

Minutes of the 2017 Annual Meeting

Of the Membership of Lutheran Services in America, Incorporated
Friday, May 5, 2017, 9:00 AM to 10:00 AM
Presidential Ballroom, Capital Hilton, Washington, DC

The Annual Members Meeting was preceded by a plated breakfast.

Opening Prayer

Rev. Melody Eastman, Pastor of Grace Lutheran Church of Glen Ellyn in Glen Ellyn, Illinois led the members in prayer.

I. Call to Order & Welcome

Ms. Betty Oldenkamp, President and CEO of Lutheran Social Services of South Dakota and Chairperson of the Lutheran Services in America (LSA) Board of Directors, welcomed the attendees to the Annual Meeting and the 2017 LSA Annual Conference. Betty announced the presence of a quorum and called the Meeting to order at 9:00 AM. Betty noted that over 300 attendees were present from 30 states. She welcomed all first time attendees to Washington, DC and to the 2017 LSA Annual Conference.

II. Approval of Agenda

Motion

ADOPTED

That the Agenda for the 2017 LSA Annual Meeting be approved as presented.

III. Minutes of April 27, 2016 LSA Annual Meeting

Motion

ADOPTED

That the Minutes for the 2016 LSA Annual Meeting be approved as presented.

IV. Report of the Chairperson

Betty Oldenkamp provided a brief report of the Chairperson. Betty's report focused on the significant impact of the LSA network to magnify the efforts and extend the reach of the individual member organizations. Betty noted that her own organization, Lutheran Social Services of South Dakota, is part of the Children, Youth and Family group and has benefitted from the experience of other LSA members and technical support provided by the Annie E. Casey Foundation to improve the lives of at-risk children. Betty concluded her report by thanking the LSA members for their continued support of the LSA 20-500 Fund and the LSA 2016 Annual Conference lead sponsors, Portico Benefit Services, the Mission Investment Fund and Thrivent Financial.

V. Report of the President and CEO

Charlotte Haberaecker, President and CEO of LSA, welcomed and thanked the members for attending the 2017 LSA Annual Conference. During her report, Charlotte highlighted the following:

- LSA members are able to work together as a thriving network because of our common mission, our Lutheran legacy of caring for our neighbors that reaches back 500 years, and our shared values.
- Lutheran social ministry came to life in the establishment of the Common Chest in Wittenberg where resources were pooled to not only support orphans and widows, but to hire a community doctor and provide low-interest loans so that the unemployed could receive training to become active members of the community.

- Five hundred years later the Lutheran Services in America network is united in responding to our neighbor in need and providing opportunities for people to reach their full potential.
- Lutheran Services in America is leveraging the size and power of the network and speaking with one powerful voice. LSA mobilized members this year to take action in new and different ways to support Medicaid--where the network is uniquely qualified to advocate as one of the only comprehensive voices on the topic.
- Lutheran Services in America is strengthening the resilience of our members to thrive in this rapidly changing environment and achieve greater impact. Through a partnership with the Annie E. Casey Foundation, LSA helped members make a meaningful difference in the lives of 4,000 vulnerable and at-risk youth.
- Lutheran Services in America formed a new senior services collaborative to explore new ways to work together on a broader scale so that people with chronic health conditions can remain healthy at home and our members become preferred service providers.
- Lutheran Services in America formed new partnerships to bring resources and expertise to our members including the Nonprofit Finance Fund.
- Lutheran Services in America successfully completed the three-year LSA 20-500 campaign. Forty-five member organizations contributed to the fund.
- Lutheran Services in America is launching a new fund--the Realizing the Promise Fund--to build on the work that the LSA 20-500 Fund started so we can generate new partnerships, provide new resources and expertise for our members and accelerate innovation throughout the network.
- Lutheran Services in America delivered a balanced budget this year. The budget for 2018 does not include an increase in member dues.
- To accomplish this work, the LSA Board of Directors took a serious look at the dramatic changes affecting social ministry since LSA was created 20 years ago and concluded that for LSA to achieve its transformative vision, the Board needed to be strategic and the right size for the organization and to have members who are champions and connectors with key skills. The Board voted unanimously to restructure the board from a 20 person board to a 10-13 person board and to recommend that the Membership approve the Bylaw change.

Charlotte Haberaecker received no questions from the Membership on the Report of the President.

VI. Financial Report for Lutheran Services in America Fiscal Year 2016

Ann Vazquez, President and CEO of the Lutheran Foundation of St. Louis and Member of the Lutheran Services in America Audit Committee, reported on the LSA financial report for FY 2016. 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, 2016 and 2015. 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 2016 and represented a clean opinion with no material weaknesses or significant deficiencies. For the eighth consecutive year, no internal control letters were issued. At the January 2017 Board Meeting, the Board of Directors reappointed CliftonLarsonAllen, LLP, to conduct the FY 2017 audit. The Audit Committee membership consisted of Board Members, Junia John-Straker (Chair), Ann Vazquez and Jim Zils and outside members, Chris Reighard, SVP Finance and Planning, Allegheny Lutheran Social Ministries and Kirby Nickerson, Chief Financial Officer, Lutheran Services Carolinas.

VII. Lutheran Services in America Fiscal Year 2018 Budget

David Swartling, of Counsel, Mills Meyers Swartling and Treasurer of the Lutheran Services in America Board of Directors, presented the LSA FY 2018 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.

Mr. Swartling noted that Lutheran Services in America has significantly changed its strategy, services and funding over the past four years. Similarly, Lutheran Services in America’s budget has evolved over the period from Board-approved net losses over the FY 2013-2015 period to net revenue in FY 2016 and FY 2017.

The proposed FY 2018 budget includes \$3.6 million in revenue and net revenue of \$14,300 for Lutheran Services in America. There is no change in member dues in FY 2018. LSA has strong cash reserves and will meet the Board-required reserves. The Board recommended the FY 2018 budget, as presented, to the LSA membership for approval.

Mr. Swartling received no questions from the Membership on the LSA FY 2018 Budget.

Betty Oldenkamp requested and received a second to the motion.

Motion **ADOPTED**
That the LSA Fiscal Year 2018 Budget be adopted as presented.

VIII. Report of the Governance Committee

David Swartling, Chair of the Governance Committee, presented the proposed amendment of Lutheran Services in America’s Bylaws.

The Lutheran Services in America Board of Directors recommends that the Members amend the Bylaws to restructure the Board. The Board took an in depth look at the significant changes affecting Lutheran social ministry since Lutheran Services in America was created 20 years ago and concluded that to achieve its full potential, that the Board of Directors needs to be strategic, with members who are champions and connectors to link to external partners and resources, a Board that has key skills, and one that is the right size for the organization.

The Lutheran Services in America Board of Directors voted unanimously to recommend to the Members that the Bylaws be approved. Both the ELCA and The LCMS have formally approved the Bylaw change as required.

The Lutheran Services in America Board of Directors recommends that the Members amend the Bylaws to restructure the Board from a 20-person Board to a 10-13 Board of Directors. The Board will have a strong Lutheran identity and include the:

- Executive Directors of the appropriate unit of the ELCA and LCMS or their designees
- 4-6 Chief Executive Officers of Social Ministry Organizations to be elected by the Members
- 4-6 members elected by the Board of Directors.

At least 50% of the Lutheran Services in America Board Members will be active members of Lutheran congregations.

The members are also asked to approve the initial process for the Lutheran Services in America Board of Directors to elect the Board-elected members. No one will serve more than a total of two three-year terms on the Board (with the exception of members who complete a year or less of an unexpired term). In addition, there are a number of technical amendments that address meeting notice requirements, etc.

Motion

ADOPTED

That the Members approve the proposal from the Lutheran Services in America Board of Directors dated October 19, 2016, to amend the Lutheran Services in America Bylaws in order to reconstitute the Lutheran Services in America Board of Directors and address related governance issues as described in these proposed changes to the Lutheran Services in America Bylaws. Furthermore, the Members specifically authorize the current Lutheran Services in America Board of Directors to elect the initial Board-elected members of the Board to complete the remainder of the terms for which they were originally appointed or elected under the prior Lutheran Services in America Bylaws.

David Swartling then referenced the Annual Meeting materials pertinent to the following slate of nominees as recommended for the open positions for Chief Executive Officers of Social Ministry Organizations to the Board of Directors of Lutheran Services in America.

Betty Oldenkamp requested and received a second to the motion.

Motion

ADOPTED

That David Fenoglietto be reelected to a second term and that Larry Bradshaw, Jodi Harpstead, Christie Hinrichs, Junia John-Straker and Betty Oldenkamp be elected to complete their current terms on the Board of Directors. The current members who are serving their first term on the Board shall be eligible for election to a second term.

IX. Recognition of Board Service

Newly-Elected Board Officers

Betty Oldenkamp announced newly elected officers of the LSA Board of Directors, whose new terms begin on July 1, 2017: David Fenoglietto, Chairperson (*first term*); Betty Oldenkamp, Vice Chairperson (*first term*); David Swartling, Secretary (*first term*); and Jim Zils, Treasurer (*first term*).

Departing Board Members

Betty Oldenkamp expressed gratitude to the departing board members: Rev. Patricia Davenport, Rev. Melody Eastman, Rev. Kurt Kusserow, Rev. Dr. Don Fondow, Dr. Bruce Kintz, and Ms. Ann Vazquez. Each received a gift from the LSA Board of Directors in appreciation of their service.

X. Invitation to the 2018 Annual Conference

David Fenoglietto, President & CEO of Lutheran SeniorLife invited the membership to attend the 2018 Annual Conference on May 1-3, 2018 in Pittsburgh, Pennsylvania.

XI. Closing Prayer

Rev. Dr. Stephen Bouman, Executive Director for Domestic Mission, the Evangelical Lutheran Church in America led the closing prayer.

XII. Adjournment of Meeting

Betty Oldenkamp thanked the membership and adjourned the meeting at 10:00 AM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Betty Oldenkamp". The signature is written in a cursive, flowing style.

Betty Oldenkamp
Chairperson