

# **Munroe Regional Health System, Inc.**

## **Minutes of the Meeting of the Board of Directors**

**May 18, 2015 @ 5:00 p.m.**

**Marion County Hospital District Office  
1121 SW 1<sup>st</sup> Avenue, Ocala, FL**

**Larry Strack - Chairman**

The regular meeting of the Board of Directors of Munroe Regional Health System, Inc. d/b/a Munroe Regional Medical Center was held on Monday, May 18, 2015 at 5:05 p.m. in the Foundation Conference Center at Marion County Hospital District.

### **Call to Order**

Larry Strack called the MRHS Board meeting to order with a quorum present at 5:05 p.m.

### **Board Members Present**

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

### **Board Members Absent**

Randy Klein

### **Hospital Attorneys Present**

Jonathan S. Dean

### **Others Present:**

Jon Kurtz, Debbie Cooper, Stan McClain, Ed Dean, Mary Lu Fritz, Dolly Dockham, Terri Judy, Thomas Buss, Heart of Florida

### **Invocation**

Jon Dean gave the invocation.

### **Approval of Previous Minutes (May 12 and April 27, 2015)**

The Minutes of the April 27, 2015 Board Meeting and May 12, 2015 Committee meetings were approved as presented.

A **Motion** was made by Sam McConnell to accept the minutes of April 27, 2015 Board Meeting and May 12, 2015 Committee Meetings as presented. The **Motion** was seconded by Ken Marino. With no further discussion, the motion passed unanimously.

## **New Business**

None.

## **Old Business**

### **Pension Plan and 401(k) Update**

Jon Kurtz referred the Board to the memo received from Lowell Walters dated May 15, 2015. It is Mr. Kurtz's opinion that Mr. Walters has misrepresented the effect of the VCP process to the Board. Following a phone conference with Gary Faber, Dawn Eppling and Aon Hewitt's ERISA attorney, Mr. Kurtz recommends a meeting be scheduled with Aon Hewitt to come and discuss the VCP and issues on the Plan. Mr. Kurtz will inquire from Aon Hewitt if they can come to the June committee meetings. Mr. Kurtz advised that to close down or terminate the Plan, it must go through PBGC, the government's retirement program, and someone must verify there are no known issues with the Plan, which we cannot do.

Jon Dean suggested calling a special meeting, which would give the Trustees an opportunity to discuss more openly and intimately with Aon Hewitt and their ERISA attorney, the issues with the Plan.

After discussion, it was agreed that Jon Kurtz, Jon Dean and Sam McConnell will interview new ERISA attorneys and a recommendation will be made at the June 23, 2015 Finance Committee meeting.

Mr. Kurtz contacted PriceWaterhouseCoopers to attempt to schedule a meeting, without attorneys, to discuss how the issues with the pension plan can be fixed. Mr. Kurtz has not heard back from PriceWaterhouseCoopers and will follow up with them.

Mr. Kurtz will also make one more attempt to contact Cherry Bekaert and schedule a meeting, without attorneys present, to discuss the errors and omissions in the pension plan and 401(k). If they refuse to speak with him, Jon Dean will contact Cherry Bekaert's counsel and attempt to schedule a meeting.

### **Steve Purves Arbitration**

Mr. Dean advised that the arbitration hearing was held on May 4, 2015 and went fairly well. The Arbitrator was asked to make her findings in writing. A formal written argument will be made by each party and sent to the Arbitrator. There should be a recommendation from the Arbitrator in July.

## **Old Business**

### **Dr. Ulmer litigation**

Mr. Dean advised that mediation has been scheduled in June.

## **Other Business**

Thomas Buss appeared before the Board requesting the Board allow Rich Mutarelli, former CEO of Munroe HMA Hospital, to serve as Interim CEO of Heart of Florida for 90 days, beginning June 1, 2015. The current CEO, Kerrie Jones-Clark, is retiring June 1, 2015. Mr. Mutarelli

currently has a non-compete agreement with Munroe HUMA Hospital which expires September 30, 2015.

After discussion, the Board agreed it would waive restriction of Mr. Mutarelli's non-compete, to the extent that Mr. Mutarelli can work for Heart of Florida, so long as he works until September 30, 2015 without compensation from Heart of Florida, due to him receiving severance from Munroe Regional Health System, Inc. while still being employed by CHS as their CEO.

A **Motion** was made by Ram Vasudevan to waive restriction of Mr. Mutarelli's non-compete agreement to the extent that Mr. Mutarelli may work for Heart of Florida, so long as he works until September 30, 2015 without compensation from Heart of Florida. The **Motion** was seconded by David Cope.

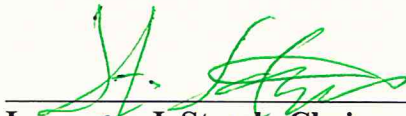
Mr. McConnell opposed the motion, as he feels Mr. Mutarelli should reimburse MRHS for the last four months of his severance agreement in return for him taking the position of CEO at Heart of Florida. After further discussion, the motion passed with 5 in favor and 1 opposed.

**Public Comment**

None

**Adjournment**

There being no further business, Larry Strack announced the meeting was adjourned at 6:00 p.m.



\_\_\_\_\_  
**Lawrence J. Strack, Chairman**