

Minutes of the 2015 Annual Meeting

Of the Membership of Lutheran Services in America, Incorporated
Wednesday, April 22, 2015, 8:30 AM to 10:00 AM
Regency Ballroom, Hyatt Regency Riverwalk, San Antonio, Texas

The Annual Members Meeting was preceded by a plated breakfast

Opening Prayer

Rev. John Fale, Associate Executive Director, Mercy Operations, Lutheran Church-Missouri Synod (LCMS) led the members in prayer and provided a reflection on the work of LSA members.

I. Call to Order & Welcome

Mr. Samuel M. Sipes, President and CEO of Lutheran Services Florida and Chairperson of the LSA Board of Directors welcomed the attendees to the Annual Meeting and the 2015 LSA Annual Conference. Sam announced the presence of a quorum and called the Meeting to order at 9:01 AM. Sam noted that attendees present represented 154 member organizations from 32 states and the Virgin Islands. He welcomed all first time attendees to San Antonio, Texas and to the 2015 LSA Annual Conference.

II. Approval of Agenda

Motion

ADOPTED

That the Agenda for the 2015 LSA Annual Meeting be approved as presented.

III. Minutes of April 30, 2014 LSA Annual Meeting

Motion

ADOPTED

That the Minutes for the 2014 LSA Annual Meeting be approved as presented.

IV. Report of the Chairperson

Sam Sipes gave a brief history of his 23-year career in Lutheran social ministry. Sam's report focused on the tremendous change and challenges facing LSA members; the significant impact LSA members have within their communities; and the power of the LSA network to affect national policy. Sam noted that many LSA members are investing in the future of the network through the LSA 20-500 Fund. He thanked the members for being part of the future of Lutheran social ministry.

V. Report of the President and CEO

Charlotte Haberaecker, President and CEO of LSA, welcomed and thanked the members for attending the 2015 LSA Annual Conference. During her report, Charlotte highlighted the following:
Lutheran social ministry has a unique bond and has been coming together in new ways to learn, innovate and solve problems, and take joint action together.

- As a network, we grow our ideas and innovations, our connections, and ultimately our collective reach. It is in the "doing" that we answer God's call to love and serve our neighbor and achieve our vision.
- The possibilities and potential of the LSA network are phenomenal. For example, by working together we can master the transition that would allow more people to live independently at home. We can demonstrate that our programs are truly making a difference and improving outcomes for the people we walk along side of on a daily basis. We can achieve the bold vision

of the LSA Disability Network to reform Medicaid so that people with disabilities can live a life of their choosing with greater financial security.

- We have seen over the last two years that these opportunities are within our reach. We are aligned because of our shared heritage, shared values, and our unique trust.
- Over the last year, LSA has created new opportunities for members including new communities of practice. For example:
 - The Children, Youth and Families Group is receiving technical assistance from The Annie E. Casey Foundation to demonstrate the effectiveness of their programs.
 - The Senior Services/Post-Acute Care Group has been working together to navigate the dramatic changes in implementing the Affordable Care Act.
 - LSA-Disability Network has been a driving force behind the passage of the ABLE Act to provide greater economic security for people with disabilities.
- We have seen a renewed energy and spirit around LSA's leadership events, notably at the revamped Lutheran Leadership Summit and the record-setting CEO Academy.
- Working together not only makes the network stronger, but opens up opportunities for members' individual organizations. Together we are advancing our collective mission and strengthening the future of Lutheran social ministry as a whole.
- We are all invested in that stronger tomorrow and are well on our way with the three-year plan to strengthen our network and make it more sustainable going forward. Over 40 member organizations participated in the LSA 20-500 Fund making a three-commitment above and beyond their dues, and many additional members contributed over and above their regular dues to support the network. We achieved 100% giving from the LSA Board of Directors and staff, creating a unique opportunity for other funders to join us.
- We are ready to do so much more. We are limited only by our imagination as we co-create our future to answer God's call to love and serve our neighbors.

VI. Financial Report for LSA Fiscal Year 2014

Junia John-Straker, CEO of Lutheran Social Services of the Virgin Islands and Chair of the LSA Audit Committee, reported on the LSA financial report for FY 2014. She noted that the audited financial statements were provided in the Annual Meeting section of the Conference program. The independent auditing firm, CliftonLarsonAllen, LLP, performed an audit of LSA as of June 30, 2014 and 2013. The Audit Committee met with the auditors at the beginning of the audit and at the end of the examination to discuss the results. The audit was completed in August 2014 and represented a clean opinion with no material weaknesses or significant deficiencies. At the January 2015 Board Meeting, the Board of Directors reappointed CliftonLarsonAllen, LLP, to conduct the FY 2015 audit. The Audit Committee membership consists of Board Members, Junia John-Straker (*Chair*), Brian Hofland, and Betty Oldenkamp and outside members, Richard M. Barger, CPA and Executive Vice President and Treasurer, Diakon Lutheran Social Ministries, and Jennings I. (Chan) Chandler, CPA and CFO, Lutheran Retirement Ministries of Alamance County, North Carolina.

VII. LSA Fiscal Year 2016 Budget

Frederick Kraegel, Treasurer of the LSA Board of Directors, presented the LSA FY 2016 Budget. He referenced the proposed budget provided to the membership in the Annual Meeting materials. It was noted that the proposed budget had been reviewed and approved by the appropriate individuals from the ELCA and The LCMS as required.

In April 2013, the LSA Board of Directors endorsed a plan that included strategic investments in LSA's future with projected net losses in FY 2014 and FY 2015 and net revenue in FY 2016. To date, LSA is ahead of plan with a projected net loss of \$135,600 versus Budget net loss of \$368,600 in FY 2015. LSA will seek additional revenue through grants and fundraising for FY 2016. LSA formed a Development Committee to assist the fundraising efforts of LSA staff. The FY 2016 budget includes a modest 4% increase in LSA Member dues and a simplified dues schedule.

LSA historically accumulated cash balances in excess of Board required reserves. The Board will not use previously established board reserves. The LSA Board considered the proposed FY 2016 budget at its meeting on April 20, 2015 and recommended it as presented to the LSA membership for approval.

Sam Sipes requested and received a second to the motion.

Motion

ADOPTED

That the LSA Fiscal Year 2016 Budget be adopted as presented.

VIII. Report of the Governance Committee

Frederick Kraegel, Governance Committee Chair, referenced the Annual Meeting materials pertinent to the following slate of nominees as recommended for the open Class A positions of the Board of Directors of Lutheran Services in America as Class A Directors for three year terms from July 1, 2015 to June 30, 2018.

Sam Sipes requested and received a second to the motion.

Motion

ADOPTED

That Jodi Harpstead, Christie Hinrichs, and Junia John-Straker be elected as Class A Board Members for three year terms (July 1, 2015 – June 30, 2018)

IX. Recognition of Board Service

Newly-Elected Board Members

Sam Sipes congratulated the newly elected board members.

Newly-Elected Board Officers

Sam Sipes announced newly elected officers of the LSA Board of Directors, whose new terms begin on July 1, 2015: Betty Oldenkamp, Chairperson (*first term*); David Fenoglio, Vice Chair (*first term*); Brian Hofland (*first term*), Treasurer; and Patricia Davenport (*second term*), Secretary.

Departing Board Members

Charlotte Haberaecker expressed gratitude to the departing board members: Mr. Samuel Sipes, President and CEO, Lutheran Services Florida; Mr. Frederick Kraegel, Parham Partners, LLC, and Mr. William Hanawalt, Executive Director, Peace Community Center. Sam Sipes and Bill Hanawalt served as Class A members of the LSA Board. Fred Kraegel served as a Class B member of the LSA Board. Sam, Fred and Bill accepted a gift from the LSA Board of Directors in appreciation of their service.

X. Invitation to the 2016 Annual Conference

Ms. Jodi Harpstead, Chief Executive Officer, Lutheran Social Service of Minnesota invited the membership to attend the 2016 Annual Conference on April 25 - 28, 2016 at the Hilton Minneapolis in Minneapolis, MN.

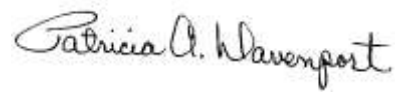
XI. Closing Prayer

Rev. Dr. Phyllis Anderson, President Emeritus, Pacific Lutheran Theological Seminary, led the closing prayer.

XII. Adjournment of Meeting

Sam Sipes thanked the membership and adjourned the meeting at 9:46AM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Patricia A. Davenport".

Patricia A. Davenport
Secretary