

**Maine Health Access Foundation
Meeting of the Board of Trustees
August 8, 2024**

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

Trustees Absent: Gia Drew, Richard Evans, Clarissa Sabattis

Guests Present: Brandon Parrish and Amy Seto (Brown Advisory)

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

Welcome

Chair Toho Soma called the meeting to order at 1:02 p.m. Introductions were made and an icebreaker activity was conducted. Chair Soma reviewed the agenda, meeting norms, and Robert's Rules.

Board Consent Agenda

Chair Soma asked if any items on the Board consent agenda required discussion. It was requested that the Treasurer's Report be discussed prior to voting.

CEO Leonard explained that reporting on the endowment value from Principal, MeHAF's custodial bank, was delayed due to corrections needed on their May and June reporting. She noted that the transition to the Outsourced Chief Investment Officer (OCIO) model with Brown Advisory has created recordkeeping challenges for Principal. Staff and Brown Advisory will work with Principal to mitigate any future errors, noting the possibility to consider seeking a new custodial bank should Principal's performance not improve. Treasurer Kevin Lewis thanked staff and Brown for noticing the discrepancies in Principal's statements and for reconciling these errors in reporting. CEO Leonard also noted that the negative cash balance at Kennebec Savings Bank as of June 1 that is noted on the Treasurer's Report was an accrued negative balance (not a negative cash balance), as a large number of grant checks had been sent out at the end of the prior month and all were not cashed by the end of the reporting period. Ms. Seidman asked how we monitor cash balances and whether we have a mechanism to avoid overdrafts; staff responded that we have a sweep account that provides protection and Finance Manager Beland closely monitors account balances to ensure that funds are transferred from the custodial account when needed.

After clarifying questions from Trustees about the issues concerning the Treasurer's Report, it was MOVED, SECONDED (Lewis/Daggett), and VOTED UNANIMOUSLY to approve the following consent agenda items:

- President's Report
- June 13, 2024, Board meeting minutes
- June Treasurer's Report
- June Finance Dashboard

**Finance Committee – Kevin Lewis (Treasurer), Barbara Leonard (CEO),
Brandon Parrish and Amy Seto (Brown Advisory)**

Informational Orientation by New Investment Advisors Brown Advisory: Treasurer Lewis reminded Trustees that Brown Advisory became MeHAF's new OCIO (Outsourced Chief Investment Officer) in April. As an OCIO, Brown Advisory has full discretion over investment decisions for the MeHAF portfolio, pending approval of the revised Investment Policy Statement (IPS), as recommended by

the Finance Committee. Brandon Parrish, Portfolio Manager, and Amy Seto, Senior Advisor, from Brown Advisory were welcomed to the meeting. They presented an overview of their organization, the OCIO role, and the proposed changes to the IPS that were approved by the Finance Committee at a special meeting on June 27. They also shared a look toward future management of the endowment and focus areas for the Finance Committee in coming meetings. Mr. Parrish and Ms. Seto summarized the proposed changes to the IPS, which include:

1. Updating roles & responsibilities to recognize Brown Advisory's full discretion as the Investment Advisor.
2. Amending the portfolio's liquidity guidelines.
3. Updating the Strategic Asset Allocation of the portfolio, with the inclusion of private equity.
4. Introducing recommended benchmarks to measure portfolio performance.

Mr. Parrish detailed the liquidity guidelines, specifically relative to new private equity (PE) investments in the long term, noting that including PE holdings in MeHAF's portfolio will increase the likelihood of the goal for endowment returns to exceed budget plus inflation. He fielded questions from Trustees on how the ranges of liquidity guidelines by asset class were obtained, and indicated starting with defining the limits for the most illiquid asset class and then moving from there. Treasurer Lewis added that Brown conducted simulations based on the expected forecast for different parameters to arrive at the guidelines presented.

Trustees provided the following questions and comments:

- It was suggested that, as the Finance Committee delves more deeply into socially responsible and impact investment moving forward, the Board will likely be apprised of future opportunities being considered for this portion of endowment investing, to garner its feedback and input.
- The Finance Committee is exploring with legal counsel its understanding of the fiduciary responsibility held by Trustees and staff.
- It was asked how Brown has worked with other organizations in matching strategic planning goals and activities with investment returns. Mr. Parrish noted Brown's understanding of how the rate of return impacts grantmaking and how if more growth is needed to achieve strategic planning goals, then more risk may be required in the portfolio.
- Regarding PE, it was asked, once invested in an opportunity, how nimble can we be based on performance as well as comfort with a specific investment vehicle? Mr. Parrish noted that PE is a long-term investment of at least six-eight years, and that legally we will not be able to leave a private equity vehicle until the cycle is complete. Considerable research and due diligence will be conducted prior to any PE investing. Appreciation was expressed about the planning and consideration the Finance Committee and Brown Advisory are undertaking prior to actually investing in PE, and that PE will be a beneficial addition to the overall balance of the endowment in order to achieve the mission and goals of MeHAF. Mr. Parrish also noted that all PE investments will be made in MeHAF's (not Brown's) name, so although we cannot exit the investment, we retain flexibility with respect to our relationship with Brown.
- Chair Soma noted that Finance Committee meetings are open to all Trustees and encouraged anyone interested in learning more to attend any future meeting.

A correction to a proposed change in the IPS (immediately below) included in the packet was noted – on Page 8, Section XI, Use of Derivatives:

“The investment manager is responsible for keeping the Finance Committee **and the Investment Adviser** informed on current internal policies regarding the use of derivatives. If any change in the firm's policies is being considered, the manager will notify the Finance Committee, in writing, sufficiently in advance to consider the effect of the change and, if

appropriate, to determine that manager's portion of the portfolio prior to the change taking effect."

Should actually be:

"The investment manager is responsible for keeping ~~the Finance Committee and the Investment Adviser~~ informed on current internal policies regarding the use of derivatives. If any change in the firm's policies is being considered, the manager will notify the ~~Finance Committee Investment Adviser~~, in writing, sufficiently in advance to consider the effect of the change and, if appropriate, to terminate that manager's portion of the portfolio prior to the change taking effect."

Mr. Lewis, as Treasurer, requested a motion to approve the revised Investment Policy Statement. It was MOVED, SECONDED (Soma/Ruff), and VOTED UNANIMOUSLY to approve the revised, and as corrected above, Investment Policy Statement as recommended by the Finance Committee.

**Governance Committee –
Sue Roche (Co-Chair), Barbara Leonard (CEO)**

Board and CAC Recruitment Process Update: Governance Committee Co-Chair Sue Roche shared that the Committee has begun its recruitment efforts to identify and select four new Community Advisory Committee (CAC) members to be elected in April 2025. There will be no Trustee vacancies for 2025. To ensure a robust pool of potential candidates from all over Maine with a breadth of experiences for the Board and CAC, we consistently add names to the large prospect list maintained by the Governance Committee. Trustees were asked to respond to an upcoming request to propose at least one name to the list. The 2025 CAC recruitment priorities identified by the Governance Committee and affirmed by the CAC were shared to help inform recommendations, along with recruitment next steps.

Committee Updates:

- *Dr. Wendy J. Wolf Health Leadership Award* – CEO Leonard noted that the Dr. Wendy J. Wolf Health Leadership Award Committee will meet on August 14 to review the nominating information and to score the five nominations submitted. The Governance Committee will ratify the recommendation and the eighth award will be made at the October 10 Joint Board and CAC meeting.
- *Renewing Trustee Self-Assessments* – CEO Leonard noted that Trustees and CAC members who will be renewing for a new term are asked to complete a self-assessment of their work with the foundation, in accordance with guidance in the bylaws. This feedback is shared with the Governance and Executive Committees. Additionally, CEO Leonard is in the process of meeting with each of the new and renewing Trustees and CAC members. Key themes from Trustee self-assessments were shared (it was noted that in 2024, there were no renewing CAC members).
- *Equity Subcommittee* – CEO Leonard shared that at its recent meeting, the Equity Subcommittee took a step back to consider its role after its first five years of work. There was strong agreement that the Subcommittee is still needed to help anchor MeHAF's work to advance equity, and that there may be ways to include more individuals from the Board and CAC. The October Joint Board and CAC meeting will provide dedicated time to explore further the next phase of the Equity Subcommittee.

**Program & Grants Committee –
Grace Odimayo (Chair), Ruta Kadonoff (VPP),
Jake Grindle (SPO), Emily Berrill (PGA)**

Maine Community Foundation Equity Fund: Chair Odimayo shared that at its July 8 meeting, the Program and Grants Committee approved a grant to the Maine Community Foundation Equity Fund (MaineCF) and recommends Board final approval. SPO Charles Dwyer explained that the Equity Fund supports work to address disparities that Maine’s LGBTQ+ communities face by providing grants that increase access to resources, services, and opportunities. MeHAF has long been a partner in this work through staff service on the MaineCF advisory committee, and last year provided an initial one-year grant that was used to fund four grants from the Equity Fund to organizations focused on health-related work. Based on the success of this approach and modeled after the relationship MeHAF has also cultivated with MaineCF’s BIPOC Fund, the Committee recommends moving forward with a two-year grant to reduce administrative burden and to provide two years of predictable MeHAF support for this program. The full grant application was included in the meeting packet.

Trustees provided the following questions and comments:

- With the maximum individual grant amount being \$10,000, it was asked if this is an adequate grant to do the work needed? SPO Dwyer indicated that the current award amount represents an increase from \$7,500 and that grantees find these grants to be effective for their efforts and noted that funds are used in creative ways.
- It was asked if the grants made from this fund are limited to health and health access. SPO Dwyer noted that they are, and that continuing this partnership with Maine Community Foundation allows MeHAF to leverage more funds for these activities through a different philanthropy which leads to greater exposure and impact for MeHAF’s mission and goals.

Declaration of Conflicts of Interest – The following conflicts was declared.

Individual:	Reason:
Tracey Hair	Staff, Maine Community Foundation
Mike Lambke	Wife is on the Board of Maine Community Foundation

Trustee Hair was moved to a Zoom waiting room for the vote. Trustee Lambke abstained from voting.

It was MOVED, SECONDED (Seidman/Yaffe), and VOTED UNANIMOUSLY, with one abstention (Lambke), to approve a grant of \$80,000 to Maine Community Foundation for the grant period October 15, 2024, through October 14, 2026, consistent with standard MeHAF contract obligations, as recommended by the Program and Grants Committee.

Trustee Hair rejoined the meeting.

Nova Fund: Update on Health Justice Movement Building Planning: SPO Grindle provided an update on one of the major focus areas for the Nova Fund which is to dedicate \$2 million toward resourcing a health justice movement in Maine. The ideas that emerged from the three-day planning retreat that was held in November 2023 are being narrowed down and refined into a set of fundable projects. A multi-layer design process has been developed with members of the two grantee cohorts that center the expertise and insights of grassroots community organizers rooted in some of the communities most targeted and marginalized by our current systems. The process will also build in input from other sectors within the “movement ecosystem,” including organizations whose core strategies focus on advocacy and policy, direct service, research and legal, or other key approaches to change. The layers of input in this process include: a Movement Infrastructure Design Team, a set of

Movement Ecosystem Advisors, and the input of the two full cohorts of Health Equity Capacity Building and Health Advocacy grantees.

SPO Grindle noted that three main project ideas have emerged including ongoing funding for organizing groups; a Movement School for training; and exploring shared organizational infrastructure needs. Further development will aim to finalize funding plans by the end of 2024 for implementation starting in 2025.

There was discussion about the idea of a Movement School, specifically if it would be limited to health and health justice, and, if not, are there other funders available for collaboration? SPO Grindle noted that the organizations involved in planning at this time are all funded through MeHAF because there is a health-focused portion of their work aligns with MeHAF's mission, while acknowledging that many focus more broadly as well. The design team will reach out to organizations outside of our grantee cohorts in order to determine interest from other organizers with different focuses. Representatives from other philanthropies who were present at the November retreat showed interest in joining this effort. It was suggested to consider outreach to select colleges and universities for collaboration. SPO Grindle noted that the design team's aim at this point is to keep ownership of this effort with the grassroots organizations involved and not to expand it to an institutional level. However, it was also noted that institutional partners might choose to participate in training established by the school. It was suggested to research similar programs that are currently in operation to inform our work to replicate the collective experience in Maine.

Discretionary Grants: Fostering Creativity and Organizational Innovation and Building MeHAF's Network: PGA Berrill presented a mid-year update for the Discretionary and Meeting Support programs. She noted that the Discretionary and Meeting Support programs are longstanding elements of MeHAF's responsive grantmaking which offer year-round funding opportunities for small, discrete projects and local, regional, or statewide meetings that are aligned with our mission and focused on populations that face disproportionate barriers to accessing quality health care and achieving the best possible health. The maximum award for Discretionary Grant projects is \$10,000 and awards for meeting and conference support are up to \$2,000. The combined budget for the two programs is \$150,000 in 2024.

PGA Berrill shared that applications are reviewed through specific processes: a simple one-stage application for Meeting Support, and a two-stage process for Discretionary Grants involving an initial online Letter of Inquiry (LOI) form and Zoom conversation, followed by an opportunity for a full application. This process has been well-received, allowing for deeper project discussions and fostering relationships with applicants, even if funding isn't ultimately awarded. All projects invited to submit full applications after the conversation phase have received funding this year. As of mid-July, \$166,878 has been awarded across both programs. Notably, 60% of 2024 Discretionary grants have been awarded to organizations that have never received a MeHAF grant before. Twenty-nine percent of Meeting Support grants have been awarded to new-to-MeHAF organizations, though no specific themes have emerged yet. With increased application volumes and a nearing budget limit, staff will determine how to approach the rest of the year. Ms. Leonard noted that at this point we are continuing to welcome inquiries and applications.

It was asked if the amounts of these grants should be increased given the economic environment of the past few years. CEO Leonard indicated that members of the philanthropy sector have had conversations about adjusting grant amounts given current inflationary conditions. In a separate comment, CEO Leonard also shared that the Discretionary and Meeting Support Grants Programs are typically the charge of the newest MeHAF program staff member and reviewed by the CEO. This provides a unique and beneficial learning opportunity for the new hire, as well as a way for the CEO to keep apprised of new organizations and their activities.

Updates – Barbara Leonard (CEO), Jeb Murphy (CM)

Website Updates: Communications Manager Jeb Murphy presented recent updates that have been made to the *Our Grantmaking* section of the MeHAF website. He noted that the website is static in accordance with Web 2.0 philosophy. With this update we are including a greater focus on our grantmaking programs and the work of individual grantees.

Ageism Workshop: Plans were shared for a day-long workshop on age-bias and the benefits of an age-positive culture and its intersection with other systemic inequities. It is scheduled for Monday, September 30, at a location TBD based on registration numbers. Trustees were encouraged to review the workshop details that were included in the meeting packet and to RSVP by August 15.

Executive Committee and Trustee Check-in – Toho Soma (Chair), Sue Roche (Vice Chair)

The Board moved into Executive Session at 3:38 pm (Bordowitz/Roche) to provide an update on the CEO search process, and to conduct a Trustee check-in and meeting evaluation. The Board left Executive Session at 3:46 pm (Lewis/Lambke).

Next Meeting

The Board will next meet jointly with the Community Advisory Committee on Thursday, October 10, 2024, at Maple Hill Farm in Hallowell.

Adjournment

The meeting adjourned at 3:46 pm.

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