

Michigan Health Endowment Fund
Board Meeting
Monday, July 21, 2014
Kellogg Hotel and Conference Center – East Lansing, Michigan

Meeting Minutes

Call to order

The board meeting of the Michigan Health Endowment Fund is called to order at 9 a.m. by Chairman Robert Fowler.

Roll call

Quorum is established based on the presence of the following Board Members:

Board Members present:

Lynn Alexander
Tim Damschroder
Cindy Estrada
Rob Fowler
Sue Jandernoa
Jim Murray
Keith Pretty
Michael Williams

Participating by phone:

Marge Robinson

Others present:

Geralyn Lasher
Mark Neithercut
Jeff Padden
Beka Guluma
Jennifer Smith
Deanna Deldin

Approval of agenda

Chairman Fowler approves the agenda.

Public comment

There were no public comment cards submitted.

Review and adoption of the minutes from the previous meeting

Board Member Pretty moves to approve the minutes from the June 16, 2014, board meeting. Board Member Williams seconds. The motion passes by a vote of nine to zero.

Learning session: Health and Health Care Trends

Marianne Udow-Phillips, Director of the Center for Healthcare Research & Transformation at the University of Michigan, presents to the Board on the health and health care trends of children and seniors in Michigan.

Report of the Chair

- I. Jeff Padden notes that the Council of Michigan Foundation Conference is in October.
- II. With the Board's approval, the extension of GERALYN Lasher's contract as interim executive director will be confirmed and extended for 90 days.
- III. With the Board's approval, the extension of Public Policy Associates contract will be confirmed and extended for 90 days.

Report of the Interim Executive Director

I. Listening tour

The listening tour sessions are being coordinated and dates have been finalized. The first listening tour session will follow the current meeting in the Kellogg Center. Ms. Lasher adds that the purpose of these sessions is to get further information from the various regions around the state. Jane Powers and Peter Pratt from Public Sector Consultants will guide the discussions.

II. Email addresses

Ms. Lasher reports that the email addresses for the Board Members have been obtained and that staff will be reaching out to their individual offices with instructions and options on how access the accounts.

III. Accounting

All bills have been paid and the Fund is current on all of its accounts.

IV. Memberships

The Michigan Health Endowment Fund is now a member of the Council of Michigan Foundations.

V. Branding

Ms. Lasher has had initial conversations with Brogan and Partners regarding creative options, logo design, and overall visual representation for the Michigan Health Endowment Fund.

VI. Office space

Ms. Lasher reports that she is identifying options and opportunities for physical locations for the Board and its staff. While there is nothing to act on today, it is something to start thinking about. The Board may be presented with some options as soon as the August meeting.

BREAK

Committee reports

I. Executive and Compensation Committee

Board Member Fowler states that the next Executive and Compensation Committee meeting will be on August 4, 2014.

II. President and CEO Recruitment Committee

During the June meeting, the Board approved the position guides. Since then, the position announcements have been posted and the interviewing process has begun. Rick King of Kittleman and Associates will be at the August Board meeting to provide a full report to the Board.

III. Investment Committee

Board Member Damschroder states that there is \$90 million in Huntington in commercial paper and corporate bonds which are short-term vehicles with lower return rates. \$10 million remains invested in low return investments with Chemical Bank.

Kittleman has put together the CFO position description. However, the Board does not intend to hire a CFO until the CEO is in place. The Board is considering hiring someone on an hourly basis to do background work including RFPs and investment policies.

IV. Grantmaking Committee

Board Member Jandernoa presents the grantmaking plan for the Board's approval. The full plan is included in the board book, and proposes that the board embark upon two grantmaking paths:

1. Focus on developing open, competitive grantmaking strategy that will allow a large number of Michigan organizations to apply for grants to improve the health of the state, and
 2. Make a few pilot grants to a small number of statewide organizations in 2014 to demonstrate the Fund's commitment to help Michigan residents as soon as possible.
- a. Pilot Grant Objectives for 2014
 - i. Address key issues including children, seniors, and the cost of healthcare.
 - ii. Grants that demonstrate innovation and learning opportunities.
 - iii. Set a precedent for incoming staff and the CEO.
 - iv. Establishing funds to support and focus on our mission.
 - v. Opportunities to learn from those who we are serving.
 - vi. Work with organizations that have systems in place.
 - vii. Work with organizations that have infrastructure to comply with financial reporting requirements.
 - viii. Make every effort to distribute grants in October or November of 2014.

The next Grantmaking Committee meeting is August 5, 2014.

Board Member Estrada brings up the possibility of an emergency funds component to grantmaking. For example, the current water shutoff issue in Detroit. Board agrees to revisit the issue of emergency funding at the next board meeting and tasks Ms. Lasher with gathering more information on the Detroit water issue.

Board Member Jandernoa moves to adopt the grantmaking plan, as presented. Board Member Pretty seconds the motion. Motion passes by a vote of nine to zero.

V. Governance Committee

Board Member Williams presents the committee workplan. The Governance Committee will create a policy manual to present to the Board at a future meeting. From there, the board will approve the policy manual to ensure that committees and their decision making are in line with the Board's processes.

VI. Audit Committee

Board Member Pretty provides update to the Board and states that the Audit Committee will review the RFP for accounting firms at its Audit Committee meeting scheduled following today's board meeting. The committee wants to make sure that the CEO is hired before the final CFO hiring decision is made, but the committee will have a list of firms to which the RFP will be submitted for the Board to review at the next board meeting.

Legal issues

The non-gift acceptance policy will go to the Governance Committee for review.

Business for action

- I. Extension of the Interim Executive Director contract for Geralyn Lasher, and extension of Public Policy's contract.

Board Member Pretty moves to approve the extensions. Board Member Estrada seconds the motion. Motion passes by a vote of nine to zero.

- II. CFO Position Description

Board Member Alexander moves to approve the CFO position description. Board Member Williams seconds the motion. Motion passes by a vote of nine to zero.

The next meeting of the board will be August 18, 2014.

Adjournment

Chairman Fowler adjourns the meeting at 12:25 p.m.

Respectfully submitted,

Secretary of the meeting

