

Marion County Hospital District

Board of Trustees Meeting Minutes

April 29, 2019 @ 5:00 p.m.
Rich Bianculli - Chairman of the Board

Call to Order

Rich Bianculli called the April 29, 2019 regular meeting of the Marion County Hospital District Board of Trustees to order at 5:07 p.m.

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Board Members Present

Ken Marino, Randy Klein (5:08 pm), Rich Bianculli, Sam McConnell, David Cope, Larry Strack, Ram Vasudevan

Board Members Absent

None

Present by Phone

None

District Attorney Present

Joe Hanratty

Others Present:

Curt Bromund, Dolly Dockham, Brianna Liles, Debbie Cooper, Heather Wyman, Rebecca Tull, Jessica Kummerlee, Carlos Medina

Invocation

David Cope

Public Comment (3 minutes)

None

Approval of Previous Minutes – March 25 and April 23, 2019

A **Motion** was made by Ken Marino to accept the Minutes of March 25 and April 23, 2019. The **Motion** was seconded by David Cope. The **Motion** passed unanimously.

MCHD Financial Reports, Budget vs. Actual Balance Sheet and Income Statements.

Debbie Cooper reviewed the March 2019 financials. A **Motion** was made by David Cope to accept the Financials of March 2019 as presented. The **Motion** was seconded by Ram Vasudevan. The **Motion** passed unanimously.

New Business

Grant Committee Update

National Fitness Campaign Video – Rich presented a video by National Fitness Campaign depicting Fitness Outdoor Courts which are considered to be the world's best outdoor gym. The Fitness Court is a bodyweight circuit training system designed for adults of all ages and abilities. Each Fitness Court is integrated with shock-resistant sports flooring and is comprised of exercise stations that allow for up to 28 individuals to use the Court at the same. These fitness free outdoor courts are being built all across America. Pensicola Florida has

3 of these so far. Rich asked if this is something we could do in partnership with Advent Health, the total cost is \$150K to install, Advent said they would pay half if we pay half to put one here in Croskey Park. Rich said AMP could be involved in the project and could find a way to monitor or measure results of who is actually using it. David would like this to wait until next grant cycle so as to allow more time to get more information about the program and find out who else is using it and what their outcomes have been. After some discussion it was decided to wait until further information is obtained.

AMP/FANS Projects Updates

AMP - Collaboration & Partnership

- *CHIP Steering Committee* follow up
- *Marion County Library*- summer education sessions
- *Belleview Santos Elementary*- Will provide education during their 6-week summer program – including nutrition, fitness, and their raised bed.
- Signed agreement with *City of Ocala*
- *YMCA*- Attended health fair and will be at Every Kid Healthy event
- *Marion Senior Services*- Plans to meet to discuss providing senior fitness at congregate feeding sites, for the summer.

Smart Phone Application

- Updates to app
 - Working with new app developer to enhance features on back end of app

Multi-Media Engagement

- Weekly videos for pop up fitness
- Wrapped up videos with WIMS media
- Social media
 - 720 Facebook followers
 - over 435 Instagram followers

Health Education Campaign

- Kiosks are displaying health messaging
- Summer- Belleview Santos Elementary (students)
- Summer- Marion County Library
- Every Kid Healthy event at YMCA

AMP Workplace Wellbeing

- NEW- meeting with *Mojo's Grill and Catering*
- Update- *Ocala Eye* (209 employees)
 - Completed employee interest survey
 - Employees have downloaded the app
- Barrett Liner Buss is talking with *Meadowbrook* about becoming a partner

Data & Metrics

- Met with Michael, from IFAS, re: data and metrics specific to AMP

FANS

Elementary: Schools are harvesting and doing in class room taste tests such as lettuce wrap tacos, kale smoothies, and collard green cookoff. Parent Engagement events: Stanton Weirsdale, Saddlewood, Emerald Shores, Maplewood, Marion Oaks, Belleview Elem. Potter the Otter Pre K event at all 16 FANS schools. Kids at all the other Pre k sites will receive the marketplace book. Approx. 9000 students are being exposed to FANS at the elementary level.

Middle Schools: All schools participated in American Heart challenge – Health awareness campaigns and physical activity event. Ft King- Yogurt parfait taste test, step challenge. OMS- Field day. BMS- Sponsored the

school AR reward day with healthy snacks and physical activity events. Approx. 4000 students are being exposed to FANS at the middle school level through taste tests, health awareness campaigns and horticulture. **High School:** VHS -CTE showcase. VHS- kickball tournament. BHS- Yogurt parfaits. Hydroponic workshop at UF with FANS Ag teachers from VHS, OMS, TCHS, BT, NMHS. Approx 3200 students are being exposed to FANS at the High school level through taste tests, health awareness campaigns and horticulture. **Private Schools** - TCHS continues to harvest lettuce, broccoli and peppers for the cafeteria and taste tests. BTS greenhouse site work to start – doing a 15x25 Vertigro structure and a shade house. **Community** - CHIP Study.

The Substance Abuse Facility (Centers) – Closing took place on Friday 04/26/2019. Renovations will now begin and mold inspections are being done now. FY 2018-2019 Community Development Block Grant – To qualify for this grant you have to sign an agreement with the county who oversees the funds. The county is approving 700K in funds towards the MLK (Centers) purchase and renovations, 400K of the funds will go toward the purchase of the facility and 300K towards the renovations. Any expenditures for renovations will require bidding and compliance with federal Employment Guidelines. This will be a great way to handle complete continuity of care on an out-patient basis. At this time, funds in the amount of \$100K are being requested from the district to start the repairs and renovations as we are hoping to move FreeDOM clinic on May 15, 2019. The funds will be used before the grant money.

After some discussion, Randy made a **Motion** to approve up to \$100K to start the renovations. The **Motion** was seconded by Larry Strack. The **Motion** passed unanimously.

Heart of Florida (HOF)/MCHD Build-Out and MOU—A DRAFT Memo of Understanding (MOU) between Heart of Florida and Marion County Hospital District was presented/discussed by Joe Hanratty. The District intends to provide HFHC with 2M towards the cost of building out Parcel 2 of said property located at SR40 and NE 25th Ave. for the use of HFHC. 9,911 square feet shall be included in the proposed build out of Parcel 2 in the manner depicted on Exhibit “A,” The balance shall be unfinished open space contiguous to the area built out as described herein. The pro-rata area for the District shall be ~ 20%. The District shall use its’ own funds to build out the portions of the building to be occupied by District, no part of the \$2 million for the HOF shall be used to build out District area. Discussion is needed to approve either a partial build out or approve the total build out, either 6,030 sq ft at \$90/sq ft for \$542,700 or total build out of 13,928 sq ft @ 90/sq ft for \$1.3M. Curt and Rich will meet with the architect to discuss the first 10,047 sq. ft., also need to discuss roof and HVAC expenses.

Investment Committee Update

Rich reported we had a great quarter and we are up ~\$4M for the month to date. Investors and Renasant were here on April 23, 2019 for their quarterly reviews.

Investment Policy – Fourth Amendment – At the request of the board, Renasant is making an effort towards the standardization of the alternatives investment classification. The issues are classifications of the investments. The broad definition of alternatives are investments in assets other than stocks, bonds, and cash or investments using strategies that go beyond traditional ways of investing. It was recommended by Renasant that MCHD Alternative Investment Classifications have primary attributes and defining characteristics, to ensure an asset be classified as an alternative. The following attributes are being recommended to add to the investment policy under Section 7.4.

1. Investment vehicles with a private structure maintaining less transparency and less liquidity than traditional investments.
2. Discretion to trade all asset classes and a wide range of financial instruments while employing a variety of skill-based investment styles, strategies, and techniques in diverse markets.
3. The investment’s returns are driven by complex trading strategies involving leverage, short sales, and financial derivatives, causing unusual risk exposures, even though the underlying asset might be traditional securities.
4. An objective to achieve absolute returns regardless of whether markets are rising or falling. Absolute returns have little or no correlation with returns of major asset classes.

5. The investment's returns are driven by exposures to underlying assets with nontraditional cash flows- that is, cash flows that are not highly correlated with those that underlie traditional stocks and bonds. Although traditional investments are funded by cash flows from traditional operating firms, many alternative investments are funded by cash flows from nontraditional sources, which results in their returns to be less correlated with the returns of the overall stock market.

6. The investment's returns are structured to generate nontraditional payouts. Any new or existing assets in the MCHD that may fall into any of these categories or fall outside the scope of traditional investments or strategies, should be classified as an alternative investment.

After some discussion David Cope made a **Motion** to accept the revised investment policy to include Section 7.4, the **Motion** was seconded by Larry Strack. With no further discussion the **Motion** passed unanimously.

A Motion was made by David Cope to accept the Investment Report as presented. The Motion was seconded by Ken Marino. With no further discussion, the Motion passed unanimously.

Operations Committee Update

Curt Bromund Annual Leave - Due to timing of key events (e.g., lease transition and due diligence, implementation of projects, etc.) Curt Bromund has not been able to take more than two days of his accumulated annual leave. His current leave balance is 297 hours, and with the implementation of the Sobriety Village project, he will not be able to utilize his leave for the foreseeable future. Curt asked Rich if it was possible to receive a **one-time** leave buy-out, which was presented at the committee meeting. At that time a the motion to recommend paying Curt a portion of accumulated leave (approximately \$15,300), on a one-time basis was approved but going forward, the committee suggested Curt find ways to take-off for vacation to recharge.

After some discussion at board meeting, a **Motion** was made by Larry Strack to pay Curt the one-time vacation buy out, the **Motion** was seconded by Randy Klein. After more discussion, Sam is quite opposed to doing this, as it does not set a good precedence for the board and other employees who might make the same request, Randy suggested doing it as a merit or bonus instead, Sam still objected and stated that Curt needs to take his vacation days and re-charge. A **Motion** was then made by Ken Marino to table the **Motion** to approve payment until Rich and Curt get legal advice from an HR person as how to handle the request for payment and to adopt a PTO policy going forward. The **Motion** was seconded by Randy Klein. The **Motion** passed with five in favor and two opposed (Larry and Ram).

Munroe Pension Plan Termination - Pension Counsel conducted a telephone conference with Milliman on April 24, 2019 pertaining to the effects of not freezing the Pension Fund when CHS entered into the lease on April 1, 2014. Apparently, the notice to freeze the Pension Plan went out leading up to the lease with HMA. However, because CHS acquired HMA before we closed with HMA, we filed a notice to unfreeze the account because the closing was delayed. Unfortunately, the Pension should have had a re-notice that the plan was frozen on March 31, 2014 before we closed with CHS and that did not happen. A notice has gone out to the remaining pensioners notifying them that the pension plan will be frozen as of May 15, 2019 stopping all future accruals. The issue is now being analyzed to determine what needs to be done and how it will impact the timeline to closure and financial impact to the pension.

Old Business

None

Legal/Other

None

Adjournment

Rich Bianculli adjourned the meeting at . p.m.



Rich Bianculli, Chairman

MARION COUNTY HOSPITAL DISTRICT

Grant Committee Meeting Minutes

April 23, 2019

David Cope, Chairman

Call to Order

David Cope called the April 23, 2019 Grant Committee regular meeting of Marion County Hospital District to order at 12:00 p.m.

Public Comment (3 minutes)

None

Committee Members Present

Curt Bromund, David Cope, Larry Strack, Randy Klein, Rich Bianculli

Committee Members Absent

Sam McConnell

Present by Phone

None

District Attorneys Present

Joe Hanratty

Invocation

None

Others Present:

Dolly Dockham, Carlos Medina, Rebecca Tull, Heather Wyman, Brianna Liles

Approval of Previous Minutes

- March 19, 2019

A **Motion** was made by Rich Bianculli to approve the minutes of March 19, 2019 as presented. The **Motion** was seconded by Randy Klein. With no further discussion, the **Motion** passed unanimously.

New Business

AMP/Fans Updates – will be presented at board meeting

The Substance Abuse Facility (Centers) – Timeline for closing of the property: Closing Date is scheduled for this Friday 04/26/2019. After the closing, renovations will begin. Mold inspections are being done now. This will be a great way to handle complete continuity of care on an out-patient basis.

Old Business

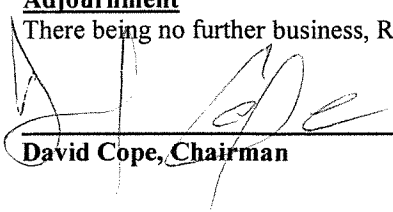
Heart of Florida/MCHD Build-Out and MOU—A draft Memo of Understanding (MOU) between Heart of Florida and Marion County Hospital District is being presented by Joe Hanratty for discussion and for recommendation for approval at the April board meeting. The District intends to provide HFHC with \$2M towards the cost of building out Parcel 2 of said property located at SR40 and NE 25th Ave. for the use of HFHC. The District shall be entitled to lease for 30 years for \$1.00 a month 13,928 square feet of space as set forth on Exhibit A. The District shall have the right to renew the lease of subject property at the conclusion of the first term of 30 years for an additional 30 years. 9,911 square feet shall be included in the proposed build out of Parcel 2 in the manner depicted on Exhibit “A”, the balance shall be unfinished open space contiguous to the area built out as described herein. The pro-rata area of the build out area for the District shall be 20%. The District shall use it’s own funds to build out the portions of the building to be occupied by District, no part of the \$2 million shall be used to build out District area. Discussion is needed to approve either a partial build out or approve the total build out, either 6,030 sq. ft. at \$90/sq ft for \$542,700 or total build out of 13,928 sq ft @ 90/sq ft for \$1.3M. Curt and Rich will meet with the architect to discuss the first 10,047 sq. ft., also need to discuss roof and HVAC expenses.

Legal/Other

None

Adjournment

There being no further business, Rich Bianculli adjourned the meeting at 12:10 pm.



David Cope, Chairman

MUNROE REGIONAL HEALTH SYSTEM MARION COUNTY HOSPITAL DISTRICT

Investment Committee Meeting Minutes

April 23, 2019

Richard Bianculli, Chairman

Call to Order

Rich Bianculli called the April 23, 2019 regular meeting of the Munroe Regional Health System and Marion County Hospital District Investment Committees to order at 12:25 p.m.

Public Comments (3 Minutes)

None

Trustees/Committee Members Present

Curt Bromund, David Cope, Larry Strack, Rich Bianculli (left 1:45 pm)

Committee Members Absent

Sam McConnell

Present by Phone

Caleb Adair, Mike Hill

District Attorneys Present

None

Others Present

Dolly Dockham, Carlos Medina, Heather Wyman, Brian Creekbaum (12:35 pm), Matt Foster, Todd Golden, Tom Morr, Chris Moore, Melanie Cianciotto, Wen (Tang) Nottebohm and Russ Allen.

Approval of MRHS/MCHD Previous Minutes

- March 19, 2019

The minutes of March 19, 2019 were approved by general consensus as presented with no objections.

New Business

Renasant (12:30 pm) – Matt Foster, Todd Golden – Investment Policy –Caleb and Matt are suggesting the district and the investors adopt the Investment Classifications presented at the February meeting to the IPS so as to guide the investors on what is an alternative and to remedy misclassifications.

Investors arrived at 1:00 pm

Massey Quick – Tom Morr, Chris Moore – Summary –Growth stocks outperformed value stocks to begin 2019, Although every sector delivered solid returns in Q1, more defensive sectors did not capture as much of the upside. Healthcare and Utilities, for example, were the best performers in 2018 and ultimately lagged during the quarter. The decision to increase interest rates at the end of 2018 sparked a bout of volatility that was ultimately short-lived. During the first quarter, the Federal Reserve calmed fears by leaving its target rate unchanged and signaling that it may be done with rate hikes for the remainder of the year. This was the first time the spread turned negative since 2007. Recent job reports have been largely good news for workers. Unemployment remains low and employers are having trouble filling open positions. A dovish Fed has reclaimed the controls to end the balance sheet reduction program by September. Coupled with no further plans for rate hikes, stocks have rallied to kick off the new year. We are constructive on hedge funds in the current investment environment. We remain very selective on long/short equity managers as the ability to generate persistent excess returns is very difficult. We are overweight illiquid alternatives given their longer investment periods and ability to extract value through engagement with their portfolio companies. Lyrical and Oakmark are both on

the focus list as both were under performers however we are not worried about the allocations and believe active management will make a difference in these areas of the market. Massey will work on reclassifying Golub to illiquid alternatives and Arrowmark to the hedge fund asset class. A temporary approval to be overweight to the illiquid asset class was granted due to the longer lock-up nature of Golub. Massey will be more in line with the targets once Golub pays out in 12-24 months.

Suntrust – Mike Hill (phone)– Summary –After finishing Q4 2018 in negative territory, global stocks saw a sharp rebound in the first quarter with equities posting strongest gains in 10 years. The US led the pack while emerging markets lagged behind their developed markets peers. Within the US, mid-caps were the top performers. Core bonds had a strong quarter after finishing 2018 roughly flat. Yields fell and spreads tightened for the quarter, leaving most sectors solidly in positive territory. High yield was the top performer, benefitting from a snapback in spreads. Commodities, which finished 2018 down double-digits, rallied back to notch modest gains during the first quarter. Domestic equity was up 14.68% during the quarter, outperforming international equities. Global hedge funds underperformed both core bonds and equities. The portfolio allocation to illiquid investments is slightly below the target. We continue to add to illiquid investments as compelling opportunities are identified. Within the U.S., the consumer is very healthy: Record Number of US Workers and Wages Rising. Global profit trends have been reset lower and should improve along with the world economy. Stock prices tend to lead a turn in profits. After sharp selloffs during this market cycle (which is also consistent with prior cycles), the expectation is for volatility to remain elevated over the next few months. Markets will be closely following signs of progress in China trade talks. See no recession in 2019 and the probability of a recession in 2020 declining. The outlook for the remainder of 2019 remains constructive and calls for positive GDP growth likely exceeding 2%. Bonds allocations have produced strong returns during the first quarter and are expected to moderate through the remainder of the year and continue providing stability during market turmoil. Suntrust is comfortable with the current positioning of the portfolio allocations and recommends no major shifts.

Berman Capital –Wen (Tang) Nottebohm, Russ Allen– Summary – After a sharp dip in Q4 2018 and strong recovery in Q1 2019 where the S&P 500 enjoyed the best start to the year since 1998, the investing environment today looks like that of recent years: slow but positive growth, little inflation and policymakers afraid of spooking financial markets. Our best guess is that recession is a 2021 event. Near-term, we think stocks and other risk assets will be rangebound with potentially higher volatility before grinding higher by year-end, as growth in Emerging markets and then Europe enjoys a modest cyclical recovery. This scenario implies investors should overweight global equities, underweight high quality bonds, and maintain a neutral allocation to cash. We think no new rate hikes mean the US dollar may weaken, boosting international currencies and investment returns in a relative sense. The outlook for bonds is muted because current yields are low and it's hard to see the term premium going lower. High quality bonds should be used for defense and portfolio ballast rather than return drivers. All in all, we see a good but not great outlook for risk investments in the near term. First quarter economic reports will be weak, but that is well anticipated by the market. Stronger growth in the second half could finally help equities outside of the U.S. We see the risk of recession, and thus credit defaults, as low. We are concerned with valuations in places but don't see a systematic problem in the near term.

Old Business/ Legal/Other

None

Adjournment

There being no further business, Curt Bromund adjourned the meeting 2:06 pm.



Rich Bianculli, Chairman

Munroe Regional Health System Marion County Hospital District

Operations Committee Meeting Minutes April 23, 2019 Rich Bianculli, Chairman

Call to Order

Rich Bianculli, in Sam's absence, called the April 23, 2019 regular meeting of the Munroe Regional Health System and Marion County Hospital District Operations Committees to order at 12:11 pm.

Public Comment (3 Minutes)

None

Committee Members Present

Curt Bromund, Rich Bianculli, David Cope, Larry Strack, Randy Klein

Committee Members Absent

Sam McConnell, Operations Chairman

Present by Phone

None

District Attorneys Present

Joe Hanratty

Others Present

Dolly Dockham, Carlos Medina, Heather Wyman, Rebecca Tull, Brianna Liles

Approval of Previous Minutes

- March 19, 2018

A **Motion** was made by David Cope to approve the Minutes of March 19, 2019. The **Motion** was seconded by Randy Klein. With no further discussion, the **Motion** passed unanimously.

New Business

Financials

Budget vs Actual, Balance Sheets, Cash Flow and Income Statements for Munroe Regional Health System and Marion County Hospital District – March Financials will be presented at the April board meeting for approval.

Annual Leave Balance – Due to timing of key events (e.g., lease transition and due diligence, implementation of projects, etc.) Curt Bromund has not been able to take more than two days of his accumulated annual leave. His current leave balance is 297 hours, and with the implementation of the Sobriety Village project, he will not be able to utilize his leave for the foreseeable future. Curt asked Rich if it was possible to receive a **one-time** leave buy-out, which was presented to the committee.

A **Motion** was made by David Cope to recommend paying Curt a portion of accumulated leave (approximately \$15,300), on a one-time basis. Going forward, the committee suggested Curt find ways to take-off for vacation to

recharge. The **Motion** to recommend was seconded by Randy Klein. The **Motion** passed unanimously and will go to the board for approval.

Old Business

Pension Plan Termination –Pension Counsel is conducting a telephone conference with Milliman on April 24, 2019 pertaining to the effects of not freezing the Pension Fund when CHS entered into the lease on April 1, 2014. Joe will have more info at the board meeting.

Legal/Other

Tax Free Bonds - Advent Health has requested the Marion County Commission to hold a public meeting to support Advent Health's issuance of Tax-Free bonds pursuant to FS 154 to be repaid from the revenue stream of all Advent Health hospitals. We amended the lease with the Fourth Amendment to the Lease to allow financing based upon revenue rather than the facilities. The request is for an amount up to \$225 million. Joe will inquire as to whether the funds will be used in Marion County and what are the bond holder's remedies in the event of default.

Legal Claims – no change.

Adjournment

There being no further business, Rich Bianculli adjourned the meeting at 12:19 p.m.



Rich Bianculli, Chairman