

## RESOLUTION NO. 90-12

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO, APPROVING THE INTERIM SEGREGATION, OVERSIGHT, AND MANAGEMENT OF FUNDS TO BE RECEIVED FROM THE PROPOSED MEMORIAL HEALTH SYSTEM OPERATING LEASE AGREEMENT AND THE INTEGRATION AND AFFILIATION AGREEMENT WITH UNIVERSITY OF COLORADO HEALTH SYSTEM.**

**WHEREAS**, since 1949, the City of Colorado Springs has owned and operated Memorial Health System, dedicated to being a regional leader in providing high quality healthcare services to all citizens; and,

**WHEREAS**, City Council carefully considered the option of leasing the assets of Memorial Health System to an outside independent operator to ensure provision of the best possible healthcare for the entire community; and,

**WHEREAS**, City Council previously determined that it is in the best interests of the public health, safety and welfare of the City and its residents to consider proposals from potential independent strategic partners that contemplate independent operation and management of Memorial Health System through an arrangement in which the City would lease the Memorial Health System facilities and transfer its operating assets to a third-party; and,

**WHEREAS**, City Council authorized and created the Memorial Health System Task Force in August 2011 comprised of Council members and citizens, which in turn issued a Confidential Descriptive Memorandum and Request for Proposals dated October 17, 2011, and said Task Force carefully reviewed and considered all proposals received there from; and,

**WHEREAS**, City Council in January 2012 accepted the recommendation of the Memorial Health System Task Force, and selected the University of Colorado Health system as the exclusive bidder to be considered as an independent strategic partner with the Memorial Health System and to pursue negotiations of an operating lease agreement between the City, and the University of Colorado Health system for the independent operation and management of the Memorial Health System through an arrangement in which the City would lease the Memorial Health System facilities and transfer its operating assets to the University of Colorado Health system and related parties; and,

**WHEREAS**, City Council and the City Attorney have completed negotiations with the University of Colorado Health system for the independent operation and management of the Memorial Health System through a lease of the Memorial Health

System facilities and the transfer of its operating assets, and said negotiations have now produced a Health System Operating Lease Agreement and an Integration and Affiliation Agreement between the City, and the University of Colorado Health system and related parties.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:**

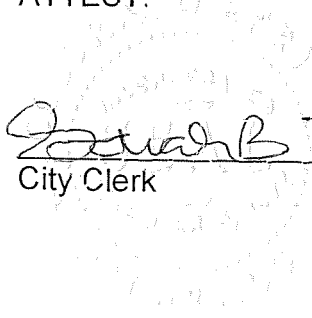
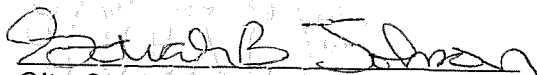
Section 1. In the event the voters approve on August 28, 2012 the agreements and transactions set forth in Resolution No. 89-12, City Council hereby authorizes and directs the City Attorney and City Staff to immediately segregate in separate City accounts, any funds and monies received pursuant to the Health System Operating Lease Agreement signed by the City on June 27, 2012, or the Integration and Affiliation Agreement signed by the City on June 27, 2012, by and among the City of Colorado Springs, University of Colorado Health, Poudre Valley Health Care, Inc., and UCH-MHS, as described in Resolution No. 89-12.

Section 2. City Council further authorizes and directs that such funds and monies, once they are placed into the appropriate segregated accounts, shall not be spent, utilized, or distributed by the City or any enterprise or other entity of the City except to satisfy obligations specifically provided for in aforementioned agreements, provided however that any such funds or monies in those segregated accounts that are not required to satisfy obligations of the aforementioned agreements, or which remain after full satisfaction of the relevant obligation of the aforementioned agreements, shall immediately be transferred directly into the City controlled non-profit foundation as provided for under IRS Sections 501(c)(3) and 509(a) and authorized by City Council and the Mayor pursuant to Resolution No. 89-12.

DATED at Colorado Springs, Colorado, this 27th day of June, 2012.

  
Council President

ATTEST:

  
  
City Clerk