

# **Munroe Regional Health System Marion County Hospital District**

## **Board of Trustees Special Meeting Minutes April 17, 2020 Rich Bianculli, Chairman**

### **Call to Order**

Rich Bianculli asked Curt Bromund to call to order the April 17, 2020 special board meeting of the Munroe Regional Health System and Marion County Hospital District Operations Meetings to order at 3:00 pm.

### **Public Comment (3 Minutes)**

None

### **Board Members Present by Web**

Roll Call: Rich Bianculli, Sam McConnell, Sheryll Goedert, David Cope, Randy Klein

### **Board Members Absent**

Ken Marino, Ram Vasudevan

### **District Attorney/Others Present (by web/phone)**

Joe Harratty, Debbie Cooper, Curt Bromund, Dolly Dockham, Debra Velez

**Group Annuity Bid for MRHS dba MRMC Pension Plan** – Final Due Diligence for Insurance Companies providing Annuity contracts - Milliman, Inc. (“Milliman”) was engaged by Munroe Regional Health System, Inc. (“MRHS”) to assist with selection of a commercial annuity provider to make future periodic payments to participants of amounts arising from de-risking of the Munroe Regional Health System, Inc. dba Regional Medical Center Pension Plan (“Plan”). As required by the Department of Labor Bulletin 95-1 Milliman performed a due diligence to confirm all insurance companies invited to bid to purchase our annuity contracts meet the six-factors test as outlined by the Department of Labor. The DOL test includes quality, diversification, size, surplus, risk exposure, and structure. The report labelled “MRHS Pension Plan 2020 Annuity Contract Financial Due Diligence Report” that was attached to your meeting invite addresses the qualitative aspects of these factors. All bidders met the six-factor test. During the bid process as outlined in the report labelled “MRH Annuity Purchase Preliminary Pricing Report - v2020.04.14”, 16 insurance companies were solicited to bid of which 3 provided quotes. After the initial quotes were provided United of Omaha pulled their bid. Most of the non-bidders declined due to size or due to deferrals. We can choose between CMFG Life or Principal Life and we can choose the low bid since both meet the six-factors as outlined by DOL.

**CMFG Life Insurance Co.** – Final Buyable Bid was \$12,702,921.02.

**Principal Life Insurance Co.** – Final Buyable Bid was \$12,933,809.84.

Question was asked if we pay this amount now will this end our liabilities? Answer was no, we have to pay off the pension lump sums of 4.7M on May 1, 2020, then in June there will be a PBGC final payment of 1.7M. The final outlay is 6.2M up from 4.5M budgeted, because less people responded to the lump sum option and went into the annuity pool and the change in interest rates. Following this there will be an IRS audit and a PBGC audit but hopefully no more cash needed to fund it.

**After some discussion, a Motion was made by Rich Bianculli to approve the selection of CMFG Life Insurance Co. as the commercial annuity provider to make future periodic payments to participants of amounts arising from de-risking of the Munroe Regional Health System, Inc. dba Regional Medical Center Pension Plan ("Plan"). The Motion was seconded by Randy Klein. Votes were taken: Rich Bianculli-Yes, Sam McConnell-Yes, Sheryll Goedert-Yes, David Cope-Yes, Randy Klein-Yes. Joe Hanratty will prepare a resolution to be signed with all the information above.**

There being no further business Rich asked Curt to adjourn the meeting at 3:10 PM.

A handwritten signature in black ink, appearing to be 'Rich Bianculli', written over a horizontal line.

Rich Bianculli, Chairman