626	7,260	7,260
SHARED MINISTRIES			
South Dakota Sustained Ministries			
Campus Ministry	122,177	126,672	130,412
Campus Ministry Capital	1,030	1,030	1,030
Lutheran Planned Generosity	58,300	58,300	58,300

Heartland Ephphatha	5,994	6,215	6,398
Youth Ministry	3,605	3,605	3,605
South Dakota Supported Ministries			
SD Ministries Support	13,467	12,990	12,990
Luther Seminary	69,287	71,836	73,957
Lutheran Social Services	69,287	71,836	73,957
Lutherans Outdoors	34,555	35,826	36,884
Church Colleges	5,994	6,215	6,398
Chapel in the Hills	1	1	1
Good Samaritan Society	1	1	1
Total Shared Ministries	383,698	394,527	403,933

SOUTH DAKOTA SYNOD MINISTRIES			
Staff Leadership			
Bishop	90,605	93,323	96,123
Associate Director of Evangelical Mission	6,528	6,006	6,186
Associate Mobility/Candidacy	74,394	76,626	78,925
Bishop/Associate Benefits	78,897	82,367	84,838
SDS Travel	20,000	20,000	21,000
Bishop/Assistants Travel & Cont Ed	16,299	16,300	16,300
Program Ministries			
Native American Ministry	77,748	93,169	95,730
Synod Youth Gathering Coordinator	6,959	6,959	6,959
Companion Synod Coordinator	12,065	12,065	12,397
Support Staff and Office			
Support Staff Salaries/Benefits	152,501	155,123	159,736

Resource Center Supplies	300	300	300
Synod Office Expenses	65,559	66,385	66,885
Augustana University	20,949	20,887	20,887
Synod Leadership			
Synod Council	5,500	1,500	3,000
Support to Ministries Committee	2,100	1,100	2,100
Candidacy Committee	3,750	1,250	2,250
Electronic Communications	1,750	4,000	4,500
Multicultural Ministry Committee	1,550	1,550	1,550
Companion Synods Ministry Committee	200	100	200
Evangelical Outreach Committee	1,350	1,350	1,500
Mission Strategy Table	1,850	1,850	2,000
Outreach Ministries			
Multicultural Center/Woyatan	16,000	18,600	19,000
Mission Congregation Start-up	3,950	3,950	4,000
Contingency	-	2,775	1,446
Subtotal SD Synod Ministries	660,804	687,535	707,812
Total Expense	1,832,020	1,898,877	1,952,847
Net Total	0	0	0

**MSC to submit the 2022 Mission Plan to the Synod Assembly for consideration.
SC.2021.03.04**

Endowment Report

The Endowment performed well in 2020, recovering from losses early in the year. For the first time, the Endowment reached over \$10,000,000. It also reflected a 12-13% gain over the previous year.

**MSC to receive the Endowment Financial Report.
SC.2021.03.05**

Gilbertson announced that he would be resigning a year early as Treasurer of the synod. He will continue to serve through the 2021 Synod Assembly to allow for an election at the 2021 Synod Assembly and a clean transition.

Report from the Endowment Committee

McHenry presented the Endowment Committee report noting that 2020 was a challenging year for in-person conversations about planned giving. However, the markets performed well, and the overall endowment value increased. While generally giving to the Endowment was predictably slow in the year, there was a \$400,000 gift to support the synod, Pine Ridge Reconciliation Center, and a new ministry in the synod, \$100,000 of this gift was to the endowment fund.

**MSC to receive the Endowment Committee Annual Report
SC.2021.03.06**

Break

Report of the Executive Committee

Vice-president Borchardt reported the Executive Committee's actions, having approved 14 technology grants to congregations, approved COVID relief funds received from Churchwide and ELCA World Hunger, acted to support congregations through the internship process.

Associate to the Bishop Reports

Rev. Renee Splichal Larson submitted a written report available on Google drive. Of particular note, there are ten congregations with open calls, with six of that are actively interviewing. Even the most extended vacancy in the synod is interviewing. Six congregations are part-time. The process for assigning rostered ministers entering their first call will start a 3-year trial with the Spring 2021 assignment.

An outline for Rev. Jonathan Steiner's report is on Google drive. The Justice Table continues to organize and has discovered that the previous distinctions of advocacy, education, and policy overlap significantly. New quarterly themes are exploring Indigenous peoples, LGBTQIA+, immigration, and hunger issues. The Revitalization Task Force is exploring how to support congregations as we emerge with a new normal post-pandemic. The churchwide organization has restructured into three units called "Home Areas." The new structure will give more focus to the congregation and synod leadership and development of ministries. The SD Synod continues to take a lead in pushing for a meaningful response to the Repudiating the Doctrine of Discovery. Of particular importance is building relationships with native and tribal leaders and ensuring that indigenous voices are not excluded in decision-making processes. Pastor Steiner's report shows an accounting of financial gifts received from our partnership with the ELCA.

Lutheran Social Services of South Dakota

Betty Oldenkamp brought a report and greeting from LSS. She introduced Rebecca Kiesow-Knudsen as the new COO of LSS. This is a new position to the organization and will serve a diversified portfolio to ensure services can continue into the future, expand technology and race equity. Oldenkamp also announced her intentions of retiring in 2021.

Lutherans Outdoors in South Dakota

In 2020 LOSD requested authorization to conduct an appeal to congregations of the synod. Such a request needs approval from the Synod Council, and such approval was given in October. LOSD has requested that the time frame be extended.

MSC to amend a motion previously adopted to extend the congregation appeal for LOSD Keep the Campfires Burning appeal to December of 2021.

SC.2021.03.07

Churchwide Assembly Voting Members

The 2021 Synod Assembly will elect voting members to the 2022 Churchwide Assembly. The Synod Council had previously set how voting members would be proportioned in conferences.

MSC to amend the previously adopted designations to the Prairie Coteau Conference from a male voting member to a lay female voting member and to the Praire Rivers Conference from a female voting member to a lay male voting member.

SC.2021.03.08

MSC to delegate to the Nominating Committee the nominations for the voting members of the 2022 Churchwide Assembly and alternates for the Bishop, vice-president, additional voting members who are youth/young adults and BIPOC, and with the remaining two nominations ensure that the representational principles of the Churchwide Assembly are achieved.

SC.2021.03.09

The Audit Committee Report

Angie Hillestad presented the Audit Committee Report (see attachment).

Bishop's Report

The synod anticipated extraordinary giving of \$144,000 coming from three sources: funds forgiven from the PPP loan, reduced expenses (especially in travel), and a 98% fulfillment of Mission Support from congregations. Bishop Hagmaier presented the Extraordinary Gifts proposal, based on Synod Council recommendations given previously: a \$10,000 gift to LOSD, \$14,000 tithe to the ELCA, and \$20,000 to synod cash reserves. The remaining \$100,000 is proposed to the following ministries:

Seeds for the Next Season -- \$55,000

Box Elder New Site Development - \$35,000

This would be a one-time gift to explore a new start congregation or satellite site in Box Elder.

Rural Ministry Accompaniment - \$10,000

Assist congregations in exploring new ministry partners or alignments with other nearby congregations.

House Church Development - \$10,000

To form "House Church" model for rural communities, especially in places where there is a remnant community in a location where a congregation has left the ELCA.

Partners at the Table -- \$25,000

Two by Two - \$10,000

First Lutheran African Ministry (FLAM) Salary Support - \$5,000

Dialogue Works – Engaging God's Future - \$5,000

Non-traditional support site - \$4,000 (Similar to Horizon Internship sites)

Indigenous Program at Outlaw Ranch - \$1,000

Leadership Development -- \$20,000

Scholarships for DWU Certificate in Non-Profit Leadership - \$10,000

Anti-Racism - \$4,000

Continuing Ed - \$4,000

Coaching - \$2,000

The synod staff is asking for approval of the Extraordinary Gifts proposal. Many of the funding lines would feed into existing protocols requiring an application process and approval by the Executive Committee.

MSC to approve the Extraordinary Gifts proposal as presented.

SC.2021.03.10

Companion Synod Committee

After massive flooding in Nicaragua, the synod raised \$38,000 to help replace the seed needed for the next harvest. The committee continues to explore ministry possibilities and connections in both our Companion Synods.

The Companion Synod Committee is working towards a recommendation to be a constitutionally formed committee of the synod; the current model is very unstructured. The committee will spend the year compiling the history of the companion synod and laying out a vision for the future.

Luther House of Study Review Committee

The committee has had its first meeting and is developing the review process for the ministry partnership. A consultant is being provided from Luther Seminary that is helping to formulate the questions and surveys that will be used in the years to come.

CDC Guidance

The CDC has issued new guidelines for congregations in response to COVID. With current guidelines, many of the practices of social distancing and masking are still in place. The Bishop is recommending that we continue to practice loving our neighbors to the best of our abilities.

Roman Catholic Church

Bishop Hagmaier had an extended meeting with the bishop of the Dioceses of Sioux Falls. It is the first formal conversation, and there is hope to find some common ground in which to continue developing the relationship between the two churches.

Standing Rock/McLaughlin update – A partnership with the Episcopal Church will focus on youth and expanding ministry. The local community is excited to revision the ministry and has received a recent financial contribution to help revitalize the possibilities.

Brett Koenecke serves as the legal counsel and registered lobbyist for the synod. The Bishop utilizes him constantly and can have an honest conversation. There may be a potential conflict of interest with Brett Koenecke serving as a lobbyist for organizations that have opposing views.

The Bishop expressed a deep appreciation and thank you to outgoing Synod Council members, especially with all that has transpired since her taking office.

Roster Matters

The Synod Council was asked to act on the following roster matters.

**MSC to grant On-Leave-From-Call roster status to Deacon Katherine Eisele effective 1/1/2021.
SC.2021.03.11**

**MSC to grant On-Leave-From-Call roster status to the Rev. Mark Eliason effective 12/29/2020.
SC.2021.03.12**

**MSC to grant Retired Roster status to the Rev. Steve Moberg effective 9/01/2021.
SC.2021.03.13**

**MSC to grant On-Leave-From-Call roster status to the Rev. Sue Sinclair effective 9/1/2020.
SC.2021.03.14**

**MSC to grant Disability Roster Status to the Rev. Lynnae Sorensen effective 2/4/2021.
SC.2021.03.15**

MSC to renew the extension of On-Leave-from-Call status to the Rev. Jonathan Splichal Larson for one year, effective 10/07/19
SC.2021.03.16

MSC to grant On-Leave-From-Call roster status to the Rev. Beverly Struckmann effective 1/9/2021.
SC.2021.03.17

MSC to grant Family On-Leave-From-Call roster status to Deacon Laurel Vogl effective 3/18/2021.
SC.2021.03.18

MSC to grant On-Leave-From-Call roster status to the Rev. Rhonda Wellsandt-Zell effective 1/9/2021.
SC.2021.03.19

MSC to grant Family On-Leave-From-Call roster status to the Rev. Dirk Hagmaier effective 3/18/2021.
SC.2021.03.20

Congregational Matters

Inform Only

Astoria, Wood Lake – Closed 8/30/20

Bradley, St. John's – Closed 11/22/20

Newell, First – Closing 4/30/21

Oldham, Oldham/Ramona, St John – 1st vote to leave ELCA scheduled 4/11/21

Viborg, Spring Valley – 2nd vote to leave ELCA scheduled 4/25/21

Action Items

MSC to remove Rosholt, St. Joseph/New Effington, Walla from ELCA Roster (have called an LCMC pastor).
SC.2021.03.21

MSC to remove Viborg, Our Savior's from ELCA Roster (held 2nd vote to leave ELCA 3/14/21).
SC.2021.03.22

Approve Constitutions

MSC to approve the amended constitution for Evangelical Lutheran in Langford.
SC.2021.03.23

MSC to approve the amended constitution for Augustana Lutheran in Sioux Falls.
SC.2021.03.24

**MSC to approve the amended constitution for Our Savior's Lutheran in Sioux Falls.
SC.2021.03.25**

Seminary Debt Reduction Committee

There are several vacancies on the Seminary Debt Reduction Committee. Bishop Hagmaier has recommended filling these terms with Rev. Dan Ofstehage and Linda Sanden.

**MSC to appoint the Rev. Dan Ofstehage and Linda Sanden to the Seminary Debt Reduction Committee.
SC.2021.03.26**

The constitution for congregations states that interim pastors are not available for call to the congregation they are serving unless previously agreed upon by the Synod Council. The Bishop asked the Synod Council to grant temporary consent for 2021 in order to facilitate the call process in locations where such an arrangement may be helpful.

**MSC to grant Synod Council consent for interim pastors to be available to receive a letter of call in the congregation where they are serving as interim, if agreed to by the Bishop, for the year 2021. This shall satisfy the requirement of *C9.07.
SC.2021.03.27**

The Rev. Steiner requested the designation of a Synodically Authorized Worshiping Community in the Box Elder area. This is one of the first steps in forming a new start congregation.

**MSC to designate the Box Elder Exploration as a Synodically Authorized Worshiping Community (SAWC) of the South Dakota Synod.
SC.2021.03.28**

Registration for the Synod Assembly will open soon. There is discussion in many synods to allow more options than male/female on the registration form.

**MSC to direct the synod staff and Justice Taskforce to explore the categories for gender on the Synod Assembly registration forms with the intent of offering options that reflect the diversity of the church.
SC.2021.03.29**

2022 Synod Assembly

The Synod Council designates the date of the Synod Assembly.

**MSC to set the 2022 Synod Assembly date on June 3-4, 2022, at Our Savior's Lutheran Church, Sioux Falls, SD.
SC.2021.03.30**

Future meetings

Synod Assembly June 4-5, 2021

Synod Council, June 5, 2021, following the Synod Assembly

The meeting was adjourned.

Respectfully submitted,



Rev. Jonathan Vehar, secretary

SD Synod of the ELCA
Synod Assembly Audit Committee Report
March 19, 2021

The role of the Audit Committee is to provide oversight of the financial reporting process and the audit process, including retention of the auditors, review of the financial statements, and evaluation of internal controls. The Audit Committee, which consists of Pastor Ramona Hayes, Bob Scott, Sara Dannen, Pastor Jackie Braun, and Angie Hillestad, initially met on June 11, 2020 to review the drafts of the January 31, 2020 audited financial statements. The meeting began with introduction of the committee members, including new committee member, Angie Hillestad, and the Synod's auditor, Meghan Garry of Thurman, Comes, Foley, & Co. Lois Borchardt and Erik Gilbertson were also present.

The financial statements were audited by Meghan Garry of Thurman, Comes, Foley & Co. Meghan noted a clean, unmodified audit opinion on the January 31, 2020 financial statements in accordance with the modified cash basis of accounting. This special purpose framework was used primarily because the Synod does not record contributions receivable from congregations. Meghan also reported two significant deficiencies in internal control related to segregation of duties and the auditor's preparation of the financial statements.

The Audit Committee discussed proposed changes to the audited financial statements with Meghan and reconvinced with her on October 7, 2020 to review the changes and approve issuance of the financial statements. The committee also discussed a potential change to the financial statements to report them in accordance with accounting principles generally accepted in the United States of America (US GAAP) with a departure from US GAAP for not recording contributions receivable from congregations. This change better reflects that the only modification being made to the financial statements is that contributions receivable from congregations is not recorded. The executive committee subsequently approved this change.

Highlights of the 2020 statements are as follows:

- Assets were approximately \$11,900,000.
- Liabilities were approximately \$400,000.
- Net assets, which mainly consist of net assets with donor restrictions, were approximately \$11,500,000.
- Revenue and expenses were steady, and the Synod expended nearly \$600,000 less in expenditures that it earned in revenue.
- The financial statements disclosed potential impacts of COVID-19 and the receipt of a Paycheck Protection Program loan of approximately \$195,000

Respectfully submitted,

Angie Hillestad, CPA
Audit Committee Member