

# Children's Trust Fund of Michigan



Children's Trust Fund  
*Protecting Michigan's Children*

## **Board of Directors Regular Meeting December 9, 2015, 1:30p.m. to 3:00p.m. Jackson National Life Insurance Company 8 Corporate Way Lansing, Michigan 48951**

### **Minutes**

**Members Present:** Lori Wortz, Susan Broman, John Brown, Mark Davidoff, Keith Disselkoen, Bill Hardiman, Karl Ieuter, Mark McDaniel, Vivek Sankaran, Deb Shaughnessy, Rashmi Travis

**Members Not Present:** Andra Rush, Shelly Kester, Lena Epstein

**Treasury:** Lan Chen, Greg Parker, Woodrow Tyler

**Staff Present:** Mike Foley, Patricia Headley, Emily Schuster-Wachsberger

1. **Welcome and Call to Order:** Meeting was called to order by Chairperson Lori Wortz at 1:36 PM. Noted: This meeting was Mark Davidoff's last due to term-limits. Appreciation for his service was recognized. Also noted, this was the last meeting in the current term of Andra Rush. She may be reappointed for another two-year term. Her board contributions were also acknowledged.
2. **Minutes:** Motion to approve the Minutes from the September 16, 2015 board meeting was made by Deb Shaughnessy and seconded by Rashmi Travis. The motion passed unanimously.
3. **Financial Report**
  - a. **Annual Investment Report from the Department of Treasury**
    - i. The 4.25% disbursement from CTF Trust Fund for 2016 (est. \$1,062,500) may exceed expected earnings (est. \$739,000) during the same time frame.
    - ii. Treasury reviewed current CTF investments and financial returns. They reported on strategies to diversify the portfolio to balance risk with a higher than present return on investment. The goal is to establish a mix of investments that will maximize the probability of annual earnings to be equal to the annual disbursement from the Fund. The related goal is to have a Trust Fund "12 month rolling average balance" of \$23.5 million at the end of FY 2017. If that goal is reached Treasury will be increase the disbursement percentage from 4.25% to 5% beginning with FY 2018.
    - iii. CTF Board and Treasury will continue to monitor the performance of the Trust Fund related to the above goals.
  - b. **Revenue and Expenses**
    - i. There were two budget matters that worked extremely well with regard to the CTF fund reserves as the FY 2015 books were closed.
      1. DHHS worked with CTF to use Title IV-B (2) funds to pay the CTF Direct Services grant liabilities for FY 2015. This support in addition to the

availability of the “Safe Sleep Work Project” funds from the same federal source resulted in \$1.3 million in FY 2015 revenue.

2. In FY 2014, Treasury rebalanced the equity portion of the investment mix which resulted in a \$1.7 million disbursement to CTF for FY 2015.
- ii. As a result of the above, Fiscal year 2015 ended with CTF having \$2.2 million in cash reserves. An ad hoc committee is being formed to discuss and make recommendations as to the appropriate level of cash reserves to maintain and the use of current cash reserves that exceed that level.

The Committee appointed by Lori Wortz is;

- a. Lori Wortz
- b. Mark McDaniel,
- c. Vivek Sankaran and
- d. Deb Shaughnessy

Other Board members interested in participating may contact either Lori Wortz or Mike Foley.

#### **4. Direct Services 2016 Grants**

##### **a. Grant Proposals**

- i. The Program Committee selected 8 proposals with an option for 2 additional ones for board review and approval.
  1. Geographical diversity, whether there is currently an existing DS grant within a given county, degree of need, and other evaluative criteria were used in the decision-making process.
- ii. After board discussion a motion to fund all 10 DS grant proposals was made by Deb Shaughnessy and seconded by Karl Ieuter. The motion passed unanimously.
- iii. A recommendation was made to have a future discussion about how CTF can increase DS grant marketing efforts in Michigan counties where there has been limited or no participation in competitive process for DS grant allocations.

#### **5. Fund Development**

##### **a. The Pam Posthumus Signature Auction Event**

- i. The event is scheduled for Wednesday, May 18, 2016 at the Lansing Center.
- ii. CTF has contracted with a new fund consultant, Sarah Prues Hecker for the Signature Auction Event. Her Lansing coordinator is Brandy Nash.
- iii. CTF is currently forming an event advisory committee.
- iv. A first event solicitation is expected by mid-January.

##### **b. Marketing/Fund Development Committee**

- i. Deb Shaughnessy is establishing a working committee made up of board members and other supporters for the purpose of exploring future fund development direction. A memo will be sent.

#### **6. Director’s Report: Mike Foley reported the following -**

- a. All 73 Local Councils now have new contracts for fiscal years 2016-2018.
  - b. Local Council voluntary participation in: sub-committees, monthly workgroup meetings, summer regional meetings was recognized.
  - c. Mike thanked Emily Schuster-Wachsberger for her Local Council coordinator efforts.
7. **Adjourn:** Motion by Karl Ieuter, seconded by Bill Hardiman to adjourn the December 9, 2015 Board of Directors' Meeting. The motion passed unanimously.