

**MINUTES OF MEETING OF BOARD OF DIRECTORS
OF THE REACH FOUNDATION
September 19, 2019**

Attendees:

Arif Ahmed	Jerrihlyn McGee
Laura Bond	Wendy Neal (by phone)
Katie Ferro	Todd Pleimann
Angela Harse	Joe Reuben
Tom Handley	Heather Samuel (by phone)
Vicki Hohenstein	Jim Sanders
Danielle Jones	Brenda Sharpe, ex-officio
Jon Marshall	Lisa Thurlow

Not in Attendance:

Andy Klocke	Lynette Sparkman-Barnes
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Guests:

Mike Engle, BKD	Carla Gibson, REACH Staff
Becky Benak, REACH Staff	Pattie Mansur, REACH Staff
Mathew Davis, REACH Staff	Glory Olson, REACH Staff
Dawn Downes, REACH Staff	Jo Yun, REACH Staff

Welcome

The meeting was called to order by Chair Vicki Hohenstein at 4:02 p.m.

Foundation Business

Vicki Hohenstein introduced Mike Engle of BKD, the Foundation's outside audit and tax preparer, to provide a review of the Foundation's IRS 990 and 990T Tax Returns, and to address any questions from the Board.

Jo Yun explained Mike Engle's role in the tax return process. Mike noted the return is a public document which is available online and that REACH follows best practices and meets all federal regulatory requirements. He provided a high-level overview of the information gathered for the tax return, tax preparation process, and review process. He noted the tax returns were reviewed with the Finance Committee earlier in the week in more detail. The Finance Committee formally recommended approval to the Board.

Mike provided the Board with an overview of the 990 and a summary of relevant information including governance, management, and policies. He highlighted significant disclosures and where in the document those can be found. Mike asked for questions and discussion. None were noted. Todd Pleimann moved to approve the 2018 Form 990 and 990T Tax Returns as presented. Danielle Jones seconded the motion. Motion carried.

President's Report

Brenda Sharpe started her report noting that today is Glory Olson's birthday, and then presented her Staff Spotlight featuring Pattie Mansur, Director of Communications and Health Policy.

Brenda reported on the status of Avenue 82 construction. The project is still ahead of schedule and staff is planning on a move to the new space in early December. The AV and furniture have been ordered and the appliances will be selected and ordered soon. She also noted that to date, the project is under-budget. She

reported that any furniture and equipment that will not be moved to the new office will be donated to our grantees with an annual operating budget of \$1 million or less and that those grantees have been working with Glory Olson on those donations. Brenda asked board members to note the January board meeting will be held at the new office.

Brenda Sharpe reported on the Census 2020 activities. REACH provided a grant to the Johnson County Complete Count Committee and was asked by the U.S. Census Bureau office to provide breakfast for the grand opening of their office at 119th & Metcalf which will feature Governor Kelly. Brenda and Pattie are currently working to get a meeting with the Kansas City, Missouri mayor to assist with the City's efforts. REACH and Health Forward issued a second grant to MARC to support the regional complete count efforts. REACH and three additional funders issued a grant to the Kansas Department of Commerce to support the work of the newly launched state of Kansas Complete Count committee. And REACH with six other foundations have funded the Census Equity fund housed at the Topeka Community Foundation to make small grants to organizations that have deep relationships with hard to count communities. The Census Equity Fund group has been reviewing applications and Brenda urged all present to spread the word about the availability of this support. Brenda noted that Pattie Mansur is the liaison attending meetings with these partners.

Brenda reported that CAC appointments for Lougene Marsh and Matt Stuckey have been confirmed by the Johnson County Board of Commissioners and the Kansas Attorney General, respectively.

Brenda Sharpe noted there will be six vacancies on the board and reported Bond, Hohenstein, and Klocke are concluding their maximum number of terms on May 31, 2020. Three incumbents—Hadley, Reuben, and Sanders—are each eligible to reapply for a second, three-year term. The CAC met in August and reviewed the upcoming board vacancies. A press release is being prepared on behalf of the CAC and should be ready for distribution on October 15th. The link to the online application will be live on the REACH website at the same time. Brenda reported the Executive Committee identified the areas of experience and skills needed following upcoming vacancies include: individuals from racially and ethnically diverse backgrounds—particularly Hispanic and Latinx community members, those with finance and investment expertise, legal and policy, and advocacy backgrounds, rural service area residents, and emerging leaders. Discussion ensued. The referenced needs will be passed along to the CAC as feedback for their upcoming nominations process.

Brenda reported that she is working with Rosemarie Day, a health reform strategy consultant, to present to the Board in November to inform our work on the REACH 2020 Strategic Plan. A priority for planning is to ensure REACH is working in the areas to make the most impact. Brenda is also working with local and regional chambers of commerce to sponsor an event for business leaders featuring Ms. Day.

Brenda noted that the list of upcoming Board and CAC development opportunities are available online and updated regularly.

Foundation Business Consent Items

Vicki Hohenstein noted the items on the Consent Agenda. Brenda Sharpe reported a change to the Opportunistic HCC Grant motion and asked to remove this motion from the agenda due to a financial clarification, and instead requested that a revised proposal be presented to an acted upon by the Executive Committee. Tom Handley made a motion to remove this item from the Consent Agenda and Todd Pleimann seconded the motion. Motion carried. Jerrihlyn McGee made a motion to allow this item to be presented to the

Executive Committee on October 17 for authorization and approval. Jim Sanders seconded the motion. The motion carried. The item will be reported on at the November board meeting.

All other consent items including board meeting minutes for June 27, 2019; May, June, and July Financials; and the P&P Committee recommendation to allocate Opportunistic dollars to Strong Safety Net, have been reviewed by their respective committees and recommended for approval. Jon Marshall moved to approve items on the Consent Agenda. Lisa Thurlow seconded the motion. Motion carried.

Executive Committee Report

Vicki Hohenstein stated that printed copies of the Conflict of Interest disclosure forms as well as the current grantee and vendor lists were provided to all board members and staff for completion. The disclosure forms were inadvertently omitted from the board materials. Brenda Sharpe noted Glory Olson will forward via email to all board members after the meeting.

Vicki reviewed the CEO Annual Performance and Compensation Review Timeline. Vicki noted that Brenda Sharpe is currently in her second year of a three-year contract. The Executive Committee will review inflation information and discuss a cost of living adjustment to Brenda's salary at their October 17th Committee meeting.

Vicki noted the updated Board of Directors and CAC rosters included in the meeting materials. She asked for any exceptions to be reported to Glory Olson.

Finance Committee Report

In accordance with best practices, Jo Yun directed attention to and gave an overview of the Annual Board of Directors Conflict of Interest for tax Form 990. The completed forms may be delivered to Glory Olson after the meeting or returned electronically, or by mail if preferred.

In Andy Klocke's absence, Jo Yun reviewed the July Financial Dashboard. At the end of July, investments had a value of \$133 million. Jo reported that although the investment market has been volatile, on a year to date basis, the Foundation's investment return is 9.9%. Grant and program related expenses for July and year to date are under budget. July operating expenses are under budget and year to date operating expenses are expected to finish the year at or under budget.

The Insurance Policy Renewal Summary, listing all the Foundation's non-D&O related insurance policies and premiums, was included in the meeting materials. Jo Yun noted all policies are reviewed by the Finance Committee on an annual basis to coincide with the October 1 renewal date. The Foundation's D&O policy renews in the spring and requires Board approval.

Jo Yun presented the 2020 Budget Assumptions. Jo explained the process by which the annual budget assumptions are determined by the Finance Committee. Upon board approval of the high-level spending objectives recommended by the Finance Committee, Jo will work with staff and develop the budget detail for the coming year. The Finance Committee's recommendation to the Board was a total 2020 target for programmatic and operational spending of no more than 4.9%, with an intention to keep 2020 program related consistent with prior years' mission related investments. In keeping with long-term investment objectives, the 2020 net revenue target will be set at 5%, adjusted for inflation. Tom Handley moved to approve the 2020

budget spending assumptions, as recommended by the Finance Committee. Danielle Jones seconded the motion. Motion carried.

Both the Finance Committee and Program & Policy Committee will review the more detailed budget prior to Board discussion and approval at the November 14, 2019 meeting.

The next Finance Committee meeting will be held Tuesday, November 5, 2019 at 7:30 a.m.

Program and Policy Committee Report

Danielle Jones provided the Program & Policy Committee update. Danielle referred to the list of 2020 Core Operating Partners, including 29 grantees, and one new grantee, United Community Services of Johnson County, for a total of \$1.45 million. Brenda explained that core operating grants are unrestricted and intended to support the general operations of nonprofit organizations whose work is highly aligned with the foundation's mission and outcome investment priorities. Carla Gibson and Dawn Downes monitor these grants year-round to ensure that requirements are met in a timely manner, communication is open, governance and leadership is intact within the organization, etc.

Becky Benak gave an overview of the Center for Effective Philanthropy (CEP) Grantee Perception Report included in the materials. The survey focused on respondents who were receiving capacity, core operating, or outcome investment support. The survey had a 68% response rate which is higher than the average 60% response rate across other funders in CEP's cohort. The benchmark cohort in this summary includes 29 foundations whose grantees CEP has surveyed.

Overall, the 2019 grantee ratings were significantly higher compared to the 2016 survey results, with the biggest improvements reflected in the areas of application and reporting processes as well as grantees' perception of REACH's impact, understanding, relationships, and processes. The areas suggested for improvement included funding more and different types of organizations, which is consistent with feedback often shared with management. Discussion ensued.

Pattie Mansur provided a public policy update. Pattie noted that just today, Tennessee may become the first state to receive federal Medicaid funding as a block grant rather than an open-ended match. Six states extended their open enrollment for 2020 individual market health insurance, beyond the federal open enrollment period of November 1 to December 15, 2019, as most state-run health insurance exchanges have done. Idaho will implement the ACA's Medicaid expansion as of January 2020, following voter approval of a Medicaid Expansion ballot initiative last fall, although GOP lawmakers in the state are trying to modify the expansion. Pattie reported Kansas Governor Kelly signed an executive order on September 4, 2019 establishing a Governor's Council on Medicaid Expansion that includes bipartisan state lawmakers and policy experts. The Council's objective is to identify evidence-based practices and report to the 2020 legislature. Missouri health advocates announced the formation of Healthcare for Missouri campaign to place Medicaid expansion in front of voters on the 2020 ballot. In Missouri, Medicaid enrollment numbers have dropped by 120,000, the majority of whom are children who have lost eligibility.

Brenda stated that all 2018 Discretionary Grant funding should be out the door by November 2019.

Danielle announced the next P&P meeting will be held Tuesday, November 12, 2019 at 5:00 p.m.

The next Board of Directors meeting will be held November 14, 2019 at 4:00 p.m.

There being no further business, the meeting adjourned at 5:29 p.m. by consensus.

Respectfully submitted,
Glory Olson, Executive Assistant