



330 Marshall Street, Lansing, MI 48912 • 517-374-0031 • Mhealthfund.com

Public Meeting Notice
Michigan Health Endowment Fund Board Meeting
Thursday, July 23, 2015
1:00 p.m.
Lansing Center
Governor's Room
333 East Michigan Avenue
Lansing, MI 48933

Board of Directors
Rob Fowler, Chairman
Lynn Alexander
Timothy Damschroder

Susan Jandernoa
Cindy Estrada
James Murray
Keith Pretty

Marge Robinson
Michael Williams
Chief Executive Officer
Paul Hillegonds

Michigan Health Endowment Fund Board Meeting

July 23, 2015

Lansing Center, 333 East Michigan Avenue, Lansing, Michigan 48933

The mission of the Michigan Health Endowment Fund is to improve the health of Michigan residents and reduce the cost of health care with special emphasis on the health and wellness of children and seniors.

- | | |
|------------------------|--|
| 12:30 p.m. - 1:00 p.m. | Refreshments |
| 1:00 p.m. - 1:10 p.m. | Opening – Rob Fowler <ul style="list-style-type: none"> • Call to order of regular Board Meeting • Roll call • Review of agenda, page 2-3 • Review of March 15, 2015 minutes, pages 4-7 • Review of May 21, 2015 minutes, pages 8-10 |
| 1:10 p.m. – 1:20 p.m. | Public Comment
Public Comment: Five-minute limitation on a single representative of an organization; three minutes for individuals representing themselves |
| 1:20 p.m. – 1:25 p.m. | CEO Report: Paul Hillegonds |
| 1:25 p.m. – 1:30 p.m. | Audit Committee: Keith Pretty |
| 1:30 p.m. – 1:35 p.m. | Governance Committee: Michael Williams |
| 1:35 p.m. – 1:40 p.m. | Investment Committee: Tim Damschroder <ul style="list-style-type: none"> • Financial statements, pages 14-22 |
| 1:40 p.m. – 2:00 p.m. | Executive and Compensation Committee: Rob Fowler <ul style="list-style-type: none"> • Discussion of Board strategic planning process • Resolution to approve 2015 MHEF Budget, page 23 • Resolution to authorize President-CEO to employ staff, page 24 • Resolution to change of Resident Office and Resident Agent, page 25 • Resolution to authorize additional banking signors and usage of credit card, page 26 • Resolution to revise 2014 endowment and Fund reserve allocation, page 27 • Resolution to amend Grantmaking Committee membership and size, page 28 |
| 2:00 p.m. – 2:15 p.m. | Grantmaking Committee: Sue Jandernoa <ul style="list-style-type: none"> • Local Impact Grants, pages 25 |

- 2:15 p.m. – 2:30 p.m. **Learning Presentation from Council of Michigan Foundations**, Rob Collier,
President & CEO
- 2:30 p.m. – 3:30 p.m. **Grantmaking Committee: Sue Jandernoa**
- Leveraging Community Foundation Grants, pages 25
- 3:30 p.m. – 4:00 p.m. **New Business – Rob Fowler**
- 4:00 p.m. **Adjourn**

Michigan Health Endowment Fund
Board Meeting
Thursday, March 19, 2015
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 8:34 p.m. by Chairman Robert Fowler.

Roll call

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

Board Members present:

Lynn Alexander
Tim Damschroder
Rob Fowler
Sue Jandernoa
Michael Williams
James Murray

Participating by phone:

Marge Robinson
Cindy Estrada (joined at 9:00 a.m.)

Absent:

Keith Pretty

Others present:

Paul Hillegonds
Duane Tarnacki (by phone)
Michael Pattwell

Approval of agenda:

Chairman Fowler reviewed the agenda, which was approved without objection.

Review and approval of the minutes from the previous meeting:

Chairman Fowler reviewed the minutes from the February 9, 2015, board meeting. Board Member Alexander seconded. Motion passed by a vote of eight to zero.

Public Comment:

Avery Eenigenburg from Michigan Association of Infant Mental Health described work being done by her organization including its Infant Mental Health Home Visiting evaluation project.

CEO Report:

Chairman Fowler stated he was very pleased to formally welcome Paul Hillegonds as the first President and CEO of the Fund. Mr. Hillegonds thanked Chairman Fowler and reported that he has met one on one with six of the directors and looks forward to meeting with the other three. Mr. Hillegonds discussed his efforts and plans to staff the Michigan Health Endowment Fund office with an executive assistant, chief financial officer/chief operating officer and senior program officer. Rick King of Kittleman is assisting. Mr. Hillegonds also described the benefits of attending the 2015 Grantmakers in Health Annual Conference on Health Philanthropy and noted the significant number of conversion foundations. He discussed the results of a positive meeting with Robert Collier, the President and CEO of the Council of Michigan Foundations who is putting together an affiliation group in Michigan for grantmakers in health.

Chair Report:

Chairman Fowler reported on his and other Board Members' participation in the 2015 Grantmakers in Health Annual Conference on Health Philanthropy. He observed that a number of conversion foundations are wrestling with the same issues as the Fund. Another important observation was the potential power the Fund could wield beyond mere grantmaking. For that reason, the Chair believes it is critical that the entire board participate in developing the long term strategy, inclusive of grantmaking.

Ms. Alexander suggested the Fund consider joining National Grantmakers on Aging.

Learning Presentation:

Jane Powers and Peter Pratt from Public Sector Consultants reported to the Board on the results of the 2014 Listening Tour which entailed the creation of six public forums across the State of Michigan and the receipt of public input on health issues from over 300 people. A copy of the Report will be made available on Michigan Health Endowment Fund's website.

Action on Administrative Items:

- I. Resolution to Adopt a Section 457(b) Plan.

The Board was presented with the following resolution:

WHEREAS, the Board of Directors desires to adopt an Internal Revenue Code Section 457(b) Plan effective March 16, 2015 for a select group of management or highly compensated employees, pursuant to which participants may make deferrals into the Plan; and

WHEREAS, the Board desires to provide that Paul C. Hillegonds, the Fund's President and Chief Executive Officer, will participate in the Plan and be afforded the opportunity to make deferrals of compensation in accordance with the Plan.

NOW, THEREFORE, the Board adopts a 457(b) Plan authorizing discretionary employee deferrals under the Plan subject to the limits of Internal Revenue Code Section 457(b) and consistent with the terms and outline presented at the meeting; and

FURTHER RESOLVED, Paul C. Hillegonds shall be a participant in the Plan; and

FURTHER RESOLVED, that the Chairman of the Board is hereby authorized and directed to execute the Plan document as prepared by legal counsel and to take any and all necessary action to implement these resolutions.

Board Member Damschroder moved to adopt the Resolution. Board Member Williams seconded the motion. Motion passed by a vote of eight to zero.

II. Motion to Accept Grant Management Services Proposal.

Committee Chair Jandernoa described the process the Grantmaking Committee used to review responses to the RFP for grant management services. She described the qualifications and experience of Neithercut Advisors.

Upon the recommendation of the Grantmaking Committee, Board Member Jandernoa moved that the Board accept the March 17, 2015 Grant Management Services Proposal of Neithercut Philanthropy Advisors, LLC, excluding services related to long term strategy which will be separately addressed. Board Member Alexander seconded. Motion passed by a vote of eight to zero. The Chair thanked Committee Chair Jandernoa and the Grantmaking Committee for their hard work.

Committee Reports:

- I. Executive and Compensation Committee:
Chairman Fowler stated that the Board continues to improve reporting financial information and summarized the Michigan Health Endowment Fund's January 31, 2015 Financial Reports.
- II. Audit Committee:
Committee Chair Pretty was not present to report.
- III. Governance Committee:
Board Member Williams stated that the Committee has not met since the last Board meeting.
- IV. Investment Committee:
Board Member Damschroder summarized the Michigan Health Endowment Fund's investments and reported that those investments are diversified and liquid.
- V. Grantmaking Committee:
Board Member Jandernoa stated that the Committee is developing an RFP seeking proposals to assist the Board with Long-Term Strategic Planning.

Adjournment

Board Member Jandernoa moved to adjourn the meeting. Board Member Alexander seconded. Motion passed by a vote of eight to zero. Meeting adjourns at 10:10 a.m.

Respectfully submitted,

Duane L. Tarnacki
Secretary of the meeting

Michigan Health Endowment Fund Informational Meeting of the Board

Thursday, May 21, 2015

Kellogg Center, 219 South Harrison Road, East Lansing, MI 48824

Informal Meeting Minutes

Call to order

An informal meeting of the Board of the Michigan Health Endowment Fund was called to order at 9:00 a.m. by Chairman Robert Fowler. The Chairman announced that the meeting would not be a formal meeting of the Board and would be held for informational purposes only.

Roll call

The following Board Members were present in person:

Board Members present:

Keith Pretty
Sue Jandernoa
Marge Robinson
Jim Murray
Lynn Alexander
Rob Fowler

Participating by phone:

Michael Williams
Tim Damschroder

Absent:

Cindy Estrada

Others present:

Paul Hillegonds
Duane Tarnacki
Terry Gardner
Julie Skubik

Approval of agenda:

Chairman Fowler explained that there will be no voting because of a meeting notice error. Chairman Fowler asked if there are any suggested changes to the agenda. There being none, the meeting proceeded per the agenda. Mr. Murray announced that he must depart the meeting.

Review of minutes from the previous meeting:

Chairman Fowler noted that the minutes of the March 19, 2015 meeting are included in the packet for review.

Public Comment:

Chairman Fowler announced the opportunity for members of the public to address the Board. There were no public comments.

CEO Report:

Mr. Hillegonds introduced Terry Gardner, Chief Financial Officer/Chief Operating Officer and Julie Skubik, Executive Assistant, who recently joined the staff. Mr. Hillegonds is also actively pursuing a communications director and a senior program officer. He updated the Board concerning other recent activities at the Fund.

Mr. Hillegonds distributed a Mackinac Policy Conference briefing for the benefit of Board members who would be attending the Mackinac Policy Conference in the coming weeks.

Learning Presentation:

Mark Cook, Vice President Governmental Affairs, Blue Cross Blue Shield of Michigan, made a presentation to the Board concerning the Medigap supplement issue. He provided background information concerning potential eligible populations, premium levels, projected supplements based on the \$120 million budget and related issues. Following discussion, he was thanked by the Board and concluded his presentation.

Audit Committee:

Chairman Pretty reported that members of the Audit Committee and management met with representatives of our audit firm, George Johnson & Company, on April 24 to review the Fund's operations and the proposed audit plan for the 2014 audit of the Fund's financial statements. The audit is scheduled to start in late June, with financial statement issuance in early September, and tax return preparation and filing by the end of September, within necessary deadlines. The CFO and the consultants for financial and grant activities have already begun working with the auditors to insure that the first audit goes smoothly.

Governance Committee:

Committee Chair Williams reported that the Governance Committee met the previous week and discussed the Board's 2014 Learning and Development Plan and the policy regarding the President's authority to retain staff and consultants. The Committee will also be proposing amendments to the Policy Manual and reviewing the employee handbook.

Investment Committee:

Mr. Gardner reported on behalf of Committee Chair Damschroder that the Chair and management met with Huntington Bank investment personnel to review the Fund's portfolio, its current returns, investment construct, and the current state of the market. The Committee also discussed the Fund's activities, liquidity needs and plans to formalize the endowment portion of the Fund's investment portfolio, including a search for an investment advisor and formalization of the investment policies for both the short term and longer term portfolios. Huntington Bank personnel reviewed the investment strategy followed in 2014 and recommended a similar strategy for 2015 that would carry the fund to later in the year when a formalized structure and policies would be in place.

Executive and Compensation Committee:

Chairman Fowler reported that the Committee met on May 19, 2015. The Committee discussed the newly organized Medigap workforce and its plan to establish a means test for Medigap supplemental coverage eligibility. The Committee also discussed the principal accumulation process and how it interacts with the grantmaking budget. The Committee reviewed the 2015 grantmaking program and planning. He then called upon Mr. Gardner to present an overview of the endowment funding requirements and its impact on the grantmaking budget going forward. Following Board discussion and many questions, Mr. Gardner concluded his report.

Grantmaking Committee:

Committee Chair Jandernoa reported that the Grantmaking Committee held meetings on April 28 and May 14 and is proposing two grantmaking concepts for the Board to consider for 2015:

- Utilizing Michigan's 52 certified community foundations to facilitate the distribution of grant funds at the community level; and
- Executing a small, managed grant program to fund innovative programs that may not be identified through the community foundation process.

Both concepts would be competitive processes and would allow the Fund to accomplish a widespread distribution of grant dollars which would be focused on the areas listed in the statute as well as on the feedback gathered during the listening tours. The Grantmaking Committee would set specific criteria which would be used to evaluate the applications to insure that the projects align with the Fund's focus areas for grantmaking for the year.

New Business:

Chairman Fowler asked if there were any new business to come before the meeting.

Adjournment

There being no further business to come before the meeting, it was adjourned at 11:30 a.m.

Respectfully submitted,

Duane L. Tarnacki
Secretary of the meeting

TO: MHEF Board Members
FROM: Terry Gardner
DATE: July 17, 2015
RE: Audit Committee Report

The Chairman of the Audit Committee and the CFO met to discuss the status of the 2014 audit, timing of financial statements, and timing for an Audit Committee meeting for the purpose of reviewing the results of the audit with the Fund's outside auditing firm. The audit started a week earlier than planned, and substantially all fieldwork has been completed. The first draft of the financial statements is scheduled for the end of July, which will be reviewed with management. Thereafter, a second draft will be prepared for review by the Audit Committee.

An Audit Committee meeting has been scheduled for August 25 to meet with the auditors, review the results of their testing, and to review the financial statements.

Board of Directors
Rob Fowler, Chairman
Lynn Alexander
Timothy Damschroder

Susan Jandernoa
Cindy Estrada
James Murray
Keith Pretty

Marge Robinson
Michael Williams
Chief Executive Officer
Paul Hillegonds

TO: MHEF Board Members
FROM: Terry Gardner
DATE: July 17, 2015
RE: Governance Committee Report

The Governance Committee held a phone meeting on June 30 to discuss the impact that the proposed banking resolutions would have on the policies in the Policy Manual, and any need for changes or clarifications. As part of that discussion, the CFO described the Fund's system of internal controls over bank accounts and wire transfers. Also discussed were proposed controls over credit card usage.

Management reported that a review of the policy manual is being undertaken considering the addition of full time staff to the Fund and resulting changes in administrative processes.

A follow up meeting between the Chairman, legal counsel and management was held on July 15 primarily to review the status of the policy manual review. A meeting of the Committee will take place in August to review the suggested changes to the manual.

Board of Directors

Rob Fowler, Chairman
Lynn Alexander
Timothy Damschroder

Susan Jandernoa
Cindy Estrada
James Murray
Keith Pretty

Marge Robinson
Michael Williams
Chief Executive Officer
Paul Hillegonds

TO: MHEF Board Members
FROM: Terry Gardner
DATE: July 17, 2015
RE: Investment Committee Report

The Investment Committee chair and management met to review the status of the portfolio and the reinvestment of maturities as discussed and directed at the May 2015 Board Meeting. Also discussed were the Fund's activities, liquidity needs, and status of the search for an investment consultant and formalized investment policies for both the short term and longer term portfolios. Finally, the chair and management discussed the desirability of adding a non-Board Member to the Committee who would have more investment background to assist the Committee and management as the Fund's investment activities broaden out.

As a result, an Investment Committee meeting has been scheduled for August 11, 2015. At that meeting we plan to review a draft RFP for Investment Consultant services and a timeline for the search, as well as recurring Committee matters.

Please see the attached financial statements and investment details for further information.

Board of Directors

Rob Fowler, Chairman
Lynn Alexander
Timothy Damschroder

Susan Jandernoa
Cindy Estrada
James Murray
Keith Pretty

Marge Robinson
Michael Williams
Chief Executive Officer
Paul Hillegonds

Michigan Health Endowment Fund
Statement of Financial Position
June 30, 2015 and 2014
(unaudited)

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current assets		
Checking - Chemical Bank	\$ 5,114,468	\$ 10,021,578
Huntington Investments, at FMV	122,863,394	89,675,113
Accrued interest receivable	441,200	305,184
Prepaid expenses	4,061	-
Total current assets	<u>128,423,122</u>	<u>100,001,875</u>
Furniture and equipment	<u>3,575</u>	<u>-</u>
Other assets		
Security Deposits	843	-
	<u>\$ 128,427,540</u>	<u>\$ 100,001,875</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 81,233	\$ 366,741
Other current liabilities	23,499	-
Total current liabilities	<u>104,732</u>	<u>366,741</u>
Other liabilities		
Grants payable	17,544,113	-
Total liabilities	<u>17,648,845</u>	<u>366,741</u>
Net assets		
Permanently restricted net assets	30,000,000	-
Unrestricted net assets	31,199,822	-
Current year income (loss)	49,578,873	99,635,134
Total net assets	<u>110,778,695</u>	<u>99,635,134</u>
	<u>\$ 128,427,540</u>	<u>\$ 100,001,875</u>

Michigan Health Endowment Fund
Statement of Activities
For the six months ending June 30, 2015 and 2014
(unaudited)

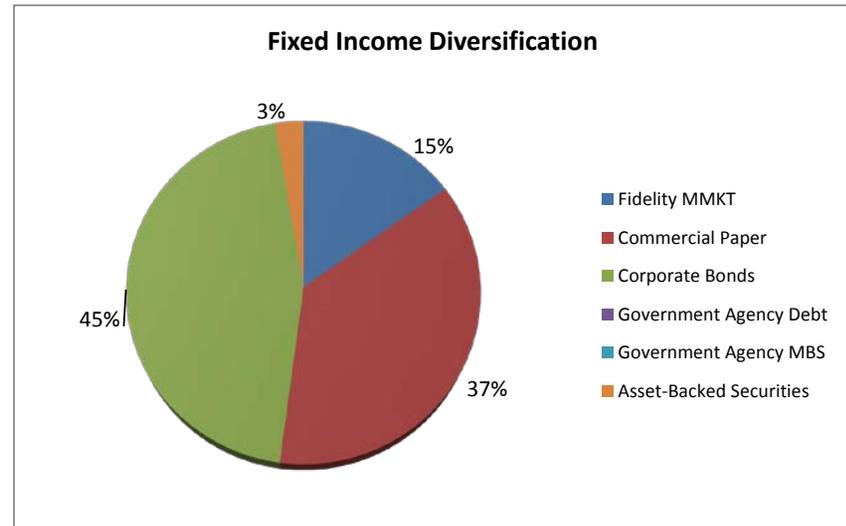
	<u>2015</u>	<u>2014</u>
Revenue		
Direct Support	\$ 50,000,000	\$ 100,000,000
Investment income	288,109	2,217
Total revenue	<u>50,288,109</u>	<u>100,002,217</u>
Expenses		
Grant expense	195,462	-
Contract Services	336,877	364,793
Payroll expenses	119,575	-
Office and Administrative	22,702	342
Membership and dues	23,550	-
Conference and meetings	9,941	1,948
Travel expense	1,130	-
Total expenses	<u>709,236</u>	<u>367,083</u>
Change in net assets	<u>\$ 49,578,873</u>	<u>\$ 99,635,134</u>

	<u>Total 2014</u>	<u>2015 Budget</u>
Income		
BCBSM Contributions	100,000,000	50,000,000
Investment Income, net	147,449	500,000
Total Income	<u>100,147,449</u>	<u>50,500,000</u>
Expenses		
Program related		
Grants awarded	38,150,000	14,400,000
Total Program related	<u>38,150,000</u>	<u>14,400,000</u>
Office and Administrative		
Salaries and Benefits	0	494,000
Grants Program support	824,403	508,000
Legal and Accounting	151,802	163,000
Other Outside Services	212,897	276,000
Office related (rent, etc)	227	16,000
Memberships and Dues	24,650	26,000
Office supplies and misc	3,034	20,000
Insurance	4,061	25,000
Travel and Meetings	21,513	40,000
Total Office and Administrative Expenses	<u>1,242,586</u>	<u>1,568,000</u>
Total Expenses	39,392,586	15,968,000
Transferred to Endowment	47,500,000 **	10,000,000
Change in Fund Balance	<u>13,254,863</u>	<u>24,532,000</u>
Fund Balance, beginning of year	0	13,254,863
Fund Balance, end of year (excluding Endowment Fund)	<u>13,254,863</u>	<u>37,786,863</u>

** Proposed as adjusted

Fixed Income Diversification

Description	Market Value	Percentage
Fidelity MMKT	\$ 18,534,480.10	15%
Commercial Paper	\$ 45,457,555.00	37%
Corporate Bonds	\$ 55,567,735.70	45%
Government Agency Debt	\$ -	0%
Government Agency MBS	\$ -	0%
Asset-Backed Securities	\$ 3,303,622.83	3%
Total	\$ 122,863,393.63	100%

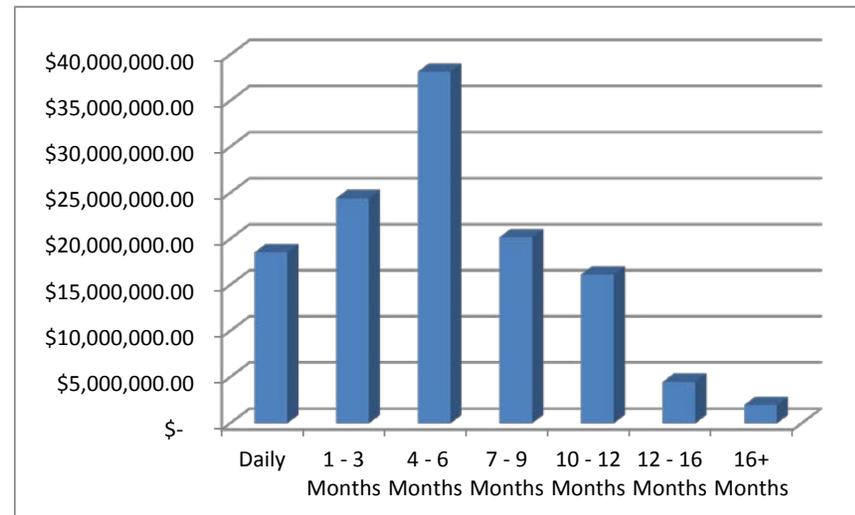


Portfolio Analysis

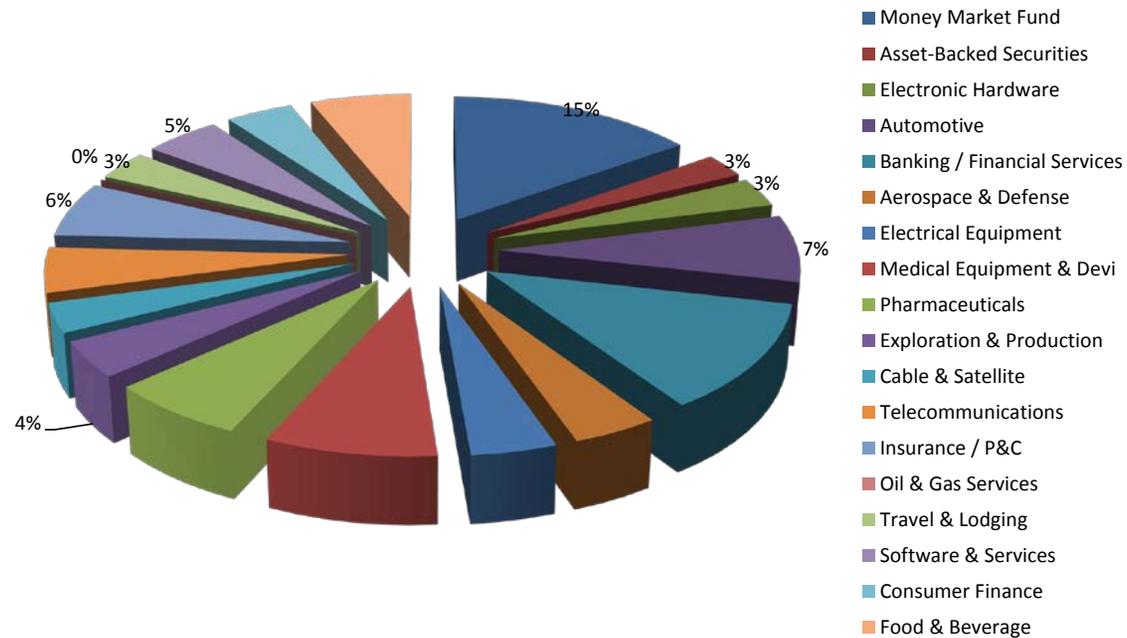
Description	
Weighted Average Yield	0.64%
Weighted Average Life in Years / Duration	0.44

Maturity Schedule

Description	Maturity Value	Percentage
Daily	\$ 18,534,480.10	15%
1 - 3 Months	\$ 24,416,439.00	20%
4 - 6 Months	\$ 38,160,103.50	31%
7 - 9 Months	\$ 20,163,899.00	16%
10 - 12 Months	\$ 16,130,985.50	13%
12 - 16 Months	\$ 4,482,973.00	4%
16+ Months	\$ 1,984,161.00	2%
Total	\$ 123,873,041.10	100%



Industry Description	Market Value	Percentage
Money Market Fund	\$ 18,534,480.10	15%
Asset-Backed Securities	\$ 3,303,622.83	3%
Electronic Hardware	\$ 3,999,360.00	3%
Automotive	\$ 9,193,184.00	7%
Banking / Financial Services	\$ 14,752,374.10	12%
Aerospace & Defense	\$ 5,022,550.00	4%
Electrical Equipment	\$ 4,990,250.00	4%
Medical Equipment & Devi	\$ 9,989,150.00	8%
Pharmaceuticals	\$ 8,146,560.00	7%
Exploration & Production	\$ 4,998,750.00	4%
Cable & Satellite	\$ 4,062,320.00	3%
Telecommunications	\$ 6,137,338.70	5%
Insurance / P&C	\$ 7,535,451.00	6%
Oil & Gas Services	\$ -	0%
Travel & Lodging	\$ 3,998,720.00	3%
Software & Services	\$ 5,706,357.90	5%
Consumer Finance	\$ 4,993,800.00	4%
Food & Beverage	\$ 7,499,125.00	6%
Total	\$ 122,863,393.63	100%



MICHIGAN HEALTH ENDOWMENT FUND**RESOLUTION
TO APPROVE 2015 BUDGET**

RESOLVED, that the budget for 2015, as presented to the Board, be, and it hereby is, ratified, adopted and approved.

MICHIGAN HEALTH ENDOWMENT FUND

AUTHORIZATION OF PRESIDENT/CEO TO EMPLOY STAFF AND DETERMINE
COMPENSATION OF STAFF

PROPOSED RESOLUTION

WHEREAS, MCL § 550.1654(1) provides that “[t]he executive director may employ staff and hire consultants as necessary with the approval of the board” and that “[t]he board shall determine compensation for the executive director and staff employed under this subsection and shall approve contracts under this subsection” (collectively, the “Statutory Provision”);

WHEREAS, the Board of Directors of the Michigan Health Endowment Fund (the “Fund”) refers to its “Executive Director” as the “President/Chief Executive Officer”; and

WHEREAS, the Board, consistent with its interpretation of the Statutory Provision, wishes to delegate to the President/Chief Executive Officer the authority to employ staff and determine individual compensation and benefits for staff, within the parameters of a budget approved by the Board.

NOW, THEREFORE, BE IT:

RESOLVED, that the President/Chief Executive Officer of the Fund be, and he hereby is, authorized to employ staff and hire consultants consistent with a budget approved by the Board.

RESOLVED FURTHER, that the President/Chief Executive Officer be, and he hereby is, authorized to determine individual compensation and benefits of staff and approve contracts for consultants, consistent with a budget approved by the Board.

MICHIGAN HEALTH ENDOWMENT FUND
CHANGE OF RESIDENT AGENT/REGISTERED OFFICE
PROPOSED RESOLUTION

RESOLVED, that the Michigan Health Endowment Fund resident agent be, and hereby is, changed from Geralyn Lasher to Paul Hillegonds.

RESOLVED, that the Fund's registered office be, and hereby is, changed to 330 Marshall Street, Lansing, Michigan 48912.

RESOLVED, that any officer of the Fund is hereby authorized to file a Certificate of Change of Registered Office and of Resident Agent with the State of Michigan, Department of Licensing and Regulatory Affairs, and to take such other action and to execute, deliver and/or file such other documents, certificates, papers, instrument or agreements as such officer shall deem necessary or desirable to carry out the intent of the foregoing resolutions.

Proposed Banking and Credit Card Resolutions for Michigan Health Endowment Fund

RESOLVED, that the chairperson, treasurer, president/chief executive officer, and chief financial officer/chief operating officer of Michigan Health Endowment Fund (the “Fund”) be, and they hereby are, authorized to execute and deliver on behalf of the Fund such printed resolutions as they shall determine to be necessary or desirable to establish depository banking resolutions with such financial institutions as they deem appropriate, which shall name the chairperson, treasurer, president/chief executive officer, and chief financial officer/chief operating officer as “Authorized Signers” on such depository bank account, and such resolutions, when executed and delivered, will be deemed to be adopted by the Board of Directors of the Fund as if set forth herein;

FURTHER RESOLVED, that any Authorized Signer may take for and on behalf of the Fund any of the following actions with respect to any such depository account: the signing (by facsimile or actual signature) of checks, drafts, acceptances and other instruments and orders for the payment or withdrawal of monies, credits, items and property at any time held by such depository for the account of the Fund and any transfers between Fund accounts, and such depository is hereby authorized to honor any and all thereof without inquiry as to the circumstances of the issue or the disposition of the proceeds thereof and without limit as to amount, provided such instruments and orders not effecting transfers between Fund accounts in amounts over \$5,000 bear the signatures of two Authorized Signers, and for instruments and orders not effecting transfers between Fund accounts in amounts over \$500,000 bear the signatures of two Authorized Signers, one of whom must be the treasurer or chairperson;

FURTHER RESOLVED, that the President/Chief Executive Officer and Chief Financial Officer/Chief Operating Officer be, and they hereby are, authorized to procure on behalf of the Fund and in the name of the Fund two credit cards (in the aggregate) from such financial institution as they deem appropriate;

RESOLVED FURTHER, that the Authorized Signers be, and they hereby are, authorized to complete, execute and deliver on behalf of the Fund such credit application, credit agreement, printed resolutions and other documents, instruments and certificates as they shall determine to be necessary or desirable for the procurement of credit cards as authorized in the foregoing resolution; and

FURTHER RESOLVED, that as of the date of adoption of these resolutions the following individuals have been duly elected or appointed to serve in the position opposite their respective names:

Name	Title
Robert Fowler	Chairperson
Timothy Damschroder	Treasurer
Paul Hillegonds	President/Chief Executive Officer
Terry Gardner	Chief Financial Officer/Chief Operating Officer

MICHIGAN HEALTH ENDOWMENT FUND
RESOLUTION TO AMEND
2014 ALLOCATION TO SPENDABLE ACCOUNT

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 1 is 80%;

WHEREAS, the Fund received total contributions in 2014 of \$100 million;

WHEREAS, for year 1 the Board determined a budget range for spending of between \$25 million and \$40 million;

WHEREAS, the Act requires that for year 1 at least \$20 million be allocated to the Endowment Fund for purposes of meeting and complying with the Act's Accumulated Principal Goal;

WHEREAS, the Board previously reviewed amounts spent for 2014 and allocated to the "Spendable Account" the remaining amount of the Maximum Spending Allowance for the year; and

WHEREAS, the Board desires to increase the amount for year 1 that is allocated to the Endowment Fund.

RESOLVED, that the Board allocate \$27,500,000 from the "Spendable Account" to the Endowment Fund for year 1 so that the total allocation to the Endowment Fund for 2014 is \$47,500,000.

MICHIGAN HEALTH ENDOWMENT FUND**RESOLUTION
TO APPOINT LYNN ALEXANDER TO GRANTMAKING COMMITTEE**

RESOLVED, that Lynn Alexander, be, and she hereby is, appointed to serve as a voting member of the Grantmaking Committee, to serve for a term commencing with her appointment and continuing until the next annual meeting of the Fund or until her resignation or removal by the Board.



PROPOSED 2015 GRANT PROGRAM

The Grants Committee met on April 28, and reviewed a proposed plan for the Health Fund's 2015 grantmaking. The proposed plan included three components; the first would utilize Michigan's community foundation network and the second would be a relatively open, competitive program for smaller nonprofits. As a third component, the Health Fund informed the Michigan Association for Community Mental Health Boards in December 2014 that it could reapply in 2015. Should this organization choose to re-apply, the Fund may choose to make a grant.

Following the April meeting, the plan was revised based on feedback from the Committee discussion and again presented to the Grants Committee at the May 14th meeting. Following detailed discussion, the Committee unanimously agreed to move forward with the proposed community foundation program and the option for smaller, local grants and to present these recommendations to the board at the May 21st Board meeting. At the May Board meeting, a few Board members requested more information specific to the community foundation grantmaking option. As a result, the Fund staff revised the proposed programs to include further clarification. On July 1, the Grants Committee met to review these programs and the Committee agreed to present the following 2015 grantmaking programs for consideration by the Board of Directors.

Grant Program Goals

The goals of the grantmaking activities for this year are:

- To honor the promise to have an open, competitive grants program in 2015
- To make grants to smaller organizations that were not considered in 2014
- To manage the process so that the Grants Committee will be able to handle the potential large number of applications

Tentative Allocation of 2015 Grants Budget

Community Foundation Network	\$7 – 8 million
Local Impact Grants	\$1-2 million
Michigan Assn for Community Mental Health Boards	