

**MINUTES OF MEETING OF BOARD OF DIRECTORS
OF THE REACH FOUNDATION
March 26, 2015**

Attendees:

Dana Abraham
Bill Bruning
Tom Carrico
JC Cowden
Linda Hall
Harold Johnson
Syrtiler Kabat
Andy Klocke

Chad Moore
Stuart Munro
Brenda Sharpe, ex-officio
Brad Stratton
Rachelle Styles
David Thomas
Liz Wehlage
Judy Works

Not in Attendance:

Raymond Rico

Guests:

Becky Benak, REACH Staff
Mathew Davis, REACH Staff
Dawn Downes, REACH Staff
Carla Gibson, REACH Staff

Georgeann Hemry, REACH Staff
Pattie Mansur, REACH Staff
Bill Moore, REACH Staff
Jo Yun, REACH Staff

The Board group photo was taken for the Annual Report prior to the start of the meeting.

Welcome and Introductions

Chair Brad Stratton called the meeting to order at 4:10 p.m. He welcomed and thanked everyone for attending and then turned the meeting over to Brenda Sharpe.

Foundation Strategy

Brenda introduced Gwen Grant of the Urban League, and Irene Caudillo of El Centro. Gwen and Irene presented the State of Black and Hispanic Kansas City: Picture of Health.

President's Report

Brenda Sharpe gave an update on the Foundation's Strategic Planning progress. Paul Jellinek and Stephen Isaacs return to the REACH offices Monday, March 30 through Wednesday, April 1 to conduct interviews with Board members and key stakeholders. They will also meet with our Core Operating Partners to include lunch on Wednesday, April 1. If you have not already scheduled an appointment for an interview with our consultants, please contact Georgeann as soon as possible.

Our first Strategic Planning Retreat will be held April 9 and 10 at the Eldridge Hotel in Lawrence, KS. We will follow the April retreat with an extended Board meeting on Thursday, May 21 from 4:00 to 7:00 p.m., and more information details will follow.

Brenda then recognized and thanked Brad Stratton, Syrtiller Kabat and David Thomas for making the trip with staff to attend the GIH Annual Meeting earlier this month. REACH was well-represented, with Pattie Mansur leading a session on communications which was very well-received. Brenda served as a host of two breakfast sessions, one for new health foundations and one for oral health funders.

March was an incredibly busy time for Board and staff professional development. In addition to attending GIH, REACH was represented at the Commonfund Institute in Florida, Funders Oral Health Policy Group, the Grants Managers Network in Washington, DC, and Brenda Sharpe had the opportunity to present to the Washington Dental Services Foundation Board Retreat in Seattle. Each of these opportunities informs and guides our investment-related decisions as well as our program and policy-related work, and relates explicitly to the Foundation's Theory of Change.

Brenda reported that the Board Nominee Meet and Greet was well attended, and thanked the Board for creating a warm and welcoming impression for all our nominees.

Brenda reported that staff has been closely following activity in both the Missouri and Kansas legislatures, particularly on Medicaid expansion. We are working strategically with Medicaid expansion coalitions and proponents in both the advocacy, provider and business sectors, and will be engaged in hearings later this month. Board members were asked to write their respective legislators within the next five to seven days. Pattie Mansur provided sample language and is available to assist Board members.

The Community Advisory Committee completed their work as it relates to the nominations process for future Board members of REACH. A reception for the CAC will be held on Thursday, April 23 at 5:30 p.m. at Milburn Country Club to celebrate their nominations results and to elect officers. Please let Georgeann know if you would like to attend to get to know our CAC and their work better.

Brenda shared that Bill Moore will make a presentation at the National Rural Health Association meeting in Philadelphia early next month. His presentation will be centered on our Theory of Change. She then shared correspondence REACH received from the White House, which was signed by President Obama. The letter conveyed thanks for all of REACH's efforts to support outreach and enrollment in the Health Insurance Marketplace.

Foundation Business

The next order of business was discussion of the Foundation's proposed By-Laws change regarding Board eligibility. Brad Stratton turned the meeting over to Dana Abraham, Vice Chair, and recused himself from the meeting.

Dana stated that at the January 15, 2015 Board meeting, the Board of Directors directed Dana Abraham, Vice Chair; Brenda Sharpe, CEO; and Lyle Pishny, Legal Counsel; to review the Board eligibility restrictions of our peer health foundations and other health conversion foundations across the country. Board members were also asked to forward any concerns or considerations to Dana which they would like to see taken into account should changes to the current by-laws ultimately be proposed. The current provision in our By-laws prohibits any publically-elected or governmentally-appointed individual from serving on the Foundation's Board of Directors of Community Advisory Committee. Although it could be argued that this policy has on occasion served the Foundation well by discouraging highly political figures from applying to the Board, it has also proven an impediment to recruiting experienced and talented leaders, particularly in our rural service area.

Dana continued by reporting that following a closed session discussion held at the February 19, 2015 Executive Committee, the issue was further reviewed with counsel. As a result of that discussion, the Executive Committee returned to open session and voted to recommend that a proposed amendment to the Foundation's By-laws be distributed to the Board for consideration prior to the Board's next regularly scheduled meeting on March 26, 2015. The proposed revisions were subsequently forwarded to the board for review via e-mail on February 26, 2015. The Executive Committee recommends that Article III, Section 5(c) be revised as presented in the attached comparison and that the By-laws be restated in full effective on March 26, 2015.

Brenda Sharpe said that the proposed by-laws revision would apply to both the REACH Board and CAC.

Dana Abraham reviewed the Proposed By-Laws Revision and Motion. David Thomas made a motion to approve the Amended and Restated By-laws as presented effective March 26, 2015. JC Cowden seconded the motion. The motion passed.

Consent Agenda

Brad Stratton then reviewed the Consent Agenda. The items included were the January 15, 2015 Board Meeting Minutes, and the December 2014 and January 2015 Financials. Syrtiller Kabat made a motion to approve the Consent Agenda. Chad Moore seconded the motion. The motion passed.

Executive Committee

Brad Stratton recapped March's GIH event in Austin, TX. He also noted that he, Tom Carrico, and Jo Yun attended the annual Commonfund meeting in Orlando, FL, which is always outstanding. Other REACH Board members who attended GIH were Syrtiller Kabat and Dave Thomas. Brad then asked Syrtiller and David to share with the group some of their key takeaways from the conference.

Brad continued by reminding the Board that the At-Large elections for the Executive Committee will be held at the May 21, 2015 meeting. Please contact him if you are interested or send along your nominations.

Finance Committee

Tom Carrico directed attention to the January 2015 Dashboard. He stated that the first month of the year was disappointing from a financial return perspective. The January financials reflect a monthly Net Loss of \$3.2 million, a result of \$1.1 million in income losses plus \$2.1 million in program and operating expenses in January. The Gross investment revenue is under budget for the month by \$1.9 million, and investment return for the month is -0.8% with a correlating benchmark return for the same period of -0.4%. Tom also noted that \$1.9 million was awarded in grants during the month, principally for program and initiative related commitments. Since inception, REACH has invested \$47.4 million in the community via grants and non-grant related initiative funding.

Tom also briefly addressed investment performance for the fourth quarter of 2014. Cambridge Associates recently met with the Finance Committee and discussed historical trends for the quarter and prospective thoughts about the coming year, in terms of projected market movements. Tom used excerpted slides from Cambridge's discussion materials to highlight some of the key topics discussed in that presentation.

Program and Policy Committee

JC Cowden gave the update on the Program and Policy Committee's activities. He stated that at the most recent meeting, there were representatives from Mattie Rhodes Center and Argentine Middle School to share their individual roles and provided their perspectives on the successes, lessons learned, and future goals for Project EXPLORE.

Bill Moore then reported on the final report summary for the 2014 Competitive Grants Cycle. The summaries were written in the grantee's own words with minimal staff edits. Bill continued by saying that several new challenges had surfaced this year by advocacy organizations, including measurement and data and project staffing. He also pointed out that building trust and relationships continue to be a strong theme, which was reflected in the words of the grantees.

Brenda Sharpe reviewed the most recent Discretionary Grants awarded by the Foundation.

Other Foundation Business

At 6:00 p.m., Tom Carrico made a motion to adjourn to closed session for 20 minutes to discuss CAC and Board processes of identifying qualified individuals to be nominated to fill Board vacancies. Syrtiller Kabat seconded the motion. The motion passed.

At 6:20 p.m., Tom Carrico moved and Linda Hall seconded a motion to extend the closed session for the same purpose for an additional ten minutes.

At 6:25 p.m., David Thomas moved to return to open session. Bill Bruning seconded the motion. The motion passed. Upon returning to open session, personalized ballots were distributed to each Board member, with Liz Wehlage carrying Raymond Rico's proxy. Ballots were collected and tabulated by Brenda Sharpe and Becky Benak, and the summary ballot was reviewed by Brad Stratton and Brenda Sharpe. Brad Stratton announced the following individuals had received the necessary 2/3 majority vote required to elect new members: JC Cowden, Heather Flick, Jon Marshall, Raymond Rico, Tim Spilker, and Rachelle Styles.

There being no further business, the meeting was adjourned at 6:35 p.m. by acclamation.

Respectfully submitted,

Georgeann Henry
Executive Assistant