

**Maine Health Access Foundation
Meeting of the Board of Trustees
December 12, 2024**

Trustees Present: Toho Soma (Chair); Beth Bordowitz, Barbara Crider, Gia Drew, Richard Evans, Tracey Hair, Michael Lambke, Barbara Leonard (*ex-officio*), Kevin Lewis, Grace Odimayo, Susan Roche, Anita Ruff, Ellen Seidman, Ian Yaffe

Trustees Absent: Christy Daggett, Clarissa Sabattis

Staff Present: Margo Beland, Emily Berrill, Charles Dwyer, Jake Grindle, Holly Irish, Ruta Kadonoff, Dani Kalian (recorder), Jeb Murphy, Frank Martinez Nocito

Welcome

Board Chair Toho Soma called the meeting to order at 12:31 p.m., welcomed those present, and reviewed the agenda. Introductions were made and a relationship-building exercise was conducted.

Board Consent Agenda

Chair Soma noted three items that were added to the consent agenda after the initial mailing that were sent to Trustees in a separate mailing prior to this meeting: (1) November 22 Special Board Meeting Minutes, (2) Board Resolution for Check Signing Authority, and (3) Board Resolution for Check Signing Authority. All three items flow from the selection of the new CEO effective January 1, 2025.

Chair Soma asked if any items on the Board consent agenda required discussion. Hearing none, *it was MOVED, SECONDED (Yaffe/Hair) and VOTED UNANIMOUSLY to approve the following consent agenda items:*

- President's report
- October 10, 2024, Joint Board and CAC meeting minutes
- November 22, 2024 Special Board meeting minutes
- October Treasurer's Report and Finance Dashboard
- Board Resolution for Check Signing Authority
- Comprehensive Signing Authority Resolution

Finance Committee – Kevin Lewis (Treasurer) and Barbara Leonard (CEO)

Presentation of 2025 Annual Budget: Treasurer Lewis and CEO Leonard presented the 2025 budget and explained the budget development process to which all staff contributes. The budget was reviewed by and recommended for Board approval by the Finance and Program and Grants Committees.

Details of the administrative and program budgets were highlighted, along with the development of the 2025 projected payout. It was explained that each year as the budget is prepared for the following year, the estimate of the required 5% payout is based on the average Net Asset Value (NAV) of the endowment over the first six months of the current year, with the January to June 2024 NAV being \$139,534,000. For the 2025 budget this yielded a target projected payout figure of \$6,976,700. The actual amount budgeted toward payout is \$7,156,500, which includes program expenses and staffing expenses that can be applied to the 5%. When finance and investment expenses, taxes, and other costs that cannot be applied to the 5% payout are included, the total 2025 proposed budget is \$8,014,000 (5.07%). Once the projected 2025 payout was calculated, program and administrative budgets were developed accordingly. Guidance for the program budget is guided by the Budget Allocation Guidelines relative to the Strategic Goals. It was also noted that the total budget figure and required payout projections notes are for the core budget, and do not include the Nova Fund, which is tracked and budgeted for separately.

Treasurer Lewis and CEO Leonard highlighted additional items of note in the proposed budget:

- Investment advisor costs have increased in 2024 due to the difference in costs from our previous advisors to our current firm, Brown Advisory, which is serving in an Outsourced Chief Investment Officer (OCIO) capacity. This is an expected and necessary increase in order to potentially improve the performance of our investment portfolio to cover 5% payout plus administrative costs, plus inflation – approaching 8.5% desired return. Working with Brown and their experience with private investments is expected to allow us to be better positioned to attain this goal over time.
- The increase in taxes owed resulted largely due to realized capital gains from Adage as well as from Brown’s sales of existing assets to allow new purchases to position the endowment for greater returns and to ensure reallocation within assets classes consistent with the new Investment Policy Statement (IPS).
- Personnel costs have continued to increase over the past years as a result of actions implemented after a recent compensation survey as well as health insurance increases.

Treasurer Lewis commented that the continued trend of an increasing administrative budget has been acknowledged and discussed by the Finance Committee and will be carefully monitored.

After clarifying questions from Trustees, it was MOVED, SECONDED (Evans/Seidman), and VOTED UNANIMOUSLY to approve the 2025 annual operating budget as recommended by the Finance Committee.

Update on Finance Committee Discussion of Private Equity (PE), and Mission and Sustainability Investing: Chair Lewis reported that at its November 14 meeting, the Finance Committee discussed private investment, and sustainability and mission alignment as important issues to ensuring strong returns within the endowment, and better aligning the endowment investments with MeHAF’s organizational mission. Both topics will be further discussed at the Committee’s next meeting on February 13, and it was noted that there may be an opportunity for a deeper discussion on one or both topics at the April 10, 2025, joint Board and Community Advisory Committee meeting with members from our Brown Advisory team attending.

Mr. Lewis explained that as Brown Advisory moves forward with private investments, they will work to identify managers who help meet MeHAF’s portfolio return objectives while minimizing the negative impact on the communities that MeHAF serves. This is a key value that the Finance Committee has communicated to Brown to ensure alignment with MeHAF’s mission and role in the state. Mission aligned investments within Maine will be sought, though likely with a small portion of the endowment because of the expected lower return.

It was suggested that we might reach out to peer foundations to learn from their experiences with private equity. It was noted that we had spoken with other foundations prior to making the decision to consider including this form of investing in our portfolio. The Finance Committee is working with Brown to increase its knowledge of PE and to gradually add this investment vehicle to MeHAF’s portfolio to a maximum of 25%. It was explained that investments in PE are typically illiquid for at least 10 years with greater returns coming later in the cycle after an initial downturn. Trustees expressed their interest in the PE learning opportunity proposed for the April joint Board/CAC meeting.

Governance Committee – Susan Roche (Chair) and Barbara Leonard (CEO)

Board and Community Advisory Committee Recruitment Process Update: Governance Committee Chair Sue Roche noted that the Governance Committee has completed the active recruitment process to fill four Community Advisory Committee (CAC) vacancies. There are no anticipated Board vacancies for 2025. Three candidates have accepted our invitation to serve on the CAC. Two others have declined due to other professional and personal commitments, and each has agreed to remain on the prospect list for

future outreach. The Committee decided to move forward with three candidates rather than four for 2025 and to reach out to those who declined in the future as recruitment priorities align.

The draft election slates for renewing Trustees and Board officers will be presented to the Board for review at its February 2025 meeting. The draft election slate for new Community Advisory Committee members and officers will be presented to the CAC at its January 2025 meeting. Following this, names of nominees will be submitted to the Attorney General for review.

It was also shared that Board Officers have been confirmed for election in 2025, following succession plans that have been developed over the past several years. Community Advisory Committee leadership for 2025 has also been confirmed. Draft leadership slates will be provided at the January CAC meeting and February Board meeting.

Term Limits for External Committee Members: Governance Committee Chair Roche shared the Committee has been exploring establishing term lengths and term limits for external committee members, and recommended that each committee have a discussion about what would be appropriate for its purposes. A proposed approach shared with the Program and Grants Committee and the Finance Committee was to consider aligning external committee member terms with the current policy for Trustees. At its November 19 meeting, the Governance Committee ratified the decision of the Program and Grants Committee to establish a policy that external members will generally serve up to two three-year terms, with the potential for all or part of a third term if they bring unique personal or professional experience or perspective that would significantly hamper committee functioning if absent. The Finance Committee continues to discuss the best approach for term limits for its external members. The goal is to allow for a longer term, which would support the technical complexities and timeframes required, as well as the need for external members with investment and financial management expertise to carry the history of the Committee's decisions. The Finance Committee will revisit this topic at its February meeting.

Program and Grants Committee – Ruta Kadonoff (VPP)

VPP Kadonoff shared recent actions of the Program and Grants Committee when it met on November 4, noting it approved the 2024 slate of Community Responsive Grants as well as the Request for Proposals for a new round of grantmaking in the Health Equity Capacity Building program, and approving program budget with details noted below.

- **Community Responsive Grants Program - Grantee Slate** – VPP Kadonoff reported that from a pool of 44 Letters of Inquiry (LOI) submitted in the July, a staff review team selected 15 applicants invited to submit full proposals. Applicants were provided written feedback on their LOI applications and areas staff recommended they address in their full applications. Staff also workshopped proposals with applicants before submission. Thirteen eligible full proposals were received. Staff members and a team of nine external reviewers independently scored each proposal. The full Review Team met on October 8. The external members of the team voted to arrive at a slate of nine recommended grantees. After reviewing summary information distilled from the review process and the Review Team recommendations, the Committee voted to approve the recommended slate. Staff also presented the Committee with recommendations for three 2022 CRG implementation grantees to receive an additional year of funding, of \$50,000 each. The Committee approved these grants as recommended. The list of new and continuing grantees was included in the meeting packet. A collection of grant descriptions can be found on MeHAF's website.
- **Health Equity Capacity-Building Program Request for Proposals** – Following the approval of a Concept Update by the Committee in September and the full Board of Trustees in October, a new round of funding has been initiated to add seven new grantees to the Health Equity Capacity-Building (HECB) program. At the Committee's November meeting, the Request for Proposals (RFP) was reviewed, which outlines the process by which organizations may apply for one of these four-year grants and describes the decision-making process and timeline, consistent with the description of key program parameters presented in the Concept Update. The Committee reviewed and approved the RFP,

which was publicly released on November 7, and 38 LOIs have been received. The text of the RFP was included in the meeting packet.

Trustees discussed how outcomes for these grants might be improved both for this round and in the future to (1) make sure the program specs were as clear as possible when soliciting LOIs; and (2) encourage and facilitate more real-time interaction between potential grantees and staff at the full application stage. Staff was supportive of these suggested process improvements.

Strategic Planning Committee (SPC) – Mike Lambke (Chair) and Barbara Leonard (CEO)

Update on Committee Actions: SPC Chair Mike Lambke and Barbara Leonard provided an update on the Committee's December 3 meeting. The meeting had focused on the evaluation of the Strategic Framework, and, after reviewing a summary document which synthesized staff reflections on the evaluation summaries of interviews with staff, grantees, and stakeholders, as well as results of the Center for Effective Philanthropy survey of grantees and applicants, and grants management data, members reflected on the final evaluation question that is being asked: *given what we're learning and where we're investing, what are the implications for our future resource allocations?* Staff had discussed this question and agreed that the focus is to find themes and implications from the evaluation findings as well as to develop key questions that will shape the next strategic framework process. Committee members concurred with the questions and themes identified by staff, and built upon them, identifying specific ideas to carry forward into the planning process.

Ms. Leonard highlighted some of these key questions and themes, including the importance to address philosophically whether MeHAF's work should be "an inch deep and a mile wide" or "a mile deep and an inch wide." Conversation also addressed considering the landscape of understanding what work other Maine organizations are already doing; what is no one else funding where we can fill that void; and where can we partner? It's possible to capitalize on each of these approaches. It was proposed creating a "fisherperson's collective" among grantees, with MeHAF's role being to support increased organizational capacity based on expressed needs through technical assistance and peer learning.

Trustees shared the following comments:

- Given the great need throughout Maine, it's important for MeHAF to retain its ability to be responsive while resisting the impulse to help everyone all the time.
- It was suggested to create an inventory of all the organizations in Maine that are available to partner with our work as well as who can take the lead on certain efforts where they have more existing connections, relationships, and experience with specific communities. Mr. Lambke noted that the SPC has discussed this approach and how it's advised to not decline support without first providing possible alternative resources. Identify where we can leverage working on similar areas and also not duplicating efforts of other philanthropies.
- It was asked how to best ascertain what MeHAF's impact is on the long-term health of Mainers? Perhaps tie into existing data that other organizations collect to see where we're making a positive difference. CEO Leonard noted that in the past we had developed a dashboard of health outcome metrics and followed them for multiple years, after which it was determined that it was difficult to calculate our impact on any given issue because the issues are so broad and multi-faceted. It was recommended not to try to recreate the wheel, but rather to identify and rely on data sources that are already available. VPP Kadonoff noted that as the dashboard was not effective in capturing MeHAF's impact, the last strategic planning process included an exercise involving data placemats to help the group think about and determine where MeHAF should be focusing/concentrating our efforts. It was recommended to use a similar tool during the next strategic planning process.
- SPO Grindle noted that one approach might be to identify which communities and populations are going to be most negatively impacted over the coming years due to the shifting political landscape, and then to partner and support the organizations who are already working with those communities.

Executive Committee Updates and New Business – Toho Soma (Chair) and Barbara Leonard (CEO)

Update on Retirement Plan: CEO Leonard reported that the Retirement Plan Subcommittee, comprised of Trustees Bordowitz and Dagget, along with CEO Leonard and Finance Manager Beland, meet regularly with Lebel and Harriman to review and optimize MeHAF’s retirement plan. It was shared that at its last meeting it was decided to allow partial withdrawals from retirement accounts rather than to require a full, one-time disbursement. This change will significantly increase our access to a variety of funds that are available to us as our overall balance would not decrease suddenly and significantly due to a plan participant being required to make a complete balance withdrawal.

Update on 2025 Health Insurance:

Declaration of Conflicts of Interest – The following conflict of interest was determined:

Trustee:	Conflict:
Kevin Lewis	CEO of Community Health Options

Mr. Lewis recused himself from the discussion and vote and left the meeting room.

CEO Leonard shared the process by which staff, along with our health insurance consultants, reviewed a comprehensive set of information and recommendations for the selection of health insurance coverage for MeHAF staff and dependents for the coming year. Harvard Pilgrim has been our carrier for many years and this year the decision was made to move to Community Health Options (CHO) due to a slight savings in premium as well as a more ideal prescription formulary. As Treasurer Kevin Lewis is CEO of Community Health Options, CEO Leonard consulted with our attorney Nelson Toner to make sure MeHAF switching to CHO would not create a conflict of interest. Mr. Toner’s response was shared which ultimately indicated no conflict would be present as Mr. Lewis has had no involvement in selection of the 2025 insurance plan. The Board was asked to ratify the staff’s plan selection.

It was MOVED, SECONDED (Hair/Yaffe), and VOTED UNANIMOUSLY, to approve the selection of the Community Health Options (CHO) CC Bronze \$7200 HSA Plus PPO Plan as MeHAF’s employee coverage for 2025.

It was further discussed that should CHO not be selected as the option in yearly health insurance policy considerations, staff continue to make decisions about health insurance without seeking Board ratification or approval. Board engagement would only be needed if CHO were to be selected in the future while Mr. Lewis is serving as a Trustee.

Mr. Lewis returned to the meeting room.

Reflections from Outgoing CEO Leonard: CEO Leonard shared her reflections on her tenure at MeHAF.

Reflections from Incoming CEO Grindle: VPP Grindle expressed gratitude for the opportunity he has been provided to lead as MeHAF’s next CEO. He thanked CEO Leonard for her support during this transition.

Updates, Trustee Check-in, and Meeting Evaluation – Toho Soma (Chair) and Barbara Leonard (CEO)

2024 Board, Community Advisory Committee, and Committee meeting calendars: 2025 Board of Trustees, Community Advisory Committee, and standing committee calendars were included in the meeting packet.

Executive Session: Trustees moved into Executive Session at 2:54 pm (*Lewis/Bordowitz*) for discussion of a confidential nature. Trustees moved out of Executive Session at 2:59 pm (*Evans/Roche*).

Next Meeting

The Board of Trustees will next meet on February 13, 2025.

Adjournment

The meeting adjourned at 3:00 pm (*Lewis/Crider*).

Respectfully Submitted,
Barbara A. Leonard, MPH
President & CEO