

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES
MINUTES

April 16, 2019

Agenda Item # 31911
Date 7-3-19

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
Brett Richmond, President/CEO, MFH

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:25 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 March 11, 2019 were reviewed.

MOTION: Moved by Pribnow and seconded by McClain to approve the minutes of the March Board meeting with the correction of a typographical error. Motion carried unanimously.

3. REPORT FROM METHODIST FREMONT HEALTH

Mr. Richmond provided an overview of the recent flooding event in the area and the impact and involvement of Methodist Fremont Health.

Mr. Richmond informed the Board that from October 1 to December 31, six employees with an average of 28 years of experience retired. In addition, from January 1 to present five employees with an average of 39 years of experience retired. This supports the benefit the Pension Plan was for the employees.

Medical Staff Development Plan - In accordance with the Lease Agreement between Fremont Community Health Resources and Methodist Fremont Health, Mr. Richmond presented the Medical Staff Development Plan to the FCHR Board. The Plan included market area, demographics, and data to support the physician recruitment priorities and needs for Methodist Fremont Health over the next five years.

In addition, Mr. Richmond noted the Lake Wanhoo Clinic in Wahoo has been sold to the Saunders County Hospital and the Westshores Medical Clinic will be utilized by Methodist Physicians Clinic and staffed by the physicians currently in Valley.

MOTION: Moved by McClain and seconded by Pribnow to receive the Methodist Fremont Health Medical Staff Development Plan. Motion carried unanimously.

4. FINANCE & ACCOUNTING

Mr. Booth reviewed the March 2019 Financial Statements. He noted primary discussions have related to insurance and IRS taxes which are being resolved.

MOTION: Moved by Pribnow and seconded by McCain to approve the March 2019 Financial Statements. Motion carried unanimously.

5. PENSION FUND & PLAN

The Board discussed investment strategies and options including the option of using 2 or 3 Investment Managers. Mr. Booth updated the Board on his discussions with the Nebraska Investment Council. Preliminary discussions with them felt our organization is not considered 'public' and would not be able to participate in their program. Mr. Booth will contact Baird Holm for an opinion.

Mr. Booth shared a proposal from Aon on a Pension Risk Study to be completed.

MOTION: Moved by McClain and seconded by Pribnow to receive the proposal from Aon for a Pension Risk Study. Motion carried unanimously.

By completing the study to determine a strategy for investments would help determine Investment Managers to

fulfill our needs. First National Bank wants to return to this Board to present a Risk Assessment Profile as mentioned during their presentation to the Board last November. Mr. Booth will inform First National Bank that the Board is considering different options and will be seeking outside advice for investment strategies and that the Board asks that they continue with the current investment allocations at this time.

6. EXECUTIVE DIRECTOR

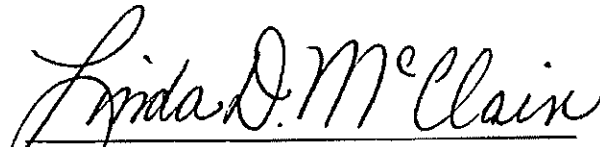
Mr. Booth reported he has a candidate interested in the part-time Executive Director Consultant position and would like to begin involving the candidate. The Board requested Mr. Booth to provide a timetable as to his involvement with Fremont Community Health Resources.

7. OTHER ITEMS

None.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:50 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

**BOARD OF TRUSTEES
MINUTES**

May 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

OTHERS PRESENT

Bob Missel, Dodge County Board of Supervisors

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:04 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 April 16, 2019 were reviewed.

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

3. FINANCE & ACCOUNTING

The April 2019 Financials have not been completed by the time of this meeting and will therefore be presented at the June meeting. The monthly Pension Fund statement has been distributed to the Board members and is also available on the webport.

4. PENSION FUND & PLAN

Mr. Booth informed the Board that it is the opinion of Baird Holm that FCHR would not be able to participate in the Nebraska Investment Council due to their Charter. He

then contacted SilverStone who partners with Cornerstone Consulting that does investment strategies. They would develop the strategy and FCHR would manage investment managers. Mr. Booth also contacted First National Bank to inform them we are looking at someone to assist in planning an investment strategy with the possibility of using 2-3 Investment Managers for the pension investments.

Representatives from Aon (Phil Kivarkis and Scott Fullerton) presented via a conference call a proposal to perform an A/L Study to develop and execute an investment strategy for FCHR.

MOTION: Moved by Pribnow and seconded by Shepard to approve the use of Aon to develop a long term investment strategy for the Pension Plan, not to exceed \$40,000 in consulting fees. Approval of this engagement is pending Aon sharing deliverables with Steve Pribnow and his favorable approval of the deliverables. Motion carried.

5. EXECUTIVE DIRECTOR

Mr. Booth reported last September the Governance Institute had contacted him to pursue the possibility of publishing a White Paper regarding the Fremont Health-Methodist Health System partnership. Over the course of the last few months, interviews were held with key leadership involved in the partnership. A final draft has been received and Pat will forward to the FCHR Board as the Board and their role in the partnership is referenced in the paper. The White Paper will be used as an educational tool for members of the Governance Institute.

Mr. Booth informed the Board of his current plans through August as Executive Director of FCHR. He will begin including his replacement, with pre-audit discussions, budget preparations, and attending meetings.

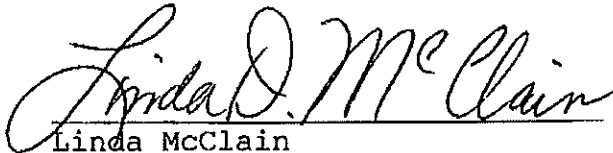
6. OTHER ITEMS

None.

Board of Trustees
May 7, 2019
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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
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David Saalfeld
Bob Missel
Dan Weddle
Doug Backens
Fred Mytty

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES
MINUTES

May 24, 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

Glen Gahan, SilverStone
Phil Kivarkis, Aon Hewitt Investment Consulting

1. WELCOME

The meeting of the Board of Trustees was called to order at 2:08 pm by Larry Shepard, President.

A current copy of the Open Meetings Act was available.

2. EXECUTIVE DIRECTOR

Mr. Booth shared examples of the Methodist Fremont Health signage to be installed in the next few weeks. The candidate for the Executive Director is to get back to Mr. Booth in mid June. He reported pensioners continue to make elections.

3. PENSION FUND & PLAN

Glen Gahan, SilverStone, was present and reviewed new projections based on the January 1, 2019 Actuary Report to the year 2050 using investment returns of 4.5%, 3.5%, and 3.0%. This was done to look for trends when compared to the previous report with projections to 2037.

4. Aon PRESENTATION

Phil Kivarkis, representing Aon Hewitt Investment Consulting, did an overview of the Asset-Liability Study project to establish an investment policy which will provide a strategy to implement, execute, and provide ongoing governance of the pension investments. Mr.

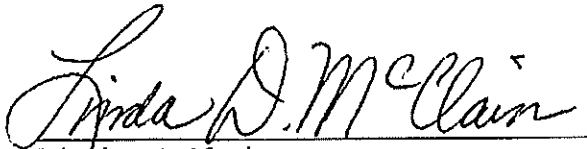
Kivarkis obtained input on investment strategy, policy, risk tolerance and long-term objectives from the Board Members. Aon is to limit expenses for the project to \$40,000.

MOTION: Moved by Pribnow and seconded by McClain to engage Aon Hewitt Investment Consulting to perform an Asset-Liability Study for the Fremont Health Restated Pension Plan. Motion carried.

The next step for the project is for the Board members to complete the "Objective Setting" section of the presentation and return to Mr. Kivarkis at Aon.

5. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:20 p.m.



Linda McClain
Vice President/Secretary

DISTRIBUTION:
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Patrick Booth

Robert Bendig
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Bob Missel
Dan Weddle
Doug Backens
Fred Mytty

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

	Apr 19	Jul '18 - Apr 19
Ordinary Income/Expense		
Income		
4100 · Building Lease Income	157,855.61	3,965,922.44
4300 · Interest Income	120,053.35	840,536.85
4400 · Employee Lease	0.00	11,383,763.00
Total Income	277,908.96	16,190,222.29
Expense		
5100 · Accounting and Administration	0.00	27.00
5200 · Actuary & Benefit Calc Fees	0.00	52,495.00
5300 · Audit and Accounting Fees	0.00	2,295.00
5305 · Bank Service Charges	90.96	90.96
5310 · Consulting services	6,000.00	27,000.00
5400 · Depreciation Expense	212,535.58	1,487,756.32
5500 · Insurance Expense	-3,939.75	27,210.25
5550 · IRS Penalty Expense	4,362.71	4,362.71
5600 · Leased Employee Expense	0.00	11,380,868.00
5700 · Legal and Prof Fees	3,795.00	31,051.50
5800 · Miscellaneous Expense	4,720.83	5,027.01
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
Total Expense	227,565.33	14,731,009.02
Net Ordinary Income	50,343.63	1,459,213.27
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
Total Other Income	0.00	-63,456,070.00
Net Other Income	0.00	-63,456,070.00
Net Income	50,343.63	-61,996,856.73

Fremont Community Health Resources
Statement of Revenue and Expenses
For the one and eleven months ending May 31, 2019

	<u>May 19</u>	<u>Jul '18 - May 19</u>
Ordinary Income/Expense		
Income		
4100 · Building Lease Income	157,855.61	4,123,778.05
4300 · Interest Income	120,048.29	960,585.14
4400 · Employee Lease	0.00	11,383,763.00
Total Income	<u>277,903.90</u>	<u>16,468,126.19</u>
Expense		
5100 · Accounting and Administration	0.00	27.00
5200 · Actuary & Benefit Calc Fees	42,155.00	94,650.00
5300 · Audit and Accounting Fees	400.00	2,695.00
5305 · Bank Service Charges	68.33	159.29
5310 · Consulting services	5,000.00	32,000.00
5400 · Depreciation Expense	212,535.58	1,700,291.90
5500 · Insurance Expense	0.00	27,210.25
5550 · IRS Penalty Expense	0.00	4,362.71
5600 · Leased Employee Expense	0.00	11,380,868.00
5700 · Legal and Prof Fees	0.00	31,051.50
5800 · Miscellaneous Expense	63.69	5,090.70
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
Total Expense	<u>260,222.60</u>	<u>14,991,231.62</u>
Net Ordinary Income	17,681.30	1,476,894.57
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
Total Other Income	<u>0.00</u>	<u>-63,456,070.00</u>
Net Other Income	<u>0.00</u>	<u>-63,456,070.00</u>
Net Income	<u><u>17,681.30</u></u>	<u><u>-61,979,175.43</u></u>