



# The 2012 ANNUAL MEETING

of Lutheran Services in America, Incorporated

## Minutes of the 2012 Annual Meeting

Thursday, April 19, 2012, 8:00 am to 9:45 am  
Sheraton Station Square Hotel, Pittsburgh, Pennsylvania

A plated breakfast was served from 7:30 to 8:15 am in Grand Station I and II.

### I. Call to Order

Ted W. Goins, Jr., Chairperson of the LSA Board of Directors, announced the presence of a quorum for the Meeting and called the Meeting to order at 8:00 AM.

### II. Devotions

Rev. Stephen Bouman, Executive Director, Congregational and Synodical Mission, Evangelical Lutheran Church in America (ELCA) led devotions with prayer and a reflection on service and hope. Those served in social ministry are also gifted spiritual people who return the service and together with those serving reflect the body of Christ in the world. The woman who dared to touch the hem of Christ's garment in Matthew 9 was encouraged by Christ; the budgets of social ministry should also reflect that hope and the heartbeat of the work done together in Christ, centered in the fonts and pulpits of the church.

### III. Approval of Agenda

**Motion** **ADOPTED**  
*That the Agenda for the 2012 LSA Annual Meeting be approved as presented.*

### IV. Minutes of May 5, 2011 LSA Annual Meeting

**Motion** **ADOPTED**  
*That the Minutes of the 2011 LSA Annual Meeting be approved as presented.*

### V. Report of the Chairperson

Ted W. Goins, Jr. shared his remarks as the outgoing Chairperson of the LSA Board of Directors, reflecting on his history with LSA as one of educational and networking opportunities, lasting connections and an astonishing experience of a network where the answer is always "Yes!" no matter the question, project or need. LSA engenders a strong sense of community, of partnership, of kinship and of walking an Emmaus road together.

He noted that generosity is one of the many remarkable things about the Lutheran system of health and human services organizations as he recognized on screen the names of the more than one third of organizations that paid dues in FY2012 who took a step beyond "sustaining" dues to become "Innovators," "Futurists" or "Catalysts." He also acknowledged by name on screen the 2011 calendar year LSA donors and the special reception to be held in their honor later in the day.

Ted Goins recognized the extensive work accomplished by the Executive Search Committee since its formation following the August 2011 Board meeting, thanking the Chair, Linda Timmons, for her leadership of this diverse team with wisdom, wit, steadiness and perseverance and thanking the Committee for being creative, faithful and resourceful in helping the search firm source excellent candidates, preparing descriptions and documentation and interviewing candidates.

## **VI. Report of the Executive Search Committee**

Linda Timmons, Chair, LSA Board Executive Search Committee, and current Vice Chairperson LSA Board of Directors, thanked the members of the Committee [listed following] for their creative commitment and fully engaged contributions to the search process. Since the Committee was formed in the fall of 2011, input has been gathered from a variety of stakeholders including the LSA membership, Board and staff. A position specification was crafted and search firms were vetted and a selection made – Korn|Ferry International, located in Washington, DC – who assisted in finalizing the position specification and formulating a plan, process and timeline that included a stretch goal of introducing a new President and CEO at this Annual Meeting. A position specification was published in December, over 200 people were contacted regarding the position, including Bishop Hanson at the ELCA and President Harrison at the LCMS in addition other stakeholders, and close to 60 applicants were considered. Initial interviews with four candidates took place on March 1, with second interviews following with two candidates and an additional new candidate on March 14-15. The Committee continues to source candidates and to refine vital characteristics based on the position specification. It is on track to identify the next President and CEO in the coming months. Until an offer is made and accepted, Korn|Ferry will continue to seek qualified candidates. The Committee had identified the following core characteristics for the next leader of LSA:

- Someone who is energized by connecting organizations and bringing about collaboration.
- Someone who can motivate and inspire partners to join us in meeting our Ends.
- Someone who is, if not experienced in, at least able to develop resources for LSA.
- Someone with business acumen.
- Someone who can represent us exceedingly well at the national level.
- In short, someone who can inspire us and lead us in thinking big.

Expressing gratitude for the many LSA stakeholders who have already recommended people who may either connect the Committee with candidates or be interested in the position, Linda Timmons invited the attendees of the Annual Meeting to take 15 minutes to have table conversations and provide written input regarding two questions: *Who do you know who fits this bill? Who do you know who we should talk to in order to find such a person?* The members were also provided with a copy of the position specifications.

The Executive Search Committee: Ms. Linda Timmons, Chair, LSA Board Search Committee, Current Vice Chairperson LSA Board of Directors, President and CEO, Mosaic, Omaha, Nebraska; Dr. Luanne B. Fisher, Former Vice Chairperson LSA Board of Directors, President and CEO, Liberty Lutheran Services, Philadelphia, Pennsylvania; Mr. Frederick G. Kraegel, Current Treasurer LSA Board of Directors, Managing Director, Parham Partners, LLC, Richmond, Virginia; Dr. Sheila Radford-Hill, Former Member LSA Board of Directors, Executive Director, Diversity Center, Luther College, Decorah, Iowa; Dr. Kurt Senske, Former Member LSA Board of Directors, President and CEO, Lutheran Social Services of the South, Inc., Austin, Texas; Mr. Samuel Sipes, Current Member LSA Board of Directors, President and CEO, Lutheran Services Florida, Tampa, Florida; Dr. Robert Tuttle, Current Member LSA Board of Directors, Professor of Law, David R. and Sherry Kirschner Berz Research Professor of Law and Religion, The George Washington University Law School, Washington, DC; Mr. Ted W. Goins, Jr., Current Chairperson LSA Board of Directors, President, Lutheran Services for the Aging, Inc., Salisbury, North Carolina.

## **VII. Report of the Acting President and CEO**

Lisa Schiller, Acting President and CEO, Lutheran Services in America, shared that as she approached this Meeting that her overwhelming feeling was one of gratitude: Gratitude that she has been able to introduce Annual Conference attendees to the beauty, culture and opportunities of her hometown of Pittsburgh; Gratitude for the LSA Board of Directors and their faithfulness and concern for LSA (slides were presented with the name and picture of each Board member); Gratitude for all the attendees at the Annual Conference and the passion and skills and expertise that they bring to generously share with one another; Gratitude for her colleagues at LSA's national office who work hard looking for ways to add value to the work of Lutheran social ministry – inspired every day by the work done by all of the LSA members.

**VIII. Financial Report for LSA Fiscal Year 2012**

Toni McNeal, Chief Financial Officer at KenCrest Centers, Plymouth Meeting, Pennsylvania, and former member of the LSA Audit Committee, reported on the LSA financial report for fiscal year 2012, noting the audited financial statements provided in the Annual Meeting section of the Conference Program booklet. The independent auditing firm Clifton Gunderson performed an audit of LSA as of June 30, 2011 and 2010. 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 and represented a clean unqualified opinion. There were no material weaknesses or significant deficiencies. For the third consecutive year, no internal control letters were issued. At the January 2012 Board Meeting, the Board of Directors reappointed Clifton Gunderson, now CliftonLarsonAllen, LLP, to conduct the Fiscal Year 2012 audit. The Audit Committee membership consists of Board Members Bob Tuttle (Chair), Brian Hofland and Alan Erdman and outside member, Jennings (Chan) Chandler, CFO at Twin Lakes, Lutheran Retirement Ministries of Alamance County, Burlington, North Carolina.

**IX. LSA Fiscal Year 2013 (FY13) Budget**

Frederick Kraegel, Treasurer, LSA Board of Directors, presented the LSA Fiscal Year 2013 Budget to the membership. He referenced the proposed budget provided to the membership in the Annual Meeting materials and noted that the proposed budget had been reviewed and approved by the appropriate individuals from the ELCA and the LCMS as required. The Board considered the proposed FY13 budget at its meeting on April 16 and has recommended it, as presented, to the LSA membership for approval.

LSA projects it will end FY12 in the black and is submitting a balanced budget for FY13. Staff has developed a Fiscal Year 2012 projection and Fiscal Year 2013 proposed budget. LSA is in a sound financial position. Cash and investment positions will remain sound throughout FY2012 and FY2013. LSA presently maintains sufficient cash balances and laddered CDs, which meet the Board's reserve requirements. LSA continues to operate within a challenging economic environment. The general economic climate continues to be constrained and member organizations are facing fiscal challenges, including those related to state and federal budgets. Nonetheless, 37% of organizations paying dues elected to pay above the sustaining category.

Significant this year is that LSA will hire a new CEO. Organizational priorities will create sustainability for LSA and, at the same time, allow LSA to advance its Ends Policies. Given the potential for new directions and new opportunities, the Board endorses this growth budget. LSA will continue to identify grant opportunities, pursue new business development opportunities and increase contributions from organizations and individuals by building momentum in various fundraising activities.

The proposed LSA Fiscal Year 2013 Budget was recommended by the LSA Board of Directors for presentation at the Annual Meeting with total revenues of \$2,320,400 and total expenses of \$2,320,200.

The Chairperson of the Board of Directors requested a motion and second.

<b>Motion</b>	<b>ADOPTED</b>
<i>That the LSA Fiscal Year 2013 Budget be adopted as presented.</i>	

**X. Report of the Board Member Nomination Committee**

John Bauer, Board Member Nomination Committee member, referenced the Annual Meeting materials pertinent to the work of the Board Member Nomination Committee, noting the configuration of the LSA Board and the responsibilities of the Committee to provide nominations of Class A members to be voted upon at the LSA Annual Meeting of the Membership, to provide Class C candidates to be voted upon by the LSA Board of Directors, and to provide advice for the appointments of Class B candidates by the LCMS and the ELCA.

The following slate of nominees is recommended for the open positions on the Board of Directors of Lutheran Services in America as Class A Directors for three year terms from July 1, 2012 to June 30, 2015: William Hanawalt (*Second Term*), Executive Director, Peace Community Center, Tacoma, Washington; Junia John-Straker (*Second Term*), CEO, Lutheran Social Services of the

Virgin Islands, Frederiksted, St. Croix, Virgin Islands, Samuel Sipes (*Second Term*), President and CEO, Lutheran Services Florida, Tampa, Florida.

The Chairperson of the LSA Board of Directors requested and received a second to the motion.

**Motion**

**ADOPTED**

*That Junia John-Straker, William Hanawalt and Sam Sipes be elected as Class A Board Members for three year terms (July 1, 2012 – June 30, 2015).*

**XI. Recognition of Board Service**

**Newly-Elected Board Members**

The Chairperson congratulated the re-elected members of the Board and thanked them for their willingness to serve.

**Newly-Elected Board Officers**

The Chairperson of the LSA Board of Directors announced the newly elected officers of the LSA Board of Directors, whose new terms begin on July 1, 2012: Linda Timmons, Chairperson (*First Term*); John Bauer, Vice Chairperson (*First Term*); Bob Tuttle, Treasurer (*First Term*); Brian Hofland, Secretary (*First Term*).

**Departing Board Members**

The Chairperson expressed gratitude to the departing Board members, District President David Benke (Second Term ending June 2012) and Bishop David deFreese (First Term ending June 2012) for their service on the Board, its committees and for the leadership they have provided during their Board terms. He also thanked Bishop deFresse for his two years of service as Board Secretary; Bishop deFreese's upcoming retirement from his office of Bishop of the Nebraska Synod (ELCA) ends his appointment to the LSA Board of Directors. Because they were not available to attend the Annual Meeting, both Benke and deFreese were presented with LSA's signature gift at their final Board Meeting on April 16, 2012.

**Outgoing Board Officers**

Linda Timmons recognized the outgoing members of the Board who have completed two full terms of service as officers: Ted W. Goins, Jr. as Chairperson, David deFreese as Secretary and Fred Kraegel, as Treasurer. Ted W. Goins, Jr. thanked Linda Timmons for her service as Vice Chairperson and stated that he is confidently looking forward to her leadership as Chairperson starting July 1, 2012.

**XII. Invitation to the 2013 Annual Conference**

Melissa K. Graves, Executive Director, Lutheran Social Services of the National Capital Area, via video, invited everyone to attend the 2013 Annual Conference: *Service Speaks* on Monday – Thursday, April 8-11, 2013 at the L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW in Washington, DC. Julie Swanson, President and CEO of Lutheran Family Services of Virginia, Roanoke, Virginia, reminded the membership of the importance of being together to give voice to LSA's expertise and to share stories of service with policy decision makers at the national level.

**XIII. Closing Devotions**

Rev. Bart Day, Executive Director, Office of National Mission, The Lutheran Church—Missouri Synod (LCMS) led a Morning Liturgy including a reading from the twentieth chapter of St. John's gospel.

**XIV. Adjournment of Meeting**

Ted Goins thanked the membership and adjourned the meeting at 9:15 AM.

Respectfully submitted,



David L. deFreese  
Secretary