

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES
MINUTES

November 12, 2019

Appendix Item # 15.
Date 12-18-2019

THOSE PRESENT

Mr. Larry Shepard, President (arrived 12:15pm)
Mrs. Linda McClain, Vice President/Secretary
Mr. Steve Pribnow, Treasurer
Mr. Patrick Booth, Executive Director
Mr. Bob Missel, County Board Representative
Mrs. Kathy Bloch, Recording Secretary

THOSE EXCUSED

None

OTHERS PRESENT

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

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:05 pm by Linda McClain, Vice-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 October 7, 2019 were available prior to meeting on the Board Webport.

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

3. FINANCE & ACCOUNTING

Financial Statements - The September and October, 2019 Financial Statements were presented. Mr. Booth noted the yearly payment from Methodist was received in October.

MOTION: Moved by Pribnow and seconded by McClain to accept and approve the September and October 2019 Financial Statements. Motion carried.

Mr. Booth recommended to the Board to transfer \$4M from the Checking Account to the Investment Account. Discussion was held and the bank is aware that there will be a transfer of approximately \$4M to Lincoln National after the first of the year to fund the yearly pension payments.

MOTION: Moved by Pribnow and seconded by McClain to authorize the transfer of \$4M from the FCHR Checking Account to the First National Bank Investment Account. Motion carried.

4. PENSION FUND & PLAN

FNBO Investment Recommendations - Jennifer Benson, Stacy Auman, and Travis Nordstrom representatives from First National Bank joined the Board. In follow-up to the October meeting, 1) Silverstone's liability duration will be 10.3 as of 1/1/2020, and 2) Per Aon, the target liability duration of 14-14.5 is needed to manage liability hedging assets. They reviewed the FCHR Pension IPS and current status indicating Total Return Seeking Assets at 34.8%, Total Liability-Hedging Assets at 28.2% and Cash at 37%. They shared the Asset Allocation-Hybrid-Passive Equity model as recommended by Aon indicating Total Return Seeking Assets at 30%, Total Liability-Hedging Assets at 69% and Cash at 1%.

The recommendations from First National Bank include:

1. Periodic review of Liability Duration and IPS Target Duration for use of managing Liability Hedging Portfolio;
2. FNBO will begin implementation as soon as approved
3. Benchmarks - per IPS,
 - a. Return Seeking Assets
 - i. US Equity-Russell 3000
 - ii. International Equity - MSCI All Country World x US
 - iii. Real Estate - FTSE Global REIT
 - b. Liability Hedging Portfolio
 - i. Plan Liabilities and/or IPS weighted duration

MOTION: Moved by Shepard and seconded by Pribnow to accept the report and proposal from First National Bank and to

authorize them to proceed with investments. Motion carried.

5. EXECUTIVE DIRECTOR

Aon Invoice - The invoice from Aon for the Pension Liability Study was presented for approval of payment.

MOTION: Moved by Pribnow and seconded by McClain to approve the payment of the Aon invoice in the amount of \$40,572.39. Motion carried.

Insurance - Mr. Booth stated the Fiduciary Policy will renew in January 2020. He is working with Bill Unger from the Harry A. Koch Company for the renewal and will have additional information in December.

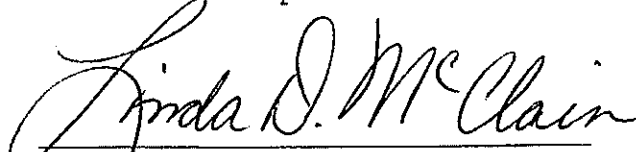
Letter to Pension Participants - The Board discussed the need and the timing of an update letter to the pension plan participants. It was decided that Mr. Booth would draft a letter to be sent this year and to provide a copy to the Board.

6. OTHER ITEMS

None.

7. 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

Fremont Community Health Resources
Statement of Revenue and Expenses
For the one and five months ending November 30, 2019

	<u>Nov 19</u>	<u>Jul - Nov 19</u>
Ordinary Income/Expense		
Income		
4300 · Interest Income	115,867.78	592,650.21
Total Income	<u>115,867.78</u>	<u>592,650.21</u>
Expense		
5100 · Accounting and Administration	300.00	3,605.00
5200 · Actuary & Benefit Calc Fees	5,465.00	17,180.00
5300 · Audit and Accounting Fees	1,358.00	17,753.00
5305 · Bank Service Charges	459.20	595.34
5310 · Consulting services	2,000.00	11,750.00
5500 · Insurance Expense	2,819.06	10,949.08
5700 · Legal and Prof Fees	40,572.39	41,432.39
5800 · Miscellaneous Expense	8.84	70.48
5900 · Office Supplies	0.00	160.50
Total Expense	<u>52,982.49</u>	<u>103,495.79</u>
Net Ordinary Income	<u>62,885.29</u>	<u>489,154.42</u>
Net Income	<u><u>62,885.29</u></u>	<u><u>489,154.42</u></u>

See Accountant's Compilation Report