

**Regular Board Meeting  
July 16, 2024, 4:30 pm @ 4388 W M-72 HWY, Grayling**

The meeting was called to order at 4:31pm by Karl Schreiner.

**NEW BOARD MEMBERS INTRODUCTIONS: MARK OSTAHOWSKI & CHERYL WOLKENS**

**BOARD MEMBERS IN ATTENDANCE:**

Karl Schreiner, Laurie Jamison, Mark Ostahowski, Cheryl Wolkens, Shannon Sorenson, and Sandy Woods.

**BOARD MEMBERS ABSENT:** Jason Thompson

**ALSO IN ATTENDANCE:** Wayne Koppa, Patrick Heraghty, Heather Appold, Suzanne Luck, Scott Ulery, Lorelei King, Lynn Cheney, and Alice Snyder by phone.

The Pledge of Allegiance led by Schreiner. A prayer was offered by Schreiner.

**CONFLICT OF INTEREST:** None

**AGENDA:**

Motion by Jamison to approve the agenda for July 16, 2024, with the addition of Susanne Luck as item c under old business, supported by Ostahowski. Ayes (6) six, Nays (0) zero. Motion carried.

**PUBLIC COMMENT:** None

**MINUTES:**

Motion by Sorenson, to approve the minutes dated June 18, 2024, supported by Woods. Ayes (6) six, Nays (0) zero. Motion carried.

**FINANCIAL REPORT:**

Motion by Sorenson, to accept and file the financial report dated June 30, 2024, supported by Ostahowski. Ayes (6) six, Nays (0) zero. Motion carried.

**CORRESPONDENCE:** None

**REPORTS:**

**A. Northeast Michigan Regional Council on Aging – Scott Ulery**

Ulery no report.

**B. Michigan Senior Advocates Council (MSAC) – Lorelei King**

King stated that the ombudsman program has been approved in the state for 3 million. We did lose our local ombudsman. State and Federal budget is cutting meals on wheels. The guardianship bill, some judges are saying, is not cost effective. Stories, hit home, if you have any about guardianship. Direct care workers approval of \$.20 increase. Try to get to know your legislators this summer while they are on break.

**UNFINISHED BUSINESS:**

**A. Meals on Wheels Foundation – Information session on foundations**

- a. Patrick Heraghty – Executive Director Community Foundation of Northeast Michigan. Gave an overview of the organization. Covers 9 counties. Over 500 charitable funds. Little over 77 million dollars. Significant growth over the last 8 years. Has 15 independent board members,

can have up to 22. Each affiliate has representation on the board. Accredited and has an annual audit.

Jason Thompson arrived at 4:51.

Take in a gift and that becomes the principal fund, this is never spent. These funds grow with growth and more gifts. Each year a portion of the funds go out. Heraghty gave an overview of the Lake Margrethe Foundation Fund Gifts since 1998 \$212,984 value in 2024 258,402. Total grants since 1998 \$140,447.

- b. Heather Appold Kirtland 501c3 through the college. Until 2018 was a part-time position, now a full-time position. Primary focus is scholarships 70,000-80,000 per year. They do some small grants to different departments. Just hit over 3 million in investments. Still have funds with NEMCF and with Roscommon Community Foundation. They are supported by the business department.
- c. Suzanne Luck Roscommon County Community Foundation. They were an affiliate until 2001 became independent. The fund started with 1 million in 2001 now it is just over 12 million in assets, and a little over 100 funds. We have a staff of 3, and an annual audit. They also do internal audits twice a year.

Wayne Koppa – Retired from the military. Foundation for maintenance for the Officers Club. Fund had \$750,000, has been around since 2001. Sends out newsletters, and silent auctions to raise money. Silent auction raised a little over \$4,000. Talked about required minimum distributions, RFD's at age 73. Can redirect up to \$100,000 to foundations. If sent to foundations, their can be tax savings. Building a foundation starts really really slow.

Discussed the Spark grant and the city put in for a Blue Cross Blue Shield for \$250,000 non-matching grants.

Heraghty all funds are separated in the accounting system, this way if someone wants to split from the foundation they can. King stated when you work together it can look better. That has not happened yet. When someone makes a gift to the Community Foundation they are making a gift to the Community Foundation. We receive it as a 501 3 C. The donor intent... If they made a donation to the Meals on Wheels Program, though the Commission on Aging. That money would go to you, but we would receive it. We would have a fund at the Community Foundation. County may not be a comfortable accepting different types of gifts or donations coming in like stocks or pledges over time to support an organization. This is where a community foundation can play a role.

Schreiner asked if I had \$115,000 to play with, why would I put it in a foundation instead of giving it directly to COA. Koppa stated that high end net worth people want to see the money last and not spent right away. Some donors only want to go into a foundation to grow, and some want the money to meet the need now.

Schreiner asked what type of fees are involved. Heraghty stated 1.35% annually, a 12 month rolling quarters. Take fees each quarter. The fund does also share. If more than ½ million, then the fee 1% over that amount.

What are the restrictions? If it is a Meals on Wheels fund, only used for that program. Spendable up to 5% calculated annually on 12 rolling quarters. 95% untouchable this is an

endowment. Schreiner asked as the main fund grows, the money you give to us grows. Yes, based on the last 12 rolling quarters.

Sorenson, has you seen a program, like MOW's, with a benefit is to start a foundation vs. corporate sponsorship? Heraghty stated that you have a lot of things to think about as a COA board. Do you want to stay a part of the county or become your own 501c3. Do you want to start your own private foundation or a fund at a community foundation. If you do your own, you have to make your own investments, oversight, tax benefits are different then a community foundation. If you do your own foundation you are required to do a 5% spendable every year. We do not give legal or accounting advice. You would have a lot of things to look at and consider.

Heraghty stated they have funds for the library (county) and Plaza Pool. Are part of the county, but have Friends of the Plaza Pool, who got their 501c3 status and helps fundraise and has a fund with the foundation. Could start Friends of the Commission on Aging, to get a 501c3, and raise money. Library does not have a friends of, but they have an agreement with the county, is that their board make the decisions of the money that is available. The library can make the request for the money.

Schreiner, do we need to request funds each year? Heraghty depends on how it is set up, purpose. Request could be 5% automatically sent, or a written request with attach board minutes, we would like distribution of x amount for the purpose of. Then I look at, do you have the money, and does it meet the purpose, and does it match the minutes. Was there a vote to take the money out of the community foundation. If that is met, we cut a check and send it.

Koppa stated that they (foundations) will keep you out of trouble and the fees are not that large.

Woods asked how much does it take to reach endowment level? Heraghty stated the for a fund like this it is \$5,000. Once hit the fund is created. Four quarters before distribution are sent, could be up to seven quarters. Gifts that are sent to the foundation follow donor's instructions. If there is no donor instruction, then it is endowed.

Ostahowski asked if we get so much money, will that affect the ability to receive State and Federal grants. Heraghty stated that usually, it can be used as a matching funds towards grants. Not all funds are 501c3, so I can not make a grant to them. Example Lake Margarethe. The city of graying is doing treatment for the lake, so we can do a grant to the city for that.

Heraghty stated that the county could open a fund, if someone made a gift to the county, then the county could put that into a fund at the community foundation. If you were to sell land, you could take the proceeds from the sale to create a fund. Millage dollars could not be put in a fund.

Schreiner stated that if someone handed you \$100,000, who owns the money? Heraghty stated that the foundation owns the money.

Schreiner why do a fund just for meals on wheels, and for the COA operating? Heraghty replied everyone loves Meals on Wheels; everyone wants to make sure people are fed.

Thompson asked about an exit option with the foundation, if they want to open their own. Heraghty stated with our affiliates, if they want to spin off and become their own then yes. Usually, it stays with us. It can go into another endowed fund, but never in cash.

Heraghty stated that with agency funds, follow the rule that it is on their books as an asset and ours as a liability. Thompson stated that so essentially you are the trustee. Even though it is our money.

Schreiner asked if we have a fund with you, If you hand us money for Meals on Wheels, It doesn't matter how we spend the money as long as it for Meals on Wheels. You do not say what to spend it on in that department, food, delivery, etc. Heraghty stated that the grant would be made to the County. The COA would have to work out how that money would flow. The foundation can carry more than one fund for an agency. Could have one for Meals on Wheels, and one for the Commission on Aging.

Heraghty stated keep the fund as broad as possible, so you don't limit it. How you operate today may be different in 10 or 15 years.

Woods, If I as an investor, donated 10,000. To the foundation for Meals on Wheels, to compared to COA for Meals on Wheels, is there a tax difference? Heraghty stated yes.

Ostahowski ask Jamison, if she sees any negatives from the county? Does not see a negative. Will need clarity. Luck said making sure the communication is very clear how the process will go. Based on By-laws who has the signing authority, who has the authority board, county, who will be the responsible party.

Sorenson asked if the foundation has corporate donors? Heraghty stated yes. We have corporate, family, individual donors. Luck stated that we can accept stocks, trusts, life insurance, memorials, just about anything you can think of.

Koppa, you need to have people go after the money. It takes effort. Heraghty stated that we do have a fundraiser policy for people that want to raise money for their funds. The foundation puts some restrictions on fundraising.

Schriener thanked the speakers. Heraghty stated that you can call with any questions.

## **NEW BUSINESS:**

### **A. Election of Officers**

Motion made by Jamison, to keep the same slate of officers, supported by Wolken. Ayes (7) seven, Nays (0) zero. Motion carried.

### **B. Governance Calendar – Evaluate Board Ends**

- a. Vision, Mission, Values  
Discussed the Vision, Mission, Values.

Motion made by Ostahowski, reviewed with no changes the Crawford County Commission on Aging Vision Mission & Values statement, supported by Wolken. Ayes (7) seven, Nays (0) zero. Motion carried.

- b. COA By-Laws

Motion made by Jamison, reviewed with no changes the By-Laws, supported by Woods. Ayes (7) seven, Nays (0) zero. Motion carried.

**BOARD MEMBER COMMENTS/CONCERNS:**

Sorenson likes the idea of the foundation. Keep exploring other options. Might want to look at corporate giving.

Woods the concern with an endowment is it was very hard, to do on our own, takes a lot of dedicated time. The downside with a foundation, we don't just get the money when we want it. Money is tied up, but they do all the hard work. Pros and cons to both.

Schriner stated that if people want to give money right now, we take it at the COA level. If someone wants to do estate planning that may be good for an endowment.

Jamison stated that it can be a double edge sword.

Ostahowski, asked about the waiting list and policy.

**PUBLIC COMMENT:**

Ulery stated that

**ADJOURNMENT:** Meeting adjourned at 6:02pm.

Respectfully Submitted,

Sandy Woods, Secretary

Recorded by Lynn Cheney