Legislation Text

File #: 17-1114, **Version:** 1

Financial Report - Memorial Health System Enterprise

Presenter:
Nancy McCauley, Acting Finance Director

Summary:
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. The MHS Enterprise endures and is primarily a leasing enterprise.

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 Colorado Springs Health Foundation (CSHF) on October 3, 2014. City Finance provided accounting assistance to CSHF through May 31, 2015, including establishing bank accounts, and has subsequently made the following transfers from the MHS Enterprise Fund to CSHF:
- $10 million in October 2014 per Resolution No. 99-14
- $1,345,000 in January 2016 per Ordinance No. 15-101
- $5,264,000 in April 2016 per Ordinance No. 16-37
- $1,217,000 in December 2016 per Ordinance No. 16-117

On November 11, 2015, City Council adopted Resolution No. 109-15 approving a Funds Management Agreement between MHS Enterprise Fund and CSHF. This agreement provides greater clarity to how lease proceeds will be transferred to CSHF and how CSHF will invest funds. Transfers will be presented to Council on this monthly cash flow report.

On May 23, 2017, City Council approved Ordinance 17-43, a Supplemental Appropriation to the MHS Enterprise Fund in the amount of $2,581,000 for costs related to third-party payor audits and to transfer monies to CSHF.

The monthly cash flow report of revenue and expenditures for the MHS Enterprise is attached.

Previous Council Action:
N/A

Background:
N/A

Financial Implications:
N/A

Board/Commission Recommendation:
N/A

Stakeholder Process:
N/A

Alternatives:
N/A

Proposed Motion:
N/A

N/A