

Michigan Health Endowment Fund
Board Meeting
Monday, December 16, 2015
Lansing Center, 333 East Michigan Avenue, Lansing, MI 48933

Meeting Minutes

Call to order

The board meeting of the Michigan Health Endowment Fund was called to order at 2:00 p.m. by Chairman Robert Fowler.

Roll call

A quorum was determined based on the presence of the following Board Members:

Board Members present:

Rob Fowler
Lynn Alexander
Tim Damschroder
Sue Jandernoa
Keith Pretty
Michael Williams (arrived at 1:40)

Participating by phone:

Cindy Estrada

Absent:

James Murray
Marge Robinson

Others present:

Paul Hillegonds
Terry Gardner
Julie Skubik
Laurie Solotorow
Duane Tarnacki

Approval of agenda:

Chairman Fowler asked if there were any comments regarding the agenda, which was approved without objection.

Review and approval of the minutes from the previous meetings:

Board Member Damschroder moved to approve the minutes from the September 21, 2015, Board Meeting. Board Member Jandernoa seconded. Motion passed six to zero.

Public Comment:

There was no public comment.

CEO Report:

Mr. Hillemonds thanked Chairman Fowler, Board Members, staff and TPI for their participation in the strategic planning session. Mr. Hillemonds reported on the following topics: strategic planning process, 2015 grant programs, health philanthropy scan, Flint water crisis, Medigap status, and means test proposed by DIFS as part of the Fund's Medigap obligation.

Audit Committee:

Committee Chair Pretty reported that the audit report has been finalized and is posted to the MHEF website. The initial tax return for the Fund was timely filed with the IRS. Planning has begun for the audit of the Fund's 2015 financial statements, which is currently scheduled for January 2016.

Investment Committee:

Committee Chair Damschroder reported that the Investment Committee is searching for an investment consultant. The committee has evaluated 14 investment consulting firms' responses to the RFP. The three finalists made a presentation to the Investment Committee on December 16, 2015 prior to the Board Meeting. The committee expects to present the final candidate for approval at the January 25, 2016 Board Meeting.

Governance Committee:

General Counsel Duane Tarnacki presented the amended and restated Policy Manual reflecting all the changes approved at the September 21, 2015 Board Meeting.

Executive and Compensation Committee:

Chairman Fowler asked Mr. Gardner to describe the budget process and major activities contained within the budget. The following motion was made by Mr. Damschroder and seconded by Ms. Alexander.

RESOLVED, that the budget for 2016, as presented to the Board, be, and it hereby is, ratified, adopted and approved.

The vote passed by a vote of seven to zero.

The next item was a resolution to set the 2015 endowment and Fund reserve allocation. Mr. Damschroder made the following motion and seconded by Mr. Williams.

WHEREAS, the Fund's Spending and Endowment Fund Policy allows the Fund to expend a portion of the money contributed to it in an amount up to the Maximum Spending Allowance which for year 2 is 80%;

WHEREAS, the Fund received total contributions in 2015 of \$50 million; and

WHEREAS, the Act requires that \$10 million be allocated to the Endowment Fund for purposes of meeting and complying with the Act's Accumulated Principal Goal.

NOW, THEREFORE, BE IT:

RESOLVED, that \$10 million be allocated to the Fund's Endowment Fund; and

RESOLVED, that the Board has reviewed the amounts spent for the year to date and the Fund has not spent and it is not anticipated to spend, the Maximum Spending Allowance for 2015, therefore, the Board hereby allocates to the "Spendable Account" the remaining amount of the Maximum Spending Allowance for 2015 to be made available for spending in the balance of the current year and future years, and such amount allocated to the Spendable Account for 2015 may be designated to specific programs at the January 2016 Annual Board Meeting or thereafter.

The vote passed seven to zero.

Mr. Fowler gave an overview on the status of the strategic planning process.

Grantmaking Committee:

Committee chair Jandernoa reported that 33 applications were submitted by community foundations throughout the state and an application submitted by the Michigan Association of Community Mental Health Boards. The following 25 community foundation projects were recommended for approval by the committee: Allegan, Ann Arbor, Barry, Battle Creek, Bay Area, Berrien County, Charlevoix, Dickinson, Fremont, Grand Haven, Grand Rapids, Grand Traverse, Huron County, Jackson, Kalamazoo, Lapeer, M&M (UP), Marquette, Midland, Monroe, Mt. Pleasant, Muskegon, Roscommon, Saginaw and Upper Peninsula.

Chairman Fowler asked all Board Members to identify any potential grants where her/she might have a conflict of interest. Mr. Hillegonds reminded the Board that he serves on the Board of Trustees of the Community Foundation for Southeast Michigan. Ms. Alexander stated that her employer, Presbyterian Villages of Michigan, may be a sub-recipient of the grant to the Community Foundation for Southeast Michigan and wished to abstain.

Mr. Pretty moved to approve the grants to the 25 community foundations (excluding the Community Foundation for Southeast Michigan) and Mr. Williams seconded. The vote passed seven to zero.

Mr. Damschroder moved to approve the grant application from the Community Foundation for Southeast Michigan and Mr. Pretty seconded. Ms. Alexander abstained. The vote passed six to zero.

Ms. Jandernoa introduced Laurie Solotorow to provide committee updates on applications from the following community foundations: Flint, Lenawee, and Northeast Michigan. The Grantmaking Committee recommended these grant applications for approval subject to amendments to the original proposals.

Mr. Damschroder moved to approve the grant applications from the following community foundations subject to the adjustments and amendments presented: Flint, Lenawee and Northeast Michigan. Mr. Williams seconded. The vote passed seven to zero.

Ms. Solotorow described the status of the Capital Region Community Foundation's application. The committee has deferred consideration of this application to the March 2016 board meeting for approval.

Ms. Jandernoa reported that the Michigan Association of Community Mental Health Boards has submitted a grant application to implement the Senior Reach program in 12 regions throughout the state. Senior Reach is an evidence-based program designed to link seniors with services specific to mental health needs.

Ms. Alexander moved to approve the application from the Michigan Association of Community Mental Health Boards and Mr. Pretty seconded. The vote passed seven to zero.

Ms. Jandernoa reported that applications for Local Impact grants were due December 1, 2015. Thirty applications were received. These applications will be presented to the Board in March 2016.

Chairman Fowler introduced Phil Knight, Executive Director, Food Bank Council of Michigan. Mr. Knight presented an update on the collaborative partnership that has evolved as a result of the \$5 million that was granted to the Food Bank Council in 2014.

New Business:

Chairman Fowler asked if there were any new business to consider. There being none, a motion was requested to adjourn the meeting.

Adjournment

Board Member Pretty moved to adjourn the meeting. Board Member Damschroder seconded. Motion passed by a vote of seven-zero. Meeting was adjourned at 2:14 pm.

Respectfully submitted,

Julie Skubik
Secretary of the meeting