

Michigan Health Endowment Fund
Board Meeting
Monday, January 25, 2016
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 2:30 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
Keith Pretty
James Murray

Participating by phone:

Tim Damschroder
Cindy Estrada (joined at 2:38)

Absent:

Michael Williams
Marge Robinson

Others present:

Paul Hillegonds
Terry Gardner
Julie Skubik
Laurie Solotorow
Duane Tarnacki

Approval of agenda:

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

Public Comment:

There was no public comment.

Review and approval of the minutes from the previous meetings:

Board Member Pretty moved to approve the minutes from the December 16, 2015 Board Meeting. Board Member Jandernoa seconded. Motion passed six to zero.

CEO Report:

Mr. Hillegonds thanked Chairman Fowler, Board Members, staff and TPI for their participation in the final strategic planning session. Mr. Hillegonds reported on the following topics: strategic planning process, 2015 grant programs, Flint water crisis, and Medigap status. Also, he reported that Becky Cienki has been hired as a Senior Program Officer and will begin on February 22, 2016.

Election of Officers:

I. Chair

Board Member Alexander moved to nominate Board Member Fowler for Board Chair. Board Member Jandernoa seconded. Motion passed by a vote of five to zero. Board Member Fowler abstained.

II. Vice Chair

Board Member Pretty moved to nominate Board Member Alexander for Vice Chair. Board Member Jandernoa seconded. Motion passed by a vote of five to zero. Board Member Alexander abstained.

III. Treasurer

Board Member Jandernoa moved to nominate Board Member Damschroder for Treasurer. Board Member Alexander seconded. Motion passed by a vote of five to zero. Board Member Damschroder abstained.

Board Member Estrada joined the meeting.

IV. Secretary

Board Member Damschroder moved to nominate Board Member Jandernoa for Secretary. Board Member Pretty seconded. Motion passed by a vote of six to zero. Board Member Jandernoa abstained.

CFO Report:

Terry Gardner reported on the status of the yearend financial statements, which were included in the board material, and the status of the audit.

Audit Committee:

Committee Chair Pretty reported that the 2015 audit is in progress. The on-site fieldwork has been completed by George Johnson & Company and tax form 990 will be timely filed with the IRS.

Investment Committee:

Committee Chair Damschroder reported that the Investment Committee has completed their search for an investment consultant. The following motion was made by Mr. Damschroder and seconded by Mr. Pretty.

RESOLVED, that the hiring of Northern Trust as investment consultant, as detailed in their response to the Fund's Request for Proposal, be, and it hereby is, ratified, adopted and approved.

The vote passed by a vote of six to zero. (Ms. Alexander left the room and did not vote)

Executive and Compensation Committee:

Chairman Fowler asked Mr. Gardner to describe the budget in regards to Medigap reserves. The following motion was made by Mr. Pretty and seconded by Ms. Jandernoa.

WHEREAS, at the Fund's December 16, 2015 Board Meeting the Board allocated to the Fund's Spendable Account the remaining amount of the Fund's Maximum Spending Allowance for 2015, and;

WHEREAS, the Board would like to further designate portions of its accumulated Spendable Account as reserves toward specific future programmatic activities.

NOW, THEREFORE, BE IT:

RESOLVED, that \$2 million be reserved and designated to the Fund's 2015 Local Impact Grant program; and

RESOLVED, that \$23 million be reserved and designated to the Fund's Medicare Supplemental Insurance Subsidy ("Medigap") program; and

RESOLVED, such amounts designated for the abovementioned programs shall be recorded as such in the Fund's books and records, and shall remain so reserved and designated until the completion of those programs or such earlier time as determined by the Board of Directors.

The vote passed by a vote of six to zero. (Ms. Alexander left the room and did not vote)

Other Business:

Chairman Fowler asked Mr. Gardner to describe the 403b plan. The following motion was made by Mr. Pretty and seconded by Ms. Jandernoa.

WHEREAS, the Board of Directors of Michigan Health Endowment Fund (the Employer) has assembled in a meeting this 25th day of January 2016;

WHEREAS, the Employer has adopted a Safe-Harbor 403(b) Thrift Plan (the Plan) to provide retirement benefits for employees of the Employer;

WHEREAS, the retirement benefits provided by this Plan are to be funded through a Group Annuity Contract (the Contract) between the Employer and Mutual of America Life Insurance Company (the Company);

WHEREAS, the Contract provides that the Company will be compensated for any administrative and investment services rendered in connection with the Contract and the Plan; and

WHEREAS, the Company has offered to provide such administrative and investment services pursuant to an Exclusive Services arrangement which are detailed in the attached Fee Disclosure and Important Notice.

NOW, THEREFORE, BE IT RESOLVED THAT:

- The attached Plan is hereby approved, and the appropriate officers, named below, of the Employer are authorized and directed to execute the attached Plan Document and enter into the Contract;
- The Employer hereby accepts the Company's offer to provide administrative and investment services to the Plan pursuant to the Exclusive Services arrangement which are detailed in the attached Fee Disclosure and Important Notice; and
- Paul Hillegonds, President & CEO, and Terry Gardner, COO & CFO, and their respective successors in office are hereby authorized and directed to take such further action as may be necessary, appropriate or advisable to effectuate the foregoing resolutions.

The vote passed seven to zero.

Chairman Fowler thanked the Board for their time with the strategic planning sessions. Also, he thanked the public for following the Fund and anticipates the final strategic plan to be ratified at the March Board Meeting.

Adjournment

The meeting was adjourned at 2:50 pm.

Respectfully submitted,

Julie Skubik
Secretary of the meeting