

**COMMUNITY MEDICAL CENTER FOUNDATION**

**BOARD OF TRUSTEES**

**March 28, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held via conference call on March 28, 2014. The meeting was called to order at 11:00 AM.

**MEMBERS PRESENT**

Kym Black  
Steve Carlson  
Mike Combo  
Andrew George  
Larry Gianchetta  
Ramona Holt  
Barry Kenfield  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Sigri Thorn-Gildea

**EXCUSED**

Jeri Fisher  
Shannon Lukes  
Anne Phillips  
Kathy Roth  
Ty Robinson

**II. HOSPITAL**

**A. CEO REPORT**

Stephen Carlson, CEO, provided the Governing Board's partnership decision, announcing that they agreed to pursue a partnership with Billings Clinic and RegionalCare Hospital Partners. He advised that the agreement should be finalized within the next six months.

Barry Kenfield, Chair, reported that the Governing Board accepted the responsibility of the partnership decision seriously, acknowledging the outcome will affect the viability of the hospital in our community for years to come.

Bob Phillips, Board Liaison, acknowledged the long process and the tremendous amount of work and personal time of the board members that went into the decision. He reported that the comments from the community were acknowledged and carefully considered by the Board, however, noted that there were no comments that the Board had not already carefully evaluated. He asked the members to keep the announcement confidential so that the information is released in accordance with specified timelines and by authorized individuals. It was noted that lack of confidentiality could derail the agreement.

Members then provided their support of the Governing Board's decision. No concerns were voiced.

**III. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on April 8, 2014 at 5:30 PM.

**IV. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 11:20 AM.

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MIKE COMBO, SECRETARY

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DATE

/stg

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
April 8, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on April 8, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:40 PM. Members were reminded of their responsibility to keep confidentiality of meeting discussions.

**MEMBERS PRESENT**

Kym Black  
Steve Carlson  
Mike Combo  
Jeri Fisher  
Andrew George  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Ty Robinson  
Sigri Thorn-Gildea

**ALSO PRESENT VIA TELEPHONE**

Kathy Roth  
**EXCUSED**  
Larry Gianchetta  
Shannon Lukes  
Anne Phillips

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the February 18, 2014 and March 28, 2014 Board of Trustees meetings as presented.

**III. HOSPITAL**

**A. CEO REPORT**

Stephen Carlson, CEO, reported the hospital continues to work through the due diligence process with RegionalCare. He reported that there is a significant amount of work to be done that will take place over the course of the next five to six months. He also reported that the Attorney General is reviewing the partnership and the Governing Board is optimistic that it will be approved by September.

He explained that both entities are important to the partnership in that RegionalCare brings capital and Billings Clinic brings clinical excellence

The question was asked how public the Attorney General review process will be. It was noted that the Attorney General will create a forum for comment and will focus on confirming that the terms of the partnership are fair.

A member asked about RegionalCare's background. It was noted that RegionalCare is approximately 10 years old and owns eight hospitals. It is hoped that the partnership with RegionalCare and Billings Clinic will help to create a better network of Montana hospitals.

Mr. Carlson explained that following approval of the partnership by the Attorney General, Community Medical Center will change its status from a non-profit to a for-profit. It was noted that it is unlikely the hospital's name will change in a major way.

Mr. Carlson reminded the members that the Foundation Board will have the option of retaining the assets of the Foundation and to continue operating as an independent tax-exempt entity, or to join Community Medical Center in the establishment of a new foundation to be funded by Community Medical Center Foundation and Community Medical Center.

It was noted that the new foundation will maintain its governance and that there will be no control by the Billings Clinic or RegionalCare. The foundation cannot support a for-profit hospital for capital budget items but could provide support to education and research in the community. It was noted that foundation Board membership and structure will change

Members in attendance expressed their opinions that it is worth pursuing the concept of a combined foundation. No recommendation was made nor was a motion carried at this time and the CEO's Report was accepted as presented.

#### IV. FOUNDATION EXECUTIVE

##### A. BOARD CHAIR REPORT

Barry Kenfield, Chair, presented the following report:

###### 1. *Partnership Q & A*

The Partnership Q & A was reviewed and accepted with no changes. It was noted that it will periodically be updated and provided to the Board.

###### 2. *Foundation Next Steps*

The Chair advised discussion should begin regarding the process of developing a new "Mission Statement" for the Foundation. He then appointed the following members to serve as adhoc members: Bob Phillips, Ramona Holt, Larry Gianchetta, Shannon Lukes, and Mike Combo.

It was noted that the Governing Board will also be in the position of developing a new mission statement for the new foundation and the recommendation was made to inquire about combining efforts in this regard.

##### B. VICE-PRESIDENT REPORT

There was no Vice-President Report.

#### V. FINANCE/INVESTMENTS

Mike Combo, Chair, provided the following report:

##### A. ASSET CONFIGURATIONS/STATUS

An Asset Configuration Summary was presented, identifying total Foundation assets of \$5,376,933. Assets were allocated in the categories of "Unrestricted", "Temporarily Restricted", and "Permanently Restricted" and identified as "use now", "possible use", and "unable to use". It was noted that these categories are represented in a total 122 funds, with numerous donors identified in each fund. It was noted that following mission identification of the existing/new foundation, discussion will begin with these donors regarding the use of these funds.

##### B. ALLOCATIONS/DISBURSEMENTS

Allocations/disbursements were reported from the period of November 1, 2013 through March 2014 as \$80,378.41. In compliance with the Banking Resolution, approved at the January 14, 2014 Board meeting, all grant disbursements/check requests require the following approvals:

- Review/approval of Vice-President, Fund Development
- Community Medical center Approval: Chief Executive Officer; and
- One of the following Community Medical center Foundation Board members:

- Barry Kenfield, Chair
- Susan Muralt, Vice-Chair
- Mike Combo, Treasurer

C. WNC CAMPAIGN

An accounting of the amounts the Foundation paid out to Community Medical Center, in support of the WNC Campaign was reviewed. It was noted that a total of \$6,017,113 was credited to the Campaign, following a revision of goal to \$7,500,000. The balance to goal of \$1,482,887 was "forgiven" by the hospital.

D. HEROES IN CANCER CARE CAMPAIGN

The Heroes in Cancer Care Campaign represented fundraising for the following areas:

- Healing Garden
- Cancer Care Center General
- Patient Affordability
- Innovation and Research
- Education and Prevention
- Pediatric Cancer

The Campaign did not include building costs; fund expenses are paid in accordance with "grant requests". It was noted that all requests have been paid in full; there are none outstanding.

E. BIDART & ROSS

It was noted that James Ross, Managing Partner, Bidart & Ross, is reviewing the Foundation's investment portfolio in terms of:

- Investment Policy
- 7-years of largest investment portfolio
- 5-years of all other investment portfolios
- Bank Accounts (savings/checking)
- CDs
- Trusts
- Gift Annuities

Initial findings/recommendations will be discussed at the May 7, 2014 Finance/Investments Committee meetings.

Following review and discussion, the members accepted the Finance/Investments Committee report as informational. No recommendations were made at this time.

VI. **DEVELOPMENT/STEWARDSHIP**

A. HEROES IN CANCER CARE CAMPAIGN

Sigri Thorn-Gildea, Vice-President, Fund Development, provided the following Development/Stewardship report:

1. *Status Report*

The Heroes in Cancer Care Campaign total is \$1,034,513, or 52% goal.

2. *Cancer Care Patient Housing*

Foundation Staff have been meeting with lodging facilities (hotels/motels/senior residences/apartment complexes) in Missoula and asking them to consider to partner with the Foundation in providing housing to our cancer care patients and one care provider.

The American Cancer Society was providing this service; however, they recently centralized their lodging call center to Texas which has caused some issues.

Housing is crucial:

- During 2013, 520 nights housing was provided to 56 patients in Missoula. (75% of these numbers are attributed to Community Medical Center).
- Chemotherapy patients stay for 3 nights. From July-December, 2014, it is anticipated there will be a total of 50 patients for a maximum of 150 nights
- When Radiation opens during July, we are anticipating 25 patients for a maximum of 30 nights, or a total of 750 nights from July-December (for just radiation patients)

Response has been remarkable from area lodging, ranging anywhere from 3 free nights/month to as many free rooms as we need (contingent upon their occupancy). Room availability will be an issue during peak season of July-October.

The Vice-President advised the Board that discussions have taken place with the CEO of the Ronald McDonald House, inquiring as to the availability and likelihood of building out the existing structure to provide lodging for Community out-of-town patients. It was noted that OZ Architects created the original building to add on an additional 5,000 square feet. The add-on could potentially provide eight suites or 12 rooms that could house two queen beds. Space would also accommodate a staircase and an elevator. It was noted that the Ronald McDonald House is amicable to the idea and other houses have done similar mission "changes" to accommodate adults.

It was noted that there are funds that were raised during the Cancer Care Campaign that could potentially be used to help fund the build-out.

Following review and discussion, the Board accepted the Development/Stewardship report as informational. They endorsed the lodging proposal and the potential use of Campaign Funds, and asked the Vice-President to proceed with obtaining additional information. No motions were made at this time.

## VII. EDUCATION COMMITTEE

Kathy Roth, D.D.S., Education Committee Chair, presented the report of the March 26, 2014 Education Committee:

### A. SCHOLARSHIP AWARDEES

The following Scholarship Awards were recommended for approval:

1. *Premier High School Scholarships* - \$5,000  
Two (2) Premier Scholarships, \$2,500/each, were recommended for award to the following high school students:
  - Andrew Honken – Frenchtown
  - Allison Trent – Nursing – Hellgate
2. *High School Scholarships* - \$27,000  
Twenty-Seven (27) \$1,000 Scholarships were recommended for award to the following high school students:
  - Melanie Alsup – Nursing – Sentinel
  - Emily Beach – Nursing – Sentinel
  - Brayden Byrne – Nursing – Loyola-Sacred Heart
  - Emma Didier – Nursing – Big Sky
  - Kathryn Domako – Nursing – Sentinel
  - Jessica Donahoo – Nursing – Big Sky

- Shayla Hangan - Nursing – Sentinel
  - Sidney Johnson – Nursing – Seely-Swan
  - Jacob Bova – Biochemistry/Dental School – Frenchtown
  - Rachel Cowan – Medicine – Big Sky
  - Katherine Hacker – Community Health & Biology – Loyola-Sacred Heart
  - Slade Heggen – Cell & Molecular Biology – Loyola-Sacred Heart
  - Allison Hendryx – Biology – Frenchtown
  - Chelsey Hoshor – Pediatric Dentistry – Frenchtown
  - Reagan Mecham – Dental Hygiene – Frenchtown
  - Addison Melvin – Biochemistry/Dental School – Hellgate
  - Iaong Vang – Pre-Med – Big Sky
  - Eric Williams – Pre-Med - Loyola-Sacred Heart
  - Emilee Anschutz – Pre-Physical Therapy – Big Sky
  - Kayla Blood – Pre-Physical Therapy – Big Sky
  - Julia Dobie – Clinical Psychology – Big Sky
  - Silas Hasselbrook – Pharmacy & Parish Music – Loyola-Sacred Heart
  - Parker Lund – Pharmacy – Sentinel
  - Matthew McHugh – Biochemistry – Loyola-Sacred Heart
  - Margaret Mitzel – Molecular Biology or Biochemistry – Loyola-Sacred Heart
  - Kailee Nelson – Radiologic Technology – Sentinel
  - Madison Winz – Pharmacy – Big Sky
3. *Premier Community Medical Center Employee Scholarship - \$1,000*  
One (1) \$1,000 Premier Scholarship was recommended for award to the following Community Medical Center employee:
- Tyler Johnson – Hospitalist Coordinator – plans to go to Medical School
4. *Community Medical Center Employee Scholarships - \$8,000 (\$500/each)*  
Sixteen (16) Scholarships were recommended to be awarded to the following Community Medical Center employees:
- Marnie Deschamps – Care Manager, Community Physician Group – plans: Case Manager Certification
  - Myrna Holmquist – EEG Coordinator – plans: Bachelor of Science Degree in Health & Human Performance with a minor in Gerontology
  - Tamara Kittelson-Aldred – Rehabilitation Department, Occupational Therapist – plans: take additional classes to learn evidence based approaches for selecting most appropriate interventions
  - Jessica Malouf – Physical Therapist, CMC Brain Injury Program – plans: Dry Needling Certification
  - Renee Redler – Occupational Therapist, Rehabilitation Department – plans: Additional classes to learn evidence based approaches for selecting most appropriate interventions
  - Patrick Roosa – Rehabilitation Department Physical Therapist – plans: Doctorate of Physical Therapy
  - Erin Thorsen – Speech-Language Pathologist – plan: Training as Certified Lactation Counselor
  - Angela Watschke – Rehabilitation Department Physical Therapist – plans: NICU Mentor Program & Training
  - Cassie Anderson – Social Worker, Community Physician Group – plans: Accreditation in Case Management
  - Olga Bobko – CAN, Surgical Services – Plans: Nurse
  - Chelsea Charles – Nursing Tech Float – Plans: Nurse
  - Natasha Loman – Social Worker – plans: Accreditation in Case Management

- Lindsay McKittrick – Montana NeuroCare – plans: Certification Examination
  - Mattie Murphy – EEG Technician – plans: Additional classes for Physician Assistant School
  - Victoria Ventaloro – NICU Nurse Tech – plans: Social Work
  - Jaala Wickman – Emergency Department RN – plans: Master’s Degree, Nursing Informatics
5. *Rodger Thompson Scholarship - \$1,000*  
One (1) \$1,000 Rodger Thompson Scholarship was recommended for award to the following 2<sup>nd</sup> Year, Radiologic Technology, Missoula College of Technology, student:
- Katelyn Kropp
6. *Stevensville Clinic Scholarship - \$1,000*  
One (1) Stevensville Clinic Scholarship is pending recommendation for award.

It was noted that a total of 48 scholarships and \$42,000 were awarded. The Awards Ceremony is scheduled for April 22 at 5:30 PM in the Cancer Care Center. Dr. William C. Nichols will be the guest speaker.

Following review, the motion was made, seconded, and carried to recommend approval of the awardees as presented.

**B. APRIL CANCER CARE CONVERSATIONS SERIES**

The April 14<sup>th</sup> Cancer Care Conversations will be presented by Stephen A. Tahta, M.D., whose presentation is titled, “Winning the Battle Against Lung Cancer”. The objectives are:

- Learn about early diagnosis of lung cancer through screening programs and why it is so important.
- Understand how we diagnose lung cancer with new technology that is less risky.
- Learn about how lung cancer is treated, including the new state-of-the-art, less invasive techniques, available at Community Medical Center.

The report was accepted as informational.

Following the Education Committee report, Steve Carlson, CEO, referred to an email the Education Committee Chair sent to members of the Foundation and Governing Boards and members of the Missoula community. The email reportedly expressed concerns and opinions of the Education Committee Chair in regard to the partnership. The CEO asked the Education Committee Chair if there were any concerns that she would like to address and/or matters that required clarification. The Chair indicated that she no longer has concerns. The CEO encouraged Board members to express their opinions and/or concerns, but asked that they be expressed within the confines of the Board structure so that the membership may have a positive dialogue and discussions may be kept confidential. The Chair and Board members in attendance expressed their agreement. No further discussion took place.

**VIII. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on May 6, 2014 at 5:30 PM.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:00 PM.

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MIKE COMBO, SECRETARY

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DATE

/stg

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
May 20, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on May 20, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:40 PM.

**MEMBERS PRESENT**

Steve Carlson  
Mike Combo  
Larry Gianchetta  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Ty Robinson  
Sigri Thorn-Gildea

**EXCUSED**

Kym Black  
Jeri Fisher  
Kathy Roth

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the April 8, 2014 Board of Trustees meeting as presented.

**III. HOSPITAL**

**A. CEO REPORT**

Stephen Carlson, CEO, reported the hospital is \$500,000 ahead of budget for April 2014; to date, budget is at \$4.7M on the \$5M budget. Nine months ago, the hospital was operating on 6.25 FTEs/bed and is currently operating on 5.4 FTEs.

In reporting on the partnership, the CEO noted that there continues to be a significant amount of due diligence and there is optimism the Attorney General will provide a decision by September 2014.

Radiation is scheduled to be operational by July 15. It was noted that the linear accelerator and CT scanner have been installed.

The members accepted the CEO Report as informational. No recommendations were made.

**IV. FOUNDATION EXECUTIVE**

**A. BOARD CHAIR REPORT**

Barry Kenfield, Chair, presented the following report:

**1. *Executive Committee Meeting Action, May 14, 2014: FY13 990 Approval***

The Board reviewed the 990 Summary and agreed it was appropriate. The motion was made, seconded, and carried to recommend approval of the FY13 990.

**2. *New Foundation Task Force Report***

The Task Force has met twice and will continue to discuss its options:

- use the current Foundation;
- create a new Foundation; or
- donate funds to an existing charitable organization.

The Task Force has heard proposals with a focus on healthcare education, training, and research and are in the initial stages of looking at options for mission. They are optimistic in reaching a consensus within the next couple months and prior to the suggested closing date of September 2014.

The Board was reminded that they will ultimately have the opportunity to join the hospital in its decision, or develop a new mission for the current Foundation.

The members accepted the report as informational. No recommendations were made and no action was taken.

3. *Resignations*

The following resignations were presented:

a. Andrew George

It was noted that Andrew George's resignation was made to avoid a potential conflict of interest regarding the [REDACTED].

The members regrettably accepted the resignation of Andrew George.

Discussion then ensued regarding the [REDACTED] and the recommendation was made to enlist Garlington, Lohn, and Robinson to represent the Foundation.

b. Anne Phillips

It was reported that Anne Phillips gave her resignation during January 2014. She was asked to reconsider and has since decided to resign. The members regrettably accepted the resignation of Andrew George.

No further recommendations or actions were taken regarding these resignations.

B. VICE-PRESIDENT REPORT

The Vice-President presented a six-month (November 1, 2013 through April 30, 2014) Accomplishments Report. The members accepted the report as informational.

V. **FINANCE/INVESTMENTS**

Mike Combo, Chair, provided the following report:

A. APRIL 28, 2014 MEETING ACTIONS

1. *February 2014 Financials*

Following review, the members agreed the financials were appropriate as presented and the motion was made, seconded, and carried to recommend acceptance of the February 2014 Financials.

2. *3% Administration Fee*

During 2013, the Finance Department was asked to discontinue the administration fee (3% on funds; last year the total administration fee was \$119,402.96). The total administration fee has historically been pulled from the investment income of the temporary/permanent funds and moved to unrestricted to cover general and administrative costs. Following discussion, the members agreed the 3% Administration Fee was appropriate and the motion was made, seconded, and carried to recommend approval of the fee, to be charged on all funds; with a move from the fee being charged on an annual to quarterly basis.

B. MAY 7, 2014 MEETING ACTIONS

1. Overview of Findings

An overview of the Bidart & Ross findings were presented:

- the Finance/Investments policy is full of contradictions and should be revised.
- the Annuities accounts (Brooks & Ferguson) should remain in separate accounts, but it was recommended that they be made part of the overall investment allocation (to demonstrate compliance with asset allocation identified in policy)

- the Gift Annuities account should hold the annuities' initial value and the interest should be moved to other investments. It was also noted that this account should be included in the overall allocation.
- Peak Investments were found to be satisfactory, but it was also noted that discrepancies were found in what is being reported by the investment manager. On Peak's report, they compare themselves to a 40% equity and 60% fixed income index. Their current allocation is a 55% equity and 45% fixed income/cash mix. Thus, they were giving themselves an unfair advantage, assuming this asset mix was in place most of last year. It was noted that there is too much invested in this account; keep some in Peak Investment mutual funds and move remaining to other investments.
- Front Street Investments demonstrates a 6% return. It was found to be a very concentrated portfolio with less than 30 stocks
- Investment Manager contracts need to be revised. It was noted that the current contracts, while signed, have not been completed in their entirety.
- Foundation's portfolio needs to be institutionalized. Bidart & Ross recommended moving the management to the Trust Department of a local bank
- Asset diversification is not recognized in the Foundation's portfolio

The following recommendations were made:

- request Investment proposals from DA Davidson, First Interstate, and Wells Fargo.
- terminate Investment Manager contract with Front Street investments and liquidate to cash.

## 2. *Investment Goals*

The following priorities were identified:

- 4% spending allocation
- 3% administration fee
- 3% inflation
- 8½% expected investment return
- funds available to reinvest for portfolio natural growth
- proposed asset allocation by investment class:
  - 25% international (5 funds)
  - 50% domestic (8 funds)
  - 25% short term bonds

It was noted the proposed asset allocation demonstrates a beta factor of 90%.

Concern was expressed regarding the possible risk associated with international investment funds. The recommendation was made to ask Bidart & Ross to provide feedback regarding the risk.

The members then reviewed the proposed priorities, based on current budget and an 8.5% investment return.

Following discussion, the Board concluded that a different business model will be required for sustainability. The recommendation was made for the Finance/Investments Committee to move forward in its discussions regarding investment strategy with Bidart & Ross.

## 3. MAY 9, 2014 MEETING ACTIONS

The following policies were recommended for approval:

1. Capitalization
2. Conflict of Interest
3. Definitions
4. Donor Information Security

5. Record Retention
6. Whistleblower

Following review, the recommendation was made, seconded, and carried to recommend approval of the above policies as presented.

**VI. DEVELOPMENT/STEWARDSHIP**

In the interest of time, it was noted that the Development/Stewardship report was outlined in the Vice-President's Report and was not given.

**VII. EDUCATION COMMITTEE**

Susan Muralt provided the Education Committee on behalf of the Chair who was unable to attend the meeting. It was noted that Foundation representatives have been attending high school scholarship awards ceremonies to present awardees with their healthcare scholarships. The next meeting of the Education Committee is scheduled to meet on May 21, 2014. The Committee will be reviewing Scholarship Program eligibility and awardee criteria. The members accepted the report as informational.

**VIII. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on June 17, 2014 at 5:30 PM.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:00 PM.

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MIKE COMBO, SECRETARY

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DATE

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**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
June 17, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on June 17, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:30 PM.

**MEMBERS PRESENT**

Steve Carlson  
Mike Combo  
Larry Gianchetta  
Ramona Holt  
Barry Kenfield  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Ty Robinson  
Sigri Thorn-Gildea

**EXCUSED**

Kym Black  
Jeri Fisher  
Shannon Lukes  
Ty Robinson  
Kathy Roth

**ALSO PRESENT**

Scott Hacker

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the May 20, 2014 Board of Trustees meeting as presented.

**III. CMC INC. POST-CLOSING STRUCTURE PRESENTATION**

Scott Hacker, Chair, Task Force, was in attendance and provided an overview of CMC, Inc. post-closing structure for public benefit use of closing proceeds. It was noted the recommendations were drafted by legal upon recommendation of the Task Force. The Task Force is represented by 5 hospital Board members and 3 Foundation board/staff members. The purpose of the Task Force is to review considerations and provide a recommendation to the Hospital Board regarding the use of closing proceeds. Following discussion, the Chair asked the Board's consensus. The general consensus of the Board was for consideration to be given to using Community Medical Center Foundation in forming a New Foundation.

**IV. HOSPITAL**

**A. CEO REPORT**

Stephen Carlson, CEO, reported the hospital is \$500,000 ahead of budget for April 2014; to date, budget is at \$4.7M on the \$5M budget. The members accepted the CEO Report as informational. No recommendations were made.

**V. FOUNDATION EXECUTIVE**

**A. BOARD CHAIR REPORT**

There was no Board Chair report.

**B. VICE-PRESIDENT REPORT**

The Vice-President presented the following report:

**1. *Donor Stewardship***

Communication regarding the status of the Foundation was sent to 600 donors, with follow-up telephone calls to 80 donors. It was noted that donor feedback has included a gift annuity donor considering re-allocating their gift; an endowment donor wanting affirmation that their gift may be used in some fashion toward its intended purpose; and another who requested the hospital Board give consideration to forming a New Foundation with the current Foundation. No recommendations were made.

2. *Funding Requests*

The following funding requests were presented:

a) [REDACTED]

*Proposal:*

- Foundation to become the sponsoring Lead Agency

<i>Expenses</i>	
Staff (.5 FTE)	35,000
Education/Certification	5,000
Outreach/Marketing	5,000
Fundraising	5,000
	<b>\$50,000</b>
 <i>Available Funds</i>	
# [REDACTED] - [REDACTED] Education	15,176
# 3050 - Neonatal Department	9,016
# 3056 - Pediatrics Department	16,354
# 3825 - Neonatal Endowment Interest	1,480
# 3827 - Dr. Day Pediatrics Endowment Interest	4,652
# 3848 - Women's / Obstetrics / Gynecology Endowment Interest	3,322
	<b>\$50,000</b>

a) REHABILITATION DEPARTMENT

*Purpose:* To [REDACTED] m

*Expense:* \$25,062

*Available Funds:*

# 3065 - [REDACTED]	16,953
# 3066 - [REDACTED] Therapy Act	403
# 3086 - [REDACTED] Occupational Therapy	2,071
# 3540 - [REDACTED]	5,593
	<b>\$25,020</b>

Following discussion, the members agreed the requests were appropriate and in compliance with donor intent. A motion was made, seconded, and carried to recommend approval of the Foundation as a Lead Agency for Safe Kids Missoula. A second motion was made, seconded, and carried to recommend approval of allocating \$50,000 from Funds 3048, 3050, 3056, 3825, 3827, and 3848 to fund Safe Kids Missoula. A third motion was made, seconded, and carried to recommend approval of allocating \$25,020 from Funds 3065, 3066, 3086, and 3540 to fix the rehabilitation department's pool chlorination system.

3. *Responsibility for the Foundation's Operating Expenses*

Effective September 1, 2014, the Foundation will be responsible for paying its operating costs. It was noted that a budget will be presented at the next meeting. The members agreed that the Foundation will need to develop a model that sustains itself, including the cost of operations. New Foundation Mission will be addressed at an upcoming meeting. The recommendation was made to present a "Fundraising" and "No-Fundraising" budget.

VI. **FINANCE/INVESTMENTS**

Mike Combo, Chair, provided the following report:

▪ **3% Administration Fee**

The Administration Fee (\$105,981) has been charged for all three (3) prior quarters in FY14. These charges resulted in changes of the investment earnings for those time periods. All changes are reflected in the Financials.

- **Terminate Front Street Capital, Inc., Investment Manager Contract**  
Termination of Investment Manager agreement was effective May 30, 2014. Confirmation of investments sales have been received. Final Accounting from Front Street Capital, Inc., received, \$2,678.00, in fees. Confirmation of wire transfer to FIB Checking: \$1,065,000.
- **International Investments/Risk**  
The Foundation's investment's consultant communicated that he has not found International Investments to be any more risky than US investments and that it is important, in providing the Foundation with diversification of its investments, that International funds be included in the asset mix. The Finance/Investments Committee recommended approval of International Investments in the asset mix.
- **Asset Allocation**  
The following asset allocation by investment class was recommended for approval: 25% international (5 funds); 50% domestic (8 funds); 25% short term bonds.
- **Determination of Investments Custodian**  
The Committee recommended First Interstate Bank as Custodian following review of various bank proposals.
- **Timeline for Termination of Agreements/Accounts**  
The recommendation Vice-President will work through the timeline with Bidart & Ross.
- **April 2014 Financials**
- **Employee Reimbursement Policy**  
The policy was written in follow-up to the recommendations of the auditors; its purpose is to establish an accountable employee expense reimbursement plan that complies with United States Treasury Regulation §1.62-2. In general, this regulation requires the timely substantiation of employee expense reimbursements.
- **CliftonAllenLarson Interim Review**  
An interim review of the financials resulted in no follow-up at this time. Following report, a motion was made, seconded and carried to recommend approval of First Interstate Bank as the Foundation's custodian. A second motion was made, seconded, and carried to recommend approval of the asset allocation as recommended. A third motion was made, seconded, and carried to recommend approval of the Employee Reimbursement Policy. The remaining items were accepted as presented.

**VII. DEVELOPMENT/STEWARDSHIP**

There was no Development/Stewardship report.

**VIII. EDUCATION COMMITTEE**

There was no Education Committee report.

**IX. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on July 17, 2014 at 5:30 PM.

**X. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:00 PM.

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MIKE COMBO, SECRETARY

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DATE

/stg

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
September 9, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on September 9, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:30 PM.

**MEMBERS PRESENT**

Kym Black  
Steve Carlson  
Mike Combo  
Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Sigri Thorn-Gildea

**EXCUSED**

Larry Gianchetta

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the July 22, 2014 Board of Trustees meeting as presented.

**III. HOSPITAL**

**A. CEO REPORT**

Steve Carlson, CEO, advised that the signed Asset Purchase Agreement has been provided to the Attorney General, who will perform a valuation to affirm fair market value. The sale price, which is now public information, was \$67.4M and the hospital board will transfer this asset to a nonprofit entity. The report was accepted as informational. No recommendations were made.

**IV. FOUNDATION EXECUTIVE**

**A. BOARD CHAIR REPORT**

**1. *Resignation: Kathy Roth, DDS***

The resignation of Kathy Roth, DDS, was presented. The suggestion was made to send a thank you to Dr. Roth for her service and to provide a gift of the Community Medical Center print. The members regrettably accepted the resignation of Kathy Roth, DDS.

**2. *Foundation Task Force***

Barry Kenfield, Chair, advised the members that representatives from the two proposals will meet to discuss a way to merge the two proposals prior to the Hospital Board meeting in September. The members accepted the report as informational.

**B. EXECUTIVE COMMITTEE REPORT**

The Chair presented the Executive Committee Report of the August 20, 2014 meeting. He outlined the following:

**1. *Requests to Utilize Funds***

Requests totaling \$141,717 were reviewed. It was noted that the requests are in keeping with donor intent. Following review, the members agreed that the granting of the requests to utilize funds were appropriate as approved by the Executive Committee.

**2. *Request to Re-Designate Funds***

The following funds, totaling \$370,674, were recommended for re-designation to unrestricted and for use by the Foundation to pay for its operations:

3803, Quasi Research & Innovation - \$194,642

3801, Double Trouble Interest - \$173,032

Confirmation of fund balances was requested and will be provided at the next meeting.

3. *Request to Transfer Fiscal Sponsorship*

The members agreed that the request to transfer fiscal sponsorship of the Club Twitch Fund to St. Patrick's Foundation was appropriate as approved by the Executive Committee.

C. VICE-PRESIDENT REPORT

1. *Directors and Officers Insurance*

The Directors and Officer Insurance new policy period is August 1, 2014-August 1, 2015. Policy limits are \$5M occurrence/\$5M aggregate. The deductible is \$50,000. The members accepted the report as informational. No recommendations were made.

2. *RegionalCare Honors Naming Policy*

A letter from Howard Wall, Executive Vice-President, Chief Administrative Officer, RegionalCare Hospital Partners, honoring the Community Medical Center and Community Medical Center Foundation Naming Policy, dated February 29, 2012, was presented. It was noted that RegionalCare will honor and will not remove the naming plaques, placed in honor of donors. The members accepted the report as informational. No recommendations were made.

V. **FINANCE/INVESTMENTS**

Mike Combo, Treasurer, presented the report of the July 21, 2014 Finance/Investments Committee:

1. *May 2014 Financials*

Following review, the motion was made, seconded, and carried to recommend acceptance of the May 2014 Financials as presented.

2. *Letters of Engagement: Audit/990*

Following review, the motion was made, seconded, and carried to approve the Letters of Engagement for the annual audit and 990 preparations as presented.

The Treasurer then presented the report of the August 13, 2014 Finance/Investments

1. *Transfer of Assets Status*

Following review the members accepted the transfer of assets status as informational. No recommendations were made.

2. *Policy/White Paper Review*

a) *Investments*

The Investments Policy was presented for review. The purpose of this policy is to establish goals and guidelines for the Community Medical Center Foundation ("The Foundation"). The Finance/Investments Committee of the Foundation shall oversee the implementation of this policy and may use the services of a registered investment consultant to assist them.

Following review, the members agreed the policy was appropriate as presented and the motion was made, seconded, and carried to recommend approval of the Investments policy.

b) *Refunding Donor Gifts*

The Refunding Donor Gifts policy was presented for review. The purpose of this policy is to describe the limited circumstances under which a donor's gift may be considered for a refund. The recommendation was made to delete "limited" from the "Purpose Statement" and to change language in the policy so that it reflects the intent of maintaining and utilizing donor gifts toward their intended purpose. Updated policy to be presented at the next meeting.

c) *Options for Donor Restricted Gifts*

The document was presented as a whitepaper prepared to review with donors who have requested a refund. The whitepaper outlines "Options" to the donor(s) and also outlines the *Consequences* of refunding a gift. No recommendations were made.

**VI. DEVELOPMENT/STEWARDSHIP**

The Development/Stewardship report was presented:

A. SAFE KIDS MISSOULA FAIR

Date: Sunday, October 5, 2014

Time: 12 PM – 3 PM

Location: Community Medical Center Campus (adjacent Ronald McDonald House & Watsons)

Participants: 30 vendors providing child safety initiatives on

Sponsors: \$2,000 confirmed from Community Medical Center & Northwestern Energy

B. FALL 2014 MELANOMA/SKIN CANCER EDUCATION PROGRAM

The goal of the Melanoma/Skin Cancer Education Program (Program) is to increase awareness and melanoma/skin cancer prevention behaviors amongst 350-400 fifth graders in Missoula County elementary schools.

The Foundation, in partnership with the Missoula Art Museum (MAM)'s Fifth Grade Art Experience and with the support of the Robinson Endowment, will welcome a subset of Missoula fifth graders and their teachers to Community Medical Center during Fall 2014 to:

- Build a basic understanding of melanoma and skin cancer;
- Engage in sun-wise skin cancer prevention education;
- Acquire understanding of adoptable skin examination routines;
- Meet healthy-skin partner healthcare professionals;
- Hear about one family's experience with melanoma.

Initially, The Foundation will prioritize approaching the fifth grade classes of the Missoula County elementary schools serving as primary feeder schools for high school education at Big Sky High School, home of Missoula County Public School's Health Sciences Academy: DeSmet, Franklin, Hawthorne, Hellgate Elementary, Lowell, and Target Range.

The Foundation will determine the success of the Program by measuring number of requests for more information; number of participants; flash-quiz responses.

B. STEWARDSHIP: HEALING GARDEN RECEPTION

Date: Tuesday, September 30, 2014

Time: 4:30 PM – 6 PM

Location: Community Cancer Center, Healing Garden

Following review, the members accepted the Development/Stewardship Report as informational. No recommendations were made.

**VII. EDUCATION**

There was no Education Committee report.

**VIII. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on September 16, 2014 at 5:30 PM.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:00 PM.

\_\_\_\_\_  
MIKE COMBO, SECRETARY

\_\_\_\_\_  
DATE

/stg

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
July 22, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on July 22, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:30 PM.

**MEMBERS PRESENT**

Kym Black  
Steve Carlson  
Mike Combo  
Jeri Fisher  
Larry Gianchetta  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Robert Phillips  
Sigri Thorn-Gildea

**ALSO PRESENT**

Scott Hacker

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the June 17, 2014 Board of Trustees meeting as presented.

**III. TASK FORCE**

Ramona Holt provided an overview of the June visit to Empire Health Foundation in Spokane. Foundation and Hospital Board members and staff were in attendance. She then presented a proposal for the Hospital Board to consider allocating sale assets to the start-up of a new Foundation.

Scott Hacker was in attendance and reported that Empire Health Foundation, a conversion foundation, has been in existence since 2008 and formulated a grant structure that is responsive to addressing community health needs. Outcome goals are established for each grant awardee and the Foundation continuously monitors their progress. He noted that since their start-up, Empire Health Foundation has leveraged \$6.8M to their Washington region.

Bob Phillips provided an overview of the proposal for sale assets to be allocated to the start of a PA Program at the University. He cited efficiencies in time and expense by utilizing the UM Foundation structure.

Members were asked for their feedback to communicate to the Hospital Board. General consensus was for the Hospital Board to consider entrusting sale assets to Community Medical Center Foundation and to form a New Foundation through use and restructure of the (CMC) Foundation's 501(c)(3).

**IV. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is scheduled to meet on July 17, 2014 at 5:30 PM.

**V. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:30 PM.

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MIKE COMBO, SECRETARY

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DATE

/stg

Community Medical Center Foundation  
Board of Trustees  
October 2, 2014

Meeting Minutes

**1. Call to Order**

Meeting was called to order by chair, Barry Kenfield at 5:30pm

**Members present:** Barry Kenfield, Susan Muralt, Steve Carlson, Ramona Holt Tom McLaughlin, Mike Combo

Shannon Lukes, Bob Phillips

**Excused Absent:** Kym Black, Jeri Fisher, Larry Gianchetta

**2. Leadership**

Steve Carlson gave an update on the status of CMCF's executive director

**3. Investments of CMCF:**

Mary Rutherford and Cathy Cooney from the Montana Community Foundation gave a presentation regarding the MCF's programs and how CMCF's assets could be placed with MCF. CMCF board members asked questions. Ms. Rutherford and Ms. Cooney were dismissed and discussion ensued by the board.

**4. Future of CMCF**

Susan Muralt made a motion for CMCF to remain independent and not partner with MCF or the University of Montana Foundation. The motion was seconded by Mike Combo. Discussion ensued. Board voted unanimously to approve the motion.

**5. Next Meeting**

A meeting date was not set. The next meeting would be scheduled after Steve Carlson talked with the executive director

**6.**

There being no other business the meeting was adjourned by Barry Kenfield at 6:40pm

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Mike Combo, Secretary

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
October 28, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on October 28, 2014. The meeting was called to order by Barry Kenfield, Chair, at 5:30 PM.

**MEMBERS PRESENT**

Kym Black  
Steve Carlson  
Mike Combo  
Jeri Fisher  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Ty Robinson

**EXCUSED**

Susan Muralt  
Ramona Holt  
Robert Phillips

**GUEST**

Jeff Bretherton

**STAFF**

Dannette Fadness

**II. REVIEW/APPROVAL OF MINUTES**

The motion was made, seconded, and carried to recommend approval of the minutes of the September 9, 16 and October 2, 2014 Board of Trustees meetings as presented.

**III. HOSPITAL**

**A. CEO REPORT**

Steve Carlson, CEO, discussed the leadership of the Foundation noting the Vice President of Fund Development's leave of absence has been extended. Dorcie is part-time with other commitments, so Jeff Bretherton was brought on to help with the transition and in light of the leadership situation, will work 10-20 hours a week helping with operations as well.

Management has put together a transition plan and Jeff Bretherton is here to assist with the plan. Mr. Carlson noted that the Board's efforts need to be coordinated through management.

**IV. FOUNDATION EXECUTIVE**

**A. BOARD CHAIR REPORT**

There was a brief discussion of the AG Response that Sigri gave to the Attorney General. There was a discussion on scheduling a meeting to talk directly with the AG to let the AG know that the Foundation will not be partnering with the university, but rather the Foundation intends to return to an independent public charity. There was some concern on bringing attention to the Foundation with the AG, and it was thought that maybe waiting for the AG to approach the Foundation Board might be a better strategy. It was determined that Barry will talk with Clare of Dorsey-Whitney Law Firm to see if there is a legal obligation to talk to the AG. Larry noted he could also ask Ed Eck for advice on whether it might be a good idea to schedule such a meeting after Barry speaks to Clare. It was questioned whether or not the AG would need to grant the Foundation clearance to move forward as an independent public charity. It was believed that to repurpose restricted funds, we would need AG's approval.

**B. EXECUTIVE COMMITTEE REPORT**

There was no Executive Committee Report.

C. TRANSITION PLAN

The motion was made, seconded and carried to change our articles and bylaws to remove Community Medical Center as the sole member of the CMC Foundation and revert back to an independent public charity, effective as soon as possible and waive the 10 day notice—and to provide notice to the CMC Board to approve the change in our articles and bylaws effective as soon as possible. The motion carried after a long discussion. Steve Carlson noted he felt it was premature to make such a motion as he felt that would take place once the sale was finalized. He will take the motion forward to the CMC Board for approval.

The Dorsey-Whitney Law Firm has been contracted to assist with the transition of the Foundation to a public charity. The Foundation Board felt that a conflict of interest would exist with Garlington, Lohn and Robinson due to their relationship with Community Medical Center. It is Clare from Dorsey-Whitney Law Firm's advice that it is in the Foundation's best interest to stay as a public charity with fundraising.

Barry will communicate with Dorcie Dvarishkis about taking the lead role with donor communications as she is felt to be the most qualified along with Sigri once she returns. Board members may want to join in communications with donors.

Jeff Bretherton introduced himself noting his 20 years in nonprofit sector. He attended college at Saint Johns and ran the development office for a time. He was the VP at Rocky Mountain Elk Foundation and is the immediate past Board chair for the Community Foundation of Montana and continues to sit on the Foundation's Board.

Jeff noted the following steps for consideration while moving forward:

1. Define new mission/purpose for the Foundation—to be done at the retreat
2. Explore options:
  - a. Voted to remain independent
  - b. Good deal of research to examine 197 (as of 2009) foundation models with assets between 2.4 million and 3.5 Billion
  - c. Public Charity/Private Foundation
3. Examine Funds Available
  - a. Permanently restricted
  - b. Temporally restricted
4. Operational expenses and other considerations
5. Legal Steps
6. Timing Considerations
7. Provide Course of Action
8. Execute all steps to get there cleanly
9. Establish evaluation and timing
10. Donor Communication Strategy

A half-day retreat that will be scheduled during the week of November 10<sup>th</sup> with consideration to a new name, new mission, timing options and options giving independence for the Foundation moving forward as a public charity. The mission will need to be close to the current mission. A possible new mission was drafted by the Task Force. There is concern about a the public's misconceptions about the sale—therefore donor communications from the Foundation are vital. It was suggested that legal counsel attend the retreat.

A review of funds will take place prior to the retreat to help guide the understanding of temporarily and permanently restricted funds as well as operational expenses moving forward.

After the retreat, the Foundation will be able to move forward with donor communications discussing the options for restricted gifts as well as gaining some understanding about the donors' wishes and how they relate to the new mission and independent Foundation. Understanding donors' wishes is important even if there isn't a legal obligation; there is a moral obligation to gain more understanding. It is expected that many donors will continue to support the Foundation as an independent public charity.

Steve Carlson excused himself early to attend another meeting. Jeff Bretherton was excused by the Board to allow for more discussions about Jeff's role with the Foundation.

There was concern that the Foundation would need to look for a new location by the end of the year as the hospital goes to a for profit entity.

#### V. FINANCE/INVESTMENTS

Mike Combo, Treasurer, reported that the Audit is clean, but not finalized. Therefore, there was no vote on the audited financials.

It was felt that the Foundation can still accept the [REDACTED] gift.

There was a discussion about Jeff's role and about having support of someone to keep the transition on track may be a good idea, but there were questions about his rate. It was determined that Jeff should be asked to facilitate the retreat, but as far as operations, it was felt that Dorcie and Dannette could handle the administrative/operations of the Foundation while Sigri is on extended leave. Dorcie is part-time and her role is mostly management of major donors. Jeff is qualified, but there were concerns about his passion and how he might come off to donors. It was determined that Barry would be the contact person for the Dorsey-Whitney Law Firm in Sigri's absence.

There was a brief discussion about what the Board's personal liability is moving forward. Dannette noted that they are currently covered with Directors and Officers insurance under the hospital's insurance which was established on August 1, 2014 for one year.

##### 1. *Requests to Utilize Funds*

Five requests totaling \$199,483.33 were reviewed. Following review, the members agreed that three requests for the [REDACTED] fund totaling \$5,359.74 should be approved. The request from the [REDACTED] for \$175,000 well exceeded the funds available and therefore, the

members agreed that the request should be denied. The members agreed that the capital request for \$19,123.59 from Rehab for the pool should be denied because it was a capital request which would benefit the hospital directly.

The motion was made, seconded, and carried to recommend approval of the three [REDACTED] fund requests totaling \$5,359.74 and denial of the [REDACTED] request for \$175,000 and [REDACTED] request for \$19,123.59 for pool funds.

## VI. **DEVELOPMENT/STEWARDSHIP**

Dannette Fadness, Foundation Staff reported the following about the recent events the Foundation hosted and/or recruited volunteers in support:

### I. **DEVELOPMENT**

#### A. DIVA DAY

Diva Day was held Saturday, October 4, 2014. Diva Day is an event for women of all ages, generations, and fitness levels to come together to encourage each other, celebrate and enjoy Diva Day in Missoula. The event includes the Ava Nicole fund on the registration form. This year's event brought in \$386 in donations. Volunteer services recruited two volunteers for the event because Run Wild Missoula had over 35 volunteers. They hosted 12 expo tables and the following sponsors: Community Medical Center, Pacific Source Health Plans, Four Paws Veterinary Clinic, Core Align at Alpine, Skin Chic, The Living Room, Runner's Edge, Lambert Family Chiropractic, TITLE Boxing of Missoula, The Women's Club, Wahine Sport.

#### B. SAFE KIDS MISSOULA FAIR

The largest fair in recent history, the Safe Kids Missoula Fair was held on Sunday, October 5, 2014 on the campus of Community Medical Center. Now in its 23rd year, the Fair welcomed more than 750 children and families to experience a wide array of life-saving safety lessons. Since 1988, Safe Kids Worldwide and local coalitions like Missoula have helped to reduce the U.S. childhood death rate from unintentional injury by 55%. The Children's Safety Network found that 94% of unintentional deaths of 1-17 year olds in Montana were preventable. Their findings reinforce why the work of the Safe Kids Missoula Coalition is so vital and the City of Missoula and Mayor John Engen agree proclaiming October 5, 2014 Safe Kids Missoula Day. Volunteer services recruited 13 volunteers including two SLT members. The event hosted 38 participating vendors providing hands on child safety activities—addressing 25+ safety initiatives. The Foundation raised \$3,000 in \$1,000 sponsorship opportunities from Community Medical Center, Northwestern Energy and Montana 1<sup>st</sup> Credit Union. The Foundation also received in-kind gifts from Mountain Water and Costco-local.

#### C. SENIOR HEALTH FAIR

The annual Senior Health Fair serves several hundred seniors from across western Montana and was held Saturday, October 25, 2014 at the YMCA with approximately 200 seniors in attendance. Over a dozen local agencies participate, such as the Missoula Aging Services, MOLLI program, Senior Citizen Center and much more. The event was hosted by Community Medical

Center and with the help of the University of Montana, this annual event is very popular. Volunteer services recruited 10 volunteers for the event.

#### D. BE SUN WISE: ALL 2014 MELANOMA/SKIN CANCER EDUCATION PROGRAM

The Skin Cancer Prevention program was established in 2001 by the family [REDACTED]. Our work honors Steve, who lost his life to cutaneous melanoma in May of 2000 at the age of 35. His melanoma was diagnosed too late. Steve wanted to be sure that others were not caught unaware by skin cancer and his family made Steve a promise to do just that. With the support of the Steven Robinson Memorial Endowment, our Foundation, the Robinson family and healthcare providers have been providing sun-wise education and melanoma awareness to Western Montanans, including free public and professional education lectures and engagement of area students. Our program utilizes American Cancer Society information regarding everyday sun care and detection of skin cancer and melanoma. In the past, we have taken our program and presenters into the schools. When this fall's opportunity to partner with the Missoula Art Museum in the medical-themed exhibit presented itself, our Foundation wanted to explore a new option of inviting classrooms to the Community campus. MAM has helped us to approach schools whose students may attend Big Sky High School with its Health Sciences Academy. The presentations will be hosted on November 4, 5, 6, 12, 19, 20, 25 and will serve approximately 160 5<sup>th</sup> Grade MCPS students at Target Range, DeSmet, Hawthorne and Franklin schools. The presenters will be Kristen Anderson, MD, Jennifer Gilbert, MD, Char Lewis, FNP, Tammy Scott, PA and Betty Robinson will speak to the Robinson family experience at the end of each presentation. It will take place on the Community Medical Center Campus in various conference rooms.

## **II. STEWARDSHIP**

### A. HEALING GARDEN DEDICATION/RECEPTION

The Foundation welcomed approximately 80 guests to the Dedication, including trustees, hospital Board members and staff, and Cancer Care donors, volunteers, patients and providers. It was a wonderful evening and the Nichols were honored by the presence of so many friends and family. Two bronze plaques are now in place in the Garden. The one by the sculpture reads as follows: *The Healing Touch a bronze by Tim Holmes for a growing peace.* The other, on the rock pillar as you first enter the Garden, reads: *The Healing Garden a place of care and comfort generously made possible by Dr. William Charles Nichols and Robin Tawney Nichols.*

The following individuals spoke at the event: Steve Carlson, CEO Community, Kimberly Hardwick, Oncology Services, Tim Holmes, artist of The Healing Touch, Susan Rick, Oncology Services and Dr. William Nichols and Robin Tawney Nichols.

## **VII. EDUCATION**

There was no Education Committee report.

**VIII. NEXT MEETING**

The next meeting of the Community Medical Center Foundation Board of Trustees is the retreat which will be scheduled the week of November 10<sup>th</sup>.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 7:45 PM.

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**MIKE COMBO, SECRETARY**  
/dff

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**DATE**

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
November 13, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on November 13, 2014. The meeting was called to order by Barry Kenfield, Chair, at 1:00 PM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Larry Gianchetta  
Ramona Holt  
Barry Kenfield  
Shannon Lukes (via phone)  
Tom McLaughlin  
Susan Muralt

**EXCUSED**

Steve Carlson  
Robert Phillips  
Sigri Thorn-Gildea

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness  
Jennifer Martin

**II. INTRODUCTION/GROUND RULES**

Jeff Bretherton reviewed the agenda briefly noting Joe Schmier from Community Medical Center Human Resources would join the meeting at 2:30 PM to clarify HR needs of the Foundation. It was noted that CMC Board will vote to remove itself as sole member of the Foundation at their board meeting next week. The Foundation Board (CMCF Board) will remain intact; however, Steve Carlson, CEO of the hospital, will no longer serve on the Board.

The agenda reflects transition issues and best practices of some 200 healthcare conversion foundations. There are four options to consider for the Foundation's transition: remain a public charity, become a private foundation; establish a fund at a community foundation; or become a supporting organization. The CMCF Board was provided a handout of the Golden Circle which can help to get to the what, how and why of future existence.

**III. NEW MISSION/PURPOSE/NAME**

The CMCF Board reviewed a document with mission and name examples. It was noted that the Foundation has permission to use Community in the Foundation name with some reservations on how that may complicate things moving forward.

**A. MISSION/NAME**

It was agreed that the mission should be focused on improving the health and education of Western Montana. After an in depth discussion of several mission possibilities, the board agreed on the following mission statement: (Foundation Name) provides philanthropic support for the advancement of health in Western Montana.

There was some discussion that in order to continue to grow the funds the Foundation may want to stay connected to Community and the Foundation's previous identity if only through the name. It was decided that the Foundation's future name will be Foundation for Community Health.

A motion was made, seconded, and carried to approve the new name, Foundation for Community Health and new mission, provides philanthropic support for the advancement of health in Western Montana. The mission was later amended to read provides philanthropic support for the advancement of healthy lives in Western Montana.

**B. PURPOSE**

The purpose of the Foundation moving forward and who would benefit was discussed. It was determined that the Foundation should benefit the most vulnerable, elderly and youth and consider hosting wellness clinics/screenings such as with the sunscreen program. It was felt that the Foundation should continue with the healthcare scholarship program and educational opportunities such as the Minerva Society. The Foundation would no longer benefit the hospital or any other private business.

It was determined that the following types of organizations are already supporting proposed mission purposes: Service Clubs, YMCA, United Way, Partnership Health, Professional Clubs like Rotary, Local NPO's, Providence, universities, religious organizations, and others. The Foundation could partner with these organizations or with existing NGO's to accomplish a future mission.

**C. OUTCOMES**

Jeff noted that historically the Foundation had a linear relationship with the hospital as its sole member. Moving forward, the Foundation will benefit many organizations, and it is important to understand how to measure impact, and what organizations might be good to partner or support through our efforts.

There was a brief discussion on evaluative tools. It will be important to have the recipients of funds respond as to impact, including numbers served and additional feedback. All requestors will need to be 501C3 or government entities. Processes and forms will need to be developed for requests as well as for evaluation so the Foundation can document outcomes.

**D. INFRASTRUCTURE/ASSETS**

There was a brief discussion on the current Foundation infrastructure. Depending on funding levels, the Foundation may not have the appropriate staffing but does have many of the capabilities. Processes will need to be put in place for quality control, to evaluate and document outcomes and for grant processing. It will need to be determined whether the Foundation will be a fundraising Foundation or a granting Foundation. Staffing will depend on structure as well as mission. As a public charity there will be certain requirements to fundraise. Currently, the Foundation may not have the staff to evaluate grants and programs.

The Foundation has approximately \$5 million in assets (\$747,000 unrestricted, \$1.23 million temporarily restricted, and \$3.1 million permanently restricted); this number could fluctuate depending on any distribution of temporarily restricted funds. The [REDACTED], estimated at \$1.2 to \$1.7 million is still pending and not reflected in the \$5 million number. \$1 million is currently in temporarily restricted funds such as Anesthesia Department, OB Department, etc. Therefore, less than \$5 million may be available to the new Foundation. At this point, as much as \$354,000 may need to be transferred to CMC to meet restricted funding. Speaking to donors about releasing the restrictions is possible, but some funds are made up of many small gifts, so that would be a more complicated process to consider.

There were some concerns about the Foundation writing the hospital a big check just before the sale goes through, and how that might be viewed by the public. However, once the Foundation notifies the AG of new mission and name, the AG is going to want to see the books and question how the new Foundation can fulfill on temporarily restricted funds that are for the benefit of a CMC Department. Jeff will continue to work with the staff to triage temporarily restricted funds. It was questioned whether it might be better to give gifts back to the donors than to give them to a for-profit hospital. Barry will consult with the attorney to determine how the Foundation could use those assets and what steps are in the Foundation's best interest. Barry will also discuss if the Foundation should speak to the AG. The Foundation already told the AG that our plan was to repurpose some funds. Maybe the AG can guide the conversation on how to best use those funds. Jeff noted that the largest permanently restricted fund is the Foundation General Endowment at \$1.975 million, for Foundation operations and highest priorities of CMC.

#### **IV. HUMAN RESOURCES**

The staff was excused at 2:20 PM while Joe Schmier briefed the CMCF Board on HR needs impacting the Foundation.

#### **V. DONOR COMMUNICATIONS**

Staff rejoined the meeting at 3:40 PM. The CMCF Board felt that it will be important to communicate about the Foundation's status before the sale of the hospital takes place (projected to be the end of the year). Mass donor communications hasn't occurred since May; however, Dorcie and Sigri have communicated with individual donors over the last several months. The group determined that a letter will go out to donors at the beginning of December to reconnect. It will address the essence of what we want to deliver, how we want to protect our founders and the intent of the original donors. It will address the misconception that the hospital is giving away the Foundation's assets as well. Staff will draft a letter for CMCF Board consideration after the Public Forum with the AG on November 19 at Hellgate High School, so the forum information can be considered in the letter.

##### **A. COMMUNICATION STRATEGY**

Moving forward, it is important that communications have one voice. The CMCF Board and staff were challenged by Jeff to execute the decisions made here and to speak with one voice whether or not an individual agrees with the decisions made. "It wasn't my decision" should not be said because rumors are built on those types of statements.

Dorcie and Board members will communicate with individual donors as needed—using this one voice. \$800,000 in pledges has been written off in the audit; however, those pledges could still be fulfilled. Therefore, donor communications are vital as we move forward. Different donors have different investment levels in the Foundation. Legacy donors' needs are going to look different than smaller temporarily restricted fund donors, so each conversation with donors will be different and tailored to the specific donor's needs. Donors will be triaged to determine who receives a letter versus those that will be spoken to directly. Scripts will be developed depending on type of donor. Understanding the vision for the Foundation will help with donor communications as well as understanding the options for donors in each situation. Some large donors will expect to see Board members to participate in the conversations. Board members may wish to speak with donors directly that they know personally—using one voice.

Messaging is critical. Dorcie referenced a couple of recent donor conversations that helped to clear up misconceptions and address concerns.

**VI. TIMING CONSIDERATIONS**

Jeff outlined a few things for the CMCF Board to next consider:  
How to fund the Foundation moving forward until fundraising can start?  
What will be year 1 goal for gift revenue?  
What current funds can go towards operations?

**VII. FINANCE/INVESTMENTS**

**A. FUND REVIEW**

At the Committee meeting November 11, 2014, the Finance/Investments members recommended approval of these three Grant Requests:

FUND #	NAME/RESTRICTION	BALANCE Aug 2014	SPEND REQUEST	PURPOSE
3025	[REDACTED]	\$6,806	\$777.32	[REDACTED]
3061	[REDACTED]	5,529	2,667.78	[REDACTED]
3061	[REDACTED]	5,529	2,250.00	[REDACTED]

A CMCF Board motion was made, seconded, and carried to approve the above noted Grant Requests.

**B. INVESTMENTS REPORT**

Mike reported that James Ross of Bidart & Ross attended the November 11 Finance/Investments Committee and presented in-depth 3<sup>rd</sup> quarter information. Mike said Foundation investments were down by about \$80,000 in September, but gained \$33,000 back in October. There are currently about \$4 million in equities and \$600,000 in money markets. CMCF Board members were invited to review the Bidart & Ross report.

**VIII. NEXT MEETING**

A meeting will be scheduled for next week. Barry will work to set up a meeting with CMC Board members next week as well, but regardless of discussion the Foundation will move forward with independent status.

Barry will contact Claire Topp, an attorney with Dorsey Whitney, with a few questions as we move forward.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:05 PM.

\_\_\_\_\_  
MIKE COMBO, SECRETARY  
/dff

\_\_\_\_\_  
DATE

**COMMUNITY MEDICAL CENTER FOUNDATION  
BOARD OF TRUSTEES  
November 18, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on November 18, 2014. The meeting was called to order by Barry Kenfield, Chair, at 2:00 PM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Ty Robinson

**EXCUSED**

Larry Gianchetta  
Susan Muralt  
Robert Phillips

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

The minutes from the November 13, 2014 meeting were distributed; the Board will vote on them at a future meeting.

**III. MISSION/PURPOSE/NAME**

The Board reviewed the decisions made at the November 13, 2014 meeting concerning name, mission and purpose for affirmation. The Board voted to move forward with the new name and mission as presented November 13:

The Foundation for Community Health provides philanthropic support for the advancement of healthy lives in Western Montana.

**IV. HOSPITAL**

Barry shared Steve Carlson's announcement to resign as CEO of Community Medical Center when the hospital sale is complete.

Board members anticipated that today's meeting would include Community Medical Center Board members, but Barry noted that they had declined due to their level of activity. He confirmed that the CMC Board will take action on Thursday, November 20, 2014 to remove the hospital as sole member of the Foundation.

**V. FOCUS AREAS**

Jeff noted that this meeting was to discover gaps and make a working list of assignments to move the new Foundation forward. Board members will have their action items by the end of the meeting.

**VI. LEGAL REVIEW**

**A. RESTRICTED FUNDS**

There was a brief discussion about Dorsey Whitney counsel, Claire Topp's, response to Barry's email about restricted funds. She noted that the Foundation doesn't have a right to reclaim

donor gifts previously disbursed to the hospital, but could request them if desired. It was determined that the Foundation needs to continue moving forward and reserve the option to request proceeds at a future date if determined to be in the Foundation's best interest. It is felt that receiving proceeds may not be in the best interest of the Foundation, given the obligation they may create to fundraise for larger goals.

It was determined that the Foundation would use Claire's expertise with significant transition issues, but will find local legal representation for bylaws and other legal needs. Jeff will reach out to Crowley Fleck law firm for local legal services moving forward.

It was noted that the \$295,000 raised for the Cancer Care Center was not capital, but rather for patient affordability/access and research. The Healing Garden funds were the only ones for capital.

Temp Restricted Funds have been triaged by the Foundation staff with recommendations that \$355,000 in funds to support specific CMC Departments be distributed to the departments to manage for educational purposes. Donors intended those funds to benefit the departments and some gifts came directly from employees within the departments. Barry will check with Claire on the obligations involved with Department specific funds. Staff noted their difficulty in determining how best to continue fulfilling mission of hospital support in this transition time.

It is understood that the restricted funds cannot be used for operations. It was questioned at what point the Foundation should stop funding the hospital. Staff raised the question as to if the hospital might consider a reach-back period of disbursements made leading up to the time of the hospital's sale. There was a discussion about patient care funds which don't benefit the hospital directly and it was determined that capital requests will no longer be approved, but education requests will be handled on a case by case basis.

**B. FUND REVIEW**

The Foundation staff brought forth the current Grant Requests:

FUND #	NAME/RESTRICTION	BALANCE	REQUEST	PURPOSE
3057	[REDACTED]	\$6,462	\$1,995	[REDACTED]
3056	[REDACTED]	\$15,665	\$3,749.22	[REDACTED]
3056	[REDACTED]	\$15,665 (minus above=\$11, 915.78)	\$997	[REDACTED]
3056 & 3057	[REDACTED]	\$6,462 (minus	\$4,000; \$2,000 from each fund	[REDACTED]

		above=\$4,467) & \$15,665-3749.22-997=\$10,918.78)		[REDACTED]
3056	[REDACTED]	\$15,665-3749.22-997-2,000=\$8,918.78)	\$250	[REDACTED]
3819	[REDACTED]	\$100,835	\$164.40	[REDACTED]

A motion was made, seconded, and carried to approve requests five and six: from 3056, \$250, and from 3819: \$164.40. The four other requests will be put on hold until more counsel is obtained from Claire.

**C. AG'S PUBLIC FORUM**

There was a brief discussion about the Public Forum that the AG is hosting, November 19, 2014 at Hellgate High School. The forum is the AG's meeting to address sale issues; the Board determined that it is not the correct venue for making a statement about the Foundation. The AG reached out to the Foundation and Sigri answered the AG's questions. Barry will attend the Forum and will report that the Foundation is repurposing if asked.

**VII. BUSINESS SYSTEMS**

Community Medical Center has agreed to employ the Foundation staff until December 31, 2014. CMC will also purchase the Gift Shop from the Foundation as of December 31, 2014. It was noted that Sigri's Family Medical Leave is active through December 24, 2014.

There was a brief discussion on the staffing needs based on a granting versus fundraising Foundation. Internal capabilities will need to be established as well as new business processes.

Mike noted the committee tasked with addressing HR, accounting, audit, IT and marketing has not met yet. Mike has been working on a budget; Barry suggested a six month budget, then a reevaluation as the Foundation progresses. The committee will work on recommendations for staffing needs, wages, benefits, space and sustainability.

**A. ASSIGNMENTS:**

- i. HR/Staffing and Benefits:
  - a. Job Descriptions/employee manual: Shannon
  - b. 401K/Benefits: Kym
- ii. Budget/Financial Requirements:

- a. Budget: Mike
- iii. Space: Ramona and Jeri
- iv. Legal/Bylaws: Jeff
- v. Business Operations: Jeff and Barry

It was noted that the Foundation is a Montana Nonprofit Association member and MNA's website has many resources to aid the Board's current work.

It was stated that the staff would need to reapply for their positions and the positions would be posted.

The Board requested an executive session. The staff returned at 3:25 PM.

It was determined that the Board will start accepting applications on December 10, 2014. It was noted that the transition plan needs to be finalized given that staffing is contingent on mission, budget and direction.

**VIII. COMMUNICATION STRATEGY**

Dorcie will take the lead on writing the letter to the donors. She plans to attend the Public Forum with the AG tomorrow night for letter insights. The letter will go out the first week of December; Dorcie will have a draft for Board review at the November 25 meeting. A press release will go out at the same time as the letter. Individual donor conversations will start after the letter has gone out.

There was a brief discussion about needing to begin working on a website. Shannon volunteered to speak with the Missoulian; she noted that other organizations she works with had paid \$2,500 for a website with a \$50 monthly fee for site-hosting. Jeri will forward a lower-cost website option to Shannon.

**IX. NEXT MEETING**

The Board committed to weekly meetings in this transition time; the next meeting is scheduled for Tuesday, November 25 at 3 PM. Barry Kenfield will be out of town for two weeks, but asked that the Board continue work in his absence.

**X. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:00 PM.

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**MIKE COMBO, SECRETARY**  
/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
November 25, 2014**

- MINUTES -

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on November 25, 2014. The meeting was called to order by Susan Muralt, Vice Chair, at 3:15 PM.

**MEMBERS PRESENT**

Mike Combo  
Jeri Fisher  
Ramona Holt  
Tom McLaughlin  
Susan Muralt

**ABSENT**

Kym Black  
Larry Gianchetta  
Shannon Lukes

**EXCUSED**

Barry Kenfield  
Robert Phillips  
Ty Robinson

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

Jeff Bretherton reviewed the meeting agenda and asked that the notation of Executive Session for Business Systems be removed. Grant Disbursements were added.

**IV. COMMUNICATION STRATEGY**

Dorcie Dvarishkis distributed a staff draft of the donor communications targeted for next week. Board members were asked to provide suggested edits by Monday, December 1.

**V. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	REQUEST	PURPOSE
3819	[REDACTED]	\$100,835	\$500	[REDACTED]
3064	[REDACTED]	\$4,673	\$605	[REDACTED]

A motion was made, seconded, and carried to approve both requests presented.

**VI. LEGAL UPDATE**

Jeff confirmed that Board members present had received Barry Kenfield's email exchange with Claire Topp, Dorsey Whitney, regarding temporarily restricted funds.

Jeff and Dorcie reported on a brief call they had had with Claire regarding use and future use of the temporarily restricted funds. She confirmed that there is no definitive right or wrong way to handle the funds, but provided staff with guidelines for triaging Community Medical Center department

fund use expected before December 31, 2014 or as reimbursements for reasonable department expenditures back to July 1, 2014; pursuing donor conversations regarding future designations where possible; information-sharing with the Attorney General about remaining funds established more than 20 years ago or with a balance of less than \$25,000; and, finally, approaching the court about remaining funds not able to be used as designated. Dorcie will categorize the funds accordingly for Claire's review before bringing them to the Board.

Jeff noted Claire's question about her legal fees that may total more than \$10,000 in total. A motion was made, seconded, and carried to ask Barry to address the expenditure policy with Community.

Jeff outlined what he considered to be possible conflicts of interest of a suggested Crowley Fleck successor legal counsel. After Board discussion, Jeri Fisher requested that the Jeff go back to Garlington, Lohn & Robinson for an additional recommendation before approaching potential new legal counsel.

Jeri also shared and read an email from Kristina McMullin, GLR, stating her legal opinion that successor foundation staff would not have to reapply and be rehired, given the foundation's continuing status. Susan asked about possible AG requirement of Board reformation; it was noted that requirement pertained to Community's distribution of assets.

Jeff provided a brief update on Community Medical Center Board meeting actions of November 20, 2014. The CMC Board voted to remove Community as the Foundation's sole member when the pending sale is complete. The CMC Board is no longer considering asset distribution to The University of Montana Foundation; the Montana Health Care Foundation and the Montana Community Foundation made presentations. Jeff reiterated that the asset purchase agreement is active until December 31, 2014.

Dorcie reported on a conversation with Andrew George about the distribution of the [REDACTED]. Andrew anticipates issuing a valuation of the assets for charitable assets in December, and plans to move forward with the distribution to the second nonprofit organization before year's end while continuing to hold and invest the Foundation's distribution until the Foundation can meet with him about successor foundation plans and a possible court date to discuss. Dorcie also provided a brief report on the [REDACTED] valuation just received from Tom Boone, Boone Karlberg PC, and Tom's recommendation of contacting First Interstate Bank with the Foundation name change once completed. The Foundation is one of three charitable beneficiaries named to receive funds after the trust supports [REDACTED] for his lifetime.

## **VII. BUSINESS SYSTEMS**

Mike Combo distributed and explained a Foundation first year budget he drafted. He noted that, depending on fundraising revenue, a budget of this revenue distribution would need to be monitored over the next four years to minimize risk to public charity status.

Ramona Holt distributed a summary of potential office space to rent for Foundation use. Jeff also reported that CMC, Inc. will need to have space for wind-down activities, and there may be the option of sharing space in the short-term.

Jeff reported on his inquiry of Community Human Resources as to any existing hospital jobs that may be open for Foundation staff to consider; there are none at this time. HR also confirmed that

current Foundation staff not employed with the hospital after December 31, 2014, would qualify for Community's standard 30-day severance pay.

Staffing for the transition was discussed; Dorcie and Dannette will continue to move operations forward in Sigri Thorn-Gildea's absence. Members also welcomed staff input on the future job descriptions. Dorcie reported on a conversation with Sigri, who noted that she is working toward but not yet able to return to work at the Foundation.

During the budget discussion, Mike questioned whether the Foundation would want to continue to conduct annual audits or seek another type of financial review.

The agenda items of Benefits/Payroll, Job Descriptions and Website will be addressed at a future meeting.

**VIII. NEXT MEETING**

The Board will be polled to set a meeting date on either December 2 or 3, time TBD.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:30 PM.

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**MIKE COMBO, SECRETARY**  
/ddd

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
December 3, 2014**

- MINUTES -

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on December 3, 2014. The meeting was called to order by Susan Muralt, Vice Chair, at 2:30 PM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt

**ABSENT**

Robert Phillips

**EXCUSED**

Larry Gianchetta  
Barry Kenfield  
Ramona Holt

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

Jeff Bretherton reviewed the meeting agenda, and noted Barry Kenfield was still away from Missoula.

**IV. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	REQUEST	PURPOSE
3057	[REDACTED]	\$6,462	\$4,000	[REDACTED]
3819	[REDACTED]	\$100,835	\$200	[REDACTED]
3819	[REDACTED]	\$100,835	\$50	[REDACTED]
3819	[REDACTED]	\$100,835	\$50	[REDACTED]
3820/3 114	[REDACTED]	\$12,063 / \$22,990	\$12,063 / \$7,937	[REDACTED]
3710	[REDACTED]	\$20,320	\$20,320	[REDACTED]

Following staff fund use explanation, a motion was made, seconded, and carried to approve the requests presented.

**V. COMMUNICATION STRATEGY**

Dorcie reported that the donor communication was limited to one page, merged, printed and forwarded on to Towne Mailer to be mailed by the end of the week. It will be sent to 594 recipients.

**VI. LEGAL UPDATE**

Jeff is awaiting an attorney recommendation from Gary Chumrau at the Garlington firm.

It was noted that Claire Topp saw some issues with the existing Foundation bylaws and articles. She is already familiar with them, so it was felt she would be the best person to revise the bylaws and articles.

Dorcie reported on staff's Temporarily Restricted Fund triage which is a four part triage: (1) Non Capital use back to July 1 or with reasonable opportunity to expend by December 31. Steve Carlson will make the first determination on this list. (2) Donor Contact—it is estimated that we may initially have 25 conversations; (3) Notice to the AG on funds less than \$25,000 or older than 20 years for repurposing as close to original donor intent as possible; (4) Bringing limited number of funds forward to a court for review. Dorcie intends to finalize this triage by the end of the week.

A motion was made, seconded, and carried to ask Lydia Ludwig to train a new Foundation accountant until February 2015.

After auditing invoices, CMC agreed to pay the legal fees for Claire Topp at Dorsey Whitney up to a \$10,000 cap; this leaves the Foundation with approximately \$3,500 before requiring new authorization.

There was a brief discussion of the [REDACTED]. It was noted that Andrew George wanted to move forward with the Humane Society's charitable distribution, so he intends to value the estate shortly and distribute their portion before year's end. There was a brief discussion on ways to honor the estate stipulation that the funds be utilized for rehabilitative purposes. One promising avenue is to establish partnerships with active nonprofits who share this mission.

Volunteer services are noted in Article 8 of the Foundation's existing Bylaws. Volunteer Services will be moving to CMC and steps have been put in place to make this transition. The hospital has committed to purchase the Gift Shop from the Foundation. Staff concerns were expressed as to the viability of and process for handling in-kind donations of quilts and baby hats going forward.

**VII. BUSINESS SYSTEMS**

There were no budget updates.

There was a brief discussion about the Foundation agreement to serve as lead agency for Safe Kids Missoula which brings with it a part-time employee commitment. It was noted that the Board voted on June 17, 2014 to approve service as the lead agency and a one-year budget. The board members noted they didn't fully understand this commitment and thought it was a once a year event not an ongoing commitment. Staff will prepare more background on Safe Kids Missoula and lead agency obligations.

Regarding space, Jeff noted the possibility to remain in the current office at \$21 a square foot but with a space-sharing arrangement for greater cost savings.

There was a brief discussion about approaching CMC for reclamation of past donor gift disbursements. Dorcie felt it would be a responsible action to request reclamation of \$11 million in gift staff identified as having disbursed to CMC over time. It was felt that even if these funds brought AG scrutiny that as a nonprofit we are transparent and could stand up to such scrutiny. As Claire noted these funds may bring extra fundraising requirements, but for \$11 million it wouldn't increase them drastically. Jeff agreed to ask Claire about the legalities of asking for \$11 million. Dorcie agreed to write a proposal to bring forward to the hospital board after the Foundation board sought Claire's counsel and instructed her as to intent of the proposal.

The Board called for Executive Session to discuss Human Resource agenda items.

**VIII. NEXT MEETING**

The next Board meeting will be confirmed for Wednesday, December 10, 2014.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:30PM.

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**MIKE COMBO, SECRETARY**

/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
December 16, 2014**

- MINUTES -

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on December 16, 2014. The meeting was called to order by Barry Kenfield, Chair, at 2:30 PM.

**MEMBERS PRESENT**

Mike Combo  
Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Ty Robinson

**ABSENT**

Robert Phillips

**EXCUSED**

Kym Black  
Larry Gianchetta  
Susan Muralt

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

Jeff Bretherton reviewed the meeting agenda.

**IV. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	REQUEST	PURPOSE
3049	[REDACTED]	\$2242	\$800	[REDACTED]
3128	[REDACTED]	\$32,132	\$375	[REDACTED]
3056	[REDACTED]	\$15,665	\$250	[REDACTED]

Following staff fund use explanation, a motion was made, seconded, and carried to approve both requests presented.

**V. COMMUNICATION STRATEGY**

Dorcie Dvarishkis reported on [REDACTED] donor comment, noting the importance of professional development for Rehabilitation Services personnel and the high costs associated with this type of education. Dorcie felt that may be a good use of Rehab funds moving forward. Dr. John Browne contacted the Foundation as well and Barry had a conversation with him about how the hospital came to the decision to sell and the future plans for the Foundation. He was disappointed

yet recognized the reasoning. He was not ready to discuss his endowment at this time. He is okay, but frustrated.

Dorcie reported that she will begin to schedule face-to-face donation meetings based on her meeting with [REDACTED]. She will get back to the Board with schedules.

The Board briefly reviewed a letter drafted by Dorcie and Barry to bring forward to the CMC Board on behalf of the CMCF Board on the 18<sup>th</sup>. This letter is thought to be an opportunity to open doors for future relationships once they get their feet on the ground. It is meant to set the stage for future partnership as our mission will complement theirs. It will keep the door open for future funding and build a relationship—consistent with ours. The Board determined it was acceptable to move forward with bringing the letter to the CMC Board.

A draft of the Press Release was reviewed briefly and is scheduled to go tomorrow.

## VI. LEGAL UPDATE

Jeff reported Claire will have Articles and Bylaws finished this week.

Dorcie reported that the staff's Temporarily Restricted Fund triage continues with Steve utilizing Claire's advice and focusing on a reach-back period to July 2014. The hospital has agreed to bring the [REDACTED] fund whole due to its negative fund balance from loss of pledges. There was a brief discussion about naming opportunities which are not paid in full. It is possible that some naming plaques may need to be moved to a location reflecting actual gifted versus pledged amounts.

[REDACTED] asked Dorcie to review the [REDACTED] funds because he understood there to be gifts for capital that had been made. According to the Foundation Board minutes in February and April 2013, this was noted not to be a capital campaign. As per Steve's request, Dorcie reviewed donor paperwork for all donations over \$1,000 and came up with three noting building or capital funds. Dorcie had not included [REDACTED] funds in the list of Temporarily Restricted Funds for hospital use review because she felt they could be repurposed for future use. When speaking with donors, she made sure to not lead the donor, but rather ask what they understood their gift would support. The Heman Foundation confirmed their gift was for the capital project. It is thought that donors may feel like the funds were already spent if they believed it was for Capital because the buildings are standing.

Barry, Jeff and Dorcie were scheduled to meet with Steve at the conclusion of today's Board meeting.

Ramona noted that Andrew George (attorney for the [REDACTED]) noted they should be cutting a check to the Foundation after the 1<sup>st</sup> of the year. Mike noted he heard that the [REDACTED] heirs have sued to stop the Foundation from receiving the funds; the group felt that this was a rumor and that the Foundation should receive the funds after the New Year as Mr. George noted to Ramona. It was discussed that professional development like Greg Salisbury suggested might be one way to use the Rehab funds from the [REDACTED].

**VII. BUSINESS SYSTEMS**

It was discussed that continuing as lead agency for the Safe Kids Missoula Coalition is appropriate for the remainder of the year. However, there are still budget concerns, so the issue was tabled.

Regarding Space, Jeff confirmed he is working with Devin on a new lease agreement which will include storage in the basement of Physician Center 2. They will consider finding a smaller space in the basement which only the Foundation could enter, so as to provide more security for the historical records. Later, it will be important to purge these records as appropriate.

Regarding logo/business papers, the process for these items needs to begin.

A meeting with the new bookkeeper has yet to be scheduled.

Shannon Lukes is still working with the Missoulian on a new website.

There was a brief discussion about Jeri Fisher hosting a Holiday Social on Tuesday, December 30, 2014 to honor history and celebrate the Foundation's future. It was determined to invite current and previous board members. Dannette was put in charge of catering and invitations.

It was determined that after the New Year, the Foundation will send out New Year's card to donors to celebrate the Foundation's future. The card will need to be large to include lots of information. A donor reception/open house may take place after the New Year as well.

The Board called for Executive Session to discuss Human Resource agenda items.

**VIII. NEXT MEETING**

The next Board meeting will be held on Monday, December 22, 2014 from 3 - 5PM in the Community Conference Room.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:30 PM.

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**MIKE COMBO, SECRETARY**

/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
December 10, 2014**

- MINUTES -

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on December 10, 2014. The meeting was called to order by Susan Muralt, Vice Chair, at 3:10 PM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Ramona Holt  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Ty Robinson

**ABSENT**

Robert Phillips

**EXCUSED**

Larry Gianchetta  
Barry Kenfield

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

Jeff Bretherton reviewed the meeting agenda, and reported that Larry Gianchetta was involved with finals at the University and Barry Kenfield was still traveling back to Missoula.

**IV. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	REQUEST	PURPOSE
3056	[REDACTED]	\$15,665	\$125	[REDACTED]
3114	[REDACTED]	\$15,455	\$15,000	[REDACTED]

Following staff fund use explanation, a motion was made, seconded, and carried to approve both requests presented.

**V. COMMUNICATION STRATEGY**

Jeff reported that the donor letter was mailed to nearly 600 people last week; receipt was confirmed by a few members present. Dorcie Dvarishkis read a Donor Comments e-response from one donor, and reported on two additional conversations. A response strategy was affirmed.

The Board requested staff prepare and submit a press release incorporating donor letter content for local media submission; Dorcie will take the lead.

Jeff also reported on the December 8, 2014, City Club meeting where hospital leadership addressed the proposed sale and asset distribution. Questions regarding the Foundation's future were asked and answered at a table and group level.

Ramona Holt thanked the Board for the flowers sent after her recent injury.

#### **VI. LEGAL UPDATE**

Jeff updated the members present on continued use of Claire Topp for Articles, Bylaws, and an employment question to be addressed in Executive Session. He noted that Claire will review work proposed by the Foundation and help us determine if she is the most cost-effective avenue to accomplish it.

Dorcie reported on staff's Temporarily Restricted Fund triage reviewed by Claire, and reiterated Claire's recommendation for proposing Community Medical Center use, outreach to donors, notice to the Attorney General or court proposal. She distributed a list of primary donors of funds with a Foundation impact of \$5,000 or more; Board members noted which they were willing to team-contact with staff. Dorcie committed to connecting with Board members with donor information and call strategy as calls are scheduled.

#### **VII. BUSINESS SYSTEMS**

Regarding Budget, Dorcie distributed a Safe Kids Missoula Coalition Status Update for member review. Members discussed the Board vote taken at their June 17, 2014, meeting, and points were clarified. Action was tabled until the Board reviews the Safe Kids Lead Agency Agreement, which Dorcie will distribute via email.

Regarding Space, Jeff confirmed the availability of a portion of the Foundation's existing space for future use. He is securing an updated lease agreement from CMC, Inc. for the Board's review. He expressed CMC, Inc.'s flexibility on a lease of up to a year, or more. An equipment inventory is in progress and should be completed shortly.

Regarding Accounting and Audit, Kym Black reported that one possible resource can no longer be considered due to a large contract they received. Another resource was discussed, and a motion was made, seconded, and carried to engage Candace Goff for the Foundation's bookkeeping services. Jeff reported that Lydia Ludwig has committed to assisting with service transition. Kym quoted Candace's rate as \$40 per hour, and provided contact information of 406-273-0514 and [candygoff@earthlink.net](mailto:candygoff@earthlink.net).

Regarding the website, a motion was made, seconded, and carried to engage the Missoulian in creating the website for the Foundation for Community Health; Shannon Lukes will serve as initial liaison. It was recommended that the Missoulian review the Foundation's current website for content categories and functions as a template.

The Board called for Executive Session to discuss Human Resource agenda items.

**VIII. NEXT MEETING**

The next Board meeting will be held on Tuesday, December 16, 2014, with time and location to be determined.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:30 PM.

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**MIKE COMBO, SECRETARY**

/ddd

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
December 23, 2014**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on December 23, 2014. The meeting was called to order by Barry Kenfield, 8:30 AM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt  
Robert Phillips

**EXCUSED**

Larry Gianchetta

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

The meeting continued with the same agenda as the previous day's meeting.

**IV. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	Request	Purpose
3084	[REDACTED]	\$683	\$772	[REDACTED]

Following staff fund use explanation, a motion was made, seconded, and carried to approve the [REDACTED] for up to \$683.

**V. COMMUNICATION STRATEGY**

The conversation from yesterday's meetings was continued about concerns the CMC Board's lack of confidence in the Foundation Board.

It was discussed that the press release will be re-released the week of the 5<sup>th</sup> after it is rewritten to include more engaging information about Foundation programs.

**VI. LEGAL UPDATE**

After a brief discussion on whether or not Board members wished to remain on the board for the new Foundation, a motion was made, seconded, and carried to continue with officers now in place: Barry Kenfield, Chair; Susan Muralt, Vice-Chair; Mike Combo, Secretary and Treasurer. Officers will be reconsidered at the next annual meeting.

Dorcie reported that after a meeting yesterday with a \$15,000 donor, he agreed to have the cancer care funds continue with the new Foundation and mission. The discussion about the Cancer Care funds reiterating that Dorcie should speak to donors and let them know the funds will not be transferred CMC. Therefore, donors should be informed that they can re-designate with the new Foundation, move the gift to a new nonprofit, or have the gift returned to them with notice to investigate potential tax liabilities.

**VII. BUSINESS SYSTEMS**

It was discussed that Safe Kids Coordinator, Heidi Morris should be contracted through CMC for Safe Kids service. Jeff will work on the contract agreement with CMC. A job description stating what is expected will be provided to Heidi Morris.

The Board called for Executive Session to discuss Human Resource agenda items.

**VIII. NEXT MEETING**

The next Board meeting will be held on Monday, December 29, 2014 from 3-5PM in the Community Conference room.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 10:00 AM.

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**MIKE COMBO, SECRETARY**  
/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
December 22, 2014**

- MINUTES -

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on December 22, 2014. The meeting was called to order by Susan Muralt, Vice-Chair, at 3:10 PM.

**MEMBERS PRESENT**

Kym Black  
Mike Combo  
Jeri Fisher  
Ramona Holt  
Shannon Lukes  
Tom McLaughlin  
Susan Muralt

**ABSENT**

Robert Phillips

**EXCUSED**

Larry Gianchetta  
Barry Kenfield  
Ty Robinson

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

No minutes were distributed.

**III. AGENDA**

Jeff Bretherton reviewed the meeting agenda, and there was a brief discussion about Bob Phillips membership on the board. Bob is Ex-officio and representative on both the CMC and CMC Foundation Boards, so after the sale of the hospital it was felt that he will no longer serve on the CMC Foundation Board.

**IV. GRANT DISBURSEMENTS**

The Foundation staff brought forth the current Grant Disbursement Requests:

FUND #	NAME/RESTRICTION	BALANCE	Request	Purpose
3057	[REDACTED]	\$2,462	\$2,462	[REDACTED]
3116	[REDACTED]	\$10,118	\$3,500	[REDACTED]
3084	[REDACTED]	\$1,548	\$865	[REDACTED]

Following staff fund use explanation, a motion was made, seconded, and carried to approve both the [REDACTED] requests presented.

After a brief discussion about how the [REDACTED] is a CMC marketed and branded event, a motion was made, seconded, and carried to deny the [REDACTED] request until after the transition to the new Foundation, so it could be a more broadly-branded Foundation-supported event.

#### V. COMMUNICATION STRATEGY

There was a brief discussion about the letter that was brought forward to the CMC Board on behalf of the CMCF Board on the December 18<sup>th</sup>. Kym Black felt that the letter and press release were weak. The Foundation press release went out on the same day as the hospital's press release for the announcement of where the proceeds would be allocated, so it was overshadowed by the CMC announcement. Therefore, the Foundation plans to rewrite and resubmit it after the New Year.

There were some frustrations with the hospital board's decision to give \$10 million to UM and start a legacy foundation. The discussion focused on questioning why there seemed to be a lack of confidence in the CMCF Board by the CMC Board. There was discussion on whether or not the CMCF Board truly was heard in the discussions about CMC proceed distributions. It was acknowledged that the AG was in control of the CMC Board's decision to start a new foundation.

#### VI. LEGAL UPDATE

Jeff reported Claire will have Articles and Bylaws finished this week.

Dorcie reported that the staff's Temporarily Restricted Fund triage continues with \$217,000 being researched by the hospital for appropriate ways to reach back to July to spend these funds according to donor wishes. Jeff noted that the hospital had reviewed their records and didn't see outstanding expenses for the Healing Garden, so there is potentially \$40,000 that could be carried forward in the new Foundation.

CMC has agreed to bring the [REDACTED] fund which has a negative balance of \$173,000 whole again. The fund is in the negative due to the Foundation paying CMC in advance with the anticipation of pledges coming in to cover the costs.

The question of [REDACTED] use was again discussed; Dorcie reported that Steve has asked that we contact all [REDACTED] donors of \$5,000 and more to clarify their gift purpose. The board was not supportive of releasing [REDACTED] funds to the hospital, given that those capital assets were in line to be purchased in the joint venture proposal. Dorcie had reviewed [REDACTED] gift and pledge information and documented three gifts totaling \$118,300 [REDACTED] [REDACTED] that were designated for capital use. After a discussion about [REDACTED] funds, a motion was made, seconded, and carried to not distribute [REDACTED] to CMC. Jeri Fisher, Mike Combo and Jeff requested a meeting with Steve to discuss [REDACTED] funds; the meeting was granted, so the three left this Board meeting briefly. Upon their return, Dorcie was instructed to tell the donors up front the future of the Foundation and see if they wish to support the new foundation, or have the gift moved to a different nonprofit, or returned to them (alerting the donors to investigate tax consequences); the funds will not be given to CMC. The [REDACTED] said they want to wait until they learn more about the new Foundation before making additional pledge payments.

**VII. BUSINESS SYSTEMS**

It was decided that DFadDesigns will design the new Foundation Logo.

It was determined that Sigrí Thorn-Gildea acted in good faith based on the June 2014 Board vote to become Safe Kids Missoula Coalition lead agency. After a brief discussion about Safe Kids Missoula, a motion was made, seconded, and carried to finalize the contract to be lead agency from July 1, 2014 to June 30, 2015 at which time it will be reevaluated. Dorcie was authorized to finalize the contract, sign it and send it to the Safe Kids Worldwide. The Board also asked for a clearer understanding of Heidi Morris' job description for Safe Kids Missoula service.

Regarding accounting, Lydia Ludwig has provided the Foundation with an email outlining the number of training hours being offered without cost and establishing a cost of \$55/hour for hours beyond that time. Kym reported that Candy Goff is responding to her and a meeting will be set.

The website will be discussed at the December 23, 2014 meeting.

It was determined that at the December 23, 2014 meeting, the board needs to vote in officers for the new Foundation. After the vote, there will be an updated Banking Resolution to remove CMC as signers. The new Banking Resolution will be used to set up payroll services with Wells Fargo.

The Board called for Executive Session to discuss Human Resource agenda items.

**VIII. NEXT MEETING**

The next Board meeting will be held on Tuesday, December 23, 2014 from 9:00 AM in the Community Conference room.

**IX. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 5:00 PM.

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**MIKE COMBO, SECRETARY**  
/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
January 12, 2015**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on January 12, 2015. The meeting was called to order by Barry Kenfield, Chair, at 2:05 PM. Dorcie shared GRL's celebration invitation for Ty's 99<sup>th</sup> birthday and a Robinson/Garlington tribute.

**MEMBERS PRESENT**

Mike Combo  
Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Tom McLaughlin  
Susan Muralt  
Ty Robinson

**ABSENT**

Robert Phillips

**EXCUSED**

Larry Gianchetta

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis  
Dannette Fadness

**II. MINUTES**

Barry thanked the staff for the preparation of all meeting minutes.

The motion was made, seconded, and carried to recommend approval of the pre-distributed minutes for October 28, 2014, November 13, 2014, November 18, 2014, November 25, 2014, December 3, 2014, December 10, 2014, December 16, 2014, December 22, 2014, December 23, 2014, December 29, 2014 with an amendment to the December 23, 2014 minutes to include Bob Phillips as member present.

The motion was made, seconded, and carried to recommend the approval of the minutes of the January 5, 2015 meeting distributed at the meeting.

**III. FOUNDATION FOR COMMUNITY HEALTH**

**A. Job Descriptions**

Jeff Bretherton reported job descriptions were approved and offered as finalized. There were no questions or suggested additions.

**B. Payroll process**

Mike Combo reported he used CMCF information to begin Wells Fargo payroll process. Dorcie Dvarishkis provided signature cards to officers which are needed to finalize payroll processing. It was noted that the Banking Resolution went out last Wednesday along with the Articles and Bylaws to Kym Black at Wells Fargo. Wells Fargo will train staff on how to use the payroll system. The organizational name change will take place at a later date, once filed. Mike confirmed that the employees will be paid; the first payroll will occur Friday.

**C. Communications**

Dorcie reported feedback received by board members to date re: logo, ranging from supportive to the need for it to be softened to not to move forward at this time. Susan Muralt indicated she would contact MaryEllen Campbell for her expert opinion. It was suggested that, for the

time being, the Foundation use either stylized letters for FCH (later discussed as perhaps being confusing), or just the text from the logo design. Mike suggested the Foundation contact UM to find students seeking opportunities to write marketing campaigns which would allow the Foundation to have professional advice on marketing. The Capstone project at UM is perfect for organizations such as the Foundation. Dorcie will contact Larry about this opportunity. It was determined to just use the words until a logo is finalized.

Dorcie reported the press release has not gone out yet, pending board approval. It was approved for immediate release. Dannette shared Missoulia ad prices, but it was determined to wait until we have more to share in an ad.

Shannon made initial contact with the Missoulia for a website and passed on the contact information for Dannette's follow up. CMC removed the Foundation website January 5, per instructions from Steve Carlson and Mary Windecker. Jeff will request that CMC provide the Foundation with a splash page until we have the new Foundation website developed.

#### **D. Service Agreements**

A proposed IT Service Agreement and office location floor plan were distributed. Jeff reported the IT Service Agreement is one originally negotiated with CMC by Sigri Thorn-Gildea, is a month-to-month agreement with 30 day notice, and includes two computer work stations, email, phones, internet access and network file storage. The Board supported executing the IT Service Agreement. Staff will arrange for their primary use of the best office computers out of the three laptops and one desk top available. Jeff will work with IT to insure existing addresses could be forwarded to the new email addresses to be acquired. All agreed that business continuity was not negotiable.

The new ownership wants to bring off campus employees back to the hospital, which has prompted a change in the space agreement from last week. The proposed office location floor plan CMC provided which was shared today includes the two existing suite offices currently serving as the break room and volunteer office. The staff felt the space isn't adequate at less than 200 square feet, nor is it configured for security. Staff offered a counter-proposal of the main office space Dannette currently occupies to be used for both staff members, with a wall to separate it from the remaining offices.

Jeff noted another space that he previously turned down in building 2 which was 220 square feet. The Board asked Jeff to contact CMC to discuss that the Foundation has begun location planning based on CMC's original verbal space agreement of 500 square feet and to see if that would be available for at least six months, with the alternative of the counter-proposal as secondary. Jeff will get back to the board this week with CMC's response. It was noted that the Foundation will need to move at some point, but immediately may not be optimal. However, being off campus may assist in the Foundation's rebranding. Ramona Holt also indicated she would resume looking for office space.

#### **E. Bookkeeper training**

Mike reported on email exchanges Lydia Ludwig and Candy Goff to schedule bookkeeper training. Candy will not run payroll, but will coordinate it. There were some concerns about the legality of Foundation operations, but it was noted there should be no issues with paying employees. The new payroll account at Wells Fargo requires a \$25,000 minimum balance for

best fees; every two weeks, payroll funds will be transferred from First Interstate Bank to Wells Fargo. The Tax ID number of the Foundation will not change. The Board affirmed the need to have employees during this transition. It was expressed that CMC was responsible to pay employees and operations until the sale is complete; the Foundation may want to make a case for that in the future, but it was determined that for now, the Foundation will cover these costs.

**F. Legal Counsel**

Barry reported the need to choose local legal counsel. Claire Topp and her Dorsey Whitney associate will finish the Articles, Bylaws, and employee manual. There was a brief discussion about going back to the Garlington firm as the new hospital will not be using them, so no conflict of interest would be present. Jeff noted the potential to work with Joel Kaleva of Crowley Fleck as he is one of the few nonprofit lawyers in Missoula. He feels any conflict of interests could be addressed and resolved with Joel, given his scope of work. If the Foundation returns to GRL, working with Kristina McMullin, their nonprofit lawyer, was discussed. Ramona noted she has heard reference to an attorney considered to be the best nonprofit attorney in Western Montana; she will bring a name back to the Board. It was asked that this agenda item carry over to the next meeting.

**IV. CMCF TRANSITION**

**A. Bylaws/Articles**

Jeff reported that he had notified Claire of Shannon Lukes' and Kym Black's trustee resignation. He asked Claire if Shannon had engaged Claire in conversation referencing any Board maleficence; Claire confirmed no such conversation had occurred, and conversations surrounding Articles and Bylaws could not have been used in a maleficent manner. Claire has alerted the Secretary of State of the impending new Articles and Bylaws. It was noted that the Foundation could pay up to \$100 for expedited filing, but the Board felt regular processing at \$15 would meet Foundation needs.

Board members are asked to report all Articles and Bylaws edits to Jeff by Thursday, January 15.

**B. Board Terms**

A Board Term handout, prepared by Sigri and initially distributed to the Board January 14, 2014, was again provided. Staff will update this document to reflect current Board membership. It was confirmed that trustee Anne Phillips (formerly Timmons) had resigned earlier.

**C. Final Grant disbursements, final CMC Payment**

Jeff presented a CMC and FCH Final Money Transfer document for discussion, and noted it was prepared to be taken to the hospital Board meeting this week.

From the original Temporarily Restricted Fund spreadsheet including \$217,000 in funds the Foundation provided for hospital consideration, today's sheet noted proposed use of \$195,253, and that no payroll expenses were included.

The Foundation Gift Shop at close of business on December 31 had nearly \$39,000 in inventory. It was estimated that the furnishings were valued at \$254 after depreciation and the 2008 remodel at \$2,500. With these figures, the hospital is offering \$40,000 and change for the Gift Shop purchase. It was discussed that the original amount Jennifer Martin provided was closer to \$84,000, but depreciation had not been taken into account in that figure.

The hospital has agreed to pay Sigrí's full severance (\$40,000).

CMC will pay the Foundation \$170,941 for the Women's and Newborn Center to cover advance payments made to CMC by CMCF in anticipation of pledges to be collected.

Steve has proposed transfer of 80% of the Foundation's general cancer care cash fund balance to CMC, which would total \$236,984. Steve based this figure on his understanding of fund use as a donor, the documentation that Dorcie found from three donors who had indicated capital use for their gifts, and an understanding that more donors may have understood that their gifts would be used for capital. Dorcie confirmed she not recontacted the Heman Foundation about non-capital use, but her conversations with other donors were resulting in an openness to use cancer care funds for patient benefit and general care. Steve's proposal of 80% totaled more than any donor conversations to date.

The Board expressed concern that there was no clear understanding of what the hospital would do with cancer care funds at this time, and if they were in a position to fulfill donor intent. It is felt that donors being given a choice would choose to have the funds remain with the Foundation, based on Dorcie's donor conversations; Jeri Fisher noted that Steve should share with the Board the donors' response for the funds to remain with the Foundation. Dorcie expressed her concern that if cancer care gifts were designated for the building, they should have been transferred to CMC in 2013 when they were made. Jeff supported staff concerns, noting again that temporarily restricted funds are typically not held for a length of time but turned over for their intended use. It was noted that a more timely hospital request and Foundation disbursement of cancer care funds may have best fulfilled donor intent, but since that didn't happen, there was concern that the hospital was now not in a position to fulfill donor intent and benefit is misplaced. Jeff was assigned to confirm what the hospital would do with any cancer care donor funds.

Dorcie was asked to call the remaining cancer care donors of larger gifts and inquire about their preference on fund utilization. Board members agreed to assist with calls; Mike will contact Gallagher Foundation and Montana Cancer Specialists, and Jeri Fisher will contact Heman Foundation. Details of those gifts verbalized and will be sent to the respective callers.

Dorcie noted a \$5,000 WNC pledge payment came in and she spoke with a donor today. She let him know we paid the hospital ahead based on naming and pledges in place. The donor agreed while their recognition is up they will continue to make the payments on the pledge. They expressed trust that the Foundation will do good things with the funds.

Jeff noted that we should go forward with paying holiday social catering and then CMC will reimburse. He and Barry stated that the hospital Board believes this week's meeting will be their last meeting.

Susan Muralt was then given charge of the meeting, given that Barry had to leave early.

Jeff noted he is working on bonding D&O insurance at a rate of \$1,000/\$1 million coverage.

Jeff noted there will be a final report of this and his work by the end of this week as everything he was asked to do will be done by the end of this week.

The board was provided a copy of the Board resignation acknowledgment letters sent to Kym and Shannon. In addition to thanking them for their service, the letter was issued to address concerns about what was said in the meeting before they resigned. They were asked for feedback in writing if their concerns were not adequately addressed by the Board.

**V. DEVELOPMENT/STEWARDSHIP**

There was no Development/Stewardship report.

**VI. EDUCATION**

Dorcie noted that the staff will redefine the timeline for the scholarship program to the end of the month. The Board supported not making major changes to the program this year, given transition and time constraints. It was expressed that the Foundation should continue with the Missoula County high school scholarship program for now and consider expanding to more counties next year. Professional development scholarships will also be considered at a later date so they can be opened up to a broader community of providers beyond CMC. It was noted that the committee works with the medical community to help with donations for scholarships; Susan will serve as Committee chair.

A motion to offer only Missoula County high school scholarships this year was seconded and carried.

**VII. FINANCE/INVESTMENTS**

Mike reported that James Ross will attend the next Finance Investment committee meeting, February 12 at 9AM.

The staff brought forth the following grant disbursement for review. This request was denied previously pending the Foundation transition and the question of the need for fund payment before year end. This resubmission came with an updated narrative explaining the event would take place at CMC, but it would be marketed and would engage people from throughout Western Montana, including St. Pats. Shirley and Dan Schneiter are the fund's primary donors, and Shirley supports fund use for this event. The funds are not needed immediately, so the request is to secure the Board's commitment to grant the funds when they are needed.

FUND #	NAME/RESTRICTION	BALANCE Sept 2014	REQUEST	PURPOSE OF REQUEST
3116	[REDACTED]	\$10,118	\$3,500	[REDACTED]

A motion to approve grant request for the \$3,500 for [REDACTED] when needed was seconded and carried.

Based on questions at the January 5 meeting, the Board was provided a copy of the check register from July 1 to December 31, 2014. The request resulted from Shannon's questions in trying to reconcile bank statements with the October Financial Statement. It was noted that the complexity

of our nonprofit finances would not support reconciliation from these two documents alone. The Board will report back to staff on any check register questions.

The board was provided the October Financial Statement at the last meeting. Mike has agreed to present at the next Board meeting his primary areas of focus when reviewing the Foundation financials, so the Board has a clear understanding of the content.

Dorcie reported she is building line-item details into Mike's budget draft and is working to present a fleshed-out budget in a month.

**VIII. PROGRAMS/GRANTS**

Dannette reported that Safe Kids Missoula Coalition has worked with the Missoula Chamber of Commerce to reduce the fees associated with tabling at the upcoming Health Summit. The Summit will have a floor dedicated to kids and families in the UC on the UM campus. The board agreed this was a good way to get the information out about the Safe Kids Missoula Coalition.

**IX. NEXT MEETING**

The next meeting will be confirmed for January 26, 2015 at 2:30-4:30PM.

**X. FOUNDATION EXECUTIVE**

No executive session was called.

**XI. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:50PM.

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**MIKE COMBO, SECRETARY**

/dff

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**DATE**

**FOUNDATION FOR COMMUNITY HEALTH (COMMUNITY MEDICAL CENTER FOUNDATION)  
BOARD OF TRUSTEES  
January 26, 2015**

**- MINUTES -**

**I. CALL TO ORDER**

A meeting of the Board of Trustees was held on January 26, 2015. The meeting was called to order by Barry Kenfield, Chair, at 2:30 PM.

**MEMBERS PRESENT**

Jeri Fisher  
Ramona Holt  
Barry Kenfield  
Tom McLaughlin  
Susan Muralt  
Ty Robinson

**EXCUSED**

Mike Combo  
Larry Gianchetta

**GUEST**

Jeff Bretherton

**STAFF**

Dorcie Dvarishkis

**II. MINUTES**

The motion was made, seconded, and carried to recommend the approval of the minutes of the January 12, 2015 meeting.

**III. FOUNDATION FOR COMMUNITY HEALTH**

**A. Payroll process**

Dorcie Dvarishkis reported that an automated payroll system is in place with Wells Fargo, excepting a portion of the retirement and healthcare support plans, on which she continues to work.

**B. Communications**

Dorcie noted that the FCH press release was sent out January 21, resulting in one radio interview invitation with Montana Radio Company January 29, and mentions in both the Health Summit and Community Hospital Legacy Foundation (CHLF) Missoulian articles of January 24 and 26, respectively; article copies were provided to those present. The Board requested that FCH extend an invitation to CHLF identified leaders Bob Phillips and Drs. Mike Stewart and Jay Lowder when timing is appropriate.

Dorcie reported that she had contacted Larry Gianchetta's office regarding FCH being considered for marketing support from the University's School of Business Administration's nonprofit class; faculty member Carol Bruneau has added FCH to her list of interested organizations. Susan Muralt has also contacted MaryEllen Campbell for counsel.

The Missoulian has committed to have phase one of the new FCH website, fchwmt.org, up by the end of the week, and phase two will be completed by the end of February. The Board was current in their understanding of the website bid of approximately \$5,400. Staff was asked to insure search engine optimization of the new site.

Dorcie inquired as to if the Board would like staff to pursue the concept of a final report for CMCF as a reflection of FY13, FY14 and final activities, along with some transitional information; the Board supported staff developing a proposal for such a piece.

**C. Service Agreements**

Dorcie reported that FCH remains without an office space lease; Jeff Bretherton said the lease process is still being worked out with the new hospital owners. Dorcie noted that FCH will hold on signing the IT service agreement until the lease is confirmed.

**D. Bookkeeper training**

Barry committed to presenting David Richhart with the Foundation case for hospital bookkeeping services through year-end 2014, given the continuation of the hospital's sole member status with the Foundation through that time.

**E. Legal Counsel**

Ramona Holt brought forth the names of Joel Kaleva, Wayne Capp and Jack Jenks for legal counsel consideration. It was reaffirmed that a choice other than an attorney with Garlington Lohn & Robinson might be best, given their representation of CMC, Inc. and the new Legacy Foundation. Members presented requested that Dorcie contact Joel to extend an invitation for him to meet with the Board to discuss a possible legal counsel relationship.

**F. Montana State Fund Producer of Record**

PayneWest requested that FCH consider appointing them as Producer of Record for our account with the Montana State Fund. A motion was made, seconded, and carried to appoint PayneWest Insurance as the Foundation's Producer of Record for our Montana State Fund account; a letter was signed to that effect by Barry as Foundation Chair.

**IV. CMCF TRANSITION**

**A. Bylaws/Articles**

Barry reported that initial Articles were filed January 16, 2015, to reflect the hospital's removal as sole member. Edits to revised Articles were discussed; Dorcie will propose edits to the Foundation purpose paragraph and other components for Board consideration; Board members are asked to forward their suggestions to her by January 30 so Articles can be filed with the new Foundation name and mission. The Foundation will then move to finalize Bylaws.

**B. Final CMC/FCH Transfer**

Jeff presented a CMC and FCH Final Money Transfer presentation from CMC for the Board's consideration. It included:

- CMC payments to FCH of \$44,043 for the Gift Shop; and \$170,941 to reimburse the Foundation for Women's and Newborn Center pledge pre-payments. TOTAL: \$214,984.
- FCH payments to CMC of \$195,253 to reflect the hospital's expenditure of Foundation temporarily restricted funds from the spreadsheet of funds the Foundation presented to the hospital mid-December, 2014; and \$236,984, representing 80 percent of the gifts and pledge payments received by the Foundation to the general Cancer Care fund. TOTAL: \$432,237.
- Net result would be FCH paying CMC, Inc. \$217,253, and a receivable of that amount was noted to have been booked by CMC.

After an extended discussion, the Board presented a counter-proposal for Jeff to present to CMC, which included CMC payments to FCH as reflected above, and proposed FCH payment to CMC of \$151,229.50 for temporarily restricted fund use excepting standard hospital payroll expenses; and no payment to CMC for Cancer Care gifts, given that the donors of \$5,000 and

more contacted to date requested that their gifts be repurposed for cancer care with FCH, and that there was no request by CMC nor commitment by CMCF to conduct a Cancer Care capital campaign on the hospital's behalf. The net result of this proposal is a payment from CMC to FCH of \$63,754.50. Of primary importance to the Foundation is to insure that donors' intent is honored to the best of our ability.

A motion was made, seconded and carried requesting that Dorcie write up the reasoning behind each of these recommendations. Jeff said he would convey our discussion to CMC, Inc.

Jeff indicated that he would conclude his work with the Foundation this week.

## **V. DEVELOPMENT/STEWARDSHIP**

### **A. Donor Communication**

Dorcie read a certified letter from [REDACTED] to the Foundation requesting a return of their gifts. She reported on conversations she had had with both [REDACTED] and his accountant, discussing the options of repurposing, transfer to another nonprofit organization or return of gifts. Both understand that there will be tax ramifications in the return of any permanently restricted and planned gifts, given the use of the Qualified Endowment Credit. Dorcie will begin documenting the value of the original gifts minus annuity payments received, and validate the figure with counsel before a check is issued; an early estimate of the total is near \$35,000. Other conversations with donors continue, with more than \$163,000 in gifts to Cancer Care committed to remain with the Foundation for new mission use.

### **B. Pledge Transition**

Dorcie reported on work with the [REDACTED] on repurposing future pledge payments; outreach to those with outstanding pledges will continue.

### **C. Missoula Project for Nonprofit Excellence**

Dorcie presented a summary of the Missoula Community Foundation's capacity-building program, the Missoula Project for Nonprofit Excellence. The program grants consulting and project support up to \$10,000 in value for organizations selected to participate. After a review of the organizational obligations and 2015 timeline, a motion was made, seconded and carried for Dorcie and Barry to submit the initial application by the January 30, 2015, deadline for their consideration.

### **D. Scholarship Committee**

Jeri Fisher agreed to serve with Susan Muralt on the Scholarship Committee; other member recruitment will begin shortly.

## **VI. EDUCATION**

Dorcie reported that the high school application will be on the new website by week's end, as promotion of the 2015 Healthcare Scholarship program begins.

## **VII. FINANCE/INVESTMENTS**

In Mike Combo's absence, Barry read from a report Mike had prepared, noting that:

- All payroll accounts except for the simple IRA have been set up, which Dorcie is working on now.
- Candy Goff has contacted Lydia Ludwig and the bookkeeper training is set for this week.

- Worker comp is set up, but PayneWest thinks the Foundation doesn't have enough coverage so Mike will follow up this week. Annual cost is estimated at \$2,500 - \$3,000. Candy has received the policy, which Mike will review. He confirmed payment of the Foundation first installment so coverage is in place.
- James Ross will attend the investment committee meeting in February. The Foundation's one year contract is up in March and we need to decide if we want to continue with his service (\$15,000 per year) or explore expanded services through First Interstate Bank.

**A. October 2014 Financial Statement Overview**

This item will be carried forward.

**C. Barney Request for Return of Gifts**

See Development/Stewardship.

**D. Checks for Signature**

A summary of the checks presented for officer signature at the meeting was distributed for review; the group agreed to adopt this practice going forward so there would be a good understanding of monthly expenditures. Members had no further questions on the Check register of July 1 – December 31, 2014.

**VIII. PROGRAMS/GRANTS**

Dannette Fadness prepared a summary of the Safe Kids Missoula Coalition impact from participation at the January 24, 2015, Health Summit, which was distributed. Dorcie is continuing to work with hospital personnel on a contract for Heidi Morris, Safe Kids co-coordinator.

**IX. NEXT MEETING**

The next meeting will be February 9, 2015 at 2:30-4:30PM in a location to be confirmed.

**X. FOUNDATION EXECUTIVE**

No executive session was called.

**XI. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:40PM.

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**BARRY KENFIELD, CHAIRMAN, for MIKE COMBO, SECRETARY**  
/ddd

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**DATE**