

**MINUTES OF MEETING OF BOARD OF DIRECTORS
OF THE REACH FOUNDATION
November 20, 2014**

Attendees:

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

Chad Moore
Stuart Munro
Raymond Rico
Brenda Sharpe, ex-officio
Brad Stratton
Dave Thomas
Liz Wehlage
Judy Works

Not in Attendance:

Rachelle Styles

Guests:

Becky Benak, REACH Staff
Mathew Davis, REACH Staff
Dawn Downes, REACH Staff
Carla Gibson, REACH Staff
Stephen Isaacs, Isaacs & Jellinek (via phone)

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

Welcome and Introduction

Chair Brad Stratton called the meeting to order at 4:15 p.m. He thanked Randy Lopez and his father for providing the delicious food for today's meeting. Brad also thanked Bill Bruning for hosting the Board/CAC/Staff Fall Social Event in September at his home.

Foundation Business

Brad Stratton then turned the meeting over to Brenda Sharpe, who noted that the Executive Committee selected Issacs and Jellinek as the engaged consulting firm to assist the Board with the development of the 2015-2020 Strategic Plan following an RFP process that took place earlier this fall. Brenda commented on the extensive health philanthropy experience of the lead consultants on the project, Stephen Isaacs and Paul Jellinek. They come highly recommended by a number of our colleagues in the field. Brenda then turned the meeting over to Mr. Isaacs, who highlighted his and Paul Jellinek's prior accomplishments and engagements. Discussion ensued.

Brenda stated that she and Bill Moore will be meeting with Stephen and Paul over the next several weeks to draft a planning timeline to be reviewed by Brad Stratton. Board members and other key stakeholders will be interviewed in early 2015. Board members with specific questions or suggestions regarding the process or the information to be solicited from key stakeholders are asked to send an email to Brenda and/or Bill.

Displayed on the meeting room screen were rotating photos and slides of recent REACH activities prepared by Pattie Mansur and Mathew Davis. These also appear on REACH's website and Facebook page.

Brad Stratton then moved to the Consent Agenda. He said the September 18, 2014 Board minutes originally sent as part of the meeting materials were an earlier draft and had since been finalized; a new copy was at everyone's seat. Brad allowed additional time for members to review the minutes, then asked if anyone had additional questions or comments. There being none, Raymond Rico made a motion to approve the Consent Agenda including the revised meeting minutes. Chad Moore seconded. The motion passed.

President's Report

KGIH Outreach and Enrollment Collaborative Efforts

REACH and our fellow health funders are collaborating on a shared engagement with Enroll America to conduct outreach and enrollment efforts in the Kansas City area and statewide in Kansas. These efforts will primarily be focused on digital and radio buy strategies statewide and throughout the metro, and will also include direct support to MARC, United Way of Greater Kansas City and the Wyandotte Health Council in an attempt to reach the highest number of uninsured people in our area.

Navigators and Certified Application Counselors have received significantly more training relative to the last enrollment period, and are more sophisticated and experienced in their work. Bill Moore noted that Wyandotte County experienced a significant reduction in its uninsured rate following the last open enrollment period, largely due to the targeted outreach and enrollment effort supported by REACH and other health foundations. We hope to see similar dramatic reductions in the uninsured rate during the next open enrollment.

Brenda noted that she was in Washington DC earlier this month participating in a discussion on philanthropy's role in engaging in and supporting health policy advocacy. While there Brenda also attended a briefing on the Affordable Care Act at the U.S. Department of Health and Human Services, where philanthropy was recognized for its role in helping millions of uninsured people across the country obtain affordable coverage. Her trip concluded with a meeting of fellow oral health funders to discuss our shared oral health/primary care integration project.

Also in November Brenda was the guest of Pew Charitable Trusts who hosted a meeting on dental midlevels at the University of Minnesota in Minneapolis. Accompanying me on the trip were two area dentists who wanted to learn more about how dental midlevels are being used to expand access in Minnesota, and will hopefully result in their increased engagement in the Kansas Dental Project. Minnesota currently now has approximately 50 midlevels practicing in the State. The program has exceeded expectations in terms of expanding access to underserved populations and the productivity and revenues of the dentists and practices who employ them.

Discussion ensued. Chad Moore suggested that REACH and the Kansas Dental Project attempt to bring some of the dentists employing dental therapists in Minnesota to Kansas to meet with dentists and legislators. Brenda will share that suggestion with the KDP leadership team.

Bill Moore, Carla Gibson and Dawn Downes joined several staff of other area health foundations in Wichita the first week of November for a two-day Strategy Development in Grantmaking Class. It proved to be a great opportunity for our program staff to connect with our funder colleagues and explore more strategic approaches to philanthropy.

Pattie Mansur attended a session hosted by the W.K. Kellogg Foundation in Albuquerque on dental midlevels to assist members of the Kansas Dental Project to consider new messaging strategies regarding the Registered Dental Practitioner legislation that will be introduced again in the 2015 Kansas Legislative Session. Brenda thanked the Board for their investment in the professional development of staff, who can then bring what they've learned to bear upon our work at the regional level.

Brenda thanked all Board and CAC members who attended the social media training hosted by staff and our partners from Graphic Machine. For those that missed it, a similar session early in 2015.

Brenda reported that the REACH staff raised \$8,936 in employee contributions to the recent United Way of Greater Kansas City campaign, which will be matched by the REACH Employee Matching gifts program for a total contribution of \$15,072. Staff also selected Niles Home for Children for their second annual "REACH Reno" project, which received a makeover of their family meeting area, and new tables and a deep-clean of their cafeteria.

Brenda noted that although board development opportunities tend to wind down at this time of year, it is not too early to be thinking about the Annual GIH Conference March 4-6, 2015 in Austin, TX. New Board members and first-time attendees will be given first priority for the 5-6 spots available. If you are interested in attending, please let Georgeann know. The Annual Commonfund Forum will be March 14-17, 2015 in Orlando, Florida.

Committee Reports

Brad Stratton provided the Executive Committee Report. Brad reminded members that the deadline for incumbents and interested members of the public to apply for Board membership is Thursday, December 18, 2014.

Brad then moved to the Board Memo included in the meeting materials regarding the Executive Committee's recommendation to extend Chad Moore's term by one year to allow him to complete his two-year officer term as Secretary, as allowed by the Foundation's By-Laws. If the motion is approved, Chad's term would expire May 31, 2016. Brad asked for comments and questions. There being none, Tom Carrico made a motion to approve the extension of the current two-year Board term of Chad Moore, set to expire on May 31, 2015, by one year in order that he may fulfill the full two years of his current officer term of Secretary. The extended term would conclude May 31, 2016, upon which Chad would no longer be eligible for Board service. Syrtiller Kabat seconded. Chad Moore abstained. The motion passed.

Brad noted that December 18, 2014 is the date of the next Executive Committee meeting and then turned the meeting over to Tom Carrico to provide the Finance Committee report.

Tom focused his comments on the September dashboard materials, included in the packet. He reported that September was a weak month overall, from an investment perspective. The financial markets were down in both September and October, and the Foundation's returns for those months reflect that trend.

The investment balance on Sept. 30 was \$136.2 million. This is a decline of \$3.0 million from the August 31 balance. The year to date investment return through September 30 was 4.1% against a benchmark for the same period of 3.7%. The Foundation continues to be slightly over-weighted in the portfolio allocation to equities, at the advice of Cambridge Associates. Periodically, the Foundation conducts a rebalancing exercise to bring asset classes closer to target allocations. The Finance Committee recently reviewed a rebalancing proposal which management is currently executing.

Year to date, the Foundation's net income is \$1.6 million, which brings the ending net asset balance as of September 30 to \$135.8 million. Investment income is slightly under budget for the year and both program and operating related expenses are at or near budget through September 30. In order to meet program and operating commitments, the Foundation has transferred from investments to the operating account a total of \$5.5 million over the course of the year.

Tom provided an update on third quarter investment performance and referenced two pages excerpted from a presentation Cambridge Associates recently made to the Finance Committee. One of the documents presented was a graphic presentation of third quarter 2014 and year to date investment returns by asset class. The second document presented was an analysis of REACH's expected investment returns for a 10 year period, using current valuations and long term assumptions. Current valuation using valuation adjusted assumptions produced a sobering 2.8% real return projection for the Foundation. A different forecast, using long term assumptions, produced a 5.5% real return projection. After detailed discussion, it was determined that this analysis should be one of many factors and pieces of information considered by the Finance Committee and Board when setting spending targets and budget assumptions for future years, particularly given the Foundation's mandate to continue into perpetuity.

Tom noted that the next meeting of the Finance Committee will be Tuesday, February 17, 2015, at 7:30 a.m.

Brad Stratton asked Randy Lopez to give the Program and Policy Committee report. Randy stated that the Committee just met on Tuesday afternoon, and fully reviewed and discussed each of the initiatives recommended for approval by the Board, a description of which was included in the meeting materials. Brad Stratton asked if there were any questions or additional discussion required. There being none, Dave Thomas made a motion to approve the 2015 Initiatives. Syrtiller seconded the motion. The motion passed.

Randy then asked Pattie Mansur and Brenda Sharpe to speak about the 2015 Policy Agenda. Pattie thanked the Program and Policy Committee and Board of Directors for unanimously approving the 2015 Policy Agenda ahead of our usual review schedule via email so that it could be sent to our legislative delegations in Kansas and Missouri immediately following the November elections.

Brenda noted that REACH and our position on Medicaid expansion have been well-received by our local Chambers of Commerce and that they have been open to including our proposed language when developing their legislative agendas. The hospital associations in both states and more and more hospitals are beginning to speak out about the potential impact on their revenues should legislators fail to act on Medicaid expansion.

Randy then asked Bill Moore to review the results of the 2015 Competitive Grants Cycle and 2015 Core Operating Grants award. Bill said REACH's Program Grants application process is now closed. Beginning December 10, the grant review process will begin. Forty organizations submitted letters of interest; 25 organizations were invited to submit a full proposal. Two invitees missed the deadline and one declined to submit. Twenty-two applications were ultimately received, with requests totaling \$2.1 million dollars for \$1.2 million in available funds.

Following review of the proposals in December, on January 5, 2015, the organizations selected for funding will be e-mailed to Program and Policy Committee members. REACH will then notify the organizations selected to receive grants on January 6.

The 2015 Core Operating Partnership Grants list is in today's meeting packet. Brenda Sharpe noted that one organization, Kansas Health Consumer Coalition, has been notified that they will likely not be awarded a full year's grant in 2015, pending the outcome of a meeting with their Board of Directors and other funders the following day. Discussion ensued.

All funds for Discretionary Grants have been allocated. Brenda Sharpe reported that REACH will provide small holiday grants to support emergency assistance programs in Cass, Lafayette and Allen Counties. Additionally, we plan to provide a grant to the Jewish Community Relations Board in support of their equity and anti-discrimination programs and efforts. Brenda thanked the Board for their gifts to Operation Breakthrough, which will be delivered by staff in December.

Raymond Rico announced that President Obama plans to make a significant announcement tomorrow regarding immigration policy, which has been hanging in the balance since January 2010. It is expected that some provisions will be made regarding a path to citizenship for those already in the U.S. Randy Lopez has requested that Raymond provide a more in-depth update on the issue. Brenda Sharpe will work with Raymond to schedule a phone call to discuss the issue.

Randy noted that the next meeting of the Program and Policy Committee will be Tuesday, February 3, 2015 at 5:00 p.m.

At 5:25 p.m., Brad Stratton asked for a motion to adjourn to Closed Session for 15 minutes for the purpose of discussing personnel matters. JC Cowden made the motion. Randy Lopez seconded. The motion passed. The CEO and all staff left the meeting.

At 5:40 p.m., Andy Klocke made a motion to return to open session. Bill Bruning seconded. The motion passed. The CEO and staff returned to the meeting.

Dana Abraham made the motion to approve the salary increase for the President and CEO in the amount set forth in the amendment to the employment contract provided to the Board in closed session, and that Brad Stratton, Chair of the Board, be authorized to execute the agreement on behalf of the Foundation. Tom Carrico seconded. The motion passed.

The final agenda item was approval of the 2015 Budget as presented in the meeting materials. Jo Yun previously made a detailed presentation on the proposed 2015 Budget to both the Finance Committee and the Program & Policy Committee, which included the underlying assumptions used in developing the plan. The budget presented for the Board's approval was unchanged from the information presented to both committees. Management provided the Board an opportunity to ask additional

questions that may have come to light since the committee presentations. There being no discussion comments or questions, Randy Lopez made a motion to approve the 2015 Budget. Dana Abraham seconded and the motion passed unanimously.

Brad Stratton thanked Jo Yun and the entire staff for their diligent efforts in assembling the materials for today's meeting. He then thanked Brenda Sharpe for her leadership.

There being no additional business to discuss, Brad adjourned the meeting at 5:45 p.m.

Respectfully submitted,

Georgeann Hemry
Executive Assistant