

**Michigan Health Endowment Fund**  
**Board Meeting**  
Monday, September 21, 2015  
Lansing Center, 333 East Michigan Avenue, Lansing, MI 48933

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**Meeting Minutes**

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**Call to order**

The board meeting of the Michigan Health Endowment Fund was called to order at 2:00 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  
Sue Jandernoa  
Cindy Estrada  
James Murray  
Keith Pretty

**Participating by phone:**

Tim Damschroder

**Absent:**

Marge Robinson  
Michael Williams

**Others present:**

Paul Hillegonds  
Terry Gardner  
Julie Skubik  
Duane Tarnacki  
Mark Neithercut (by phone)  
Laurie Solotorow (by phone)

**Approval of agenda:**

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

**Review and approval of the minutes from the previous meetings:**

Board Member Pretty moved to approve the minutes from the July 23, 2015, Board Meeting. Board Member Alexander seconded. Motion passed seven to zero.

**Public Comment:**

Gabriel Schneider introduced his company, Northern Strategies 360, which represents Munson Healthcare in Traverse City.

**CEO Report:**

Mr. Hillegonds thanked Chairman Fowler, Board Members, and TPI for their participation in the first strategic planning session. Mr. Hillegonds reported on the following topics: Environmental scan of Michigan grantmakers in health, meeting with DHHS Director Nick Lyon and Governor's health policy advisor Chris Priest, 2014 Grantee Collaboration Meeting, Medigap status, and grants program staff update.

**Audit Committee:**

Committee Chair Pretty reported that the audit is complete and introduced Mike Nicholas from George Johnson and Company who presented. Mr. Nicholas reported to the Board the results from their firm's audit of the Michigan Health Endowment Fund's financial statements. Mr. Nicholas noted that the audit report will be "clean" that there are no exceptions noted in the financial statements. Additionally, Mr. Nicholas reported on a number of matters that under auditing standards are required to be reported to boards by the audit firm. No unusual items were noted in those matters required to be reported. Board Member Pretty moved to accept and approve the audit report and financial statements. Board Member Murray seconded. Motion passed seven to zero.

**Governance Committee:**

Board Member Murray deferred to General Counsel Duane Tarnacki who reported the following from the Governance Committee.

1. The Committee recommended an amendment to the Bylaws providing that the Board may authorize the Executive Director or his designee to employ staff and consultants and enter into contract consistent with a budget approved by the Board. Mr. Tarnacki explained that this amendment to the Bylaws is necessary to make the Bylaws consistent with the resolution passed by the Board at the July 23, 2015 Board Meeting. Board Member Murray moved to approve. Board Member Estrada seconded. Motion passed seven to zero.
2. The Committee recommended that minutes from the Executive Committee should be posted on the MHEP website as anticipated by current Bylaws. Chairman Fowler discussed the history of this provision in the policy manual. After discussion by the Board, it was decided to leave this policy in place.
3. The Committee recommended a revision to the policy manual providing that the Executive Committee will set the Executive Director's compensation and that the Executive Director will determine staff compensation and benefits consistent with the Board approved budget. Mr. Tarnacki explained that this provision is consistent with provision number 1 described above. Board Member Murray moved to approve. Board Member Alexander seconded. Motion passed seven to zero.
4. The Bylaws provide that committee meetings be held in the same manner as Board meetings. The Governance Committee recommended that uniform committee policies and procedures be implemented regarding what constitutes a quorum, whether voting for a recommendation to the Board should be required, and whether committee minutes should be kept. Chairman Fowler described the history of the organization and

implementation of the committees and noted that while they are following the Bylaws there is a degree of inconsistency between the committees. Discussion was held by the Board regarding conduct of committee meetings. It was acknowledged that committee meetings are not held in the same manner provided in the Bylaws for meetings of the Board. It was decided that clarification by the Governance Committee may be warranted. Chairman Fowler asked Mr. Hillegonds to work with the Governance Committee to determine if any clarifications to the policy are necessary.

5. The Committee recommended that the number of board members on each committee should be capped at 5 (recognizing that committees may have non-board members) but that the Policy Manual need not specify the size of each committee. Board Member Murray moved to approve. Board Member Pretty seconded. Motion passed seven to zero.
6. The Committee recommended that Board learning, development, and grantmaking plans not be included in the Policy Manual but rather presented as part of an annual business plan. Board Member Murray moved to approve. Board Member Alexander seconded. Motion passed seven to zero.

Staff agreed to work with legal counsel to make the necessary changes to the Bylaws and Policy Manual for re-distribution to the Board.

#### **Investment Committee:**

Committee Chair Damschroder reported that the financial statements included in the packet are up to date and welcomed any questions. There were no questions. Board Member Alexander moved to approve the financial statement and invest report. Board Member Murray seconded. Motion passed seven to zero.

#### **Executive and Compensation Committee:**

Chairman Fowler reported that the Board is working with consultant, TPI, on the strategic planning process and procedures. He anticipates that the process will be completed in March 2016 and that a five year plan will be rolled out for the organization.

#### **Grantmaking Committee:**

Committee Chair Jandernoa described the 2015 Grantmaking Plan. The proposed plan includes two components; the first utilizes Michigan's community foundation network and the second is a relatively open, competitive program for smaller nonprofits that were not able to apply in 2014. Ms. Jandernoa explained that 103 letters of intent (LOIs) from non-profit organizations were received and the Grantmaking Committee recommended 32 of these projects be invited to submit applications. Terry Gardner explained the LOI review process and asked if there were any questions. There were no questions. Ms. Jandernoa moved on behalf of the Grantmaking Committee that 32 organizations be invited to move forward and apply for Local Impact Grants. Board Member Pretty seconded. Motion passed seven to zero.

#### **New Business:**

Chairman Fowler asked if there were any new business to consider. There being none, a motion was requested to adjourn the meeting.

**Adjournment**

Board Member Murray moved to adjourn the meeting. Board Member Pretty seconded. Motion passed by a vote of 7-0. Meeting was adjourned at 2:50 pm.

Respectfully submitted,

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Julie Skubik  
Secretary of the meeting