

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES  
MINUTES

January 16, 2019

Agenda Item # 14  
Date 5-22-2019

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

OTHERS PRESENT

Mr. Michael Sindelar, Vice President/CFO  
Mr. Bill Vobejda, Vice President/Operations, Methodist  
Fremont Health  
Mr. Glen Gahan, Silverstone  
Ms. Tammy Real-McKeighen, Reporter, Fremont Tribune

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:05 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 meeting of December 10, 2018 were reviewed.

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

3. FREMONT HEALTH RETIREMENT PROGRAMS - 457(b) AND 401(a)

Bill Vobejda stated it was intended for the Fremont Health Board to take action on items relating to the Fremont Health Retirement plans prior to the closing of the transaction with Methodist, however this was overlooked. Mr. Vobejda presented an Amendment and Plan termination for the Matching and Basic Contribution Plan 401(a). The Amendment is a provision to end the plan and also to terminate the plan effective June 30, 2019.

MOTION: Moved by McClain and seconded by Pribnow to accept and adopt the Declaration of Amendment and Termination for the Fremont Health Matching and Basic Contribution Plan 401(a). Motion carried unanimously.

In addition, Mr. Vobejda presented Resolutions to terminate the Fremont Health 457(b) Deferred Compensation Plan. He noted the termination of the Restated Pension Plan was approved at the September 12, 2018 meeting.

MOTION: Moved by Pribnow and seconded by McClain to approve and adopt the Certificate of Resolution to terminate the Fremont Health 457(b) Deferred Compensation Plan. Motion carried unanimously.

Mr. Booth noted the Lincoln Financial Representative is at the Medical Center weekly to assist employees.

4. FINANCE & ACCOUNTING

Mike Sindelar presented a draft of the Combined Statement of Net Position as of December 31, 2018. He noted that total of cash and the amount due from Methodist Fremont Health for the employee lease is approximately \$5.2 to \$5.5M. The Capital Lease Receivable represents the present value of lease payments from Methodist Health System and the Land and Building Held for Lease are the total leased assets still owned by FCHR. Mr. Sindelar will reconcile the 6 month trial balance and general ledger to transition the financial reporting to the accounting firm of Erickson and Brooks. The December 31 financial statements will be presented at the next meeting for approval. Kent Speicher with Erickson and Brooks will be invited to the February meeting.

Mr. Booth reminded the Board with Mr. Sindelar's resignation from Methodist Fremont Health, his name will need to be removed as signatory on contracts, invoices, banking, and other financial transactions. He also recommends the Executive Director be authorized to perform these transactions.

MOTION: Moved by McClain and seconded by Pribnow to remove Mike Sindelar from all signatory authorizations for contracts, checks, bank transfers, pension distributions, and any financial transaction related to Fremont Community Health Resources. Motion carried unanimously.

MOTION: Moved by McClain and seconded by Pribnow to also remove Diane Matthews from banking transfers. Ms. Matthews is no longer with the organization. Motion carried.

MOTION: Moved by Pribnow and seconded by McClain to authorize the Executive Director to enter into contracts, approve invoices, and authorize banking and other financial transactions related to Fremont Community Health Resources. Motion carried unanimously.

The Board thanked Mike Sindelar for his many years of service to Fremont Health and for this assistance with the transition of Fremont Health to Methodist Fremont Health and Fremont Community Health Resources.

5. PENSION FUND

Mr. Booth updated the Board on the Pension Fund. Letters were mailed to 3 groups consisting of: 1) terminated employees that are not retirement age, 2) employees working as of December 22<sup>nd</sup>, 2018 that are not retirement age (less than age 55 years), and 3) current employees working as of December 22<sup>nd</sup> that are eligible to draw their pension (age 55 years or older). The Plan Document requires that terminated employees with pension values less than \$10,000 take a lump sum payment or roll over the amount to an IRA. We recently discovered there are 24 employees who are less than 55 years of age with a present value of their Pension less than \$10,000. This group was given the option to roll over pension to an IRA or take a lump sum. The Board discussed many options. Since this group of employees were employed on December 22<sup>nd</sup>, the Board discussed offering this group the option to 'defer' their pension in addition to the lump sum and roll over options.

MOTION: Moved by McClain and seconded by Pribnow to offer to the group of employees who were employed on December 22<sup>nd</sup>, are less than 55 years of age, and have a pension value of less than \$10,000 the option of a deferred pension election. Motion carried. Mr. Booth will work with the attorney to draw up the Plan Amendment and Resolution for the next meeting.

Mr. Booth stated at the present time Mike Sindelar and Bill Vobejda are authorized signers with Lincoln Financial for

pension distributions and recommends this authority be transferred to the FCHR Executive Director.

MOTION: Moved by McClain and seconded by Pribnow to remove Mike Sindelar and Bill Vobejda as authorized signatures for financial transactions with Lincoln Financial. Motion carried.

MOTION: Moved by McClain and seconded by Pribnow to direct the Executive Director to make changes to the Lincoln Financial account by adding the FCHR Executive Director and Board President as Authorized Signatures for financial transactions with Lincoln Financial. Motion carried.

The December 2018 Portfolio Overview from the Investment Manager, First National Bank, was reviewed.

6. EXECUTIVE DIRECTOR

Mr. Booth stated he will be submitting his invoice for Executive Director services in February.

7. OTHER ITEMS

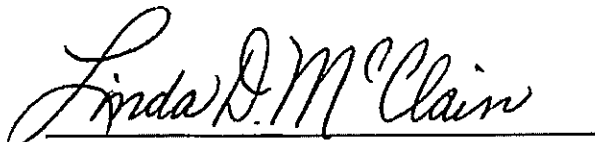
Mr. Pribnow presented the Board with an Engagement Letter from the accounting firm of Erickson & Brooks for services they will provide Fremont Community Health Resources.

At this time, Mr. Pribnow declared a conflict of interest. Mr. Pribnow is a partner in this firm.

MOTION: Moved by McClain and seconded by Shepard to accept the Engagement Letter from Erickson & Brooks and to authorize the Executive Director to execute the document. Motion carried with Mr. Pribnow abstaining.

8. ADJOURNMENT

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



Linda McClain  
Vice President/Secretary

Board of Trustees  
January 10, 2019  
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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

BOARD OF TRUSTEES  
MINUTES

February 11, 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

OTHERS PRESENT

Kent Speicher, Erickson & Brooks  
Bob Missel, Dodge County Board of Supervisors

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:06 pm by Larry Shepard, President.

Mr. Shepard welcomed Mr. Missel to the meeting. The County Board has appointed Mr. Missel as the hospital representative and Mr. Bendig as the alternate.

A current copy of the Open Meetings Act was available.

2. MINUTES

The minutes of the Fremont Community Health Resources Board of Trustees meeting of January 16, 2019 were reviewed.

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

3. FINANCE & ACCOUNTING

A. FCHR Financial Statements 12/31/18 Final

At the January meeting, a draft of the 12/31/18 Financial Statements was reviewed. The final statements were provided for Board review.

MOTION: Moved by Pribnow and seconded by McClain to approve December 31, 2018 Financial Statements.

b. FCHR Financial Statement - January 2019

Mr. Speicher with Erickson & Brooks was present to review the January Balance Sheet and the January and year-to-date Statement of Revenue and Expenses. Erickson & Brooks is providing accounting services for FCHR.

c. Accounting & Checking Process

Mr. Booth reviewed the current accounting and check processing processes with the Board.

d. Checking Account Balance - 1/31/19

Mr. Booth provided an overview of the three funds related to the pension. He reviewed the month end balances of the FCHR checking account, Pension Investment account, and Lincoln National account. He reviewed the process used when Lincoln National requests funds for benefit payments. The Board discussed setting a dollar limit for the Executive Director's approval of transferring of funds in the accounts.

MOTION: Moved by Pribnow and seconded by McClain to authorize the Executive Director to approve fund transfers up to \$50,000 per transaction. Requests over \$50,000 will require Board approval. Motion carried unanimously.

e. January Invoice - Mr. Booth reviewed the invoice for his consulting services provided December thru February 1.

4. PENSION PLAN

a. Restated Pension Plan Amendment #2 and Resolution

At the January meeting, the Board approved a change to the Pension Plan related to those former employees who are less than 55 years of age and have a pension value of less than \$10,000 the option of a deferred pension election. The Amendment and Resolution relating to this change was presented for approval.

MOTION: Moved by McClain and seconded by Pribnow to adopt Amendment #2 to the Fremont Health Restated Pension Plan and Resolution which exempts certain terminated members from the mandatory distribution of their vested Accrued Benefit upon termination of employment. Motion carried unanimously.

b. Terminated Participants - Election of Options

Mr. Booth updated the Board on the status of the election forms returned to Silverstone. Silverstone will provide another valuation study to assist in determining the amount needed to fund the plan.

c. Pension Funding Process

Mr. Booth reviewed the current process for funding the Pension Plan.

d. Pension Fund Balance

With the current balance in the checking account, Mr. Booth is recommending a transfer of \$4.5M to the Pension Investment Management account. He will follow-up with the Bank in reference to an interest-bearing checking account.

MOTION: Moved by McClain and seconded by Pribnow to transfer \$4.5M from the FCHR checking account to the Pension Investment Management account. Motion carried unanimously.

e. Authorization Request - Funds Transfers

FCHR has received a request from Lincoln National for \$3,994,479.12 as a deposit to fund the floor of the Pension account (contract GA-729) for the 2019 contract year.

MOTION: Moved by Pribnow and seconded by McClain to approve the transfer of \$3,994,479.12 from the Investment Account to Lincoln National to fund the account for the 2019 contract year.

f. Other



Mr. Booth shared with the Board another question that has come up related to the Pension Plan and the no death benefit for those former active employees under 55 years of age. The Board discussed and felt the former employees in this age group had other options available to them and chose not to make a change to the plan by adding this benefit.

5. EXECUTIVE DIRECTOR

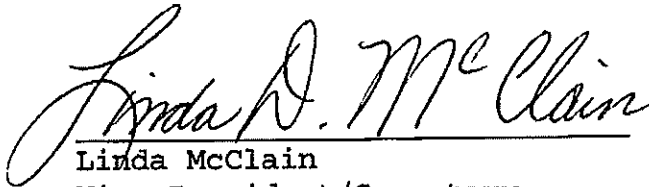
The next meeting of the FCHR Board of Trustees will be March 11<sup>th</sup>. Silverstone will present an updated valuation of the Pension Plan. We will plan to have the Investment Manager discussion in April.

6. OTHER ITEMS

None.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:20 p.m.



Linda McClain

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

BOARD OF TRUSTEES  
MINUTES

March 11, 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

OTHERS PRESENT

Bob Missel, Dodge County Board of Supervisors  
Glen Gahan, Silverstone

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:12 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 meeting of February 11, 2019 were reviewed.

MOTION: Moved by Pribnow and seconded by McClain to approve the minutes of the February Board meeting. Motion carried unanimously. Mr. Shepard reminded the Board of their responsibility for the safe keeping of the Fremont Health records.

3. FINANCE & ACCOUNTING

a. FCHR Financial Statement - February 2019

Mr. Booth reviewed the February Financial Statements. He noted although the lease payment is paid yearly, it is reflected monthly in the Financial Statements. Invoices processed by Erickson and Brooks on January 20<sup>th</sup> are reflected in the February Financial Statements.

MOTION: Moved by McClain and seconded by Shepard to approve the February 2019 Financial Statements. Motion carried. [Pribnow abstained]

Mr. Booth is currently conducting a review of the Insurance premiums and the responsibility of payment by FCHR and MFH.

4. PENSION PLAN

Mr. Booth reviewed the status of the Pension Plan elections. There were approximately 249 participants, 25 elected to take the annuity (or draw retirement), 52 elected either roll over/lump sum, and the remainder elected to defer their election at this time. FCHR has received a request from Lincoln National in the amount of \$2,884,446.25 to fund benefit payments and lump sum requests. This will be transferred from the pension investment account at First National Bank to Lincoln National.

MOTION: Moved by Pribnow and seconded by McClain to authorize the transfer of \$2,884,446.25 from the pension investment account at First National Bank to Lincoln National to fund benefit payments and lump sum requests. Motion carried unanimously.

Glen Gahan, Silverstone, presented the Actuarial Valuation Report as of January 1, 2019 which was prepared to determine the value of accrued benefits and annual plan costs. He noted the investment return assumption used was 6.0% and the current mortality table was used in the Valuation. This Report does not reflect the 2019 activity.

MOTION: Moved by McClain and seconded by Pribnow that the FCHR Board received the Fremont Health Restated Pension Plan Actuarial Valuation Report dated January 1, 2019 by Silverstone. Motion carried.

Mr. Gahan also presented revised 20-year projection models based on 6.0% and 4.5% investment returns. The models presented did and did not include the March 2019 elections.

5. EXECUTIVE DIRECTOR

The Board briefly discussed the pension investments and allocations thereof and the possibility of an educational presentation by the Nebraska Investment Fund.

Mr. Booth reported the FCHR operating checking account is now an interest bearing account. The current checking account has a balance of over \$662,000 and he is recommending the transfer of \$500,000 to the Pension Investment Fund.

MOTION: Moved by Pribnow and seconded by McClain to transfer \$500,000 from the operating checking account to the Pension Investment Fund at First National Bank.

The next meeting of the FCHR Board of Trustees is scheduled for April 8<sup>th</sup>. The Board discussed the need to move the meeting to April 16<sup>th</sup>.

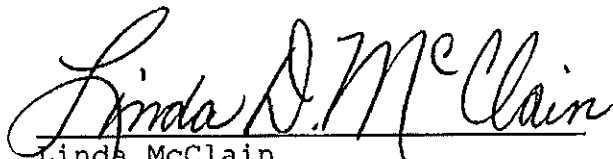
MOTION: Move by McClain and seconded by Pribnow to move the next Fremont Community Health Resources Board meeting from April 8<sup>th</sup> to April 16<sup>th</sup>. Motion carried unanimously.

6. OTHER ITEMS

None.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:35 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 seven months ending January 31, 2019

	Jan 19	Jul '18 - Jan 19
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4100 · Building Lease Income	157,855.61	3,492,355.61
4300 · Interest Income	120,019.39	480,288.39
4400 · Employee Lease	0.00	11,383,763.00
<b>Total Income</b>	277,875.00	15,356,407.00
<b>Expense</b>		
5100 · Accounting and Administration	0.00	27.00
5400 · Depreciation Expense	212,535.58	850,149.58
5500 · Insurance Expense	0.00	7,062.00
5600 · Leased Employee Expense	0.00	11,380,868.00
5700 · Legal and Prof Fees	4,329.50	8,343.50
5800 · Miscellaneous Expense	288.50	288.50
5900 · Office Supplies	718.27	718.27
5940 · Pension (Income) Expense	0.00	481,396.00
6000 · Salaries, Wages & Benefits	0.00	1,230,711.00
<b>Total Expense</b>	217,871.85	13,959,563.85
<b>Net Ordinary Income</b>	60,003.15	1,396,843.15
<b>Other Income/Expense</b>		
<b>Other Income</b>		
9000 · Loss on Discontinued Operations	0.00	-96,863.00
9100 · Loss on Disposition of Assets	0.00	-63,359,207.00
<b>Total Other Income</b>	0.00	-63,456,070.00
<b>Net Other Income</b>	0.00	-63,456,070.00
<b>Net Income</b>	60,003.15	-62,059,226.85

See Accountant's Compilation Report

**Fremont Community Health Resources**  
**Statement of Revenue and Expenses**  
For the one and eight months ending February 28, 2019

	Feb 19	Jul '18 - Feb 19
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4100 · Building Lease Income	157,855.61	3,650,211.22
4300 · Interest Income	120,079.81	600,368.20
4400 · Employee Lease	0.00	11,383,763.00
<b>Total Income</b>	<u>277,935.42</u>	<u>16,634,342.42</u>
<b>Expense</b>		
5100 · Accounting and Administration	0.00	27.00
5200 · Actuary & Benefit Calc Fees	52,495.00	52,495.00
5300 · Audit and Accounting Fees	1,600.00	1,600.00
5310 · Consulting services	12,000.00	12,000.00
5400 · Depreciation Expense	212,535.58	1,062,685.16
5500 · Insurance Expense	0.00	7,062.00
5600 · Leased Employee Expense	0.00	11,380,868.00
5700 · Legal and Prof Fees	1,045.00	9,388.50
5800 · Miscellaneous Expense	8.84	297.34
5900 · Office Supplies	0.00	718.27
5940 · Pension (Income) Expense	0.00	481,396.00
6000 · Salaries, Wages & Benefits	0.00	1,230,711.00
<b>Total Expense</b>	<u>279,684.42</u>	<u>14,239,248.27</u>
<b>Net Ordinary Income</b>	-1,749.00	1,395,094.15
<b>Other Income/Expense</b>		
<b>Other Income</b>		
9000 · Loss on Discontinued Operations	0.00	-96,863.00
9100 · Loss on Disposition of Assets	0.00	-63,359,207.00
<b>Total Other Income</b>	<u>0.00</u>	<u>-63,456,070.00</u>
<b>Net Other Income</b>	0.00	-63,456,070.00
<b>Net Income</b>	<u><u>-1,749.00</u></u>	<u><u>-62,060,975.85</u></u>

**Fremont Community Health Resources**  
**Statement of Revenue and Expenses**  
For the one and nine months ending March 31, 2019

	Mar 19	Jul '18 - Mar 19
Ordinary Income/Expense		
Income		
4100 · Building Lease Income	157,855.61	3,808,066.83
4300 · Interest Income	120,115.30	720,483.50
4400 · Employee Lease	0.00	11,383,763.00
	277,970.91	15,912,313.33
Expense		
5100 · Accounting and Administration	0.00	27.00
5200 · Actuary & Benefit Calc Fees	0.00	52,495.00
5300 · Audit and Accounting Fees	695.00	2,295.00
5310 · Consulting services	9,000.00	21,000.00
5400 · Depreciation Expense	212,535.58	1,275,220.74
5500 · Insurance Expense	24,088.00	31,150.00
5600 · Leased Employee Expense	0.00	11,380,868.00
5700 · Legal and Prof Fees	17,868.00	27,256.50
5800 · Miscellaneous Expense	8.84	306.18
5900 · Office Supplies	0.00	718.27
5940 · Pension (Income) Expense	0.00	481,396.00
6000 · Salaries, Wages & Benefits	0.00	1,230,711.00
	264,195.42	14,503,443.69
Net Ordinary Income	13,775.49	1,408,869.64
Other Income/Expense		
Other Income		
9000 · Loss on Discontinued Operations	0.00	-96,863.00
9100 · Loss on Disposition of Assets	0.00	-63,359,207.00
	0.00	-63,456,070.00
Total Other Income	0.00	-63,456,070.00
Net Other Income	0.00	-63,456,070.00
Net Income	13,775.49	-62,047,200.36