



## Michigan Veterans Facility Authority Board Meeting

Time: January 15, 2019, 10:00 am - 1:00 pm

Location: Michigan Veterans Affairs Agency - 222 N. Washington Sq., Lansing, MI 48933

Section	Agenda Item	Presenter	Page
1	<b>Pledge of Allegiance</b>	Mary Naber	
2	<b>Attendance Roll Call</b>	Mary Naber	
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4	<b>Public Comment</b> (please limit comments to three minutes)		
5	<b>Housekeeping:</b>	Anne Zerbe	
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	ii. Conflict of Interest and Gift Acceptance Policies	Anne Zerbe	9
	iii. Strategic & Operating Plan -Adoption of Amended Plans -Operating Model Background Information	Anne Zerbe	24
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	vi. Health System Update -Board of Managers Meeting Minutes from November 13, 2018	Steve Rolston	35
6	<b>Executive Committee:</b>	Mary Naber	
	i. Lame Duck Legislative and Administrative Changes	Anne Zerbe	
	ii. MVFA Board Chair – Nomination & Election	Mary Naber	
	iii. MVFA Board/Board of Managers Transition	Anne Zerbe	
7	<b>Finance Committee:</b>	Spencer Hoover	
	i. FY19 & FY20 Legislative Budget	Anne Zerbe	

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8	<b>Governance Committee:</b>	John Thorhauer	
	i. Joint Venture Policy	John Thorhauer	
	ii. External Concerns Policy	John Thorhauer	
9	<b>Building &amp; Facilities Committee:</b>	David Henry	
	i. New Construction Update	Mike Hassan	41
10	<b>Board Comments</b>		
11	<b>Public Comments</b> (please limit comments to five minutes)		
12	<b>Adjournment</b>		



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

December 11, 2018

10:00 a.m.

**PROPOSED 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 goals 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<sub>[BM(1)]</sub>”.

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

## **Michigan Veterans Facility Authority CONFLICT OF INTEREST POLICY**

### **Section 1. Purpose:**

The Michigan Veterans Facility Authority (MVFA) expects its employees and Directors to conduct the business of MVFA in a legal and ethical manner, observing the highest standards of integrity and business ethics. When acting as employees or Directors of MVFA, these individuals should act solely for the benefit of the organization. Each employee and Director shall operate under the following Code of Conduct.

### **Section 2. Scope:**

All persons serving as members of the Michigan Veterans' Facility Authority Board of Directors and staff shall perform their duties in a manner that is consistent with this policy and other Michigan statutes which, as may be applicable to a particular individual.

### **Section 3. Definitions:**

**Immediate family member** is defined as a director's or employee's grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild.

### **Section 4. Standards:**

1. Article 4, section 10 of the Michigan Constitution of 1963, Legislators and State Officers, Government Contracts, Conflict of Interest.
2. Standards of Conduct for Public Officers and Employees Act ("State Ethics Act"), MCL 15.341 et seq.
3. Michigan Incompatible Public Offices Act, MCL 15.181 et seq.
4. Conflict of Interest Act, MCL 15.301 et seq.
5. Michigan Contracts of Public Servants with Public Entities Statute, MCL 15.321 et seq.

## **Section 5. Guidelines:**

Each Director and employee shall:

1. Comply with the MVFA Conflict of Interest Policy, as well as, applicable Michigan Law.
2. Disclose any pecuniary, contractual, business, employment or personal interest that the Board member or employee may have in a contract, grant, loan, or regulatory matter before the Board, refrain from participating in any discussion, directly or indirectly, with other Board members regarding the pending item and abstain from voting on any motion or resolution relating to the matter. A Board member or employee who is or whose immediate family member is a director, officer, direct or indirect shareholder, or employee of an entity that is to be awarded a contract, grant, or loan by the Board, or is the subject of a regulatory action before the Board, is hereby deemed to have an interest that warrants disclosure and must abstain from participation in discussion or voting on the contract, grant, loan, or regulatory matter. Such disclosure shall be made a part of the public record of the Board's official action.
3. Use state resources, property, and funds under the Board member's or employee's official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
4. Refrain from all of the following:
  - 4a. Divulging to unauthorized person confidential information acquired in the course of the member's service on the Board or employment in advance of the time prescribed for its authorized release to the public.
  - 4b. Representing his or her personal opinion as that of the Board or the MVFA.
  - 4c. Soliciting or accepting a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the State, which could reasonably be expected to influence the manner in which the Board member or employee performs official duties.
  - 4d. Engaging in a business transaction in which the Board member or employee may profit from his or her official position or authority or

benefit financially from confidential information which the Board member or employee has obtained or may obtain by reason of that position or authority.

- 4e. Rendering services for a private or public interest when that service is incompatible or in conflict with the discharge of the Board member's or employee's official duties.
- 4f. Participating in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the Board or Board member's or employee's immediate family has a pecuniary or personal interest except for interests in a publicly traded company which constitutes less than two percent of the issued and outstanding stock of such company.

## **Section 6. Procedures:**

- 1. In addition to the requirements set forth above, with respect to contracts, grants, or loans, the MVFA Board Member conflict of interest policy shall be as follows:
  - 1a. Any contract, grant, or loan that is approved by the Board, and which is entered into or awarded to an entity that has a Board member or employee or an immediate family member of a Board member or employee who is a direct or indirect shareholder, member, director, officer, or employee of the entity, is prohibited under applicable conflict of interest law, if all of the following occur:
  - 1b. Except as otherwise provided in Section 3(3) of the Public Servant Act, MCL 15.323(3), the affected Board member abstains from participating in any discussion or vote on the contract, grant or loan; and
  - 1c. The affected Board member promptly discloses the pecuniary, contractual, business, employment or personal interest in the contract, grant or loan as may be required, and in the manner provided, by the statutory requirements set forth in section one. Any such disclosure, if required by law, shall simultaneously be made to the Director of LARA; and
  - 1d. The disclosures, affidavit, and actions required by Section 3 of the Public Servant Act, MCL 15.323, if applicable, are made and fulfilled with any required disclosure and/or affidavit being simultaneously delivered to the Compliance Officer.

## **Section 7. Implementation:**

1. The MVFA policy on Conflict of Interest will be distributed annually to members of the Board of Directors of MVFA, MVFA Administrative Staff including Department Heads and Central Supply staff.
2. At the time of the distribution of the policy, each person will be given the opportunity to disclose real or potential conflicts of interest, which will be kept confidential. Disclosures of any potential conflicts of interest by Board members and/or officer employees will be forwarded to the Governance Committee for review. Potential conflicts of interest disclosed by the Governance Chair will be reviewed by the Chair of the MVFA Board of Directors.
3. A non-officer employee who is unsure whether his or her ownership, or similar interest in, or receipt of a benefit from a company, or whether such company does or is likely to do business with MVFA, shall present the matter to the Chief Financial Officer of MVFA, who shall advise the individual after receiving any information the individual wishes to present, and whose determination about disclosure shall be final. An officer or Director who has a similar question shall present the matter to the Chair of the Governance Committee, who shall advise the individual after receiving any information the individual wishes to present, and whose determination about disclosure shall be binding. Disclosures made by non-officer employees will be forwarded to the Chief Financial Officer for review.
4. A transaction between MVFA and any entity affected by a conflict of interest of any MVFA employee, officer or Director shall not be void, but shall be valid if the following requirements are met: (a) The transaction is fair and reasonable to MVFA, as determined by the Board of Directors or an appropriately empowered committee thereof, when approved or ratified; (b) The material facts of the conflict of interest are disclosed to the Board or committee; (c) the transaction is discussed and voted upon by the Board or committee outside the presence of the affected individual; (d) the transaction is approved or ratified by a majority of the Board or committee sufficient for the purpose, although the affected individual, while excluded from the discussion and vote, may be counted as contributing to a quorum; and (e) the minutes of the Board or committee reflect compliance with items (a) through (d) of this section 4.0.



5. Any MVFA employee violating any provision of this policy, including failure to disclose a potential or real conflict of interest, is subject to disciplinary action, up to and including discharge.
6. Any MVFA Board Member violating any provision of this policy, including failure to disclose a potential or real conflict of interest, is subject to being removed from the Board in accordance with the current MVFA Bylaws.

## **Section 8. References**

1. None

## Michigan Veterans Facility Authority Board Member's Certification of Agreement

I hereby certify that I have read the "MVFA Conflict of Interest Policy" adopted by the Board of Directors of MVFA on February 24, 2018 at a scheduled MVFA Board Meeting with a quorum present.

Printed name of Board Member: \_\_\_\_\_

Signature of above named Board Member: \_\_\_\_\_

Initial Signature Date: \_\_\_\_\_

Month/Year	01/2019	01/2020	01/2021	01/2022	01/2023	01/2024	01/2025	01/2026	01/2027
Initials									

## Michigan Veterans Facility Authority GIFT ACCEPTANCE POLICY

### Section 1. Purpose:

This document has been prepared for use by the Board of Directors, staff and volunteers and is intended for internal use only. The policy is intended to support the following purposes and goals of the Michigan Veterans' Facilities Authority (MVFA):

**Protection of Donors' Interest:** The MVFA and its volunteer and staff representatives shall always consider the donors' interests as the first priority when accepting a gift.

**Confidentiality:** Information learned by any representative of the MVFA about a donor, or the donor's assets or philanthropic intentions, shall be held in strict confidence. No public media exposure with respect to a donor's gift shall be generated without the consent of the donor.

**Acknowledgement:** Donors shall receive an expression of sincere thanks and gratitude from the MVFA and an acknowledgement of the gift in accordance with IRS regulations.

All gifts accepted will be used in accordance with the donor's wishes to the extent possible.

### Section 2. Scope:

All persons serving as members of the MVFA Board of Directors and staff shall perform their duties in a manner that is consistent with this policy and other Michigan statutes which, as may be applicable to a particular individual.

### Section 3. Definitions:

**Endowment:** An endowment is a donation of money or property, which uses the resulting investment income for a specific purpose.

**Gift:** A gift is a voluntary, irrevocable transfer of cash, securities, property of value or an interest of value to Michigan Veterans Facility for the benefit of those we serve.

- a. Gifts may be made by individuals during their lifetimes or by testamentary disposition; by corporations; by foundations; and by other legal entities.

- b. A gift may be made to the MVFA either outright or in trust, in which case the donor contributes to the MVFA either a future interest in a trust's principal value or the right to a trust's income for a certain term.
- c. The donor may designate a gift for unrestricted use by MVFA; a gift may also be made for a specific purpose designated by the donor and approved by the Michigan Veterans Facility Authority Board Chair.
- d. The donor may also restrict the expenditure of a gift by establishing an endowment with a minimum outright gift of \$500,000 or a pledge payable within five years, in which case the principal of the gift is invested with an annual payout in accordance with the MVFA's spending policy.

**Grant:** A grant consists of payment(s) by a foundation or corporation in response to a proposal requesting unrestricted or restricted monies for a specified project or facility.

**Gifts of Non-Real Estate Tangible Property or Gifts-In-Kind:** A non-monetary gift such as a painting or a book. These gifts are entered into the system with a formally appraised value.

**Pledge:** A pledge is a written statement of an intention to make a specific gift or grant to the MVFA by a specified date, signed by the donor.

**Planned Gifts:** Planned gifts encompass many forms of specialized gift arrangements, including: bequests, life income plans, pooled income funds, gift annuities, transfers of real property, gifts of closely-held securities, and bargain sale arrangements (see page 6).

#### **Section 4. Standards:**

- 1. Article 4, section 10 of the Michigan Constitution of 1963, Legislators and State Officers, Government Contracts, Conflict of Interest.
- 2. Standards of Conduct for Public Officers and Employees Act ("State Ethics Act"), MCL 15.341 et seq.
- 3. Michigan Incompatible Public Offices Act, MCL 15.181 et seq.
- 4. Conflict of Interest Act, MCL 15.301 et seq.
- 5. Michigan Contracts of Public Servants with Public Entities Statute, MCL 15.321 et seq.

## **Section 5. Guidelines:**

1. **Disclosure.** MVFA board or staff shall disclose to prospective donors as appropriate any benefits and drawbacks that could reasonably be expected to influence the donor's decision to make a gift to the Michigan Veterans Facility Authority. In such instances, donors will always be encouraged to consult with legal counsel and financial advisors in making their decision.
2. **Maintenance of Written Record Regarding Donor Intent.** Staff shall maintain a written record concerning the donor's intent and wishes. The role of MVFA staff shall be to inform, guide and assist a donor in fulfilling his or her philanthropic wishes, but never to pressure or unduly influence a donor's decision.
3. **Acceptance and Receipt of Gifts.** All gifts to the Michigan Veterans Facility Authority shall be officially received by the Michigan Veterans Facility Authority Board Chair on behalf of the Board of Directors. Where a proposed gift is extraordinary, or the way in which it is to be made does not fall within the stated policies, a determination of whether, how and when the gift will be accepted and credited, shall be made by the Michigan Veterans Facility Authority Board Chair with concurrence of legal counsel.
4. **Refusal of Gifts.** The Michigan Veterans Facility Authority reserves the right to refuse gifts. Reasons for refusing a gift include, but are not necessarily limited to: 1) the cost to manage the asset would exceed eventual benefit of the gift; 2) the gift or gift purpose would jeopardize the MVFA's tax-exempt status; 3) the gift might expose the MVFA to potential liability; 4) the stipulations or conditions associated with the gift are not acceptable; or 5) the gift is not consistent with the mission and values of MVFA. The Michigan Veterans Facility Authority Board Chair has the authority to refuse gifts which clearly would not benefit the MVFA. If the benefit is questionable or difficult to determine, the Michigan Veterans Facility Authority Board Chair is encouraged to consult with the Board of Directors whether to accept or refuse.
5. **Savings Clause for Gift Instruments Creating Endowments.** Gift instruments creating endowments should, when possible, include a contingency savings clause redirecting the gift within MVFA in the event the stated gift purpose becomes obsolete or contrary to law.
6. **Appropriateness of Gift.** The purpose and use of a gift as specified (restricted) by a donor must be appropriate to the functions and character of the facility or program, and not require the Michigan Veterans Facility Authority to act contrary to law or in a manner which would jeopardize its tax-exempt status. Any question as

to the appropriateness or advisability of accepting a particular gift will be resolved by the Michigan Veterans Facility Authority Board Chair in consultation with legal counsel.

7. **Gifts Requiring the Outlay of Funds.** Gifts requiring a commitment by the Michigan Veterans Facility Authority to spend MVFA funds, either upon receipt or in the future, in addition to amounts donated or pledged, must receive prior approval from the Michigan Veterans Facility Authority Board of Directors.
8. **Gifts of Non-Real Estate Tangible Property.** Such gifts, also known as gifts-in-kind, should be managed at the discretion of the MVFA CEO and brought to the Board only as warranted.
9. **Conversion of Gifts to Cash.** It is the policy of the Michigan Veterans Facility Authority to convert all gifts to cash as soon as possible and/or appropriate. The MVFA reserves the right to make any or all investment decisions regarding gifts in accordance with its Investment Policy.
10. **Disclosure of MVFA Investment Policy to Donors.** Donors should be informed that all funds received by the Michigan Veterans Facility Authority will be managed in accordance with the MVFA investment policy. A copy of the investment policy will be made available for distribution to donors upon request.
11. **Gifts Valued for Donor Gift Acknowledgment and Gift Clubs.** Gifts valued for donor gift acknowledgment and gift clubs may not be the same as the value of the gift for IRS deduction purposes. The Michigan Veterans Facility Authority may not provide valuation for tax deduction purposes.
12. **Life Insurance Gifts.**
  - a. Life insurance gifts, whether newly issued or long-established policies, shall not be reported at the face value of the policy. This applies even when the donor retains no rights ("incidents of ownership") to the policy.
  - b. Gifts of newly purchased life insurance policies, in which the Michigan Veterans Facility Authority is both owner and beneficiary, shall be reported at the amount of premiums paid, in the year the premiums are paid.
  - c. The value of a paid-up ordinary life insurance policy accepted as a gift is its replacement cost. The value of a nonpaid-up life insurance policy is determined by adding to the "interpolated terminal reserve" of the policy (which, in a policy that has been owned for a while, will be approximately equal to its cash surrender value) plus an unearned premium and accrued dividends, less any

policy loan. The issuing insurance company shall be consulted for assistance with both the transfer of the policy and its valuation.

- d. When a policy is owned by the Michigan Veterans Facility Authority, regardless of whether premiums are paid by the donor or the MVFA, the difference between the cash value and the insurance company's settlement at the death of the donor is not reported as a gift, but rather as a gain on the disposition of assets. In those cases where the MVFA the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received shall be reported as a gift on the date delivered.

**13. Marketable Securities Gifts.** Securities gifts are valued at the average between the high and low trading prices of the securities on the date of receipt by the MVFA. The value of a share in a mutual fund is its public redemption price (the "bid price") in effect at the time of the gift.

**14. Tangible Property Gifts.** When gifts of tangible property are accepted, the donor should be advised of the intended use or disposition thereof. Inasmuch as a decision by the Michigan Veterans Facility Authority either to use the donated property for its exempt purposes or to sell the property may affect the donor's income tax charitable deduction, the donor should be advised of said decision before the gift is accepted.

**15. Real Property Gifts.** An outright gift of real property may be sold and not intended for the Michigan Veterans Facility Authority use. A gift of real property will be valued at the property's appraised value. At the time of the sale, the value of the gift will be adjusted to reflect net proceeds realized from the sale.

## **Section 6. Procedures:**

**1. Review of Real Property Gifts.** Each potential gift of real property will be reviewed individually with consideration given to an expeditious liquidation unless such property is intended for MVFA use, in its sole discretion. When the property is sold, it will be sold at the highest possible price as soon as possible after conveyance, unless the property is to be used in connection with the MVFA's exempt purpose.

### **2. Issues in Acquiring Property.**

- a. **Title Review and Insurance.** The Michigan Veterans Facility Authority shall make certain the donor owns the property being donated. If multiple owners are named on the title, each owner must agree in writing to the gift.
- b. **Survey of the Property.** Particularly for commercial properties, a prior survey will be requested or a survey will be done to determine encroachments, easements or other details that cannot be ascertained from the title company. Determination of

the need for a survey shall be recommended by individuals reviewing the property gift for the MVFA.

- c. **Type of Deed Involved.** The MVFA must determine if a warranty deed or a quitclaim deed will be provided by the donor.
  - d. **Environmental Review.** A baseline environmental assessment is required on all real property.
  - e. **Life estates and other interests of property.** The MVFA determine and consider the existence of any life estates or other interests associated with the real property.
  - f. **Other Issues.** A thorough review of all issues relating to expenses or necessary costs that will be incurred until the property is sold will be completed by those individuals the Board Chair has deemed knowledgeable to advise the MVFA. In the case where such costs are deemed significant and/or the anticipated time period to complete the sale is sufficiently long, it may be appropriate to ask for a cash donation to cover expenses.
3. **Review Process.** Under certain circumstances gifts of real property or interests in real property are only accepted where such gifts bring demonstrable economic benefit to the Michigan Veterans Facility Authority. Because of the complexity of transacting such gifts, the expense of managing real property and the potential for liability, the MVFA reserves the right to request a Phase One Environmental Site Assessment at the expense of the donor. All gifts of real property are subject to the advance approval of the Michigan Veterans Facility Authority Board of Directors.
4. **Non-Cash Gifts Exceeding \$500.** Any non-cash gift with a value exceeding \$500 requires the donor to attach Form 8283, signed by the Michigan Veterans Facility Authority, to his/her income tax return if claiming a deduction. All such forms are to be signed by the Michigan Veterans Facility Authority Board Chair. If the MVFA sells the donated property within two years of the gift, it is required to submit a Form 8282 to the IRS stating the price for which the property was sold.
5. **Permissible Planned Gifts.** The following types of planned gifts also may be accepted by the Michigan Veterans Facility Authority:
- Pooled income funds
  - Charitable remainder trusts
  - Charitable gift annuities
  - Charitable lead trusts
  - Bequests
  - Closely held securities (to be reviewed prior to acceptance)
  - Life Insurance products
  - Bargain Sales



6. **Administrative Fees.** Under certain circumstances the Michigan Veterans Facility Authority reserves the right to charge administrative fees.

## **Section 7. Implementation:**

1. The MVFA policy on Gift Acceptance will be distributed annually to members of the Board of Directors of MVFA, MVFA Administrative Staff including Department Heads and Central Supply staff.
2. At the time of the distribution of the policy, each person will be given the opportunity to disclose real or potential conflicts of interest, which will be kept confidential. Disclosures of any potential conflicts of interest by Board members and/or officer employees will be forwarded to the Governance Committee for review. Potential conflicts of interest disclosed by the Governance Chair will be reviewed by the Chair of the MVFA Board of Directors.
3. A non-officer employee who is unsure whether his or her ownership, or similar interest in, or receipt of a benefit from a company, or whether such company does or is likely to do business with MVFA, shall present the matter to the Chief Financial Officer of MVFA, who shall advise the individual after receiving any information the individual wishes to present, and whose determination about disclosure shall be final. An officer or Director who has a similar question shall present the matter to the Chair of the Governance Committee, who shall advise the individual after receiving any information the individual wishes to present, and whose determination about disclosure shall be binding. Disclosures made by non-officer employees will be forwarded to the Chief Financial Officer for review.
4. A transaction between MVFA and any entity affected by a conflict of interest of any MVFA employee, officer or Director shall not be void, but shall be valid if the following requirements are met: (a) The transaction is fair and reasonable to MVFA, as determined by the Board of Directors or an appropriately empowered committee thereof, when approved or ratified; (b) The material facts of the conflict of interest are disclosed to the Board or committee; (c) the transaction is discussed and voted upon by the Board or committee outside the presence of the affected individual; (d) the transaction is approved or ratified by a majority of the Board or committee sufficient for the purpose, although the affected individual, while excluded from the discussion and vote, may be counted as contributing to a quorum; and (e) the minutes of the Board or committee reflect compliance with items (a) through (d) of this section 4.0.

5. Any MVFA employee violating any provision of this policy, including failure to disclose a potential or real conflict of interest, is subject to disciplinary action, up to and including discharge.
6. Any MVFA Board Member violating any provision of this policy, including failure to disclose a potential or real conflict of interest, is subject to being removed from the Board in accordance with the current MVFA Bylaws.

## **Section 8. References**

1. None

## Michigan Veterans Facility Authority Board Member's Certification of Agreement

I hereby certify that I have read the "MVFA Gift Acceptance Policy" adopted by the Board of Directors of MVFA on February 24, 2018 at a scheduled MVFA Board Meeting with a quorum present.

Printed name of Board Member: \_\_\_\_\_

Signature of above named Board Member: \_\_\_\_\_

Initial Signature Date: \_\_\_\_\_

Month/Year	01/2019	01/2020	01/2021	01/2022	01/2023	01/2024	01/2025	01/2026	01/2027
Initials									

# MICHIGAN VETERANS FACILITY AUTHORITY Future Operating Model

## SUMMARY OF THE FUTURE MVFA OPERATING MODEL

Below is an outline of the intended future operating model for the MVFA. Some of the elements of this model are outside of the MVFA Board's authority to establish unilaterally and will likely require gubernatorial and/or legislative action to put into effect.

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### GOVERNANCE

- MVFA is statutorily designated to be part of the Executive Branch and will operate within one of its gubernatorial-established principal departments. Currently, that department is the Department of Military and Veteran Affairs (DMVA).
- Additionally, MVFA is governed by a 9-member volunteer Board of Directors. Eight of those directors must have professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine; the ninth director is the DMVA director or his/her designee from within the Department. Additional requirements of the make-up of the board are as follows:
  - Three members are appointed by the Governor with the advice and consent of the Senate and represent the interests of one or more congressionally chartered veterans' organizations.
  - Three members are appointed by the Governor with the advice and consent of the Senate, one of whom shall be a resident of the Upper Peninsula.
  - One member is appointed by the Governor from a list of 2 or more individuals selected by the Majority Leader of the Senate.
  - One member is appointed by the Governor from a list of 2 or more individuals selected by the Speaker of the House of Representatives.
  - One year after the second facility operated by MVFA is open and housing veterans, the board members shall elect a new chairperson who is not the director of the Department or his or her designee. The Director of the Department shall then serve as a nonvoting member of the board. A new member who is a veteran and who has professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine shall be appointed by the Governor with the advice and consent of the Senate.
- The Board will establish committees and make policies as necessary to complete its work and fulfill its statutory and fiduciary responsibilities.

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### LEADERSHIP

- It is the Board's intention to establish a Chief Executive Officer (CEO) position within MVFA to whom it will delegate its authority to carry out its strategic direction.
- It is further intended that the CEO position shall be a full-time, unclassified position under the state's Civil Service rules and be compensated at a rate commensurate to his/her duties and experience. The unclassified position will be secured through either legislative or administrative action to designate one of the Department's allotted unclassified positions to be the MVFA CEO.
- In addition, the Board shall actively participate in the selection of the person to be CEO and recommend that individual to the Director of the Department (or the individual whom he/she has designated as the Appointing Authority for the position).
- The CEO position administratively reports to the Director of the Department or his/her designee. However, it is the intention of the Board that the CEO position also be accountable to the Board for fulfilling its statutory responsibilities and implementing its strategic direction.
- It is the Board's intention that, once hired, the CEO be designated the Appointing Authority for all other MVFA staff positions.
- It is anticipated that the CEO would then – consistent with state Civil Service rules – hire an executive management team to support him/her in implementing the Board's strategic direction.

This team would be responsible for both overseeing the operation of MVFA facilities and ensuring that the administrative capabilities are in place to support those operations (see below).

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## SOURCING OF SITE OPERATIONS

- It is the Board's intention that MVFA apply a consistent approach for sourcing operations across all its facilities.
- Direct care positions will be filled by State of Michigan employees operating under the relevant Civil Service rules and collective bargaining agreements provided that this staffing model can be accomplished in a fiscally sustainable manner. As such, MVFA will seek to reduce the pension legacy costs that it is currently obligated to pay.
- Other, non-direct care functions such as food service, housekeeping, and security will be evaluated as to the feasibility, financial and performance benefits, and risks of securing those services through a contract with one or more organizations outside of State government.
- In cases where the CEO and Board determine that the expected financial and performance benefits of contracting for a function or set of functions outweigh the risks, the CEO will then proceed with the necessary steps in this process, including obtaining the appropriate waivers from Civil Service.
- In the event MVFA awards a contract(s) to a vendor or group of vendors to carry out designated functions, the duration, performance conditions, and financial arrangements of the contract will be structured to ensure that MVFA receives the quality of services it requires to meet the needs of its veterans, enhance its financial sustainability, and maintain the flexibility it needs to adapt to changing circumstances.

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## ADMINISTRATIVE FUNCTIONS

- MVFA's authorizing legislation indicates that "the staffing, budgeting, procurement, and related administrative functions of the authority may be performed under the direction and supervision of the director of the department." While this language appears to imply that MVFA has the authority to establish its own administrative functions, it is the Board's intention that MVFA will initially rely on the State's administrative capabilities.
- MVFA will pay for its use of the State's administrative functions through the financial reimbursement arrangements that exist between those agencies and state agencies like MVFA for which the services are provided.
- Within the context of those arrangements, MVFA will seek to build strong, performance-oriented relationships with the State administrative functions that support MVFA, particularly in human resources, procurement, and technology.
- In addition, MVFA will seek to develop accountability mechanisms with those State agencies through written service agreements that include measurable performance measures and service standards, monthly reporting requirements, financial consequences for performance that falls below established expectations, and incentives when performance exceeds those levels.
- The Board will also expect and challenge MVFA senior staff who oversee the agency's administrative functions to operate with a forward-looking, entrepreneurial mindset that positions MVFA for a future state in which it may take advantage of its statutorily provided flexibility to become more independent in how it secures its procurement, technology, and financial management services. It is understood that because of its legal status as a part of the executive branch, MVFA will remain dependent on the State for providing its human resource function.

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## TRANSITION AND COMMUNICATION PLAN OF EXISTING HOMES

- Currently, the two existing State Veterans Homes at Grand Rapids and Marquette are operated under the supervision of the Board of Managers. It is MVFA's intention that the responsibility for overseeing these existing homes will be transferred to MVFA prior to the opening of the first new home. The Board of Managers and MVFA will establish a memorandum of understanding (MOU) for the transition of the existing homes to MVFA consistent with that timing.
- In addition to the transfer of control of the existing homes to the authority, MVFA will develop and implement a transition plan for the existing Grand Rapids campus. In doing so, the MVFA Board will consider recommendations from the Campus Workgroup, together with all other relevant information.

**Statement of Work  
Fundraising Consultant  
January 2019**

**Purpose.**

Michigan Veteran Facility Authority (MVFA) is requesting submissions from fundraising consultants interested in conducting a campaign feasibility and readiness assessment to assess the feasibility of the conduct of a capital campaign by the MVFA. Fundraising consultants will provide professional services for the establishment and growth of a foundation.

Guiding this process will be the board of directors, staff and state agencies all of whom anticipate active and ongoing collaboration with the selected firm to ensure that the foundation established is operational, sustainable, and compliant with the local and federal regulations governing foundations.

The purpose of this Request for Proposal is to retain a fundraising consultant who will 1) conduct a readiness assessment in preparation for implementation of a campaign plan; 2) identify a donor base; and 3) provide a campaign readiness report.

**Background.**

State of Michigan Public Act 1188 of 2018, gives the Michigan Veteran Facility Authority (MVFA) the mandate to modernize the Veterans Nursing Care in the State of Michigan. In order to do this the MVFA has received legislative authority to create a 501c3 nonprofit corporation to raise private donations.

The Michigan Veteran Facility Authority aspires to be the nation's leading provider of care and services for Veterans. The MVFA simply wants to be the best. Between now and 2023, the Authority will open several new homes. The MVFA will also offer a continuum of care specifically designed for veterans, ranging from hands-on to virtual care and services. The quality of services will be the direct result of staff and volunteers who love the heroes they serve and the opportunities the Authority provides to serve them. The results the Authority produces will be rewarded with the highest-ever ratings from veterans and their families, unprecedented philanthropic contributions to support the Authority's work, as well as external validation that confirms the Authority's high level of compliance with the highest standards of care. By 2023, MVFA will be known throughout the nation as an organization that never leaves a veteran behind..

The ability to make the necessary investments in staff, equipment, and facilities for MVFA to build and maintain an innovative, high-performing organization hinges on the Board's financial solvency and sustainability.

A key pillar to the future financial success of the MVFA is the ability to secure private donations. In order to best accomplish this, *the MVFA has recently launched a charitable foundation that enables the Board to raise money from the philanthropic community as well as private individuals that can be spent on items and activities outside of veterans direct care but that will enhance the quality of that care, such as staff training, enrichment opportunities for residents, and direct financial assistance to veterans facing economic challenges.*



## Scope of Requested Services:

1. Phase I - Planning and Readiness Assessment Preparation.
  - a. Conduct a project kickoff meeting with staff and a subcommittee of the MVFA Board of Directors.
  - b. Present the fundraising project process to the Board of Directors at a Board Public Meeting.
  - c. Work with leadership team to refine a case for support document. This document will detail the history of the Michigan Veteran Facility Authority, its current needs, proposed solutions, and a campaign budget to meet the delineated needs of the MVFA.
  - d. Draft an appropriate cover letter to accompany the case for support.
  - e. Present these deliverables in draft to MVFA staff and Board Subcommittee prior to releasing to the funding community.
  - f. Assist the leadership team with identification of approximately 30 interviewees. These interviewees must have an interest in the project and the ability to support the campaign with an individual/corporate/foundation gift or pledge.
2. Phase II - Interviews.
  - a. Conduct personal, face to face interviews with the identified list of "opinion leaders" interviews will be conducted over seven days (and across multiple weeks).
  - b. Schedule interviews over seven individual dates.
3. Phase III - Develop and Conduct Campaign Feasibility Study and Readiness Assessment.
  - a. Provide a final report detailing the feasibility study findings including but not limited to:
    - i. Reaction to the proposed case for support
    - ii. Reaction to the project budget
    - iii. Strengths of the case
    - iv. Weaknesses of the case
    - v. Suggestions regarding campaign leadership
    - vi. Personal interest in being involved in an organized campaign effort
    - vii. Suggestions regarding other community donors who might support this effort
    - viii. Willingness and inclination to support the campaign with a personal, corporate, or foundation charitable gift.
    - ix. Timing of the campaign.
    - x. Other trends identified during the study interviews.
  - b. Work with staff and Board leadership to assess the Michigan Veteran Facility Authority's readiness for a fundraising campaign.
    - i. Assess the leadership, donor software, and acknowledgement process.
    - ii. Assess the leadership and staff capabilities.
    - iii. Assess budgetary requirements.
    - iv. Assess marketing expertise.
    - v. Assess other areas that will help determine the readiness of MVFA to conduct a successful fundraising venture.
  - c. Provide recommendations regarding moving to a campaign with an identified and achievable campaign goal or delaying a campaign until a more appropriate time.

## RFP Submittal Requirements

1. Description of the organization.
  - a. Experience
  - b. Qualifications

- c. Biographies of key staff with roles and responsibilities (identify leads).
2. Project experience.
3. Proposed Methodology, approach and process for achieving deliverables.
4. Description of the firms' expectations of the Board, staff, and volunteers.
5. Cost and schedule of the services.
6. Proposed schedule with milestones.
7. Three professional references.

### Evaluation process and criteria

**Process.** The Board of the MVFA will select the winning organization based upon the highest scoring against the criteria listed below.

**Criteria.** The fundraising consultant's RFP response will be evaluated according to the following point schedule

<b>Criteria</b>	<b>Points</b>
Cost of services	15
Experience with healthcare clients	40
Experience of staff	20
Adherence to schedule and timeline	10
References	15
Total	100

### Submittal process.

IAW DMVA Procurement.

### Project Implementation Schedule.

<b>Task</b>	<b>Date</b>
Project Kickoff Meeting	
Present the fundraising project process to the Board of Directors at a Board Public Meeting.	
Work with leadership team to refine a case for support document.	
Draft an appropriate cover letter to accompany the case for support.	
Present these deliverables in draft to MVFA staff and Board Subcommittee prior to releasing to the funding community.	
Assist the leadership team with identification of approximately 30 interviewees.	
Conduct personal, face to face interviews with the identified list of "opinion leaders"	
Provide recommendations regarding moving to a campaign with an identified and achievable	

campaign goal or delaying a campaign until a more appropriate time.	
Assess the Michigan Veteran Facility Authority's readiness for a fundraising campaign.	
Provide a final report detailing the feasibility study findings.	

#### **Other information.**

#### **Questions -**

All questions pertaining to this proposal are preferred in writing and sent by email to Steve Potter (potters2@michigan.gov) no later than **[TBD]**, 2019. After this date, no further inquiries, concerns, or questions may be submitted. Questions will be answered by **[TBD]**, 2019 at the latest to allow for timely submissions of RFPs.

#### **Staff Development -**

- If we retained you for the readiness assessment, would you be willing to offer our staff your advice and assistance with other fundraising activities such as campaign conduct?
- What additional fees would be required?
- What are your expectations of the staff and Board during the process?
  - Examples, clerical support, research, coordination of mailings, scheduling leadership meetings, etc.
- Do you need us to provide an office space for your staff?

January 9, 2019

Suzanne Thelen  
 Michigan Veterans Affairs Agency  
 Division Director, Strategic Communications  
 and Veteran Engagement  
 222 N. Washington Square 5<sup>th</sup> Floor  
 Lansing, MI 48933

Dear Suzanne,

Thank you for the opportunity to work with you and the Michigan Veterans' Facility Authority on the Michigan Veteran Homes branding initiative. As an agency, we commit 5% of our revenue to pro bono work, board commitments, volunteer hours and financial contributions. Given the meaningful initiative and our relationship with Spencer Hoover, we are offering to donate \$8,475 worth of hours to this branding process. Our negotiated rate through the DMVA contract is \$113 an hour so we will ultimately provide 75 hours of pro bono time.

To develop your branding, we will use our Brogan True Results process detailed below.

### ***True Definity***

Below are the steps we will take in order to have a clear understanding of your organization and your target audience.

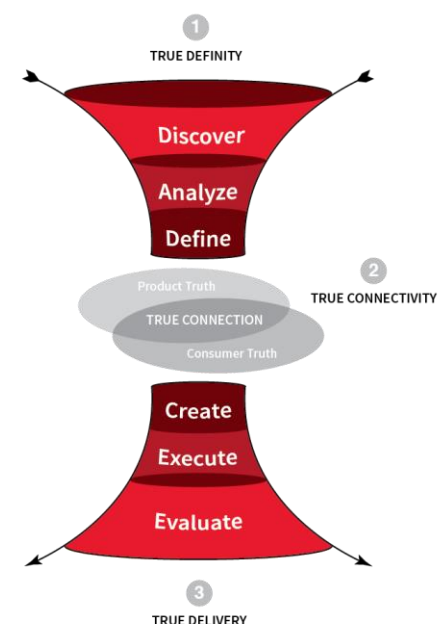
- One-on-One Interviews – We'll conduct 10-12 one-on-one interviews with your board members and members of your team to gain additional insight into strengths, weaknesses, opportunities, perceptions, issues, culture, goals and objectives.
- Data and Market Research Review – We'll review any existing research provided by you.
- CEB Iconoculture – We'll leverage the vast secondary consumer research available via our partner, Iconoculture, to develop a deeper understanding of the audience by fleshing out your existing personas. We'll look at their values and trends that impact consumer behavior. We'll meet at least once with an Iconoculture consumer strategist to help develop and hone our insights.

### ***True Connection***

The next phase is about truly connecting what your brand has to offer with what your audience truly desires. It boils down to a simple equation:

$$\text{Brand Truth} + \text{Consumer Truth} = \text{True Connection}$$

We immerse ourselves in your brand and your competitive differentiator to define the Brand Truth. This is the true essence of



who you are and what you have to offer your audience.

We immerse ourselves in the consumer's life, feelings and desires to define the Consumer Truth. This is the emotion of what your consumer truly desires.

We will combine the two to create the True Connection, a message that will forge an emotional connection between your brand and the consumer.

In this phase, we develop the creative strategy planner. The strategy planner concisely answers the following questions:

- What is the overarching goal of the campaign or business objective?
- What does the competitive landscape look like?
- What are the competitive differentiators?
- What is the brand personality?
- Who is the target audience?
- What are the key insights?
- What are the strategic recommendations?
- What is the brand truth?
- What is the consumer truth?
- What is the true connection between the brand and the consumer?
- Why should they believe it?

### ***True Delivery***

During this phase of the process, we will begin creative development of the brand package. We will start with name development. This includes developing a list of possible names, conducting internet searches for URL addresses and presenting 6-9 options. While we will check online for conflicts, we suggest you engage a lawyer for final due diligence on the proposed name. Following approval of the name, we'll develop 5-7 logo options for your review.

With your approval of the logo, we'll begin development of the remaining brand pieces including three distinct branding campaign directions. We'll present these directions across two media channels including potentially a video and visual component. Concurrently, we'll develop your letterhead and a business card template. With your approval of the creative direction, we'll develop additional pieces to tell the brand story including a brand guide.

Below is a breakdown of costs, hours and timeline based on the scope outlined above:

Item	Hours	Cost	Timing
True Definity and True Connection phase	80	\$9,040	3 weeks
Name Development	25	Pro bono	2 weeks
Logo Development	50	Pro bono	2 weeks
Campaign development including overseeing production of four creative pieces	160	\$18,080	3 weeks
Letterhead and business card template	6	\$678	1 week
Brand guide	12	\$1,356	2 weeks
Website site map, wireframes, content development and homepage and key page design (programming will be scoped	80	\$9,040	6 weeks

separately)			
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Please note: Video production is not included. If we do produce a video, we will scope that cost separately. For planning, video production can range from \$20,000 - \$50,000 depending on the complexity of the video. If we determine there are additional needs as we move through the process, we will provide estimated hours.

Suzanne, we look forward to working with you and the Michigan Veterans' Facility Authority on this very important initiative. Thank you again for the opportunity.

Sincerely,



Ellyn Davidson  
President

**Michigan Department of Military & Veterans Affairs  
Michigan Homes for Veterans  
Board of Managers Minutes  
November 13, 2018**

The 1443<sup>rd</sup> meeting of the Board of Managers of the Michigan Homes for Veterans was called to order by Board Chairman, Robert Johnson at 9:00 a.m. on Tuesday, November 13, 2018 at the D.J. Jacobetti Home for Veterans.

This meeting has been posted pursuant to Act 267 of the Public Act of 1976 – the Open Meeting Act – on the bulletin board in the corridor adjacent to the volunteer office, main building Grand Rapids Home for Veterans. A notice of this meeting was also posted in the hallway adjacent to the Administrator’s office of the D.J. Jacobetti Home for Veterans in Marquette.

**MEMBERS PRESENT:** Robert Johnson (American Legion), James Ausdemore (Independent), Ronald Schrieber (D.A.V.), Adam Weiner (by phone), and Harold Mast (Independent).

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Tracey Nelson (by phone), Ryan Engle, Steve Rolston, Laurie McCullough-Benner, Eugenia Dumlao-Reedy, AAG Michelle Brya (by phone), Niki Wheeler, and Linda Smith, Assistant Clerk of the Board.

**GUEST PRESENT:** Kellie Cody

**OPENING CEREMONY:** Pledge of Allegiance

**I. PUBLIC COMMENTS:**

None

**II. ADOPTION OF MINUTES:**

Motion made by Manager Ausdemore to approve the minutes of the meeting held by the Board of Managers on October 16, 2018 as presented, supported by Manager Schrieber. All present approved, motion carried.

**III. MVHS REPORT:**

**Ryan Engle, DJJHV Administrator reported:**

- CMS Certification continues
  - Application made earlier this month to expand by 55 beds in the 1 North and 2 North units to have a total of 81 certified beds. We are currently not pursuing certification on

other potentially eligible beds due to random placement throughout the building. We may request a waiver on these on a later date.

- Updates have been made to the fire notification system throughout the building.
- Collaborating with Grand Rapids on our compliance with the life safety code with an anticipated completion date of January 1<sup>st</sup>. There remains a level of concern as to meeting January 1, 2019 deadline for horns and strobes.
- 2 North Dining Room project is near completion and are anticipating serving Thanksgiving Dinner in the new dining room.
- Timekeeping transitions involving SIGMA and working through new processes.
- Near 100% design completion phase for electronic access. The next step is install/implementation.
- Biometric logon continues progress toward implementation
  - Access to EMR to allow easier access for care staff to document
- EMR Contractor continues working on changes for CMS
- Medicare Cost Reporting – Still working to get a system by which to be able to report.
- Improvement on investigations and reporting
- Billing – No yet ready to bill Medicare/Medicaid
- Therapy Program
  - Needs improvement and making progress
- Veterans Day Program
  - Went well and thank you to the board members who attended along with other staff and community members.
  - Forgotten Eagles Club presented \$6,000 donation for our Member Assistance Fund and Activity Program.
  - U.P. Barbershop Chorus performed
- NMU – Choir Department had a concert with the proceeds going to the Jacobetti Home which raised over \$1,200.

**Tracey Nelson, GRHV Administrator reported:**

- Wi-Fi installation in process.
- Partnering with Metro Hospital in collaboration in care
  - Building relationship with community
  - Investing in staff/team/training
- Town Hall meetings regarding billing statements are being held this week.
- Another Town Hall will be held on December 12<sup>th</sup>.
- Wreaths Across America – December 15<sup>th</sup>
- Team 212 Employee Dinner will be December 7<sup>th</sup> for all three shifts.
- Veterans Day Event was phenomenal
  - Pancake breakfast and poppy program interview along with a live band and New York Strip steaks for the members for dinner.



**Steve Rolston – MVHS**

- Waiting on final approval of Administrative Rules
- Will have financials in December.
  - Preliminaries are reviewed and working through new chart of accounts.

**Laurie McCullough-Benner, CEO**

- Working on strategic planning
  - Aligning all homes
- Closing out financials for '18, starting '19 and budgeting for '20.
- Finalizing documents from campus work group.
  - Great participation – great product
    - Will present on a later date.
- Updating MVAA Strategic Planning metrics measuring if we've met our goals.

**Michigan Veterans Facility Authority**

We will begin sharing the minutes of the Facility Authority and Board of Managers between the groups to keep each group updated.

- MVFA recently had a strategic planning meeting involving the future facilities and the mission/vision.
- Next meeting will be on December 11<sup>th</sup> at the MVAA offices.
- Looking at the schedule for both boards and would like to schedule a concurrent meeting.

**IV. POPULATION REPORT:**

- **Marquette** – Ryan Engle reported: Census remaining above 90%
  - If a new Home is built in Marquette in the future, it will have fewer beds. Question if that will meet the needs of the community with our census trends even with VA Census data projections.
  - Want to ensure we can maintain our sustainability
  - Manager Mast inquired about separating the CMS bed on the population report and Ryan will inquire about it.

**V. POPULATION REPORT:**

- **Grand Rapids** – Tracey Nelson reported: Census current average is 270
  - Some acceptances in process to admit.
  - Gearing up for the new home

**VI. FINANCIAL REPORT:**

- **Marquette** – Ryan Engle

- Donations
  - All make a positive impact
  - DAV 115 in Chassell donated \$4,000 in October
- **Grand Rapids – Tracey Nelson**
  - **No Report**

**VII. MVAA UPDATE:**

- **No report.**

**VIII. ASSISTANT ATTORNEY GENERAL UPDATE:**

AAG Michelle Brya representing the attorney general’s office reported that she had attended a two-day seminar with the Authority Board.

**IX. OLD BUSINESS:**

- **Marquette – None**
- **Grand Rapids – None**

**X. NEW BUSINESS:**

Grand Rapids – Tracey Nelson

A member of the home on the food committee would like to present at the next board meeting.

Manager Johnson

Motion by Manager Schrieber to change the date of the next board meeting from Tuesday, December 11<sup>th</sup> to Thursday, December 13<sup>th</sup> at 9:00 a.m., supported by Manager Ausdemore. Motion carried.

The Christmas dinner will be December 12<sup>th</sup> at 7:00 p.m. with the location to be forwarded to the board members when finalized.

D.J. Jacobetti Home for Veterans – No new business.

**XI. PUBLIC COMMENTS:**

Kellie Cody asked about determining eligibility for CMS beds. Laurie M. replied that members would need to meet level of care to be eligible for CMS certified beds.

**XII. OPEN DISCUSSION:**

Ron Schrieber asked about the updated Abuse/Neglect Report specifically at the D.J. Jacobetti Home for Veterans and what looks like an increase in substantiated outcomes.

- With CMS guidelines, member-to-member altercations are now considered abuse allegations and were not treated as such previously.

Manager Ausdemore asked about the Home's guidelines for:

*Legionnaires Disease -*

- **D.J. Jacobetti Home for Veterans** has random water sampling procedures quarterly and have recently removed all the drinking fountains throughout the home.
- **Grand Rapids Home for Veterans** has regular sampling and it is also part of the Fire Safety review done by the State.

*PFAs-*

- D.J. Jacobetti Home for Veterans has water supplied by the City of Marquette but Ryan will check with the city to verify sampling procedures.

*Asbestos –*

- **D.J. Jacobetti Home for Veterans** – Due to the age of the facility, it is believed that we do likely have asbestos in some areas but, as long as it is in areas that are not disturbed, it is not an issue. If we do any type of maintenance or construction in areas that contain asbestos, then we would go through the proper abatement procedures.
- **Grand Rapids Home for Veterans** – There will be an abatement plan with the Rankin Building.

NASVH Conferences for 2019

Winter Conference – Alexandria, VA - February 11 – 14, 2019

Summer Conference – Denver, CO - August 5 – 9, 2019

DJJHV – Ryan Engle

We have historically been a place for veterans to go who need care. As we transition to CMS, we admit veterans based on our ability to meet their needs, including some with psychiatric needs, but we don't always have the resources to be able to meet their needs, resulting in admission denials. We may see this as an increasing issue, as it is nationally, and it will need to be addressed before it gets out of hand.

Manager Weiner replied that based on his experience, the help is out there but it may be found through private organizations and it doesn't always come from the VA. There is definitely a need, but getting the funding is the issue.

Facility Authority Modernization Committee work group is on the website for reference.

There is currently no timeline set for the start of the new Grand Rapids Home. They are working on the design and staying within the budget and are meeting diligently.

Meeting adjourned at 10:47 a.m.

**2018 Meeting Dates:**

1. Thursday, December 13, 2018 @ 9:00 a.m. at Grand Rapids Home for Veterans.  
***Christmas Dinner to be held on December 12, 2018. Location to be announced.***

**THESE MEETINGS HAVE BEEN POSTED PURSUANT TO ACT 267 OF THE PUBLIC ACTS OF 1976 – THE OPEN MEETINGS ACT.**

**\*NOTE: All meetings for Grand Rapids will be held in the APR (All Purpose Room) unless otherwise stated.**

Linda Smith, Recording Secretary

Approved by:

\_\_\_\_\_  
Ron Schreiber, Secretary Board of Managers

\_\_\_\_\_  
Date



## New Community Living Center Construction Team

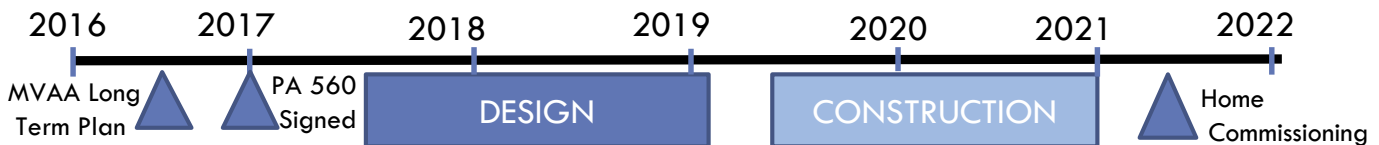
- **DMVA/MVFA:** Owner Agency
  - Requiring Office
- **DTMB:** Design and Construction Manager
  - Manage and Administer the Contracts for A/E and CM
- **Tower Pinkster:** Architect-Engineer Firm
  - Design of Facilities
- **The Christman Company:** Construction Management
  - Bidding and Procurement of Construction Services
  - On-site Construction Management for Compliance and Quality Assurance
- **Others:** TBD such as Abatement Contractor



# New Community Living Center Construction Update

## New Grand Rapid CLC for Veterans:

- 100% design completed: 10 Jan 2019
- Bid package released: 14 Jan 2019
- Abatement Contractor: 14 Jan–11 Mar 2019
- Contractors site visit: 22 & 24 Jan 2019
- Bids due back from Contractors: 5 Feb 2019
- Bids review and selection: 6-19 Feb 2019
- Tree clearing complete: 22 March 2019
- Date Contractor to mobilize: Late April 2019
- Construction period: 21.5 months
- Date construction expected to be completed: Jan 2021
- Date FF&E, Training, Licensing, etc.: March 2021

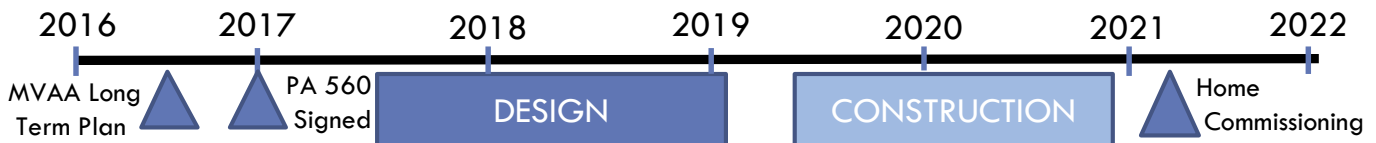




# New Community Living Center Construction Update (continued)

## New Southeast Michigan (Chesterfield) CLC Project:

- 100% design completed: 10 Jan 2019
- Bid package released: 14 Jan 2019
- Contractors site visit: 18 & 22 Jan 2019
- Bids due back from Contractors: 5 Feb 2019
- Bids review and selection: 6-15 Feb 2019
- Tree clearing complete: 22 March 2019
- Date Contractor to mobilize: Mid April 2019
- Construction period: 21 months
- Date construction expected to be completed: Nov 2020
- Date FF&E, Training, Licensing, etc.: Feb 2021





# Design Cost and Expenditures

Grand Rapids and Southeast

## Design Contract:

- Contract Amount: \$4,995,521
- Invoiced Amount: \$3,950,121
- Remaining Amount: \$1,045,400

Note: Remaining amount will be used to pay for future invoices



[illegible]

## PROJECT UPDATE

**PROJECT:** MI State Veterans Homes – Grand Rapids and SE Michigan

**PROJECT NO:** 17-141.00

**DATE:** January 9, 2019

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### PROJECT PROGRESS UPDATE

- Bidding Documents, for both sites, are issued to Christman Company on Jan. 10, 2019
- The design team will be working with Christman Company during the bidding phase to answer bidders questions, provide support at the pre-bid meetings for bidders, and provide input and evaluate potential bidders at post bid interviews.
- TowerPinkster is attending a Planning Commission Meeting for the addenda for the approved PUD with the City of Grand Rapids. The Addenda was submitted to the approved PUD because of site design reductions for budget correction.
- Documents have been issued to Chesterfield Township and their related engineering firms for review. Planning Commission Meetings are scheduled in February and Final Board Meeting in early March.

Respectfully submitted,

TowerPinkster



Rob Courter, AIA, LEED AP  
Senior Project Manager

RAC