

# **Marion County Hospital District**

## **Minutes of the Meeting of the Board of Trustees**

**March 30, 2015 @ 5:00 p.m.**

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

**Larry Strack - Chairman of the Board**

### **Call to Order**

Larry Strack called the March 30, 2015 regular meeting of the Marion County Hospital District Board of Trustees to order with a quorum present at 5:45 p.m.

### **Board Members Present**

Larry Strack, Rich Bianculli, Ram Vasudevan, Ken Marino, David Cope, Sam McConnell, Randy Klein (arrived at 6:10 p.m.)

### **Board Members Absent**

None

### **Hospital Attorneys Present**

Jonathan S. Dean

### **Others Present:**

Jon Kurtz, Debbie Cooper, Dolly Dockham, Terri Judy, Fred Hiers, Mary Lu Fritz, Stan McClain

### **Approval of Previous Minutes (February 23, 2015 and March 24, 2015))**

The Minutes of the January 20 and February 17, 2015 Meetings were approved as presented.

A **Motion** was made by Ken Marino to accept the Minutes of the February 23, 2015 Board meeting and the March 24, 2015 Committee meetings as presented. The **Motion** was seconded by Ram Vasudevan. With no further discussion, the motion carried unanimously.

### **New Business**

### **Financial Review**

#### **Cash Report**

Debbie Cooper presented and discussed the Cash Report showing cash and investments as of March 23, 2015. Operating cash at the District is at \$5,336.620 and there is showing an increase in investment income due to movement of cash.

#### **February Financial Report**

Ms. Cooper discussed the February financials. The prepaid expenses are associated with the LIP6 funds being paid out for the benefit of Munroe. The funds being paid to the State began at

\$3MM and there is currently \$740K remaining for the period of March through June, 2015. This amount should be zero by the end of the year.

### **Grant Committee update**

David Cope reported that WellFlorida is progressing forward with the Health Needs Assessment in accordance with the timeline and should be completed in June.

Mr. Cope asked Ed Dean to give an overview of who IHI (Institute for Healthcare Improvement) was. Mr. Dean stated that the company is a not for profit out of Cambridge, MA with offices all over the world. IHI is on the cutting edge of healthcare practices. The company administers many grants to foundations. The purposes of the conference calls are to ask questions concerning possible assistance to the Hospital District, including identification of best practices for improving health outcomes and performance measurement. The next conference call is noticed to the public and is scheduled for April 8<sup>th</sup> at 11:00 a.m.

Mr. Cope advised that the committee has received preliminary grant document templates from Sara Manning at SunTrust and the committee is in the process of reviewing those documents.

Mr. Cope discussed that he has already begun receiving inquiries regarding grants from Dr. Mike Jordan at Children's Alliance, Brianna Lyles from MRMC, who is on the frontline with schools and children's obesity issues, Steve Christoff with Physicians Health Partners concerning software that can serve in a central capacity to benefit members of its partnership with ACO (Accountable Care Organization).

Mr. Dean reviewed the Objectives of Goal Three of the 2015-16 Strategic Plan. The Mission, Vision, Values and Goals were previously approved by the Board and this objective was drafted to develop and implement a procedure to ensure appropriate, long-term, hospital lease administration which is consistent with the provisions of the 2014 Lease and Purchase Agreement and applicable laws. The objectives are to create procedures and reporting mechanisms to ensure Munroe HMA's compliance with each of Lessee's specific lease obligations, adopt formal methodology for conducting and reporting the Hospital District's yearly physical inspection of Munroe HMA's leased premises, including the examination of the Marion County public records.

There also needs to be a process to ensure the Hospital District's compliance with the Restrictive Covenant obligation compliant with the Grant process and develop a series of annual reports designed to record Munroe HMA's compliance with standalone agreements between the Hospital District and Munroe HMA.

Mr. Dean will be developing more action steps in accordance with the Mission, Vision, Values and Goals.

It was recommended that future discussions of the Objectives of Goal Three be in the Finance and Operations Committee meeting.

A **Motion** was made by Sam McConnell to accept the Grant Committee report as presented. The **Motion** was seconded by Ken Marino. With no further discussion, the motion passed unanimously.



### **Investment Committee update**

#### **Investment Training**

Eight hours of investment training annually is required for the members of the Investment Committee. Rich Bianculli is looking into what is needed and if the training can be done at the quarterly investment meetings and if any training can be done online. Rich Bianculli asked for ideas of what the committee members wanted included in the continuing education and to please provide those to Mr. Kurtz in the next two to three weeks.

#### **Investments Update**

Mr. Bianculli gave a brief overview of the investment activity for the period ending February 2015. Goldman Sachs reported a 3.38% return for the period; Massey Quick reported a 3.01% return for the period; and SunTrust reported a 3.88% return for the period, resulting in an increase of \$2.7MM for February.

A **Motion** was made by Sam McConnell to accept the Investment Committee report as presented. The **Motion** was seconded by David Cope. With no further discussion, the motion passed unanimously.

#### **Finance Committee update**

Sam McConnell gave an overview of the Finance Committee meeting held on March 24, 2015 and went briefly through the items in the Finance Committee Minutes attached to the Agenda.

With regard to the Errors and Omissions issue, it was recommended that Jon Dean respond to the attorney for Cherry Bekaert that we are not interested in meeting at this time.

Jon Dean advised that a malpractice case was settled today. The claimant passed away last week and the family reached a compromised settlement, which was \$10,000 more than the actual medical bills.

A **Motion** was made by Sam McConnell to accept the Finance Committee report as presented. The **Motion** was seconded by Randy Klein. With no further discussion, the motion passed unanimously.

#### **Airport Road Property (Warehouse and Ambulance Garage)**

Five proposals were received in response to the RFP for a broker to sell the warehouse property located at 381 SW 60<sup>th</sup> Avenue, Ocala. After discussion by the committee, it was recommended that Van Akin at Foxfire Realty be offered the opportunity to broker the warehouse. Mr. Kurtz met with Mr. Akin and Mr. Akin agreed to list the warehouse at a 5% commission for 6 months if he is the single broker; or, a 6% commission for 6 months if he co-brokers the sale. The contract has been signed and the warehouse is being listed at \$545,000. Any offer will be accepted subject to Board approval.

#### **MCHD Personnel Contracts**

Mr. McConnell brought to the Board's attention that the contracts of Jon Kurtz, Executive Director and Ed Dean, Consultant, expire on March 31, 2015. Mr. McConnell expressed

concern that a request for qualification (RFQ) or request for proposal (RFP) for the positions should be done in order to maintain transparency under the Sunshine Law. Larry Strack stated it is not uncommon for an Executive Director to serve for extended periods of time. It was recommended that Mr. Kurtz's contract be renewed for one year with the District under his contract's terms and conditions, with either party having a 30 day out.

Mr. Strack stated that Ed Dean began consulting for the District in April of 2014. After six months, Mr. Dean rescinded his contract and the District brought him back to consult with the finance and grant committees. Currently, he is serving the District "at will."

Mr. McConnell also expressed concern that the District does not currently have a contract with its general counsel, Jon Dean. There is no current contract with Mr. Dean. After discussion, it was recommended by Larry Strack that the District continue its "at will" relationship with its general counsel, Jon Dean.

A **Motion** was made by Randy Klein to utilize Ed Dean's services as consultant for another year, with each party having a 30 day out. The **Motion** was seconded by Ken Marino. With no further discussion, the motion passed unanimously.

#### **Other Comments**

Larry Strack mentioned to the Board that a Notice of Indemnity Claim letter was received today with no supporting documentation (the day of the Board meeting) from CHS's attorney (Harter Secrest & Emery, LLP), stating that the District had been assessed various penalties totaling \$451,444. Mr. Kurtz advised that this was the first he had heard of these penalties and it fell close to the date when the first \$5M payment from the \$20M escrow was to be paid to the District by CHS.

Mr. Kurtz consulted with Jon Dean and Mr. Dean then consulted with CHS's attorney, who has agreed to allow from the escrow account the amount of \$4,548,556 (\$5M minus the alleged penalties). The District has agreed to accept that amount and the \$451,444 identified as penalties will remain in escrow, subject to a determination of whether the District owes CHS the various penalties.

#### **Old Business**

None

#### **Legal Matters**

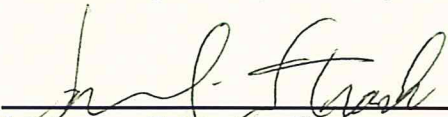
None

#### **Public Comments**

None

#### **Adjournment**

The meeting was adjourned by Larry Strack at 6:45 p.m.

  
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Lawrence J. Strack, Chairman