

# Memorial Health System/Colorado Springs Health Foundation Funds Management Agreement

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# Summary

- The Agreement provides greater clarity to how lease proceeds will be transferred to the CSHF and how the CSHF will invest funds.

# Basic Terms

- \$5M balance in the MHS Enterprise Fund
- Transfer MHS Enterprise Fund balances in excess of \$5M to the CSHF
- CSHF will remit funds to the City if MHS Enterprise Fund falls below \$5M
- The City will transfer lease payment proceeds to the CSHF after ensuring the MHS Enterprise Fund balance is \$5M

# Basic Terms

- Beginning 10/1/15 and until the Romstad case has reached a final disposition on appeal
  - CSHF will invest \$25M in currently restricted funds in instruments as allowed by the City's Investment Policy, however the CSHF will have discretion over asset allocation and term
  - Once the Romstad case is resolved, the CSHF may invest the funds in accordance with the CSHF's investment policy
- The remaining \$25M in restricted funds will continue to be invested in short-term US Treasuries or Instrumentalities until 10/1/2017
- Process for reconsideration of the \$5M fund balance target
- Reaffirms the CSHF's commitments under the Lease and the Financial Guaranty

# Questions?