

NORTH LINCOLN HEALTH DISTRICT

BOARD OF DIRECTORS' MEETING

November 20, 2025

PRESENT: Peter Mann, Nancy Oksenholt, Jon Klein, Melody Montgomery, Dick Anderson, Estle Harlan, Judy Casper.

OTHERS PRESENT: Dr. Ogden, Leslie James, Liz Penrose of Bernards, CPA, and Andrew Hagerty via Teams; Chester Noreikis.

CALL TO ORDER: The meeting was called to order at 9:30am.

APPROVAL OF MINUTES: The meeting Minutes from October 16, 2025, were presented. Director Oksenholt made a motion to approve the minutes as presented with a second by Director Casper, and with a call of roll the motion passed.

BERNARD, CPA REPORT: The Audit Report and Auditor's Letter was presented by Liz Penrose.

AUDIT REPORT FYE JUNE 30, 2025:

- Directors listed are as of June 30, 2025.
- Pension assets are the main focus, and they are 96% funded.
- There was no solvency study this year, so years 2024 and 2025 are combined.
- There was a \$354,630 decrease in net position FYE June 30, 2025, but when that is combined with the beginning net position of \$779,311, the ending unrestricted net position is \$424,681 (p.4).
- June 30, 2025, total liabilities and net position is \$1,012,883 (p.7).
- June 30, 2025, cash at year end is \$923,638 (p.9).
- Water resiliency project has a separate line item in this report with an ending cash balance of \$63,651 (pp 8 and 9).

AUDIT LETTER FYE JUNE 30, 2025:

Penrose reported the District has more risk due to a small staff, but that is mitigated by Board approval of financial activities

and polices, the requirement of two signatures for checks over \$500, and the fact that Amy Marsh is a skilled bookkeeper.

COLUMBIA TRUST REPORT: The Columbia Trust report was presented by Andrew Hagerty.

- A slowdown in the economy is expected due to consumer spending and employment slowdowns.
- Inflation is expected to continue near the current rate of 2.9% to 3.0% in 2026.
- The portfolio allocation is 80.3% equities, 18.1% fixed income and 1.6% cash and equivalents.
- Portfolio performance is almost 15% for Q3, with an account balance of \$3,897M.

Director Klein raised the issue of only 1.1% liquidity in the pension fund and proposed that it should be higher. Hagerty's response was that all securities were very liquid and could be liquidated the same day; but, with nearly 100% funding for pension liabilities, we should probably do a review and look at investment rebalancing by moving some equities to fixed income. Director Anderson pointed out that pension amounts are fixed, so that limits the risk of a big draw-down. There was discussion that a review should occur, with the understanding that any change in the investment strategy would have to be approved by the Board. Chair Mann indicated the proposal for a change in the investment strategy would go to the Financial Monitoring Committee at their December meeting, and information would be brought forward to the December Board Meeting. Performing a Solvency Study would be advisable so we have an accurate measure of the pension plan liabilities before changing investment guidelines. The Board will get back to Columbia Trust with their decision. Director Klein asked to go on record that he supported a 60/40 portfolio asset allocation.

DR. OGDEN REPORT: Dr. Lesley Ogden reported:

- Today is National Rural Health Day.
- This was a re-accreditation year, and they were surveyed on Facilities, General, and Clinical aspects. Any deficiency that was found was a quick fix as they were well prepared.

- Affiliation between Samaritan Health Systems and MultiCare met our markers for partnering with a non-profit organization that would continue to allow local governance, and that had “big pockets” (they are committing \$700M for the tri-county region over the next decade).
 - The affiliation still has to be approved by OHA, and we expect that to occur as early as May to as late as August.
 - We will keep our name (but may show wording of affiliation with MultiCare). Marty Cahill will be head of the region, and Dr. Lesley Ogden will remain CEO of SNLH and PCH, with other team leaders remaining in place for Samaritan.
- Future SHS plans are:
 - The medical school will be rebuilt in Lebanon, and the current building will be repurposed as enrollment has outgrown the current site.
 - There are expansion plans for SNLH and the construction of a Medical Office Building for the region.
- Operations for SNLH were great this past reporting period, but we had to make some refunds for overpayments, and that gave us a negative ending balance. Overall, the SHS system has a positive margin YTD of about 1%.

FOUNDATION REPORT: Leslie James said she would hold her report until January.

FINANCE MONITORING REPORT: Director Mann said the audit was the committee’s main focus. Tax money is beginning to come in.

RETIREMENT PLAN UPDATE: Director Mann reported a couple of people had passed away.

DIG DEEP: Director Klein said the FEMA application was updated. Possibilities for aquifer v. storage are being analyzed.

OLD BUSINESS: None.

NEW BUSINESS: Director Montgomery plans to explore an opportunity for an oral hygiene grant. The hospital had one that expired.

NEXT MEETING: Thursday, December 18, 2005, 9:30am NLHD Board of Directors Meeting

Estle Harlan, Secretary