

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES  
MINUTES

October 7, 2019

THOSE PRESENT

Mr. Larry Shepard, President  
Mrs. Linda McClain, Vice President/Secretary  
Mr. Steve Pribnow, Treasurer  
Mr. Patrick Booth, Executive Director  
Mrs. Kathy Bloch, Recording Secretary

THOSE EXCUSED

Mr. Bob Missel, County Board Representative

OTHERS PRESENT

Ms. Jennifer Benson, First National Bank  
Mr. Stacy Auman, First National Bank

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:00 pm by Larry Shepard, President.

A current copy of the Open Meetings Act was available.

2. MINUTES

The minutes of the Fremont Community Health Resources Board of Trustees meetings of September 11, 2019 were reviewed.

MOTION: Moved by Pribnow and seconded by McClain to approve the minutes of the September Board meeting. Motion carried unanimously.

3. FINANCE & ACCOUNTING

FY 2019 Audit - The final copy of the FY 2019 Audit was distributed. There were no changes made and are the same as Mr. Thompson from Seim Johnson presented to the Board in September.

MOTION: Moved by McClain and seconded by Pribnow to approve the FY 2019 Financial Audit. Motion carried.

Pension Liabilities are currently \$15.8M. FCHR will be receiving the yearly payment of \$3.3M in October from Methodist Health System. Expenses after the first of the year will include \$4-5M to Lincoln Financial for 2020 pension payments and to Silverstone for a valuation to be done early next year. The Board briefly discussed transferring funds to the Investment Management Account and will decide on the amount at the November meeting after reviewing the October Financial Statements.

Financial Statements - September 2019 - The September Financial Statements were not available for the meeting and will be presented at the November meeting.

4. PENSION FUND & PLAN

Investment Strategy - Representatives from First National Bank reviewed the current status and allocation of the investments which is 35% return seeking, 28% liability-Hedging assets, and 37% cash. They reviewed different asset allocation scenarios and shared how investments change with different portfolio allocations. The Investment Manager recommends the Hybrid, all passive equity allocation. The asset management fee will remain the same at 15 bases points. The next steps recommended by the Investment Manager are to: 1) receive Silverstones' quarterly funding level and liability duration, 2) determine the target liability duration for the investment manager to manage liability hedging assets, and 3) discuss an investment policy variance allowing implementation of the de-risking plan once the pension's funding level reaches 100%. First National Bank Representatives will return to the November meeting to present portfolio scenarios with the Hybrid-All passive equity allocation.

MOTION: Moved by McClain and seconded by Pribnow to re-engage First National Bank as the Investment Manager for Fremont Community Health Resources. Motion carried.

Mr. Booth will coordinate a meeting with Aon, First National Bank and himself to discuss implementing the Investment Management Policy and clarify an issue in the policy related to long bonds. Mr. Booth will also provide the Investment Managers with the funding level and liability duration provided by Silverstone. The final Investment Policy approved at the September meeting will be distributed to the Board.

5. INSURANCE

Mr. Booth met with Bill Unger from the Harry A. Koch Company. The FCHR Insurance policies for 2020 are now in place.

6. EXECUTIVE DIRECTOR

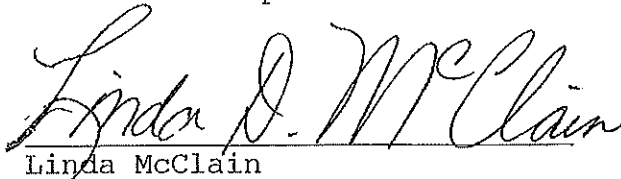
Mr. Booth reported he has been having issues with email and has set up a new email account. His email address will be shared with the Board.

7. OTHER ITEMS

None.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:30 p.m.



Linda McClain  
Vice President/Secretary

DISTRIBUTION:

Larry Shepard  
Linda McClain  
Steve Pribnow  
Patrick Booth

Robert Bendig  
Greg Beam  
Lon Strand  
David Saalfeld

Bob Missel  
Dan Weddle  
Doug Backens  
Fred Mytty