

Munroe Regional Health System, Inc.

Minutes of the Meeting of the Board of Directors

January 25, 2016 @ 5:00 p.m.

1121 SW 1st Avenue, Ocala, FL

David Cope, Chairman

Call to Order

David Cope called the January 25, 2016 regular meeting of the Munroe Regional Health System, Inc. Board of Directors to order with a quorum present at 5:02 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, Dick Grosso, Patrick Gilman, Matt Matthews, Ginger Broslat, Barbara Fitos, Alison Stone and Tim Westgate from Purvis Gray, Rich Mutarelli, Mr. Pritchard

Invocation

Jon Dean gave the invocation.

Minutes of December 21, 2015 and January 19, 2016 Meetings

The Minutes of the December 21, 2015 Board Meeting and January 19, 2016 Committee meetings were approved as presented.

A **Motion** was made by Sam McConnell to accept the minutes of December 21, 2015 and January 19, 2016 as presented. The **Motion** was seconded by Rich Bianculli. With no further discussion, the motion carried unanimously.

Approval of Financial Report and MRHS Budget vs Actual for December 2015

Debbie Cooper gave a brief review of all the financial reports. Sam McConnell made a **Motion** to approve the Financial Reports and MRHS Budget vs Actual for December 2015.

After discussion, the **Motion** was seconded by Rich Bianculli. With no further discussion, the motion passed unanimously.

New Business

None

Old Business

Warehouse Update – Jon Kurtz said nothing new to report on the warehouse. Van Akin showed it to an air-conditioning company but it did not meet their need. The price of \$450,000 is fair for the area and square footage. Jon will check to see when the contract expires.

Legal Matters/Other Business

Ehlers Update – At our last meeting, the Trustees asked that Jon Dean communicate with Weintraub, attorney for Ehlers and mortgagees. There were some discussions about settlement, but he didn't believe they were going anywhere. Based on the comments from Compass Bank, that they are getting ready to file a foreclosure action against Ehlers and if they do that they will name CHS and the Hospital District as Defendants to the claim that their mortgage is superior to any interest that they have. That will enable us to file counterclaim against Compass and Ehlers and other defendants to establish subrogation claim for taxes that were advanced to Mr. Ehlers. There should be some new information in the three weeks.

Pension Plan/401K Update – 401K VCP has been filed with IRS. Pension Plan VCP is in process, finalizing calculations for 1,500 employees- though it would be about another month – this is the beginning process to settle all of this. As far as locating the 184 pension people to have them activate their packages so far 15 of 184 have been reached.

Lawsuits Update

General Liability – maximum liability of \$15,000 and there is one case remaining.

Workman's Compensation – Jon Kurtz said we are down to 15, of which 8 are in overage category – we pay fees and recover any expenses from insurance companies.

Professional Liability – Presently 2 cases being worked by David Doyle.

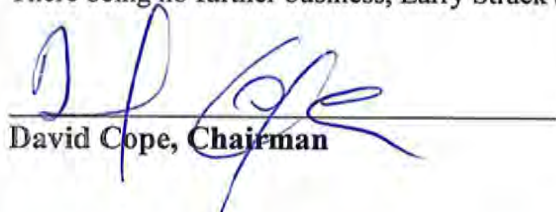
David Cope recommended having a spreadsheet with each case and the status/timeline on resolution of case. Jon Kurtz said they have a once a month meeting and they give them a report on each case and he can share the report with the Trustees each month. Jon Dean does not think the Trustees need in-depth reports on each case; but reports at meetings from Jon Kurtz should be their update. Generally, the two-year window on the statute of limitations will close May 1, 2016. David said if it's just a list, that's fine with him, they just want to know if the list is shrinking. Mr. Kurtz asked Mr. Dean to tell them what they can put in a spreadsheet. Larry Strack said he would like to know what the potential liability is. Debbie Cooper did that calculation a few weeks ago and the exposure is approximately \$2 million.

Public Comment

None

Adjournment

There being no further business, Larry Strack announced the meeting was adjourned at 5:55 p.m.



David Cope, Chairman