

# Munroe Regional Health System, Inc.

## Board of Directors Meeting Minutes

**April 30, 2018 @ 5:00 p.m.**  
**Rich Bianculli, Chairman**

### **Call to Order**

Richard Bianculli called the April 30, 2018 regular meeting of the Munroe Regional Health System, Inc. Board of Directors to order with a quorum present at 5:00 p.m.

### **Board Members Present**

David Cope, Larry Strack, Ken Marino, Rich Bianculli, Sam McConnell, Randy Klein, Ram Vasudevan

### **Board Members Absent**

None

### **Present by Phone**

None

### **District Attorney Present**

Joe Hanratty

### **Others Present:**

Curt Bromund, Brianna Liles, Debbie Cooper, Michelle Stone, Butch Verrando (left at 5:30 pm), Chief Mascho (left at 5:20 pm), Carlos Medina (arrived 5:05 pm), Brian Creekbaum (arrived 5:04 pm)

### **Invocation**

Sam McConnell gave the invocation.

### **Public Comment (3 minutes)**

None

### **Approval of Previous Minutes - March 26, 2018 and April 24, 2018**

### **MHRS Financial Reports, Budget vs. Actual Balance Sheet and Income Statements**

March 2018 financials were reviewed at the committee meeting.

A **Motion** was made by Sam McConnell to accept the minutes of March 26, 2018 and April 24, 2018 and the March Financials as presented. The **Motion** was seconded by Larry Strack. With no further discussion, the motion carried unanimously.

### **New Business**

**Marion County Fire Rescue - Chief Mascho** – The Chief discussed the shortage of Nasal Narcan needed by the EMS/Fire Rescue personnel in Ocala and made a request for funding from the district for \$20,000 to help with this issue. With the increased use of opioids and opioid related drugs, both agencies have experienced an increase in the life-threatening symptoms. The \$20,000 will provide 100 first-response units to include engines, rescues and supervisor vehicles. The Marion County Fire Rescue and Ocala Fire Rescue would then be able to

replace the doses as they are administered or expire. After some discussion about the number of units and the price it was calculated that the \$20,000 was incorrect, the trustees calculated 73 vehicles x \$110 per Narcan unit (2 doses per unit) would be \$8,030.00. Trustees asked if there were any other funding opportunities, Chief said not at this time. Trustees also asked if this if this was a one-time request or will this be an ongoing need. The Chief responded this is just for the immediate need, both agencies will then budget to sustain the medication on the units.

After some discussion Randy Klein made a **Motion** to approve a request for Narcan supplies for a total of \$8,030.00 or less if they can purchase it cheaper somewhere else. The **Motion** was seconded by David Cope. The **Motion** passed unanimously.

**Hospital Inspection Update** – Butch Verrando was present and gave his update on the 2018 Hospital Inspection. Mr. Butch Verrando of Verrando Engineering Co. Inc. (VECO) completed the 2018 MRMC Photo Survey. Floors 1,3,4 & 7 were surveyed twice this year in the effort to provide some “Before” and “After” photos of the Phase II as well as the under construction of Phase III in the OB wards. He returned for a third visit for “start of construction” on the Emergency Department project, and last but not least he surveyed progress on the elevator cars and elevator machinery spaces being renovated. The 3rd and 4th floor renovations are nearing completion; with a few revisions, most of the semiprivate rooms on both floors have been converted to single occupancy due to market demands. They were unable to tour the 3rd floor Operating Rooms that have been renovated due to occupancy. The elevator cars and machinery for elevators 1 thru 5 were observed, with some before and after photos of the cars. The machinery space was in the process of having new machinery installed on the #1 elevator as well as some of the climate control equipment installed with an additional air handler yet to be added. The 1st floor primary machinery space received a replacement air handler, AHU16. Recorded notes on status of the Fire Alarm System and Nurse’s Call System upgrades. They did not tour Timber Ridge as there have been no changes or upgrades due to the legal situation.

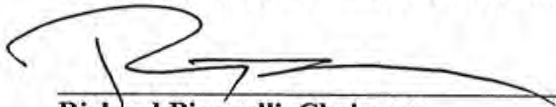
**Old Business**

None

**Legal/Other**

**Legal Claims** –No change.

There being no further business, Rich Bianculli adjourned the meeting at 5:31 p.m.



**Richard Bianculli, Chairman**

# MUNROE REGIONAL HEALTH SYSTEM MARION COUNTY HOSPITAL DISTRICT

## Investment Committee Meeting Minutes

April 24, 2018

Richard Bianculli, Chairman

### Call to Order

Rich Bianculli called the April 24, 2018 regular meeting of the Munroe Regional Health System and Marion County Hospital District Investment Committees to order at 12:04 p.m.

### Public Comments (3 Minutes)

None

### Committee Members Present

Rich Bianculli, Curt Bromund, Dave Cope, Larry Strack, Sam McConnell, Randy Klein (arrived at 12:45 PM)

### Committee Members Absent

None

### Present by Phone

None

### District Attorneys Present

Joe Hanratty

### Others Present

Dolly Dockham, Heather Wyman, Brianna Liles, Matt Legg, Matthew Foster, Tom Morr, Chris Moore, Wen Nottebohm Tang, Justin Berman, Brianna Liles, Brian Creekbaum, Debbie Cooper, Anders Velischek, Carlos Medina, Jon Kurtz, Albert Peek, Mike Hill

### Approval of MRHS/MCHD Previous Minutes

- Minutes of March 20, 2018

A **Motion** was made by Sam McConnell to approve the minutes of March 20, 2018 as presented. The **Motion** was seconded by Larry Strack. The **Motion** passed.

### New Business

#### MUNROE REGIONAL HEALTH SYSTEM/MARION COUNTY HOSPITAL DISTRICT

Meeting with Resonant 12:04 to 12:24

**Renasant Asset Management** –Matt Legg and Matthew Foster from Resonant Asset Management were present to introduce themselves and to observe the meeting. They were hired to take a global look at our investors portfolios. They perform look-through reviews on all the funds and overall they said portfolio is in good shape and had no major concerns.

Investors arrived at 12:30

**Massey Quick – Tom Morr, Chris Moore, Anders Velischek** – Summary - The portfolio was down 1.18% with the benchmark down 1.42%. This translates to about a \$1 million loss on a dollar basis. Since inception the portfolio has returned 4.45% with the benchmark returning 3.98% which translates to net earnings of \$11.6 million. The portfolio has achieved this without taking on a great deal of risk, having just a 3.62% standard deviation since inception. The portfolio was overweight to both domestic and international equities, underweight to fixed income, overweight alternatives and is in line in illiquid alternatives. They are comfortable with how the portfolio is allocated at this time and also broke down

the performance by asset classes. Domestic equities were down 2.3% for the quarter, in line with the benchmark, but lagging the S&P 500 which was down .80%. They highlighted that MLPs were down 18.9% which detracted .67% from the total portfolio return for the quarter. When asked about their thoughts on the MLP space MQS said that they still believe that MLPs should play a role in the portfolio. International equities were down .80% for the quarter with the benchmark down 1.2%. Fixed Income was down .50% with the benchmark down 1.2%. Alternatives were up 1.4% with their benchmark up .5%. Rich asked MQS to speak to the alternative portion of the portfolio and how they expect the managers to protect capital in a rising rate environment. Chris Moore said it was good to see the alternative managers perform as they did in such a down quarter for equities and fixed income. It is rare to see both equity markets and fixed income markets down at the same time but the alternative managers are supposed to perform well on an absolute basis regardless of the broader markets. The asset class did so last quarter. Going forward allocations to managers like Pretium will benefit from a rising rate environment.

**Suntrust – Mike Hill – Summary –** Global growth is now past peak momentum, but underlying trends remain healthy and near-term recession risks appear low. In the US, tax cuts and the new two-year federal budget should help lift annual growth above 3%, exceeding the fastest pace of this recovery. The market path this year has been bumpier consistent with our expectations. Volatility is likely to remain high given geopolitical and rate uncertainty. The 10-year US Treasury yield has seen a set up from last year and the bias remains moderately higher. After raising rates in March, they anticipate that the Fed will hike rates two more times in 2018. Global equities snapped a nine-quarter winning streak and US stocks suffered the first 10% correction in two years. Emerging markets and Japan bucked the trend, posting positive quarterly returns. Short-term rates moved to a cycle high, and the 10-year US Treasury yield flirted with 3% before closing the quarter at 2.7%. Most fixed income indices were down during the quarter, except for foreign bonds which benefitted from currency effects. Equity-based hedge funds posted among the strongest returns in the non-traditional space, while agriculture and energy were leaders among commodities.

**Berman Capital –Wen Nottebohm Tang, Justin Berman – Summary -** The portfolio outperformed the benchmark by 0.10% in Q1 2018 largely driven by fixed income and alternatives. Their manager selection and being short duration has been additive to portfolio performance. Equities was a detractor from performance, caused mainly by selection within US equities. Their tactical allocation to energy/pipeline companies was a drag on performance as producers and transporters completely missed the rally. Fixed Income benefited from both manager selection and asset allocation within fixed income. Being underweight the asset class was additive and being globally focused and short on duration led to outperformance against the benchmark. Alternatives on an absolute basis, alternatives were the best performing asset class in the portfolio. They continue to provide uncorrelated returns to traditional equities and fixed income. Companies may become at risk due to the larger debt service created by higher rates and so this should create good opportunities in the distressed market, and they may recommend an allocation to this space in the future. If they proceeded, this investment would fall under our alternatives allocation.

Investors/Resonant left at 1:24 PM  
Short break taken at 1:25 PM  
Reconvened at 1:32 PM

**Old Business**

None

**Legal/Other**

None

**Adjournment**

There being no further business, Rich Bianculli adjourned the meeting 1:33 p.m.



Rich Bianculli, Chairman

**Munroe Regional Health System  
Marion County Hospital District**

**Operations Committee Meeting Minutes  
April 24, 2018  
Sam McConnell, Chairman**

**Call to Order**

Sam McConnell called the April 24, 2018 regular meeting of the Munroe Regional Health System and Marion County Hospital District Operations Committees to order at 2:30 p.m.

**Public Comment (3 Minutes)**

None

**Committee Members Present**

Rich Bianculli, Curt Bromund, Larry Strack, Dave Cope, Sam McConnell

**Committee Members Absent**

Randy Klein

**Present by Phone**

None

**District Attorneys Present**

Joe Hanratty

**Others Present**

Dolly Dockham, Heather Wyman, Brianna Liles, Debbie Cooper, Carlos Medina

**New Business**

**Approval of Previous Minutes**

- Minutes of March 20, 2018

The minutes of March 20, 2018 were approved by general consensus as presented.

**Financials**

**Budget vs Actual, Balance Sheets, Cash Flow and Income Statements for Munroe Regional Health System and Marion County Hospital District – Debbie Cooper reviewed all the Financials for March 2018 for MRHS and the MCHD. All the Financials were accepted by consensus from the committee as presented and will be presented at the April board meeting for approval.**

**Hospital Inspection Update** – Butch Verrando will be present at the April board to give his update on the 2018 Hospital Inspection.

**HMA Indigent Care Study** – A final report will be presented in May, looking at May 17th.

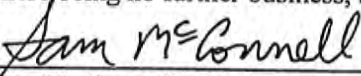
**CHS/MRMC Lease** – Adventist Health System/Florida Hospital has entered into an agreement with CHS to take assignment of the Munroe lease. The District does not have a lot of details at this time and will wait until we hear from CHS and Florida Hospital in regard to the final transaction.

**Legal/Other**

**Legal Claims** – Same as last month, no changes.

**Adjournment**

There being no further business, Sam McConnell adjourned the meeting at 2:47 p.m.

  
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**Sam McConnell, Chairman**