

MINUTES OF THE TUESDAY, FEBRUARY 6, 2018 REGULAR BOARD OF DIRECTORS MEETING OF THE PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION BOARD HELD AT THE HOME OFFICE OF PRESBYTERIAN VILLAGES OF MICHIGAN

	2/6 BOD Mtg.	2/15 Gala Volntr & Sponsor Celebration	2/23 Winter Gvance. Summit	5/18 Donor Societies & BOD Lnchn	6/12 BOD Mtg.	6/22 Village Victory Cup	TBD Summer Gvance. Summit	9/14 or 21 Strtgc. LDSHP Advance	10/9 BOD Mtg.	11/8 Gala	12/5 BOD Mtg.	TOTAL
Bomberski	X	--										1
Carnaghi	--	--										0
Denler	X	--										1
Dixon	--	--										0
Gompers	X	--										1
Johnson	X	--										1
Kimble	X	X										2
Lau	X	--										1
Lindow	Phone	--										1
Miller	X	X										2
Morgan	--	--										0
Peterson	X	--										1
Rabbideau	Phone	--										1
Schroeder	X	X										2
Snider	X	--										1
Turman	--	--										0
Utley	Phone	--										1
Wallace	--	--										0
Ex-Officio												
Ball	X	X										2
Myers	X	X										2

Foundation Staff:	Ms. Bobie Clement, Ms. Delilah Moore, Ms. Avni Thomas, and Ms. Paige Vanzo
Guests:	Mr. Andre Davis, Mr. Pete Kurrie and Mr. George Millush.
Welcome and Call to Order	Mr. Gompers called the meeting to order at 11:29a.m., followed by prayer.
1. Chairman's Report	<p>Approval of the December 5, 2017 Annual Meeting and Regular Board of Directors Meeting –</p> <p>A MOTION WAS MADE BY <u>Mr. Bob Peterson</u> AND SECONDED BY <u>Mr. Tom Kimble</u> TO APPROVE the meeting minutes from the December 5, 2017 Annual Meeting and Regular Board of Directors Meeting.</p> <p>PASSED UNANIMOUSLY.</p> <p><u>Charity Challenge</u> PVM won the challenge (last-minute win) and received a \$20,000 award.</p> <p><u>100% PVMF Board Giving</u> Thank you, PVMF Board members! Your support is appreciated.</p> <p><u>78% Board Giving System-wide</u> How to move the needle? Comparable to past years. Amount raised is about \$200,000 from approx. 150 Board members. Discussion around Board Giving Month is an impetus for increasing Board giving.</p>

	<p><u>Dates</u></p> <ul style="list-style-type: none"> • 2/15 – Gala Volunteer/Sponsorship Appreciation Dinner, The Village of Redford <ul style="list-style-type: none"> ○ Bill Ball, Pete Kurrie, George Millush & Bob Schroeder plan to attend • 2/23 – Winter Governance Summit, First Presbyterian Church of Dearborn, Dearborn, MI • 5/18 – Donor Societies & Board Recognition Luncheon, Detroit Yacht Club on Belle Isle, Detroit, MI • 6/22 – Village Victory Cup, The Suburban Collection Showcase Diamond Ballroom, Novi, MI <p><u>PVMF 2018 Gala Chairs (Thomas & Diandra Kimble and Pete Kurrie, Aileron)</u></p> <ul style="list-style-type: none"> • Gala date is Thursday, Nov. 8th at The Henry Ford Museum • Going back will challenge us to make it unique and fresh. Also considered Eastern Market (\$15K over budget) & Detroit Train Station (not probable). <p><u>Andre Davis</u> Introduced Andre Davis as the new vice president of Finance. Don House will be retiring at the end of the year.</p>
2. Report on Investments	<p><u>PVMF Investment Reports (Pete Kurrie)</u></p> <ul style="list-style-type: none"> • 2017 portfolio up 14.4%. PVMF investments outperformed benchmarks by 1% and received excellent earnings. • Manager on watch, William Blair, performed admirably in 2017 and came back nicely. Due to CEO change, Aileron will continue watch & monitor their recovery. • Realistic expectation for portfolio return will likely be in the 7-8% range, less than that considering bond rates are continuing to rise (and value stays flat or declines). • Sell-off: 4.4% decline yesterday, which was 99th worst sell-off driven by: <ul style="list-style-type: none"> 1) valuation risk, trading at 18x earning (3 points higher) 2) rate risk and competition of bonds vs. stock pulling money away from stocks 3) discounting items – rising interest rates cause need to normalize • Portfolio is built to deliver reasonable returns and capture the upside of secular growth, driven by the equity managers, not chasing high valuation returns. Aileron will stabilize and protect downside; if we lag in up markets, it is by design. • Thanks to Pete for stepping up in a leadership role as gala co-chair and on the mission side as PVMF’s investment manager.
3. Donor Stewardship	<p><u>Handwritten thank you notes by PVMF Board members:</u> Board members prepared individual thank you notes to donors who gave at least 2+ gifts to PVM in 2016 & 2017 of \$50+.</p> <ul style="list-style-type: none"> • No one has specifically called regarding impact of the notes, but donors have said they are feeling more noticed lately.
4. Board Generative Discussion	<p><u>PVMF Strategic Plan Task Forces</u></p> <ul style="list-style-type: none"> • Success in fundraising efforts need to continue (e.g., Year End & Holiday Cheer for Charity) • The recommendation and reaction from the last meeting is to make sure the strategic plan continues and remains active. A cross-section of Board members, Village Board members and staff has been developed to lead each initiative of the strategic plan. <ul style="list-style-type: none"> ○ Due to the nature of the Diversify the Portfolio initiatives, those were broken into their own separate task force. A total of 6 task forces, instead of 4, have been formed. • Everyone on the task force committee list has confirmed. To all who have stepped up to lead a task force, thank you! • To meet goals, the task forces will exist for one year from the date of the first meeting. <ul style="list-style-type: none"> ○ First meeting before mid-April ○ Requested Task Force Chairs provide dates in late Feb, mid-March or by mid-April

to schedule a first meeting.

- Task forces will report out in upcoming Board meetings during generative discussion; other task force members are invited to attend. Reports may start in June, but certainly in October.

March – Board Giving Month

- Bill Ball suggested designating a month during the year, similar to church, for a board giving campaign, offer Board members opportunities during the year. It would conserve staff time and focus a message across the system.
- Much of the feedback from the Boards has been positive and they see added value.
- 2 forms have been developed: one for Village Boards and one for the Corporate/Foundation boards.
- Villages have an incentive – funds were secured through the Detroit News Charity Challenge, since no more grants or match money are available. If a Village Board reaches 100% giving by March 31st, then they will receive a \$700 incentive.
- In speaking with Board chairs and administrators, onboarding of Village board members is inconsistent. There needs to be more structure; a standard orientation customizable for each Village.
- For funders, we are transparent re: 100% Foundation Board giving, local level is X. More sophisticated funders are starting to ask how much of the Board is supporting the project we're requesting funding for; it could be anywhere from 5%-25%.
 - They look at whether we have a Board that can sustain the project or are we only relying on the funder to support it all?
 - PVMF needs to be consistent in answering this question in our proposals; we currently only report Foundation Board but should move to a combination of governing Board & Foundation Board, plus subsidiary boards.
 - Most proposals only include Foundation, unless it's for a local Village Board
- It's valuable for each Board member to give personally, but from a business is okay too.
- Board Giving Month is not to diminish those Board members who may not have capacity to give, but they may have relationships to potentially bring in funds. Needs to be looked at within the task force.
- Village Boards seem to have a disconnect with PVM system-wide – giving is local, e.g., Rosebush philanthropy
- May possibly be premature to say this March is Board giving, however this form is a tool to educate and promoting at the Village board level. Response will be a good indication of what lies ahead
- Timing is ahead of Friends & Family in April
- Challenge to Foundation & Corporate Boards: lead by example and complete the form by the end of March.

Continuous Discussion on Objectives in the Plan

- Handout was shared: "Some Things I have Learned in My Years of Fundraising"
- Bob Peterson commented that the book Paul gifted at the December meeting, "The Fundraising Habits of Supremely Successful Boards," is an easy read and well-worth reading with many thought-provoking ideas

5. President's Report

2018 Revised Operation Budget (ACTION)

- The 2018 budget was approved budget in December but two new revisions were added:
 - Weinberg grant of \$1M to support PACE Central Michigan: Initial projections of funds drawn out of the Foundation did not include receipt of \$1M in the 2018 budget and was corrected. Masonic Charitable Foundation committed \$1.5M to this project. However to receive Weinberg's support, 50% of the funds need to be committed before they will commit 30% of the overall project cost. Partnership with Masonic Homes is 60/40; they have majority on the grants. As such, PVMF will send 60% of the Weinberg grant to Masonic Homes for them to invest—see p. 34 of the budget under "releases."
 - Forrester Estate: designated for East Harbor. Initially budgeted \$900,000 to be

released and after construction review, amount was reduced to \$300,000 to conserve cash and because of potential affect to days cash on-hand.

A MOTION WAS MADE BY Mr. Henry Johnson AND SECONDED BY Mr. Tom Kimble to APPROVE a revision to the 2018 operating budget by means of the disbursement of \$900,000 to PVM and Michigan Masonic Home for their respective investments in the PACE Central Michigan joint venture, from the proceeds of the \$1M Weinberg Foundation grant accrued in 2017.

PASSED UNANIMOUSLY.

A MOTION WAS MADE BY Mr. Bob Peterson AND SECONDED BY Mr. Henry Johnson to APPROVE a revision to the 2018 operating budget to provide for a \$600,000 reduction in the disbursement of the original \$900,000 unrestricted Forrester Estate funds designated to East Harbor for its investment in the proposed new independent living cottages and apartments on the East Harbor campus.

PASSED UNANIMOUSLY.

PVMF Executive Summary

- Raised \$2.75M, in 2017, about \$68K over budget
- East Harbor \$2.1M campaign: \$331K left to raise; in the final stretches of finishing the campaign.
 - Raised about \$560K in 2017 – this is significant because the campaign stopped and started a few times, with not a lot of fertile ground for donors, so it took a concerted effort.
 - A contingency is built into the overall project – cost increases have not been factored in. The goal was established quite some time ago and only changed slightly to incorporate 10% fundraising management fee.
- Touched on the Board giving snapshot, which was reviewed earlier in the meeting.

Donor Spotlight (Bobie Clement): Elaine Walton and Bob & Pat Healy

Elaine Walton: Calvin Society member; second generation resident – mother was an original resident in 1978; former teacher; East Harbor Board member; moved in 5-6 years ago because of the community aspect and levels of care.

Bob & Pat Healy: East Harbor residents with a passion for giving; both have used short-term rehab; Bob is a former East Harbor Board member; part of the Harbor Lights Choir; members of Knox Presbyterian Church.

PVMF Policies and Procedures (Bobie Clement)

- Changes are made annually, with the goal to distribute at the beginning of each year
- Slight change to the internal 10% fundraising management procedure, not to the policy itself, to be on an accrual basis, consistent with the current PVMF accounting practice
- Manual will be distributed via email in the next week

Board Retreat – Village Victory Cup

Due to waning participation in the Village Victory Cup, the 6/12 Board meeting at Lakeshore Senior Living will be moved to 1:30pm or 2pm, followed by a social event at the pub.

PVM Update (Roger Myers):

- 1/18 Lakeshore Grand Opening was well-attended. Open invitation to stop in if you're nearby.
- PVM took over management of Vista Grand Villa in Jackson on 2/1.
- Charity Challenge: On 2/2 Priority Health and the managing editor of Detroit News presented a check and gave PVM an opportunity to discuss Village Victory Cup along with aging issues, e.g., only 3% of giving in Michigan is for aging services.
- Thome Rivertown/Weinberg Green Houses: David Miller toured Capital Impact Partners, the lender for WGH; beyond Weinberg, this relationship is significant for PACE Central

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	<p>Michigan and other grants may result.</p> <ul style="list-style-type: none"> • Midland area funder: great things to come; 2/19 meeting with dean of medical school at CMU (involved with PACE), McLaren CEO and tribe in the area because they're interested in PACE for their elders. • Helen Pelling: husband, Wes, was former PVMF Board member & former PVM Board chair. With Helen's passing, a bequest of their combined estate was left for PVM and signifies closure of their 40+ year relationship with PVM. • Kresge Foundation video of accomplishments in 2017 included a shout out of Hartford Village. • A Harry & Jeanette Weinberg Green House event to formalize its completion of it is in the works. It will be cocktail reception in June. • Susan Miller & husband, Randall, who are living in early retirement in Saugatuck, want to get reconnected with PVM. Roger is meeting with her 3/12 in Jackson at Vista Grand Villa. • Lynn Alexander working on 2017 annual report in next month or two. • May 1-3 Detroit Urban Land Institute spring meeting (national); Brian may be attending. • New managed facilities do not generally fall under fundraising (not applicable to for-profit entities: Park at Trowbridge & Lakeshore). McFarlan has no history of fundraising; VGV is very interested in philanthropy becoming a part of what they do but it's TBD. Conversations re: Board giving were brought up with McFarlan and Delta Manor as an opportunity for support.
6. Treasurer's Report	<p><u>Treasurer's report (Paul Miller)</u></p> <ul style="list-style-type: none"> • p. 52 – suggestion to re-establish LOC for PVM Operations due to potential cash flow issues. Could be a call for an LOC between now and next Board meeting in June, but goal is for it not to happen. • For-profit relationships: not advancing funds to for-profits; LOC would not be a result of management performance of those entities. <p>A MOTION WAS MADE BY <u>Mr. David Lau</u> AND SECONDED BY <u>Mr. Bob Peterson</u> to APPROVE a grant of \$232,000 in Unrestricted Funds to Replenish Temporarily Restricted Funds Overdrawn on Rivertown Green Houses.</p> <ul style="list-style-type: none"> • Unforeseen expenses (e.g., DTE electrical grid, elevator to the rooftop) and assumptions of things to happen that would counteract expenditures, but they didn't happen, resulting in \$232K overdrawn. • More stringent oversight needed; underlying issue has been resolved for check & balance. • If PVMF does not approve: over time, PVM would need to identify ways to generate cash to cover costs (of bills already paid) or treat it as an FA loan and pay it off over next couple of years. <p>PASSED UNANIMOUSLY.</p>
7. Executive Session	<p><u>Review of Paul Miller's Evaluation & Approval of Compensation (ACTION)</u> Closed door Executive Committee Session.</p>
Adjourn	<p>The meeting was adjourned at <u>2:02</u> p.m.</p>

Bobie Clement
Recording Secretary

Donald Lindow
Secretary

NEXT MEETING: PVMF Board Meeting; June 12, 2018 (Tuesday), Lakeshore Senior Living, St. Clair Shores, MI