

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES  
MINUTES

November 12, 2018

Appendix Item # 13  
Date 2-13-2019

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  
Jennifer Benson, First National Bank  
Stacy Auman, First National Bank  
Todd Seawall, First National Bank

THOSE ABSENT

None.

1. WELCOME

The meeting of the Board of Trustees was called to order at 11:45 a.m. by Larry Shepard, President.

A current copy of the Open Meeting Act is available.

2. MINUTES

The minutes of the Fremont Health Board of Trustees meeting and Closed Session of September 24, 2018 and the Fremont Community Health Resources Board meeting of October 1, 2018 were reviewed.

MOTION: Moved by Shepard and seconded by McClain to approve the minutes of the Board meetings stated above. Motion carried unanimously.

3. FINANCE & ACCOUNTING

Mike Sindelar, CFO and Financial Assistant for FCHR, reviewed the Fremont Health September 2018 Financial Statement. He noted this statement is the final Financial Statement for

Fremont Health. A year-to-date loss was recognized in September due to depreciation expenses for items capitalized as a result of the annual audit, catch up of outstanding AP, and an additional \$400,000 was recognized for the St. Jude pacemaker recall. The October statements for FCHR will appear different as they will include the sale transaction, a loss from discontinued operations; rent and interest income along with insurance, pension related, and employee expenses. Mr. Sindelar noted the check printing function is no longer performed at this location.

4. INSURANCE

Mr. Booth stated Bill Unger with the Harry A. Koch Company is handling the insurance for FCHR. Policies are for Directors and Officers, D&O Tail, Fiduciary, Crime, and General Liability. Premiums for 2018-19 will be approximately \$50,000 and will go to \$29,000 the next year (due to the D&O tail coverage no longer needed). Deb Jerina, Risk Manager, will provide a copy of the policies to the FCHR Office.

5. PENSION PLAN EMPLOYEE MEETING UPDATE

Mr. Booth stated the eight pension meetings held in October went well. Approximately 210 active employees along with some spouses attended. At this meeting he explained the individual statements they received and the additional years of service/enhancement with the 'freezing' of the Plan. The Plan Summary document is available to the employees. Employees will receive a final statement from Silverstone in late January/early February and at that time will have four options, to defer, retire, to roll-over a lump sum to a tax-deferred investment, or a cash payment.

6. PENSION INVESTMENT FUNDS

Jennifer Benson, Stacy Aumen and Todd Seawall, representatives from First National Bank, presented the Pension Investment Portfolio. They reviewed the long-standing relationship with Fremont Health, the Investment Policy or the guidelines on how to manage the assets of the Portfolio, and the performance overview. As of 10/31/18, the assets were classified as 40% cash, 28% fixed income, and 32% equity. Mr. Booth provided First National representatives with the funding status of the pension plan. It was decided to have First National Bank return to the Board in March 2019 with a

Risk Assessment Profile. (A copy of the First National Bank presentation is attached to the original minutes.)

7. PENSION FUND DISCUSSION

Mr. Booth shared with the Board discussions he had with a representative from SEI regarding the management of pension investments. The Board discussed using additional investment managers in addition to First National Bank.

8. EXECUTIVE DIRECTOR - Position Description

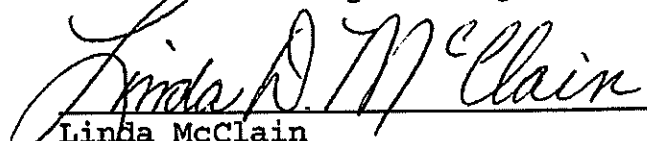
Mr. Booth shared with the Board a position description for the Executive Director for FCHR. (Copy attached to original minutes.)

9. NEXT STEPS

Schedule presentation from SEI related to pension investments. Delineation of duties and roles going forward.

10. ADJOURNMENT

The meeting was adjourned at 1:25 p.m.

  
Linda McClain  
Vice Chairman/Secretary

DISTRIBUTION:  
Larry Shepard  
Linda McClain  
Steve Pribnow  
Patrick Booth

Rob George  
Greg Beam  
Lon Strand  
David Saalfeld  
Bob Missel  
Dan Weddle  
James Vaughan  
Fred Mytty

FREMONT COMMUNITY HEALTH RESOURCES

BOARD OF TRUSTEES  
MINUTES

December 10, 2018

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

THOSE ABSENT

None.

1. WELCOME

The meeting of the Board of Trustees was called to order at 12:14 p.m. by Larry Shepard, President.

A current copy of the Open Meeting Act was available.

2. MINUTES

The minutes of the Fremont Community Health Resources Board of Trustees meeting of November 12, 2018 were reviewed.

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

3. FINANCE & ACCOUNTING

Mike Sindelar, CFO and Financial Assistant for FCHR, reviewed a draft of the Fremont Community Health Resources Statement of Position as of November 30. A final settlement with Methodist will be done after December 22. Mr. Sindelar anticipates a balance of \$6M after the settlement. He noted the transaction with Methodist is considered a lease, however the transaction is treated like a purchase for financial reporting. Receivables retained by FCHR include the Nebraska

Intergovernmental Transfer payments, Disproportionate Share Payments, and pending settlements related to Medicare Volume Decrease Adjustments. The final employee lease payment settlement will be done 60 days following the final payroll which is scheduled for December 28th.

Mr. Sindelar presented a draft Statement of Revenue and Expense for July 1 to November 30, which excluded depreciation.

Mr. Sindelar reviewed the final Fremont Health Working Capital and Retained Funds Calculation. The settlement with Methodist is based on agreed upon cash retained, cash and investments in excess of \$16M, and excess working capital. Based on this final calculation, Fremont Community Health Resources owes Methodist \$168,822 which is due 60 days from closing.

MOTION: Moved by Pribnow and seconded by McClain to authorize payment of \$168,822 as final settlement based on the Affiliation Agreement with Nebraska Methodist Health System. Motion carried unanimously.

Mr. Booth and Mr. Sindelar reviewed the Work Plan of various items to be completed within the next 12 months. (Copy attached to original minutes.)

4. PENSION FUND DISCUSSION

Mr. Booth has had discussions with SEI and Edward Jones regarding the outsourcing of investment fund managers. The Nebraska Investment Council is another option. The Board felt local presence is important. It was suggested to wait to discuss this topic until at least the March Board meeting, by then the Board should have a better idea of the amount to be invested. Copies of the recent update letters sent to Pension Plan Participants (retired and inactive vested and active vested employees) were shared with the Board. The pension plan packets from Silverstone to pension participants currently employed and those no longer employed and not receiving their pension are to be mailed in January. Mr. Booth will be meeting with Silverstone on additional assistance they are able to provide related to the pension.

5. EXECUTIVE DIRECTOR - Position Description

Mr. Booth noted that Mike Sindelar's last day with Methodist Fremont Health is January 11, 2019. He is planning to complete work for Fremont Community Health Resources after that date. Executive Director options going forward were discussed.

6. OTHER ITEMS

The Board discussed moving the date of the January, 2019 meeting.

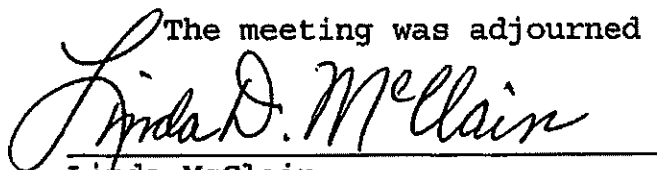
MOTION: Moved by McCain and seconded by Pribnow to move the January meeting from January 7, 2019 to January 16, 2019 at 12:00 noon and to retain Mike Sindelar as a consultant to wrap-up outstanding financial items for Fremont Community Health Resources.

The Board discussed a lump-sum Severance Payment for the Fremont Community Health Resources CFO.

MOTION: Moved by McClain and seconded by Pribnow to approve a lump-sum Severance Payment for the Fremont Community Health Resources CFO in 2018. Motion carried unanimously.

7. ADJOURNMENT

The meeting was adjourned at 1:25 p.m.



Linda McClain  
Vice Chairman/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