

**MICHIGAN VETERANS FACILITY AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING**

December 11, 2018
10:00 a.m.

APPROVED MINUTES

A meeting of the Michigan Veterans Facility Authority (MVFA) Board of Directors was called to order at 10:02 a.m. by Chair Jim Redford. The meeting was held at the Michigan Veterans Affairs Agency (MVAA) 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 Jr., Spencer Hoover, Mary Naber (present at 10:38 am), A. Rocky Raczkowski (present at 10:07 am), David Rutledge, MaryAnne Shannon (via telephone), and John Thorhauer. The following member was absent: Larry Yachcik.

3. Approval of Minutes

Henry, seconded by Hoover, motioned to accept the meeting minutes dated October 16, 2018 as presented. The motion passed 5-0.

4. Public Comment

Dwayne Dolby, D.J. Jacobetti Home for Veterans (DJJHV) Resident Care Aide, encouraged the Board to not change the staffing structure at the homes. He stated that he has worked at the home for over 20 years and loves what he does.

Kellie Cody Jr., State Veterans Facility Ombudsman, thanked Chair Redford for moving forward on the smoking issue within the homes and encouraged him to make a decision in a positive way.

5. Housekeeping; MVFA New Positions Update, Health System Update

Anne Zerbe introduced Financial Analyst Joe Bolanowski who will assist her with a multitude of projects to include financials and board policies. She also informed the Board that Building Construction Specialist, Dr. Mike Hassan, will begin working with

the MVFA on January 2, 2019. Dr. Hassan has a tremendous amount of experience and has coordinated over \$5.4 billion in construction projects for the Air Force. Ms. Zerbe also introduced Grand Rapids Home for Veterans (GRHV) Administrator Tracey Nelson and DJJHV Administrator Ryan Engle, stating that she appreciates their presence at the meeting.

Chair Redford presented an update on the vacant legislative position, which will be split .5 FTE to the MVAA and .5 FTE to the MVFA. This position was previously filled by Phil Yeiter, who left the position to work in the private sector. Interviews for the position will be conducted on December 12, 2018; the interview panel consists of Chair Redford, Anne Zerbe, Russ Gullet, David Henry Jr., and Kristin Lesmeister. Seven candidates applied for the position and three candidates were selected to interview.

Henry, seconded by Thorhauer, motioned to accept Chair Redford's hiring recommendation and affiliated Memorandum of Understanding supporting the MVAA's hiring of a limited-term Legislative and Policy Advisor, who would be assigned to provide support to both the MVAA and MVFA. The motion passed 7-0.

Laurie McCullough-Benner provided an update on the Michigan Veteran Health System to include the Board of Managers meeting minutes from October 16, 2018. She is pleased to announce the hiring of the MVAA VP of Business Services, Melissa Velie, who will begin her employment on January 2, 2019. In addition, Ms. McCullough-Benner disseminated a document regarding the GRHV Campus Workgroup recommendations, with the final report to be presented at the January 15, 2019 meeting.

Ms. McCullough-Benner updated the Board regarding the DJJHV CMS certification status; stating she is expecting the certification of 55 additional beds by January 1, 2019, for a total of 81 beds. She is also working with the Michigan Department of Licensing and Regulatory Affairs (LARA) in exploring the option of a waiver to certify additional rooms currently utilizing a shared bathroom, with an ultimate goal of complete CMS certification of DJJHV.

Ms. McCullough-Benner stated that she is awaiting the draft OAG audit report, and the health system teams are working on rectifying some material and potential reportable findings. Lastly, she provided a document showing the Michigan Veteran Health System Strategic Plan, including milestones and corresponding deadlines.

Chair Redford informed the Board of upcoming town hall meetings to be conducted in both homes; these meetings are designed to update members and staff regarding the MVFA Strategic Plan and Employee Engagement Survey results. He stressed that there are serious issues to address regarding uncertainty of employment, communication deficits amongst coworkers, and lack of communication by administration. David Henry Jr. requested to review the report, and Chair Redford stated that he will disseminate the survey results to the board members.

Spencer Hoover suggested implementing “Just Culture” for staff in the homes during 2019. John Thorhauer expressed concern over merging the Board of Managers and MVFA, and the potential uncertainty which may result.

Raczkowski, seconded by Naber, motioned to amend the meeting agenda and add proposed Senate Bill 1180 as item 5iii to the agenda. The motion passed 7-0.

Chair Redford reviewed the proposed amended sections of Senate Bill 1180. He added that he had requested language to be included which referenced that with a quorum or more, offsite members may be allowed to vote; however, this language was not included in the proposed legislation.

Raczkowski motioned to “send a message” to the Senate and House stating this legislation is a priority; the motion was not seconded.

6. Executive Committee; Strategic Plan Discussion, Creation of MVFA 501c3 Foundation, Public Relations Planning, Extension of Independent Legal Counsel Contract

Steve Struthers from Accenture provided an overview of two documents: “Michigan Veterans Facility Authority Strategic Direction 2023” and “Michigan Veterans Facility Authority Future Operating Model”. He reiterated that the documents reflect the outcomes from the MVFA Strategic Planning Retreat, and the outcomes are designed for the Board to take action.

David Rutledge inquired as to whether page 5 of the “Strategic Direction 2023” is set up as a dashboard; Mr. Struthers confirmed.

Raczkowski, seconded by Henry, Rutledge and Hoover, motioned to accept the “Strategic Direction 2023” document. The motion passed 7-0.

Directors Henry, Raczkowski and Rutledge commended the Accenture team for their diligent work on the document.

Steve Struthers reviewed the document titled “Michigan Veterans Facility Authority Future Operating Model”. David Rutledge inquired if the documents align with the proposed legislation in Senate Bill 1180; Chair Redford indicated that there are no significant differences. Michelle Brya added that corrections may be made to the document in the future.

John Thorhauer suggested the following edits: Page 4, the title should read “Transition and Communication Plan of Existing Homes”; Page 2, paragraph 2, delete the words “and board chair” from the Governance section.

The Board conducted a discussion of Option A and Option B under Sourcing of Site Operations on page 3 of the document.

Hoover, seconded by Thorhauer, motioned to accept “Option A” under Sourcing of Site Operations with the two edits suggested by John Thorhauer. The motion passed 7-0. Chair Redford requested individual polling of the acceptance of “Option A”; the Board unanimously voted to accept “Option A”.

The meeting agenda was amended to move item 6iv to item 6ii due to the presence of the Dykema Gossett PLLC attorneys.

Len Wolfe and Hilary Vigil, with Dykema Gossett PLLC, provided an overview of the proposed MVFA 501c3 Foundation. The attorneys, Anne Zerbe, and Michelle Brya are working through issues to prepare the documents that support the goals and mission of the Board.

Rutledge, seconded by Raczkowski, motioned to accept the creation of the 501c3 as presented. The motion passed 7-0.

Chair Redford called a recess at 12:01 pm.

Chair Redford reconvened at 12:12 pm.

Suzanne Thelen, MVAA Division Director of Strategic Communications and Veteran Engagement, introduced her team which includes Kate Dickinson, Andy Henion, and Andrew Robishaw. Ms. Thelen provided an overview of the New State Veterans Homes Construction section within the MVAA website. She provided a multitude of

options for a strategic branding campaign for the MVFA, recommending the use of a pre-qualified vendor such as Brogan and Partners.

Raczkowski, seconded by Naber, motioned to have MVFA Board members solicit their public relations contacts to have them draft a scope of work, while agreeing to work pro bono, and bring the information to the January 15, 2019 meeting. The motion passed 7-0.

Chair Redford recommended a request for a 90-day extension of the contract entered into by the Michigan Department of Attorney General and Dykema Gossett PLLC for independent legal services for the MVAA Board; the contract is currently set to expire on December 31, 2018.

Rutledge, seconded by Henry, motioned to request a 90-day extension as presented. The motion passed 7-0.

MVAA Chief of Staff Steve Potter provided information regarding the retainment of a fundraising consultant to engage in a campaign readiness analysis, and to provide a report on the MVFA's fundraising capacity and recommended plan. Mr. Potter recommends authorizing the staff to build and issue a Request for Proposal (RFP) to select and retain a fundraising and campaign planning consultant. RFP development should be completed by January 15, 2019, and selection should be completed by March 15, 2019.

Raczkowski, seconded by Naber, motioned to request a scope of work for a campaign readiness analysis and an estimated budget to be presented at the January 15, 2019 meeting. The motion passed 7-0.

Mary Naber, on behalf of the MVFA Board, presented Chair Redford with a commemorative groundbreaking shovel and shadowbox in honor of the end of his service effective December 31, 2018. She thanked Chair Redford for his relentless work as chairman of the MVFA, and his constant reminder of the Board's mission. She added that his persistent betterment of the current health system will create a model for future veterans' homes in Michigan.

Chair Redford provided farewell remarks, stating that it was an honor to serve as chairman of the MVFA. Chair Redford presented Director's Coins to Dwayne Dolby and members of the MVFA Board for their service.

Chair Redford excused Mary Naber from the meeting at 1:00 pm.

John Thorhauer provided an update for the Joint Board Fundraising Workgroup. The workgroup consists of Chair Redford, Anne Zerbe, John Thorhauer, Spencer Hoover, Harold Mast (Board of Managers), and Adam Weiner (Board of Managers). The goal of the workgroup is to develop naming opportunities and establish corresponding areas within the new homes. The cost for utilizing this opportunity may range from \$25,000 to \$3 million, with a home average of approximately \$21 million. David Henry Jr. emphasized the importance of providing opportunities for staff and members to pledge smaller amounts in the way of a giving tree.

7. Finance Committee; Accounting Services & Bank Account, Legislative Budget Update, Current Operations & Pro Forma Budgets

Anne Zerbe reported that a resolution will be presented to the MVFA Board authorizing the retention of the Department of Management & Budget – Accounting Services Center (DTMB-ASC) to provide accounting services for soliciting and raising funds.

Henry, seconded by Hoover, motioned to accept the retention of the DTMB-ASC as a service provider for the MVFA. The motion passed 6-0.

Anne Zerbe provided a Legislative Budget Update, stating there is \$7.3 million in capital outlay for a total of \$30 million with state and federal resources.

Anne Zerbe provided an overview of Current Operations & Pro Forma Budgets. The initial Pro Formas are in development and should be available in January 2019.

8. Governance Committee; Standardized Policy Format, Policy Development Schedule, Policy Review & Adoption

Anne Zerbe presented a proposed template for the standardization of board policies. She stated the Office of the Attorney General is currently reviewing the proposed policy development and adoption schedule and are providing feedback and recommendations. In addition, she has requested a list of any additional policies required, a list of policies already governed by state law, and required policies that are likely to be dictated by other state laws. Lastly, board members should notify John Thorhauer, Anne Zerbe, or MaryAnne Shannon if they believe additional policies should be implemented.

The MVFA draft Attendance Policy was presented with only one recommendation for change; delete “APTA_[BM(1)]”.

John Thorhauer remarked that the Auditor General reviews board policies and checks the revision dates. The Conflict of Interest and Attendance policies should be issued to all board members at the January 15, 2019 meeting.

9. Building & Facilities Committee; TowerPinkster – Construction & Financial Update, Construction Schedule & POCs, Capital Outlay Increase, Construction Budget Tracking Process

David Henry Jr. stated that the Southeast Michigan Home for Veterans groundbreaking ceremony was a success. The Board agreed that there should be a groundbreaking ceremony conducted for the new Grand Rapids Home for Veterans.

Raczkowski, seconded by Henry, motioned to add the GRHV groundbreaking ceremony dates to the agenda for the January 15, 2019 meeting. The motion passed 6-0.

Anne Zerbe presented an update on the construction schedule, stating the engineers are finalizing the documents. She will work with Christman regarding the acquisition of diverse subcontractors and the criteria used in the selection process. She will also consult Christman regarding the point of contact for subcontractors, the range of selection dates, and a possible open house for subcontractors; this information will be posted on the MVAA website under “New Home Construction”.

10. Board Comment

Chair Redford recognized Tammy Porter for her 24 years of service at the Grand Rapids Home for Veterans and presented her with a Director’s Coin.

A. Rocky Raczkowski inquired as to the status of a replacement for the MVAA Director; Chair Redford stated the new transition team has not provided any details to him.

Spencer Hoover stated that much progress has been made with the Board in 2018, and he expects the work to excel in 2019.

John Thorhauer thanked Chair Redford for his service and wished everyone a Merry Christmas and Happy Holidays, adding that 2019 will be a good year for the homes.

David Henry Jr. and David Rutledge echoed comments, thanking Chair Redford for his service.

Chair Redford thanked all board members for their hard work and stated this work was a labor of love and he was grateful to be part of the team.

11. Public Comment

Tammy Porter thanked the MVFA Board for selecting “Option A” regarding Sourcing of Site Operations. She added that the uncertainty felt by staff will be less now knowing the Board supports this option. Lastly, she stated there may be a union negotiation reopener for wages and benefits.

Ryan Engle, DJJHV administrator, stated that the decisions made by the Board today will significantly impact the veterans and staff at the DJJHV. He also invited board members to visit the home to personally see the hard-working staff.

Kelly Codie Jr. thanked the Board for selecting “Option A” and for their support.

Eugenia Dumlao-Reedy, MVAA VP of Nursing Services, stated that Steve Rolston and Tracey Nelson have turned things around with the CNA’s at the GRHV and have overhauled operations.

Chair Redford wished everyone a Merry Christmas and Happy Holidays, stating this was the longest and his last MVFA Board Meeting.

11. Adjournment

Rutledge, seconded by Raczkowski, motioned to adjourn at 1:53 pm. The motion passed 6-0.

The meeting was adjourned at 1:53 pm.



James Robert Redford
Board Chairman
MVAA Chair