



Legislation Text

File #: 15-00744, **Version:** 2

Ordinance No. 15-101 Amending Ordinance No. 14-101 (2015 Appropriation Ordinance) for a Supplemental Appropriation to the Memorial Health System Enterprise Fund in the Amount of \$1,345,000 for Transfer to the Colorado Springs Health Foundation

From:

Kara Skinner, Chief Financial Officer

Summary:

The attached ordinance is a supplemental appropriation to increase the 2015 budget and appropriate monies in the amount of \$1,345,000 for the Memorial Health System Enterprise Fund to transfer monies to the Colorado Springs Health Foundation (CSHF).

Previous Council Action:

On October 1, 2012, the City of Colorado Springs executed the Memorial Health System (MHS) Operating Lease Agreement and the Integration and Affiliation Agreement by and among the City of Colorado Springs, University of Colorado Health, Poudre Valley Health Care, Inc., and UCH-MHS.

City Council authorized and directed that such funds and monies from the lease be placed into an appropriate segregated account and shall be spent only to satisfy obligations specifically provided for in the agreements. Funds remaining after satisfying the obligations shall be transferred directly into the City controlled non-profit foundation, Colorado Springs Health Foundation, as provided for under IRS Sections 501(c)(3) and 509(a) and authorized by City Council and the Mayor pursuant to Resolution No. 89-12.

On September 23, 2014, City Council approved Resolution 92-14 approving revisions to the Articles of Incorporation, and Bylaws of the CSHF and approving the investment and grant making policies developed by the Board of Trustees of the CSHF.

On September 23, 2014, the City and the Public Employees' Retirement Association executed a settlement agreement resolving pending litigation. Escrow funds were released pursuant to this agreement and residual funds were sent to the CSHF on October 3, 2014. City Council approved Resolution No. 99-14 which authorized the transfer of \$10 million from the MHS Enterprise Fund to CSHF.

On December 9, 2014, City Council approved the original 2015 Budget per Ordinance No. 14-101, which included the appropriation of funds for the Memorial Health System Enterprise Fund.

On November 10, 2015, City Council approved Resolution 109-15 approving the Memorial Health System/Colorado Springs Health Foundation Funds Management Agreement. The agreement

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

Background:

On November 18, 2015, the City received a \$1,345,000 revenue sharing payment from the University of Colorado Health, a benefit from the provisions of the lease.

The supplemental appropriation will provide the needed appropriation authorization to transfer the revenue sharing payment received by the City to the CSHF.

Financial Implications:

The supplemental appropriation increases the 2015 Memorial Health System Enterprise Fund revenue and expense budget by \$1,345,000 and does not affect the General Fund balance. The source of these funds is the revenue sharing proceeds from the lease of the Memorial Health System to UCH.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move approval of the Ordinance amending Ordinance No. 14-101 (2015 Appropriation Ordinance) for a supplemental appropriation to modify the budget and appropriate monies in the amount of \$1,345,000 for the Memorial Health System Enterprise Fund for Transfer to the Colorado Springs Health Foundation.

An Ordinance amending Ordinance No. 14-101 (2015 Appropriation Ordinance) for a supplemental appropriation to the Memorial Health System Enterprise Fund in the amount of \$1,345,000 for Transfer to the Colorado Springs Health Foundation