

Michigan Health Endowment Fund
Executive Committee Meeting
January 31, 2019
10:00 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 Alexander moved to approve the minutes from the October 24, 2018 Executive Committee meeting and Mr. Pretty seconded the motion. Motion was adopted.

Mr. Pretty asked Mr. Gardner to discuss the proposed 2018 audit, finances and proposed 2019 budget. Mr. Gardner noted that the unaudited financial statements are included in the committee packet and were in line with the projection provided to the committee in October as part of the 2019 budget review. Mr. Gardner next discussed the updated budget, reviewing the significant changes from the preliminary budget approved in November 2018. In particular, he noted the reduction in the cost of administering the Medigap subsidy, the increase in personnel costs due to revised estimate and timing of additional staff, and the increased rent costs related to the Lansing office.

Next, Mr. Gardner reviewed the status of the audit and reported the auditors were on site to perform their work from January 14-16. The auditors are currently preparing the draft financial statements. The audit and tax return release are subject to confirmation of the Health Fund investments, particularly partnership investments.

Mr. Gardner reported on the results of the Investment Committee meeting that was held on January 31, 2019. The committee reviewed simulation analyses of grantmaking and the level of the long-term endowment reflecting various scenarios and probabilities. The Investment Committee recommended changes to the Investment Policy Statement, and maintaining the current long-term financial plan, subject to updating every 2-3 years

Mr. Hillegonds described plans for the informational luncheon for board members prior to the February Annual Meeting. The purpose is for discussion, feedback and ideas regarding the progress of the current strategic plan. He reported that there will not be any voting or formal decisions by board members. Also, he reported there is not yet a replacement for board member Cindy Estrada.

The committee reviewed and approved a draft of the agenda for the February 13, 2018 board meeting.

Action items included:

- Election of Officers
- Resolution to release reserve funds from 2018
- Proposed 2019 budget
- Status of 2018 audit
- Investment Policy Statement amendment