

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

January 15, 2019
10:00 a.m.

APPROVED MINUTES

A meeting of the Michigan Veterans Facility Authority (MVFA) Board of Directors was called to order at 10:04 a.m. by Vice-Chair Mary Naber. 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

Vice-Chair Mary Naber called for a roll call of members present. The following were present: David Henry (present at 10:25 am), Spencer Hoover, Mary Naber, A. Rocky Raczkowski, David Rutledge (present at 10:38 am), MaryAnne Shannon, John Thorhauer, and Larry Yachcik (via telephone).

Vice-Chair Mary Naber called for a reconsider roll call to include Anne Zerbe as present as the designee of the director.

3. Approval of Minutes

Raczkowski, seconded by Shannon, motioned to accept the meeting minutes dated December 11, 2018 as presented. The motion passed 5-0.

4. Public Comment

Mark Sutton, Public Relations Director for the American Legion, addressed the board on behalf of Kellie Cody Jr., State Veterans Facility Ombudsman. Mr. Sutton urged the board to quickly settle the issue whether members may smoke in the new facilities. He stressed that a policy to allow smoking in the new facilities would make veterans very happy.

Raczkowski, seconded by Hoover, motioned that the board examine the smoking policy. The motion passed 5-0.

5. Housekeeping; New Staff Introductions, Conflict of Interest and Gift Acceptance Policies, Strategic and Operating Plan, MVFA Fundraising Initiatives, Branding Contract, Health System Update.

Anne Zerbe introduced MVFA Financial Analyst Joe Bolanowski, MVFA Building Construction Specialist Mike Hassan, and MVFA Policy and Legislative Analyst Fred Schaible. Ms. Zerbe also introduced and welcomed State Representative Joe Tate who was in attendance.

Anne Zerbe directed the board members to complete and submit the MVFA Board Member's Certification of Agreements for the two policies that were approved by the board on February 24, 2018: MVFA Conflict of Interest Policy and Gift Acceptance Policy.

Anne Zerbe suggested revisiting the Strategic and Operating Plan and proceed directly to the MVFA Fundraising Initiatives. She stated the 501(c)(3) has not yet been finalized pending the articles of incorporation.

Anne Zerbe indicated a need for a Fundraising and Development Committee through the Governance Board. Spencer Hoover suggested focusing on individuals who are loyal to veterans and have the ability to cultivate new donors. Anne Zerbe disseminated a document provided by Steve Potter titled *Statement of Work – Fundraising Consultant*. She asked board members to review the document and it will be addressed at the February 19, 2019 meeting.

John Thorhauer suggested retaining an outside firm that will conduct a feasibility study and interview board members. He also emphasized the ramping up of this committee in order to get the 501(c)(3) running. Spencer Hoover inquired if the feasibility study will address staffing and goals; John Thorhauer affirmed. Mr. Thorhauer added that the feasibility study will indicate deliverables and targets while establishing parameters between state funding and donors. Anne Zerbe stressed the need to move quickly on this issue due to the many opportunities available. Vice-Chair Mary Naber suggested moving forward next month to engage the feasibility study.

David Henry arrived at 10:25 am.

Fred Schaible recommended three edits to page 2 of the *MVFA Future Operating Model* document: Governance section, bullet 2, sub-bullet 5, delete "the board members shall elect a new chairperson who is not the director of the Department or his or her designee; add sub-bullet 6 stating "Starting on January 1, 2019, the Director is no

longer the chairperson of the board. The board shall select a new chairperson who is not the Director or his or her designee". Leadership section, all references made to the Chief Executive Officer (CEO) position should be changed to CEO/Executive Director.

Thorhauer, seconded by Raczkowski, motioned to accept the three edits suggested by Fred Schaible in the MVFA Future Operating Model. The motion passed 6-0.

David Rutledge arrived at 10:38 am.

Suzanne Thelen provided an overview of a statement of work from President Ellyn Davidson from Brogan & Partners. Ms. Thelen thanked Mr. Raczkowski and Mr. Hoover for also reaching out to Brogan & Partners for the statement of work. She explained that Brogan & Partners are offering to donate \$8,475 worth of hours to the MVFA branding process; this work includes board member and staff interviews and the review of data and market research.

Thorhauer, seconded by Henry, motioned to accept the authorization of Brogan & Partners to provide branding efforts and fixed costs up to \$40,000. Hoover amended the motion authorizing the Executive Committee to review the comprehensive program while not exceeding \$50,000. The motion passed 7-0.

Hoover, seconded by Raczkowski, motioned that he and Raczkowski should abstain from the aforementioned vote due to their working relationship with Brogan & Partners. The motion passed 7-0.

Steve Rolston provided an update on the Michigan Veteran Health System including the Board of Managers meeting minutes from November 13, 2018. Mr. Rolston stated that he worked closely with Laurie McCullough-Benner prior to her departure to ensure the transition was seamless. He introduced Melissa Velie as the new VP for Business Services for the Michigan Veterans Health System. He also provided an update on the approved Administrative Rules ramification of the changed civil service rules. Mr. Rolston has been working with the Michigan Department of Licensing and Regulatory Affairs (LARA) in CMS-certifying additional beds at the D.J. Jacobetti Home for Veterans (DJJHV), and approval is expected to be in April 2019.

MaryAnne Shannon suggested composing a letter on behalf of the board for Laurie McCullough-Benner, expressing the board's appreciation for her work with the Health System. The board secretary, A. Rocky Raczkowski, and Anne Zerbe will work together on this initiative.

6. Executive Committee; Legislative and Administrative Changes, MVFA Board Chair – Nomination and Election, MVFA Board/Board of Managers Transition

Legislative and Administrative Changes were moved back on the agenda due to the early excusal of David Rutledge.

Raczkowski, seconded by Rutledge, motioned to nominate David Henry for the MVFA board chair.

Rutledge, seconded by Raczkowski, motioned to close the MVFA board chair nominations.

Raczkowski, seconded by Rutledge, motioned to appoint David Henry as the MVFA board chair for a two-year term effective January 16, 2019. The motion passed 7-0.

Vice-Chair Mary Naber called a recess at 11:29 am.

David Rutledge was dismissed from the meeting.

Vice-Chair Mary Naber reconvened the board at 11:43 am.

Fred Schaible reviewed the amended sections of Senate Bill 1180. A discussion transpired regarding the hiring of a MVFA CEO/Executive Director. A workgroup, consisting of Mary Anne Shannon, Anne Zerbe, Vice-Chair Mary Naber, and John Thorhauer will convene to research the process, provide initial expectations, and seek involvement from the AG's office.

Anne Zerbe suggested placing the Board of Managers and MVFA under one governing board. Spencer Hoover added that this is a great idea; however, it is important to start the process now. Ms. Zerbe suggested meeting with the Board of Managers regarding the transition. In addition, the Executive Office will need to work through the transition via legislation to address long-term decisions, donated funds, and posthumous funds.

David Henry requested an organizational chart of the existing homes and the vision for the MVFA's upper tier; he would also like to see the steps to achieve the vision, Mr. Henry also requested an affiliated cost structure, emphasizing the budget should be lean but appropriate. Anne Zerbe stated that within the next week, she will provide the board with a draft organizational chart, position list, and potential costs.

Hoover, seconded by Raczkowski, motioned to begin using the MVFA scorecard on a monthly basis in existing homes beginning April 1, 2019. The motion passed 6-0.

The scorecard will be reviewed at the February 19, 2019 meeting.

7. Finance Committee; FY19 and FY20 Legislative Budget

Anne Zerbe provided an update on the 501(c)(3), stating the articles of incorporation have not yet been finalized. The articles of incorporation must be finalized in order to establish a bank account for the MVFA.

8. Governance Committee; Joint Venture Policy and External Concerns Policy

John Thorhauer indicated that two polices at the AG's office are currently under review and awaiting approval: Joint Venture and External Concerns. Mr. Thorhauer anticipates the approval of both polices prior to the February 19, 2019 meeting.

Vice-Chair Mary Naber stated that she would like a board decision by the end of the first quarter regarding the smoking policy in the new homes. Steve Rolston will provide the data collected from state veterans homes to the Governance Committee for review. Mr. Rolston emphasized that CMS certification criteria must be considered. Spencer Hoover suggested surveying veterans, as well as considering the standard of care and monitoring regulations affiliated with smoking. Steve Rolston will provide data and staff recommendations at the February 19, 2019 meeting, along with veterans homes input, CMS input, and feedback from DJJHV.

Kellie Cody Jr., State Veterans Facility Ombudsman, stated that veterans are currently allowed to smoke, and veterans should not be forced to choose between a veterans home and smoking. He emphasized that he does not want to go the legislative route with this issue.

9. Building & Facilities Committee; New Construction Update

David Henry deferred reporting to Anne Zerbe who deferred to Mike Hassan, the Building Construction Specialist for the homes. Mr. Hassan provided an overview of the construction team, along with construction updates and timelines for both homes. He also reviewed the design cost and affiliated expenditures.

10. Board Comment

A. Rocky Raczkowski inquired as to the legality of marijuana use in the veterans homes and whether the homes are considered federal or state property.

11. Public Comment

Mark Sutton, Public Relations Director for the American Legion, offered services to the MVFA board to include email lists, databases, expertise regarding foundations, and assistance in 501(c)(3) development. He requested talking points regarding the downsizing of new state veterans homes so he may relay the information to veterans. He also recommended not dissolving the Board of Managers due to their direct connection with the veteran populations and suggested the Board of Managers as a relational subcommittee for the MVFA. Lastly, he provided an overview of the creation of the Health System and the subsequent creation of the MVFA.

Kellie Cody Jr., State Veterans Facility Ombudsman, shared that February is the start of the budgeting process with the state legislature. He also thanked the board for taking action on the smoking issue.

Joshua Booth with the AG's Office stated the Executive Committee should work with the AG's office regarding the Branding Contract and Open Meetings Act.

Tracey Nelson, Grand Rapids Home for Veterans (GRHV) Administrator, stated that GRHV currently has 64 members who smoke and the DJJHV has 15 members who smoke.

MaryAnne Shannon reiterated her request to conduct spring MVFA Board Meetings around the state, specifically the Traverse City area and north.

A. Rocky Raczkowski suggested a round of applause for the new MVFA Chair David Henry.

12. Adjournment

Raczkowski seconded by Henry, motioned to adjourn at 1:03 pm. The motion passed 6-0.

The meeting was adjourned at 1:03 pm.

A handwritten signature in black ink, appearing to read "David Henry Jr.", written in a cursive style.

David Henry Jr.
MVFA Chair