

Michigan Health Endowment Fund
Board Meeting
Monday, January 23, 2017
Radisson Hotel, 111 N. Grand Avenue, Lansing, MI 48933

Meeting Minutes

Call to order

The board meeting of the Michigan Health Endowment Fund was called to order at 1:00 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
James Murray
Michael Williams

Participating by phone:

Cindy Estrada
Alexis Wiley

Others present:

Paul Hillegonds
Terry Gardner
Julie Skubik
Duane Tarnacki

Approval of agenda:

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

Public Comment:

There was no public comment.

Review and approval of the minutes from the previous meetings:

Board Member Pretty moved to approve the minutes from the November 2, 2016 Board Meeting. Board Member Alexander seconded. Motion passed nine to zero.

Board Member Appointments:

Chairman Fowler announced that Sue Jandernoa, James Murray and Michael Williams have been reappointed to serve on the Board for an additional term. Chairman Fowler thanked the three for their commitment and service.

CEO Report:

Mr. Hillegonds thanked outgoing Chairman Fowler for his time, leadership and commitment as Board Chairman. Mr. Hillegonds introduced new staff member Genevieve Otis. Ms. Otis will be joining the squad in February as a Program Assistant, working primarily in the Lansing office. Mr. Hillegonds outlined his 2017 goals for the Health Fund.

Operations Report:

Mr. Gardner gave an overview of the Health Fund's annual plan and 2017 timeline and Medigap program status. He indicated that a mid-2017 Medigap eligibility adjustment would be recommended to the Board in March.

Investment and Finance Committee:

Board Member Damschroder reviewed the yearend financial statements, and then asked Mr. Gardner to provide a report on the status of the Medigap subsidy reserves.

Mr. Gardner updated the Board on the current status of the Medigap subsidy payments, and indicated that as part of the plan presented in 2015, the operating surplus for 2016 should be reserved for the Medigap funding obligation.

The following motion was made by Mr. Pretty and seconded by Ms. Alexander.

WHEREAS, at the Fund's November 2, 2016 Board Meeting the Board allocated to the Fund's Spendable Account the remaining amount of the Fund's Maximum Spending Allowance for 2016, and;

WHEREAS, the Board would like to further designate portions of its accumulated Spendable Account as reserves toward specific future programmatic activities.

NOW, THEREFORE, BE IT:

RESOLVED, that \$17 million be reserved and designated to the Fund's Medicare Supplemental Insurance Subsidy ("Medigap") program; and

RESOLVED, such amounts designated for the abovementioned program shall be recorded as such in the Fund's books and records, and shall remain so reserved and designated until the completion of those programs or such earlier time as determined by the Board of Directors.

The motion passed by a vote of nine to zero.

Mr. Damschroder asked Mr. Gardner to describe the proposed 2017 budget revisions. Mr. Gardner outlined the changes in the budget which were principally related to the Medigap subsidy, grant support programming change, and increase in staffing.

Board Member Murray moved to approved the revised 2017 budget. Mr. Williams seconded.

The motion passed nine to zero.

Governance Committee:

Committee Chair Williams requested that each Board Member update their conflict of interest disclosures.

Audit Committee:

Committee Chair Pretty reported that the 2016 audit is in process. The on-site fieldwork has been completed by George Johnson & Company and Tax Form 990 will be timely filed with the IRS. Mr. Pretty announced that Michael Nicholas from GJC will be attending the March meeting to report.

Grantmaking Committee:

Committee Chair Jandernoa reported that the Grantmaking Committee met to review proposals prior to the Board Meeting. The Health Fund received 56 Nutrition and Healthy Lifestyle proposals and 133 Community Impact proposals for the 2017 grant cycle. Recommendations for approval of proposals will be presented to the full Board at the March Board Meeting.

Executive and Compensation Committee:

Chairman Fowler reviewed the process for evaluation of the CEO. The Board Members were given the opportunity to provide input to the Executive and Compensation Committee regarding CEO performance thru a survey mechanism. Chairman Fowler reported that the Board gave Mr. Hillegonds excellent reviews of his leadership and performance. Board Member Damschroder moved to compensate Mr. Hillegonds with a 3% cost of living allowance. Board Member Alexander seconded. Motion passed by a vote of nine to zero.

Election of Officers:

Chairman Fowler moved to nominate Board Member Damschroder for Board Chair. Board Member Pretty seconded. Motion passed by a vote of eight to zero. Board Member Damschroder abstained.

Board Member Damschroder moved to nominate the following officers. Member Williams seconded.

- Vice Chair- Lynn Alexander
- Treasurer -Keith Pretty
- Secretary -Sue Jandernoa

Motion passed by a vote of nine to zero.

Appointment of Board Committees:

Board Member Damschroder moved to nominate the following Board Members to committees.

Executive and Compensation Committee

- Tim Damschroder - Chair
- Lynn Alexander - Vice Chair
- Keith Pretty - Treasurer
- Sue Jandernoa - Secretary

Grantmaking Committee

- Sue Jandernoa-Chair
- Lynn Alexander
- Michael Williams
- Alexis Wiley
- Rob Fowler

Governance Committee

- Michael Williams-Chair
- Jim Murray
- Alexis Wiley

Investment and Audit Committees

- Keith Pretty-Chair
- Cindy Estrada
- Rob Fowler
- Jim Murray
- Jon Braeutigam (Investment only)

Upon motion made, seconded and carried, the committee appointments were unanimously approved.

Adjournment

The meeting was adjourned at 2:00 pm.

Respectfully submitted,

Julie Skubik
Secretary of the meeting