

Michigan Health Endowment Fund
Executive Committee Meeting
August 1, 2018
9:00 am

Meeting Minutes

Board Members present:

Tim Damschroder
Sue Jandernoa
Keith Pretty
Lynn Alexander

Others in attendance:

Paul Hillegonds
Terry Gardner
Julie Skubik
Duane Tarnacki

Chairman Damschroder called the meeting to order. Board Member Pretty moved to approve the minutes from the March 9, 2018 Executive Committee meeting and Ms. Jandernoa seconded the motion. Motion was adopted.

Mr. Pretty reported on the year to date financial statements. He reported that operations continue to stay aligned with budget, and that the Health Fund has sufficient cash and investments to meet its operating and programmatic responsibilities. He also referred the committee to the revised balance sheet presentation for restricted and non-restricted funds. He noted that this was a preliminary presentation in accordance with the new accounting standards which is required to be adopted with our 2018 financial statements.

Next, Mr. Pretty reported on the results of the Investment Committee meeting that was held on July 31, 2018. He reported that the endowment portfolio return, excluding cash, has exceeded its benchmark since inception of the portfolio with Northern Trust. The committee also reviewed the endowment portfolio's approach to investing in private equity, as well as Michigan managers.

Finally, Mr. Pretty reported that although there had been preliminary discussions regarding issuing an RFP for audit services, they have decided to continue with George Johnson & Company for the 2018 audit cycle. This will be GJC's fifth year, and after 2018 the committee will consider an RFP as part of its normal audited review process.

Ms. Jandernoa reported on the Grantmaking Committee meeting held July 31, 2018. She reported that the committee received recommendations from staff for approximately \$5.1 million of behavioral health grants. The Grantmaking Committee also reviewed a preliminary proposal for up to \$1.5 million for grants surrounding an initiative to access behavioral health services entitled "No Wrong Door". A more detailed proposal, along with proposed grantees, will be reviewed at the October Grantmaking Committee meeting.

Mr. Hillegonds presented the proposed agenda for the strategic planning meeting being held on August 10th.

Mr. Gardner presented an analysis of the current status of the Medigap Subsidy program and a preliminary plan to taper the subsidy over the remaining three years of the subsidy's operations.

The committee reviewed and approved a draft of the agenda for the August 10, 2018 board meeting.