

## Minutes of the 2014 Annual Meeting

Of the Membership of Lutheran Services in America, Incorporated  
Wednesday, April 30, 2014, 8:30 AM to 10:00 AM  
Blackstone Ballroom, Hilton Omaha, Omaha, Nebraska

*The Annual Members Meeting was preceded by a plated breakfast sponsored by LSA member organization, Immanuel.*

### I. Call to Order

Dr. John E. Bauer, Chairperson of the LSA Board of Directors, announced the presence of a quorum for the Meeting and called the Meeting to order at 8:50 AM.

### II. Welcome

Charlotte Haberaecker, President and CEO of LSA, welcomed the attendees to the Annual Meeting and the 2014 Annual Conference. Charlotte mentioned that this year's conference has 331 participants from 130 member organizations in attendance, including 111 first-time attendees. Members in attendance represented 34 states and the Virgin Islands as well as guests from Hong Kong and Germany. In conclusion, Charlotte noted that LSA's first President and CEO, Joanne Negstad was in attendance at the conference.

### III. Opening Prayer

Rev. Patricia Davenport, Director for Evangelical Mission, Southeastern Pennsylvania Synod, Evangelical Lutheran Church in America (ELCA) led the devotion with prayer and reflection on the work of LSA members.

### IV. Approval of Agenda

Motion

ADOPTED

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

### V. Minutes of April 3, 2013 LSA Annual Meeting

Motion

ADOPTED

*That the Minutes for the 2013 LSA Annual Meeting be approved as presented.*

### VI. Report of the Chairperson

John Bauer welcomed the members and gave a brief history of his professional background in academia and his experience at Bethesda Lutheran Communities. John briefly noted the LSA Strategic Plan and the LSA 20-500 Fund campaign and encouraged all members to support and commit to this endeavor.

### VII. Report of the President and CEO

Charlotte Haberaecker welcomed and thanked the Members for attending the 2014 Annual Conference. Charlotte presented an overview of the new LSA Strategic Plan. This plan was developed to meet the needs of LSA members to grow and thrive. Through a national listening tour and survey of our members CEOs, LSA learned the four top priorities that have guided the development of our strategic plan: (1) Leverage the national network and presence to provide funding and service opportunities for members; (2) Help members evolve and transform in a rapidly changing environment; (3) Create close and trusted relationships among members; and (4) Advocate on their behalf and serve as the voice of Lutheran Social Ministry.

Charlotte provided an overview of LSA's four strategic priorities in response to our members' request:

- LSA will bring people, resources, and expertise together to help our member innovate, transform and thrive. LSA has engaged with major foundations, including the Margaret A. Cargill Foundation and the Kresge Foundation, to share the story of Lutheran Social Ministry and our unique national network. LSA has also reshaped the content of our events to better meet the needs of our members. To help LSA members create close trusted relationship, LSA has developed new groups (Children, Youth and Family and the Senior Services groups), to leverage the strength of the network and to help members take collective action.
- LSA will be a recognized and visible network and voice for Lutheran Social Ministry. LSA has worked to raise awareness of our network in national publications such as The Non Profit Digest. LSA has also partnered with other faith-based organizations and recently represented Lutheran Social Ministry at the 3<sup>rd</sup> Annual National Poverty Summit in Washington, DC. LSA has revamped our advocacy strategy to address our members' needs. LSA will connect members to federal funding opportunities and foster relationships with key decision makers within the administration.
- LSA will foster, strengthen and expand faith-based connections. LSA has developed the new Associate Membership Class to welcome Lutheran organizations, who are not currently affiliated with the ELCA or recognized by The LCMS, into our network and broaden our community. LSA is also strengthening and fostering relationships with Lutheran colleges and universities.
- LSA will create and implement a sustainable LSA business model. LSA will not raise member dues for FY 2015. The LSA FY 2014 Budget included a strategic financial investment. LSA is on track in our multi-year plan to create funding opportunities for members and LSA. LSA will launch the LSA 20-500 Fund; a three year fundraising campaign to build toward the 20<sup>th</sup> Anniversary of LSA and the 500<sup>th</sup> Anniversary of the Reformation. Our three year fundraising goal is \$500,000 and currently 25 member organizations have pledged their financial support on top of their dues.

Charlotte concluded her report stating that LSA envisions a network of connected, strong and thriving Lutheran Social Ministries that transform the lives of people and communities. In response to a member question, Charlotte provided clarification that LSA will pursue funding opportunities for both LSA and our members. The funding for LSA will be in support of our members and will add value to all members.

#### **VIII. Financial Report for LSA Fiscal Year 2013**

Junia John-Straker, CEO of Lutheran Social Services of the Virgin Islands and Member of the LSA Audit Committee, reported on the LSA financial report for FY 2013, on behalf of the Committee Chair, Rev. Alan Erdman. She noted that the audited financial statements were provided in the Annual Meeting section of the Conference program booklet. The independent auditing firm CliftonLarsonAllen, LLP, performed an audit of LSA as of June 30, 2013 and 2012. 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 in the audit. Ms. Straker thanked the LSA Vice President for Finance, Bruce Cropf, for his work in leading the LSA Audit. At the January 2014 Board Meeting, the Board of Directors reappointed CliftonLarsonAllen, LLP, to conduct the FY 2014 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 CFO, Diakon Lutheran Social Ministries, and Jennings I. (Chan) Chandler, CPA and CFO, Lutheran Retirement Ministries of Alamance County, North Carolina.

**IX. LSA Fiscal Year 2015 Budget**

Frederick Kraegel, Treasurer of the LSA Board of Directors, presented the LSA FY 2015 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 2013, The LSA Board endorsed a strategic investment to increase value to members and create a sustainable financial future for LSA. Similar to its members, LSA faces financial challenges. Both the ELCA and The LCMS have contributed to LSA generously and have been very supportive of LSA, however, funding declined approximately 40% over the past two years (\$875,000 for FY 2012 to \$525,000 for FY 2014).

The LSA will not increase our member dues for FY 2015. LSA will launch the LSA 20-500 Fund, a three year fundraising campaign. In addition, LSA will continue to pursue grants and foundation funding in support of our members and for our members directly.

LSA had historically accumulated cash balances in excess of Board required reserves. A portion of these cash balances will be used to fund the strategic investments. The Board will not use previously established board reserves. The cash and investment position will remain sound for the remainder of FY 2013 and FY 2014. The LSA Board considered the proposed FY 2015 budget at its meeting on April 28, 2014 and recommended it as presented to the LSA membership for approval.

John Bauer requested and received a second to the motion.

**Motion**

**ADOPTED**

*That the LSA Fiscal Year 2015 Budget be adopted as presented.*

**X. Report of the Governance Committee**

Frederick Kraegel, Governance Committee Chair, referenced the materials on the Associate Membership in the Annual Meeting. Fred noted that this change to the LSA Bylaws would provide an opportunity for Lutheran Social Ministry organizations that are currently not affiliated by the ELCA or recognized by the LMCS, to become members of LSA. The proposed amendment also includes technical changes in titles of the respective organizational units of the ELCA and The LCMS. In response to a member question, Fred noted that a fee structure for Associate Membership class has not yet been determined.

**Motion**

**ADOPTED**

*That the Members amend the Bylaws to allow a new Associate Membership class and make revisions in title of the respective organizational units of the ELCA and The LCMS.*

**XI. 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, 2014 to June 30, 2017.

John Bauer requested and received a second to the motion.

**Motion**

**ADOPTED**

*That David Fenoglio, Armena Mnatsakanyan and Ann Vazquez be elected as Class A Board Members for three year terms (July 1, 2014 – June 30, 2017)*

## **XII. Recognition of Board Service**

### **Newly-Elected Board Members**

John Bauer congratulated the newly elected board members.

### **Newly-Elected Board Officers**

The Chairperson of the LSA Board of Directors announced newly elected officers of the LSA Board of Directors, whose new terms begin on July 1, 2014: John Bauer, Chairperson (second term); Junia John-Straker, Vice Chair (second term); Frederick Kraegel (second term), Treasurer; and Patricia Davenport (first term), Secretary.

### **Departing Board Members**

John Bauer expressed gratitude to departing board member, Rev. Alan Erdman, President and CEO of Lutheran Family and Children's Services of Missouri and Mr. Ted W. Goins, Jr., President and CEO of Lutheran Services Carolinas. Both Rev. Erdman and Mr. Goins served as Class A members of the LSA Board. Ted accepted the LSA signature gift from the LSA Board of Directors in appreciation of his service to the Board. Rev. Erdman was unable to attend the Annual Meeting and will be sent the LSA signature gift in recognition of his service.

## **XIII. Invitation to the 2015 Annual Conference**

Kurt Senske, President and CEO, Lutheran Social Services of the South, invited everyone to attend the 2015 Annual Conference on April 20-23, 2015 at the Hyatt Regency San Antonio in San Antonio, Texas.

## **XIV. Closing Prayer**

Rev. John Fale, Associate Executive Director, Mercy Operations, Lutheran Church-Missouri Synod (LCMS) led the closing prayer.

## **XV. Adjournment of Meeting**

John Bauer thanked the membership and adjourned the meeting at 9:44AM.

Respectfully submitted,



Brian F. Hofland  
Secretary