

**MINUTES OF MEETING OF BOARD OF DIRECTORS
OF THE REACH FOUNDATION
September 19, 2013**

Attendees:

Dana Abraham
Brenda Bohaty
Bill Bruning
Tom Carrico
JC Cowden
Syrtiller Kabat (by phone)
Randy Lopez
Chad Moore
Stuart Munro

George Pierson
Raymond Rico
Janie Schumaker (by phone)
Brenda Sharpe, ex-officio
Brad Stratton
Rachelle Styles
Liz Wehlage
Judy Works

Not in Attendance:

Harold Johnson

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

Welcome and Introduction

The meeting was called to order by Chair Bill Bruning at 4:05 p.m.

Foundation Business

Bill Bruning introduced Mike Engle of BKD Auditors, who provided the Board with an overview of the 2012 990 and 990T Tax Returns, of which all members received a copy as part of their Board materials. Discussion ensued with Mike taking questions from the Board. Following the review, Mike stated that the Foundation is doing an excellent job of aligning with the IRS best practices and emphasized the importance of Board governance and involvement from the IRS's perspective. Tom Carrico moved that the Board approve the 2012 990 and 990T tax returns as presented. Chad Moore seconded the motion, and motion carried.

Diversity Discussion

Bill Bruning introduced JC Cowden, REACH Board member, who made a presentation on the role of unconscious bias in our negotiations and interactions with others of different cultures, and its potential impact on health care delivery and outcomes. JC challenged the Board to consider exploring their own unconscious biases, and provided a number of tools and resources for members to access. He also encouraged the Board to continue this conversation at future Board and committee meetings, and to consider the role that unconscious bias plays in our funding decisions in the community.

President's Report

Brenda Sharpe gave the President's Report. She stated the websites for federal and state Health Insurance Marketplaces associated with the Affordable Care Act are set to open October 1st. Among the foundation's biggest concerns are the number and availability of navigators, particularly in Wyandotte County where we have a high number of uninsured eligibles. Also, there will be many people who try to enroll in the exchanges who don't meet the low income eligibility guidelines for Medicaid, and also aren't eligible for subsidies on the exchange because neither Kansas nor Missouri participated in the optional Medicaid expansion up to 133% of the Federal Poverty Level. The MARC Grant to fund navigator activity coordination in the Kansas City metropolitan area wasn't funded by the federal government, but our advocacy partner KAMU in Kansas, and the Sheppard's Center and Primaris in Missouri, did receive grants that will cover navigator services for parts of the metro.

Staff is continuing to explore opportunities to grant the \$200,000 allocated in June by the Board for navigator and mental health efforts. Discussion ensued. Brenda was asked to have Sheldon Weisgrau of the Health Reform Resource Project to provide an update on navigator activities at the November 21st Board Meeting.

Brenda then stated that Mayor Sly James, of Kansas City, Missouri, and Mayor Mark Holland, of the Unified Government of Wyandotte County and Kansas City, Kansas, will hold a community dialogue on mental health on Saturday, September 21st. REACH is one of a number of funders of this initiative, which will engage 300 residents. Forty percent of the participants will be individuals who are currently involved in the mental health system, including consumers, family members and service providers. The other 60 percent will be composed of interested citizens. Residents from the six-county metro area, including Jackson, Clay, Platte and Ray in Missouri, and Johnson and Wyandotte in Kansas, are eligible to attend. In particular, the organizers are asking for our continued help to identify young people ages 14-24 to attend and make their voices heard.

Brenda stated that Medicaid expansion continues to remain a priority for the foundation and the organizations with which we partner in order to close the coverage gap that now exists in Kansas and Missouri with the opening of the Health Insurance Marketplace. Wichita area hospitals have recently stepped up their lobbying efforts to convince state legislators to pursue Medicaid expansion. At the same time, they are pointing out continuing problems with KanCare and payment from the managed care organizations.

The 2014 GIH Annual Meeting will be held in Atlanta on March 5-7, 2014. REACH is hoping to capitalize on the location and maximize our Board professional development investment for next year by combining this trip with a visit to the Centers for Disease Control (CDC), also located in Atlanta. We'd like as many Board members to attend as possible, and are looking at a likely departure date of Tuesday, March 4th, and a return date of Friday evening, March 7th. More information will be provided in the coming months.

Brenda reported that Angela Henry of Iola was appointed to the CAC by Attorney General Derek Schmidt for a three-year term from June 1, 2013 – May 31, 2016. Angela is the Director of Safebase, the Iola School's after school program. Angela's program is a former grantee of the foundation, and she was instrumental in early efforts to increasing access to oral health services for Allen County children. We look forward to having Angela's leadership and networking skills on the CAC. At the present time, we still have two Governor-appointed vacant positions on our CAC Committee.

The 10th Anniversary events are approaching. Board members were asked to RSVP regarding their attendance as soon as possible if they have not already done so. The Friday, September 27th reception will be strictly social to honor all our current and former Board, CAC and staff members and their guests. Former Governor Mark Parkinson will be joining us for a brief program, and a preview of the luncheon video will be shown. At the Community Luncheon on October 2nd, Brenda requested that the Board members serve as the Foundation's ambassadors and hosts, greeting people as they enter the event. Brenda provided an overview of the sponsors and their funding amounts for both events, and asked Board members to extend their thanks for our vendors' generous support.

Foundation Business and Consent Items

Bill Bruning reviewed the items on the consent agenda, including the June 20, 2013 Board meeting minutes, the May, June, and July 2013 Financials, and the 2014 Cambridge Associates Contract Renewal. JC Cowden moved and Chad Moore seconded the motion to approve the consent agenda. The motion passed unanimously.

Committee Reports

Bill Bruning gave the Executive Committee report. He explained the annual performance review process for the President and CEO. All Board members and eight external reviewers will receive an online evaluation tool to be submitted by September 30th. Results will be summarized by our performance review consultant, Martha Davis, and will be presented to the Executive Committee on October 15th. The Executive Committee will develop employment and compensation recommendations to present to the Board at their next meeting on November 21st.

Bill discussed the CAC's nominating process for the 2014 Board slate. A matrix was provided to the Board for their review. Bill noted that Janie Schumaker and Brenda Bohaty's terms will conclude on May 31st, and that they have reached their maximum length of service on the Board, thus are not eligible to reapply. Four incumbents, including Dana Abraham, Tom Carrico, Stuart Munro and George Pierson are eligible for a second term. Online statements of interest can be completed by interested individuals, including incumbents, by going to the Foundation's website before December 18, 2013. The CAC Committee will review applicants on January 23rd, followed by interviews of nominees on February 20th and 21st. The approved slate will be determined on February 27th. A Board social will be held in early March, and the roster of nominees will be presented to the Board at the March 27th meeting.

Chad Moore provided the Program and Policy Committee report. He noted that a number of new Discretionary Grants were made in for August and September and asked Brenda Sharpe to provide a few highlights.

Chad reported that staff members are having conversations with our grantee partners regarding whether the Foundation's grant period should remain tied to our calendar and fiscal year or begin later, and the impacts of that decision on their organizations' finances. Early indications are that we will stay with our current fiscal year but staff will continue to dialogue with grantees, and bring a recommendation back to the P&P Committee if a change is warranted.

As approved by the Board earlier in the year, Core Operating Grants will be handled separately from the competitive grant cycle for program and advocacy grants. Staff will begin their review of the competitive cycle Letters of Intent next week.

Chad then provided a summary based on the results of our recently-distributed REACH grant applicant survey. We received 25 of 63 responses from grantees, which is a lower than desired response rate. Bill Moore has reached out to a number of our grantees to ascertain how the Foundation can make the survey more compelling to complete and will incorporate that feedback in future years. The responses that were received showed a positive increase in grantee perceptions of REACH. Notable responses included the continued perception of REACH as respectful, fair and supportive to others and that REACH-provided information is helpful and useful. We also received higher marks for the Theory of Change over last year, a document which is proving to be very useful but continues to warrant additional explanation and dialogue with grantees.

Brad Stratton discussed the Foundation financials. Using the July 2013 Dashboard as his reference point, he noted the Foundation's investment balance stood at \$128.1 million at July 31st. The market environment for 2013 has been strong, particularly for equity assets. The Foundation's year-to-date investment return through July 31st was 5.9% and market activity since that date has been generally positive. Programmatic and operational spending to date is in line with budgeted expectation.

Jo Yun presented to the Board the proposed 2014 Budget Assumptions for the Foundation. These budget parameters were approved by the Finance Committee earlier in the week. The presentation included annual historical financial performance and projected 2013 income and spending information for the Foundation. In addition, historical and projected quarterly investment pool values were also discussed along with a comparison of inflation-adjusted historical dollar value compared to investment pool values at each year end since the organization's inception. Based on this information, the Finance Committee recommended a 2014 target for total programmatic and operational spending of 5%. In keeping with long-term investment objectives, the 2014 inflation-adjusted (real) net total revenue target was set at 5% as well. Upon Board approval of the 2014 targets, management will develop a detailed budget within these guidelines which will be presented to both the Finance and Program & Policy Committees prior to Board action at the November meeting.

Brad Stratton moved that the Board approve a 5% spending/distribution budget assumption in 2014, with the understanding that the Board will review and approve the final budget at the November 21st Board meeting. Tom Carrico seconded and motion carried.

There being no further business, Tom Carrico moved to adjourn the meeting. Chad Moore seconded the motion. Motion carried and the meeting was adjourned at 6:05 p.m. The next Board meeting is scheduled for Thursday, November 21, 2013 at the REACH Foundation offices.

Respectfully submitted,

Georgeann Hemry
Executive Assistant