

# The MetroHealth System Board of Trustees

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**FINANCE COMMITTEE**  
**3:00 pm - 5:00 pm**  
**In-Person K107 or via Zoom**

## Meeting Minutes

**Committee Members Present:** John Moss-I, E. Harry Walker, M.D.-I, Sharon Dumas-I, Ronald Dziedzicki-I

**Other Trustees Present:** Inajo Davis Chappell-R, John Corlett-I, Maureen Dee-I, Nancy Mendez-I, Michael Summers-R

**Staff Present:** Christine Alexander, M.D.-I, Nicholas Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Dr. Nabil Chehade-I, Derrick Hollings-I, Dr. Olusegun Ishmael-I, Barbara Kakiris-I, Dr. William Lewis-I, Christina Morales-I, Dr. Holly Perzy-I, Allison Poulious-I, Tamiyka Rose-I, Brad Schwartz-I, Nicholas Sukalac-R, Adam Winston-I, Richard Palmisano-I, James Wellons-I, Peter Benkowski-I, Kathleen Rizer-R, Joesph Golob-I, Mary Jo Murray-I, Ryan Mezinger-I, Ronald Walker-R, Joe Frolik-I

**Guests Present:** Adam Blake-I (Clearstead), Claire Shue-I (Clearstead)

Mr. Moss called the meeting to order at 2:59 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

### **I. Approval of Minutes**

The minutes of the May 22, 2024, Finance Committee and Investment subcommittee meeting were approved as submitted.

### **II. Information Items**

#### **A. Economic and Investment Portfolio Review**

Adam Blake from Clearstead presented the investment oversight dashboard, highlighting key metrics including total investment assets of \$681 million, minimal net cash flows, and positive investment returns of approximately \$14 million. The



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total system portfolio saw a 2.8% increase for the quarter and a 4.2% year-to-date growth in the non-reserve long-term pool. The reserve pool grew by \$2.5 million, while the non-reserve pool increased by \$4.1 million, totaling \$6.6 million in investment gains. Since the end of Q2, the non-reserve pool experienced an additional \$7 million increase. Claire Shue provided updates on the performance of the non-reserve long-term pool and the Select Insurance Captive, reporting \$960,000 in unrealized gains in Q2 for the Select Insurance Captive, with an additional \$4 million gain since then.

Mr. Blake recommended replacing the Invesco Oppenheimer International Growth Fund with the Vanguard International Growth Fund due to the retirement of the Oppenheimer portfolio manager. Mr. Moss inquired if the recommendation was solely due to the manager change, and Mr. Blake confirmed this was the primary factor. Mr. Moss conducted a voice vote to approve the Clearstead recommendation. The Board unanimously voted in favor, approving the recommendation to replace Oppenheimer with Vanguard.

In the strategic asset allocation review, Mr. Blake presented the annual analysis, including expected 10-year returns for different system portfolios. Mr. Moss asked about restrictions on the non-reserve pool, and the guidelines set by the county were clarified. Mr. Blake also conducted a fiduciary education session, covering fiduciary roles and responsibilities, the importance of sound decision-making, and key areas for annual review.

### B. Second Quarter 2024 Financial Results

Derrick Hollings presented the unaudited financial results for the first six months of the year, highlighting an EBITDA of \$11 million for the quarter ending March 31, 2024. This figure fell short of the \$21 million budget but was comparable to the \$14 million recorded for the same period last year. Net Patient Revenue was \$20 million unfavorable to budget, primarily due to lower-than-expected inpatient surgical cases and behavioral health discharges. Emergency Room visits exceeded both budget and last year's figures by 12% and 9%, respectively. Retail Rx volumes increased by 14.6% year-over-year, although margins declined due to the Inflation Reduction Act, which has pressured drug costs and reduced revenues. Mr. Moss inquired about productivity metrics and budget forecasting. Mr. Hollings acknowledged the challenges and noted that productivity benchmarks and flex budgeting would be addressed further in the executive session.

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## IV. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Mr. Dziedzicki moved, and Dr. Walker seconded the motion. The Board held a roll call vote with all Trustees present voting to approve the motion to go into executive session for the purpose stated by Mr. Moss.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 3:52 pm.

Following the executive session, the meeting reconvened in open session at approximately 5:05 pm and welcomed back the public via Zoom and those members of the public who remained in-person. Mr. Moss stated there was no further business to bring before the Committee, the meeting was adjourned at approximately 5:05 pm.

THE METROHEALTH SYSTEM

Derrick Hollings,  
EVP, Chief Financial Officer