

# Marion County Hospital District

## Minutes of the Meeting of the Board of Trustees

September 28, 2015 @ 5:00 p.m.

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

Larry Strack - Chairman

### Call to Order

Larry Strack called the September 28, 2015 regular meeting of the Marion County Hospital District Board of Trustees to order with a quorum present at 5:47 p.m.

### Board Members Present

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

### Board Members Absent

None

### Hospital Attorneys Present

Jonathan S. Dean

### Others Present:

Jon Kurtz; Debbie Cooper; Ed Dean; Dolly Dockham; Terri Judy; Dick Grosso, MRMC Auxiliary; Fred Heirs, Ocala Star Banner; Stan McClain, Board of County Commissioners

### Approval of Previous Minutes

The Minutes of the August 24 Board, September 18 and 22 Committee 2015 Meetings were approved as presented.

A **Motion** was made by Sam McConnell to accept the Minutes of the August 24, 2015 Board meeting and the September 18 and 22, 2015 Committee meetings as presented. The **Motion** was seconded by Ken Marino. With no further discussion, the motion carried unanimously.

### New Business

#### Grant Committee Update

David Cope gave a positive overview of the Marion County Health Alliance meeting. He asked Ed Dean to speak as to the Health Alliance and IHI. Mr. Dean said there was a great turnout at the first Community Health Forum where over 50 agencies and organizations came together on September 16<sup>th</sup> to learn about Marion County's health report card and what can be done to improve our health status through collaboration.

The Articles of Incorporation of the Marion County Health Alliance have been filed and the Bylaws drafted. The Alliance will be a 501(c)(3) corporation. The Executive Committee of the



Health Alliance met on September 21<sup>st</sup> and set the next Health Alliance Board of Directors meeting for October 14, 2015. The Executive Committee elected Mel Seek as Chairman of the Executive Committee and the Health Alliance. It was the recommendation of the Grant Committee that David Cope serve as the representative for the Marion County Health District on the Executive Committee and Health Alliance Board of Directors.

Following the Health Forum and in preparation for the October 14<sup>th</sup> meeting, Dr. Seek sent a letter to the Health Alliance members asking them to submit areas where they see the need for health improvement.

Ed Dean is volunteering his and his staff's services, at no cost to the District, to assist Mel Seek in the administration of the Health Alliance as an Interim Executive Director, subject to the approval of the Board. Mr. Dean is also willing to continue to consult with the District on its Grant Program implementation.

Mr. Dean was asked to submit a Health Alliance budget to January 1, 2016. Mr. Dean could not give an exact amount. Larry Strack suggested the District fund the Alliance until January 1, 2016, and then revisit the budget.

Mr. Dean stated that he, David Cope, Erin Hess and Debbie Cooper have had good conversation with IHI and have come to an understanding as to what the District's needs are.

Sam McConnell encouraged the Board to stay behind Mr. Dean. He feels if the District wants to truly get in preventative care this is the way to go. Dr. Vasudevan said the most expensive need is motivation and education. Mr. Dean said that community motivation is not just people holding out their hands for money.

A **Motion** was made by Randy Klein to appoint David Cope to represent the District on the Health Alliance Executive Committee and Board of Directors. The **Motion** was seconded by Rich Bianculli. With no further discussion, the motion passed unanimously.

A **Motion** was made by Rich Bianculli that Ed Dean continue to assist the District with the strategic plan implementation regarding its Grant program. The **Motion** was seconded by Ken Marino. With no further discussion, the motion passed unanimously.

A **Motion** was made by Rich Bianculli that Ed Dean will continue to assist the District and volunteer his and his staff's services as Interim Executive Director of the Health Alliance. The **Motion** was seconded by Sam McConnell. With no further discussion, the motion passed unanimously.

#### **Investment Committee and Investments Update**

Rich Bianculli reviewed the Investment Overview. Even though investments were down this past month approximately \$4.4MM, Mr. Bianculli said this is probably an over-reaction. Investments are down approximately \$1.5MM this month but Jon Kurtz stated we have a good strategy and the right folks on this. He said it will take three years to see a trend.



The Investors will be here October 20, 2015 for the Investment Committee meeting and Investment Training with Goldman Sachs will take place on Monday October 19, at 2:00 p.m. at the District Office.

### **Finance Committee update**

Sam McConnell gave an overview of the Finance Committee meeting held on August 18, 2015 and went briefly through the items in the Finance committee minutes.

### **Cash Report**

Debbie Cooper reviewed the revised Cash Report as of August 30, 2015. After discussion, the Cash Report as presented was accepted by consensus of the Board.

### **August Financial Reports**

Ms. Cooper reviewed the August financials. After discussion, the financial reports as presented were accepted by consensus of the Board.

### **Budget 2016 – Approval**

Debbie Cooper went through the Budget. After discussion, it was the recommendation that the budget be approved, with the noted changes requested at the Committee meeting.

A **Motion** was made by Sam McConnell to approve the MCHD 2016 Budget as presented. The **Motion** was seconded by Larry Strack. The **Motion** carried unanimously.

### **Munroe Pension Plan IRS Amendment**

Hitz Burton, the Hospital District's attorney at Aon Hewitt discussed with the Trustees the amendment process and why it is required. The IRS has had a request from MRMC on our pension plan determination letter since 2001. A qualification letter was received by Aon Hewitt from the IRS. Aon Hewitt prepared a response to the IRS and that response satisfied the IRS requirement. The IRS is requiring an amendment which will not impact the way the Plan is being administered, but will bring the Plan up to tax code and make the Plan a tax qualifying Plan. Sam McConnell asked if there was any alternative to signing an amendment and if so, what is the cost? Hitz Burton advised that the Trustees need to sign the amendment and there was good reason in that it will bridge the tax law from 2001 to current and the pension plan becomes a qualified plan. It will not cost more money to sign the amendment; signing the amendment is merely a ministerial act.

A **Motion** was made by Rich Bianculli to approve the Pension Plan qualifying letter amendment for signature as presented. The **Motion** was seconded by Ken Marino and carried unanimously.

### **Pension Plan Funding**

Debbie Cooper contacted Aon Hewitt and asked how much do we need to fund the plan and when does it need to be funded to avoid the PBGC penalty. AON replied "The timing of the contribution is fairly flexible. You have until 6/15/2016 to make this contribution, but please be aware that the dollar amount needs to be interest-adjusted for the period of time after 10/1/2015. The interest-adjusted amount if you choose to contribute at the latest possible date (6/15/2016) will be about \$6.7M."



A **Motion** was made by Rich Bianculli to approve the Pension Fund to be funded in March 2016 with escrow funds which are due from CHS as presented. The **Motion** was seconded by David Cope and carried unanimously.

#### **Aon Hewitt Pension Investments**

**Efficient Portfolio** - Debbie Cooper discussed at the Finance Committee meeting whether the District wants to change the investments. Based on the information received from Aon Hewitt, it appears that the “efficient portfolio” is the best choice. After discussion, it was the recommendation that the funds be moved to an “Efficient Portfolio” as outlined in their memo.

A **Motion** was made by David Cope to approve the Pension Fund be moved to the Efficient Portfolio as presented. The **Motion** was seconded by Rich Bianculli and carried unanimously.

#### **CPI Index (Consumer Price Index) – Approval**

Debbie Cooper went over the CPI Index calculation and presented the same for approval to be used as the annual inflation adjustment to the investment corpus. This will memorialize the CPI Index to keep the corpus in line with inflation.

A **Motion** was made by Ken Marino to approve the CPI Index of All Urban Consumers Services ID #CUUR000SA0 be adopted as the annual inflation adjustment to the investment corpus as presented. The **Motion** was seconded by Randy Klein and carried unanimously.

#### **Inspection of Munroe HMA Hospital**

Mr. Kurtz gave an update on the inspection of the Hospital’s buildings and major components pursuant to the Lease Agreement. Bids were requested from five companies – Partin Architecture, Adams Group, Navigant, KJWW and Marion County. Partin Architecture quoted \$75,000; The Adams Group out of Rome, Georgia quoted \$.06 - \$.08 per sq. ft.; Navigant advised they could not do the inspection; Eric Vandenbroucke at KJWW quoted \$75,000, but they only do components, not facilities. Mr. Kurtz stated the County does not have the staffing to do the inspection as the Hospital has approximately 1.5 million square feet, not including TimberRidge.

Mr. McConnell reviewed all of the inspection bids and they are too expensive. He thinks the District needs a pictorial view of what the Hospital looks like today to set a baseline for future years and have something on file because it is our fiduciary responsibility to protect our leased property. Mr. Kurtz does not think a massive inspection of the Hospital is needed. Mr. Bianculli does not see the need to create a standard; but knowing the Hospital is in reasonably good operating condition is prudent.

Mr. Kurtz will contact Verrando and the company the County recommended and try to lower the cost of their bid by having them do mechanical, electrical and plumbing inspections only. Once he has contacted the companies, he will contact the Trustees and share his information.

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



### **Executive Directors Annual Compliance Report**

Jon Kurtz presented the Strategic Plan/Annual Compliance Report along with a copy of the MRMC 2014 Annual Hospital Report. After discussion, Larry Strack made a recommendation that the Finance Committee review the Compliance Report at the Finance Committee meeting in October and bring a recommendation to the Board at the October Board meeting.

### **Executive Director Search Committee**

Larry Strack discussed forming a search committee and preparing the search criteria needed for the Executive Director position when Jon Kurtz's term ends on April 1, 2016. Mr. Kurtz stated the District should employ a full-time Executive Director who can manage the wind down and grant funding, which is very difficult to do part time. Mr. Kurtz will send an email to all the Trustees for their input as to what they think the requirements for the Executive Director should be.

Mr. Strack suggested that the search committee consist of himself, Jon Kurtz and Ed Dean and if any other trustee would like to serve then they should contact Jon Kurtz. The new Executive Director needs to come on board prior to the end of Mr. Kurtz's term.

### **Provider Committee Meeting**

Dr. Vasudevan asked that the Provider Committee meetings be temporarily cancelled since the Health Alliance has been formed. David Cope said he felt the Health Alliance takes the place of the Provider Committee. He and Ed Dean see the Provider Committee as being able to verify the metrics after the grants are funded.

Mr. Strack stated the Provider Committee does not need to have any further meetings until further notice and this can be readdressed in January of 2016.

### **Other Business**

None

### **Old Business**

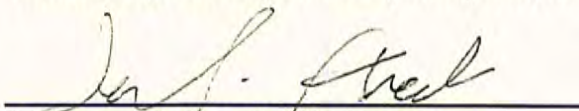
None

### **Public Comments**

None

### **Adjournment**

The meeting was adjourned by Larry Strack at 7:05 p.m.

  
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Lawrence J. Strack, Chairman