

MICHIGAN VETERANS FACILITY AUTHORITY  
REGULAR BOARD OF DIRECTORS MEETING  
April 17, 2018  
10:00 a.m.

APPROVED MINUTES

A meeting of the Michigan Veterans Facility Authority Board of Directors was called to order at 10:20 a.m. by Chair Jim Redford. The meeting was held at the Michigan Veterans Affairs Agency Headquarters – 222 N. Washington Ave. Lansing, MI 48933.

**1. Pledge of Allegiance**

**2. Attendance roll call**

Chair Redford called for a roll call of members present. The following were present: Chair Jim Redford, David Henry, John Thorhauer, Mary Naber, and Spencer Hoover. The following were absent: A. Rocky Raczkowski, David Rutledge. The following attended by phone: MaryAnne Shannon.

**3. Moment of silence marking the passing of Director Paul Potter**

**4. Acceptance of the meeting agenda**

*Chair Redford, seconded by Thorhauer motioned to amend the meeting agenda to move item #11 to Item #7 and accept as amended. The motion passed 5-0.*

**5. Approval of Minutes**

*Henry, seconded by Thorhauer motioned to accept the meeting minutes dated February 21, 2018 and March 20, 2018 as presented. The motion passed 5-0.*

**6. Public Comment**

State Veterans Facility Ombudsman Kellie Cody present comments advocating for smoking to be permitted at new veterans facilities.

American Legion Public Affairs Director Mark Sutton inquired as to whether or not there are federal or state regulations that would prohibit smoking in the new facilities.

**7. Housekeeping; Board software, Board vacancies, Architecture & Engineering review, Position description development updates**

Steve Potter reported that a contract has been signed with DirectorPoint and that he and Phil Yeiter will coordinate individual training with Directors in the coming weeks.

Phil Yeiter provided an update on board vacancies to include: One(1) MVFA Board vacancy, two(2) MVF Board of Managers vacancies, and one(1) Michigan Veteran Trust Fund vacancy.

Anne Zerbe provided a review of the monthly update from TowerPinkster and SFCS.

Laurie McCullough-Benner provided an update on the development of position descriptions and hiring plans, indicating that interviews had been conducted for a SEMA and a subsequent offer was accepted with an effective start date of May 6, 2018. Laurie McCullough-Benner also informed the board that a draft Chief of Staff position description is completed and was designed to liaison between the Board of Managers, the MVFA, and the MVHS.

Henry expressed his opinion that in previous conversations regarding the development of MVFA positions that the direction of the board was that a CEO position was not needed for the MVFA at this time and that an appropriate amount of work from the CEO dedicated to the MVFA would be 20-30% not the 50% that is proposed as a charge back in agenda item #10. Henry also expressed his opinion that a Chief of Staff and VP of Construction should be reporting directly to the MVFA board at this time and not to MVAA staff, stating that the organizational structure as proposed in the position descriptions is drawn closer to the Michigan Veterans Affairs Agency and not to the Authority. Henry voiced concern that the positions as presented precludes the MVFA from having an independent organizational structure from that of DMVA or MVAA and reduces the autonomy and flexibility that the MVFA was designed in statute to have.

Naber echoed the comments of Henry. Naber also expressed the need to have a substantive strategic planning exercise in order to develop a strategic road map that sets clear goals and a picture of an end state, as relates to the organizational structure of the MVFA. Naber reiterated that while the CEO of the MVHS doesn't work for the MVFA at this time, there is opportunity for the position to evolve into that of MVFA CEO at a more appropriate time.

Hoover echoed the comments of Naber and Henry agreeing that the MVFA needs to establish a strategic planning process in order to design the organizational structure and have an end goal to work towards, establishing timelines for new positions, transitions of existing positions and incorporate costs associated with the timeline.

Hoover stated that the MVHS needs to evolve into the MVFA and not the MVFA evolving into the MVHS.

Thorhauer pointed out that now that there is a clear timeline (referring to the VA grant funding award notice) strategic planning will allow for the building of a plan around the transition and construction needs.

Redford noted that per the DMVA CFO none of the CEO's salary can be reimbursed by the MVFA, as the CEO position is an unclassified position. Redford also stated that his recollection of conversations regarding the time split of the CEO would be 70% MVHS and 30% MVFA.

Shannon expressed concern that the board direction was that the CEO would be more of a hybrid transitional position and it is turning into a position more reflective of a traditional CEO.

Henry followed-up his comments expressing that the Chief of Staff and the VP construction shouldn't be reporting to any entity other than the MVFA because of the time required to do the effective operational work of the MVFA. Henry also expressed his desire that at this point in time any additional staff hired by the MVFA would report to the Chief of Staff in this transitional period, noting that this type of reporting structure would ensure an alignment of duties and separation of the MVFA from MVAA, DMVA, and the State of Michigan. Henry also noted that if there were direct overlaps in this transitional period by position of the VP of Construction, specifically, then the MVAA or DMVA could enter into a contractual relationship with the MVFA to reimburse for salary expenses.

Redford highlighted the need for Appointing Authority from the DMVA in order to establish position descriptions through the MVFA and establish a reporting structure within the MVFA.

*Thorhauer, seconded by Hoover motioned to make a formal resolution requesting the granting of appointing authority from DMVA. The motion passed 5-0.*

Hoover stated that contractual services, employee models and organizational structures need to be reviewed and clearly established in this calendar year.

Redford echoed the sentiment of Hoover stating that the coming year requires substantial substantive conversations and decision points be made in order to provide clear direction to any successors and changing administrations. Redford indicated that in order for any meeting to be substantive it requires full

participation and a dedication from the board of directors to be actively engaged and participating.

Naber suggested establishing a meeting timeline and agenda to establish strategic planning sessions with the intent to develop a road map and direction for the MVFA.

Hoover requested a review of the ability to create MOUs between governmental entities (MVAA, DMVA, MVFA, BOM) by AG representative John Thurber.

#### **8. Discussion regarding the establishment of accounts (Ryan Doll, SBO);**

Ryan Doll provided an update on the SBOs review of process to establish separate and independent bank accounts specifically for the use of capital fundraising. Doll indicated that spending authority was being reviewed by the Office of Financial Management (states accounting services) Auditor General (annual audits). SBO is checking to ensure that compliance is met.

Hoover indicated that the MVFA should be looking at leveraging banking relationships with municipalities and fund types when choosing an institution.

#### **9. Long-term planning workgroup framework and proposed meeting dates**

Chair Redford presented the workgroup framework and proposed meeting dates for discussion purposes specifically outlining the need for community and stakeholder feedback.

#### **10. Adoption of Resolution Authorizing Construction Manager Contract**

*Henry, seconded by Thorhauer motioned to adopt the Resolution Authorizing the Construction Manager Contract award to Christman Construction. The motion passed 5-0.*

#### **11. Fundraising Committee; appointments and responsibilities**

*Thorhauer, seconded by Naber motioned to approve the Fundraising Committee description as presented. The motion passed 5-0.*

#### **12. Consider recommendation and approval of expense transfer**

*Hoover, seconded by Naber motioned to amend the expense transfer request to remove salary and any other associated expenses for the CEO and Director positions and approve as amended. Motion passed 5-0.*

Henry requested that future expense transfer requests reflect accurate actual expenses to ensure the proper use of tax dollars that the board of directors has been charged through their gubernatorial appointment to do.

### **13. Governance Committee; Policy review: Conflict of Interest and Gift Acceptance. Discussion regarding the establishment of MOUs between DMVA entities**

*Thorhauer, seconded by Henry motioned to approve the Conflict of Interest and Gift Acceptance policies as presented with immediate effect. The motion passed 5-0.*

*Henry, seconded by Thorhauer motioned to allow the Executive Committee the ability to review and accept MOUs on behalf of the Board of Directors with State of Michigan Agencies, Departments and Boards. The motion passed 5-0.*

### **14. Board comments**

Hoover asked staff to review meeting dates and location to support better attendance.

Thorhauer commented that the Governance Committee is establishing a policy review timeline and priority list for action related to the establishment of board and MVFA policies.

Henry commented that he was thankful for the deliberative conversation at the meeting today regarding organizational structure and future planning. Henry also indicated that it may be time to establish a board policy regarding attendance.

Naber commented that the candor of the conversation today was productive and that it is obligatory of board to be in attendance.

Shannon commented that looking at potential additional open meeting locations would be beneficial to her, as well as, looking at utilizing different State of Michigan transportation opportunities.

Redford thanked the audience for their attendance and thoughts and reiterated the need for active participation by all members of the board.

### **15. Public Comment**

American Legion Public Affairs Director Mark Sutton commented that having secondary open public meeting location would be beneficial, especially given the geographical locations of certain directors. Sutton also commented that it could be helpful for the board to host town hall style events with the Veteran Service Organizations across the State to provide information to groups who wouldn't typically be aware of the progress being made with the state veteran home program. Additionally, Sutton noted that attendance continues to be a problem and needs to

fixed, specifically the inability to have a 2/3rds vote to enter closed session if needed.

## **16. Adjournment**

*Henry, seconded by Naber, motioned to adjourn the meeting. The motion passed 5-0.*

The meeting was adjourned at 1:07 p.m.



James Robert Redford  
Board Chairman  
MVAA Director