

Oklahoma Tobacco Settlement Endowment Trust
Board of Directors
Minutes
November 14, 2012

Board of Directors Members Present: Kenneth D. Rowe, Casey Killblane, Susan Walters Bizé, George E. Foster, O.D., Jim Gebhart, Lisa Nowlin, D.D.S.; Don Millican (joined by phone but did not vote)

Board of Directors Members Absent:

Staff Present: Tracey Strader

Guests Present: Kari Koster, Frank Merrick

Agenda Item and Discussion	Action and Follow-up
<p>1. Open Meeting Act Announcement and Call to Order Ken Rowe announced that the requirements of the Open Meeting Act, including the filing of the meeting and posting of the agenda had been met. He called the meeting to order.</p>	
<p>2. Overview of Retreat Purpose and Goals Board and staff had the following goals for the board retreat:</p> <ul style="list-style-type: none"> • Orientation of two new board members • Refresher on TSET's evolution • Discuss how to effectively use new funds to impact Oklahoma, especially rural areas. • Discuss TSET's role in health advocacy. • Discuss the purpose/goals of the Shape Your Future campaign. • Discuss creating a reserve fund policy. • Discuss the implications of grants to organizations that do not have additional funding partners. 	
<p>3.a. Items for Review and Discussion - Program and Funding History 2002-2012 Executive Director Tracey Strader gave a presentation on TSET earning and funding history.</p>	
<p>3.b. Items for Review and Discussion - Current Commitments and Funding Levels Board members discussed current funding commitments and levels of funding. Members discussed whether to revise what is currently being funded and board members agreed they will continue funding all current program initiatives. Board members also discussed whether they would like to enlarge any current programs. Members agreed they would like to expand incentive grants and grants for nutrition and physical activity. Board members also discussed how grants in tobacco and nutrition and physical activity could work together or become integrated. Executive Director Tracey Strader said staff is working on a wellness framework where issues in tobacco and nutrition and physical activity could work together or be integrated. The board agreed with this approach.</p>	

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<p>3.c. Items for Review and Discussion - Future Projections Strader explained that it is impossible to predict tobacco settlement payments or earnings from the endowment with accuracy. However, given the new definition of earnings, the board could use - for planning purposes only – five percent of the corpus as a very rough estimate of the maximum annual earnings in future years.</p>	
<p>4. Lunch and Poster Session of Current Programs Board members reviewed posters of current programs and accomplishments during the lunch period.</p>	
<p>5. Update on Discussions with the Oklahoma State Department of Health, The Center for the Advancement of Wellness Strader described the Center for the Advancement of Wellness and how it was developed within OSDH to address tobacco and obesity. Strader discussed ways the Center of Advancement and Wellness and TSET currently work together and may continue to partner in the future. Strader said the organizations share goals in prevention and will work together on planning for program funding, staffing, training and technical assistance to best support those goals and avoid duplication. . Strader said she would bring any recommendations for staffing, program funding, policy and other needs to the board.</p>	
<p>6.a. Continuation of Items for Review and Discussion - Review and Update of Current Strategic Plan Board members discussed the current strategic plan. Board members said the current vision, mission, values and behaviors will stay the same. Under “Goals and Objectives,” board members proposed changing the goal related to obesity to read “stem the increase” or “reduce” The strategic plan should also reflect improvements that have been made.</p>	<p>Motion made to allow staff to work with the Program Implementation Committee to update the strategic plan measures made by Dr. Foster and seconded by Jim Gebhart. Motion passed unanimously. Don Millican was not present.</p>
<p>6.b. Continuation of Items for Review and Discussion - TSET's Theory of Change and Role as Funder Board members discussed TSET’s unique status as a state agency and grantmakers that allows direct grants and operational programs.</p>	
<p>6.c. Continuation of Items for Review and Discussion - Review of Current Grantmaking Practices and Revisions as Needed Strader reported that staff were engaging in a review of grantmaking practices and would be exploring ways to streamline and simplify the programs and processes to ease the burden on TSET staff and grantees, while remaining focused on outcomes.</p>	

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<p>6.d. Continuation of Items for Review and Discussion - Program Sustainability Board members discussed program sustainability, pointing out that in certain parts of the state, TSET is the only funder. Board members discussed their previous action to lighten requirements for matching funds for community-based grantees. The board also agreed that to make change in the health of Oklahomans, long term commitments must be made. Board members agreed that until outcomes show that TSET is no longer effective, the current funding strategy will remain in place.</p>	
<p>6.e. Continuation of Items for Review and Discussion - TSET's Role in Issue Advocacy and Discussion of Implementation Board members discussed TSET’s role in issue advocacy. Board members said staff should be available to give facts and data when requested, build an expertise in the areas funded, and be proactive in letting lawmakers know the expertise and information that TSET can provide. Board members defined TSET as a hybrid in public policy. TSET should be seen as a resource, but can also take a stand on an issue when board action is taken. Board members discussed their level of involvement in policy issues and defined themselves as “engaged,” as described in the policy document provided to members.</p>	
<p>6.f. Continuation of Items for Review and Discussion - Protecting the Mission Board members discussed whether TSET needed to do more to educate Oklahomans on the progress of TSET-funded programs and grants. Board members said letting the citizens of Oklahoma know how funds are being spent is key as the fund grows in order to help the public know and understand what TSET does and increase transparency. TSET has contracted with VI to develop a brand campaign. VI’s strategy will be discussed and board will be updated on their need to be involved. Increased awareness of TSET and buy-in to TSET’s mission and programs will be the measure of success for the campaign. . Board members discussed developing a promotion committee and that the work should start with an objective assessment of TSET’s brand and awareness of the work TSET does. Promotion plan should include a role for staff, board and grantees.</p>	<p>Staff will look into an awareness survey, draft a plan for promotion and identify key members for an ad hoc promotion committee to include PR professionals. Staff to create plan/budget for promotion.</p>
<p>6.g. Continuation of Items for Review and Discussion - Establishing a Reserve Fund of Certified Earnings Board members discussed creating a reserve fund policy. Board members discussed establishing a target, and revisiting it on an annual basis. A reserve fund will allow TSET to avoid changes in programs/funding when earnings are less than anticipated. The reserve fund will be greater than or equal to two years of operating expenses. If an excellent funding opportunity arises, the board would have the authority to use reserves as needed. See attached policy.</p>	<p>Motion made to approve a Reserve Policy to accumulate a reserve of two years expenses by holding back up to 10% of certified earnings until the level is obtained, and use the same process to replenish the reserve when needed. Motion made by Casey Killblane and seconded by Jim Gebhart. Motion passed unanimously. Don Millican was not present.</p>

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<p>6.h. Continuation of Items for Review and Discussion - Next Steps</p>	<p>Program Implementation Committee will work with staff and partners to get accurate numbers to include on strategic plan and get new card printed for 2013</p> <p>Staff should form an ad-hoc committee of PR professionals (hospitals, business partners, and staff) to develop comprehensive plan and budget for new promotion of TSET. And provide an update at the Feb. 20 board meeting.</p>
<p>7. Recess</p>	

November 15, 2012

Board of Directors Members Present: Kenneth D. Rowe, Casey Killblane, Susan Walters Bizé, George E. Foster, O.D., Jim Gebhart, Don Millican, Lisa Nowlin, D.D.S.

Board Members Absent:

Staff Present: Tracey Strader, Jonás Mata, Sjonna Paulson, Julie Bisbee, Dorothy Antwine

Guests Present: Nate Atchison, Laura Beebe, PhD, Frank Merrick, Jan Preslar, Georgiana Stephens

Agenda Item and Discussion	Action and Follow-up
<p>1. Call to Order Meeting called to order 8:34 a.m. Ken Rowe announced that the requirements of the Open Meeting Act, including the filing of the meeting and posting of the agenda had been met. He called the meeting to order.</p>	
<p>2. Approval of Minutes of the September 17, 2012 Regular Board Meeting</p>	<p>Motion to approve Minutes of the September 17, 2012 Regular Board Meeting made by Casey Killblane and seconded by Susan Bizé. Motion passed unanimously. Dorothy Antwine will make the minutes part of the permanent record.</p>
<p>3.a. Board of Investors Update - Update from the Board of Investors Georgiana Stephens from the State Treasurer’s office updated the board on investments and actions by the TSET Board of Investors. Stephens also updated the board on a new member to the TSET Board of Investors. Brenda Bolander has been appointed to fill the seat vacated by Jimmy Williams when the Governor appointed him to another board. Bolander is the first woman on the TSET Board of Investors.</p>	<p>Public Information Officer Julie Bisbee to update TSET website to reflect new Board of Investors member.</p>
<p>3.b. Board of Investors Update - Certification of Earnings from FY 12 Investments In August, the Board of Investors certified \$26.8 million and then revised the certification to \$25.7 million. Board chairman Ken Rowe asked about the difference. Stephens said that the Board of Investors moved fund managers from Martin Currie to Schroders. The difference is a normal transition cost. Earnings for the last fiscal year were less than 5 percent of the corpus, so an additional \$7.6 million was certified for use from reserves in line with the settlement agreement with the Board of Investors. Stephens also discussed the different methods on how the Board of Investors figured earnings. Stephens gave an update on funds invested with Lehman Brothers. Investors purchased the securities before the bankruptcy. The Board of Investors has been working with the Bank of New York to recover the loss. After the recovery efforts were complete, the realized loss was \$486,000. The loss will be replaced with cash on hand.</p>	<p>Stephens to send a detailed email to Executive Director Tracey Strader to send to the board on transition.</p>

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<p>4. Report on Annual Audit – Nate Atchison Atchison, of Finley and Cook presented the FY 12 audit to the board. Atchison said TSET has a great system of checks and balances in place. There were no issues with internal controls; no material weakness in the system; no violations of laws or regulations. This is the tenth year that TSET has had a clean audit.</p>	<p>Auditor’s letter to be posted to the TSET website.</p>
<p>5.a. Chair's Report - Discussion and Possible Action on Board Meeting Dates for 2013 Rowe made a motion to approve proposed board meeting dates for 2013. Board member Jim Gebhart asked that the vote be delayed so he could for calendar conflicts. (Gebhart leaves meeting) Board member Dr. George Foster suggested the board retreat in 2013 be held at Canebrake in Wagoner, OK. (Gebhart returns to meeting.)</p>	<p>Motion to approve 2013 Board Meeting Dates made by Jim Gebhart and seconded by Casey Killblane. Motion passed unanimously. Dorothy Antwine will post the meeting dates on the Secretary of State’s website, and make reservations at The Canebrake retreat location in Wagoner, OK for the Dec. 3-4, 2013 board retreat.</p>
<p>5.b. Chair's Report - Discussion and Possible Action on Resolution in Support of Restoring Local Rights to Protect Oklahoma workers from Secondhand Smoke Strader said the resolution supports restoring rights to local communities to regulate second hand smoke and support a statewide comprehensive law to eliminate smoking on indoor workplaces and public places. Strader said the resolution supports protecting people from secondhand smoke, one way or another. Millican asks how information on the resolution will be disseminated to the public. Strader said a press release would be issued and the resolution would be posted on the TSET website. Millican suggested meeting with editorial boards, if needed.</p>	<p>Motion to approve Resolution in Support of Restoring Local Rights to Protect Oklahoma workers from Secondhand Smoke made by Millican and seconded by Foster. Motion passed unanimously. Bisbee to issue press release, post resolution on TSET website.</p>
<p>6.a. Director's Report - Recent and Upcoming Training Events Strader updated board members on training events and conferences staff and board members had attended, and discussed upcoming training opportunities related to tobacco prevention, obesity, and public health.</p>	
<p>6.b. Director's Report - FY 2013 Conference Sponsorships Strader referred to packet material that included a list of all conferences sponsored to date.</p>	
<p>6.c. Director's Report - Update on Public Information and Outreach Efforts Bisbee informed board members about a recent Senate Interim Study on the use of smokeless tobacco as a way to reduce the toll of tobacco use on Oklahoma. Bisbee also updated board members about ongoing efforts to educate lawmakers about TSET and its work across the state. Bisbee said meetings with appointing authorities were in the process of being scheduled. Rowe encouraged board members to make time to meet with their appointing authorities. Rowe also updated board members on the University of Oklahoma, “Evening of Excellence,” in which TSET would be honored.</p>	<p>Julie Bisbee will continue to work with board members to arrange meetings with appointing authorities.</p>

Agenda Item and Discussion	Action and Follow-up
<p>7.a. Program Implementation Committee Report - Discussion and Possible Action on Renewal of Contract with the Office of Management and Enterprise Services, Employees Group Insurance Division (EGID) for Oklahoma Tobacco Helpline Services for Calendar year 2013</p>	<p>Program Implementation Committee recommended approval of renewal of contract with the Office of Management and Enterprise Services, Employees Group Insurance Division (EGID) for Oklahoma Tobacco Helpline services for calendar year 2013. Motion passed unanimously.</p>
<p>7.b. Program Implementation Committee Report - Discussion and Possible Action on pursuing an agreement with the Oklahoma Tobacco Research Center to Administer the Oklahoma Tobacco Helpline and Provide Oversight of the TSET Cessation Systems Initiative Grants. Board members discussed an agreement to allow the Oklahoma Tobacco Research Center to administer the Oklahoma Tobacco Helpline, pending the outcome of a legal review of the RFP between TSET and Alere Wellbeing, Inc. the provider of Helpline services.</p>	<p>Program Implementation Committee recommended approval on pursuing an agreement with the Oklahoma Tobacco Research Center to Administer the Oklahoma Tobacco Helpline and Provide Oversight of the TSET Cessation Systems Initiative Grants. Motion passed unanimously. Develop and promote results.</p>
<p>7.c. Program Implementation Committee Report - Discussion and Possible Action to amend the Request for Proposals (#092-02, 092-04, 092-05) for Communities of Excellence Grants to Include Outreach to State and Local Elected officials Board members discussed a change in community grantee Requests for Proposals which included an indicator for outreach to state and local elected officials. Mata said grantees are expected to have a relationship with their local elected officials, and the amendment provides clarity and an evaluation measure. Board vice chair Killblane said it is important for grantees to promote issues central to their work and educate on TSET’s contributions in the state.</p>	<p>Program Implementation Committee recommended approval on amend the Request for Proposals (#092-02, 092-04, 092-05) for Communities of Excellence Grants to Include Outreach to State and Local Elected officials. Motion passed unanimously.</p>
<p>8.a.i. Agency Operations Committee Report - Final FY 2012 Budget to Actual - Operating Budget Board member Susan Bizé reported that all operating expenditures were on track and the FY 12 operating budget was closed</p>	
<p>8.a.ii. Agency Operations Committee Report - Final FY 2012 Budget to Actual - Programs Budget Foster asked how much was carried over from FY12. Bizé said that about 10 percent of FY12 dollars were carried over.</p>	<p>As soon as all outstanding invoices are processed, the FY 12 accounts will be closed.</p>
<p>8.b.i. Agency Operations Committee Report - FY 2013 Budget to Actual - Operating Budget Bizé said there were no known variances.</p>	

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<p>8.b.ii. Agency Operations Committee Report - FY 2013 Budget to Actual - Programs Budget Bizé said the program expenditures were on track.</p>	
<p>8.c. Agency Operations Committee Report - Update on Grants Management Software Mata, director of grants and programs updated the board on the move to grants management software. The move is still in progress. Strader said staff would begin working with the contractor to build the unsolicited proposals and sponsorship applications within 2013.</p>	
<p>9. Proposed Executive Session a. Review and Discussion of Unsolicited Proposals, as Authorized by the Open Meeting Act - 25 O.S. § 307 (b)(7) and as Required to Preserve Confidentiality under 62 O.S. Supp. 2006, § 2309 (C)(4). b. Board of Directors to Discuss Evaluation of the Executive Director as Authorized by 25 O.S. § 307 (B)(1).</p>	<p>Motion to move into Executive Session made by Casey Killblane and seconded by Susan Bizé. Motion passed unanimously. Jim Gebhart was not present.</p> <p>Motion to move out of Executive Session made by Casey Killblane and seconded by Dr. Foster. Motion passed unanimously. Jim Gebhart was not present.</p>
<p>10. Consideration and Possible Action on Items from Executive Session</p>	<p>No action was needed.</p>
<p>11.a. Election of Officers- Election</p>	<p>Motion to nominate Casey Killblane as Chair made by Dr. Nowlin and seconded by Dr. Foster. Motion passed unanimously. Casey Killblane abstained from vote. Jim Gebhart was not present.</p> <p>Motion to nominate Dr. Foster as Vice Chair made by Dr. Nowlin and seconded by Ken Rowe. Motion passed unanimously. Dr. Foster abstained from vote. Jim Gebhart was not present.</p>
<p>11.b. Election of Officers - Committee Assignments</p> <p><u>Agency Operations Committee:</u> Dr. George Foster and Don Millican will serve on the Agency Operations Committee. Foster will chair the committee.</p>	

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<p><u>Program Development Committee:</u> Dr. Lisa Nowlin and Susan Bizé will serve on the program development committee. Dr. Nowlin will serve as the chair.</p> <p><u>Program Implementation Committee:</u> Jim Gebhart and Ken Rowe will serve on the program implantation committee. Gebhart will serve as the chair.</p>	
<p>12. New Business - Any Matters not Known About or Which Could not Have Been Reasonably Foreseen Prior to the Time of Posting the Agenda [25 O.S. § 311 (A)(9)] Rowe said there was no new business.</p>	
<p>13. Public Comment Rowe asked if there was public comment. There was none.</p>	
<p>14. Adjournment</p>	<p>Motion to adjourn made by Dr. Foster and seconded by Ken Rowe. Motion passed unanimously. Jim Gebhart was not present.</p>