

Munroe Regional Health System, Inc.

Board of Directors Meeting Minutes

October 30, 2017 @ 5:00 p.m.
1121 SW 1st Avenue, Ocala, FL

David Cope, Chairman

Call to Order

David Cope called the October 30, 2017 regular meeting of the Munroe Regional Health System, Inc. Board of Directors to order with a quorum present at 5:01 p.m.

Board Members Present

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

Board Members Absent

Randy Klein

Present by Phone

None

District Attorney Present

Joe Hanratty, Charles Forman

Others Present:

Dolly Dockham, Curt Bromund, Heather Wyman, Brianna Liles, Patrick Gilman

Invocation

David Cope gave the invocation.

Public Comment (3 minutes)

None

Approval of Previous Minutes

A **Motion** was made by Sam McConnell to accept the minutes of September 25, 2017 and October 24, 2017 as presented. The **Motion** was seconded by Ken Marino. With no further discussion, the motion carried unanimously.

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

Debbie was absent from the board meeting and she had reviewed all of the MRHS Financials for the month of September 2017 at the committee meeting.

A **Motion** to approve all of the MRHS Financial Reports for the month of September 2017 was made by Rich Bianculli. The **Motion** was seconded by Sam McConnell. With no further discussion, the **Motion** passed unanimously.

New Business

2017/2018 District Meeting Dates

Revisions for 2017

November 14th, 2017 Committee Meeting will be cancelled

November 20th, 2017 Board Meeting will be changed to Monday November 27, 2017 (Monday after Thanksgiving)

Revisions for 2018

November 2018 – no committee meeting

November 19th, 2018 meeting moved to November 26th, 2018 (Monday after Thanksgiving)

Investors Quarterly Sessions for 2018

Recommended to begin at 10:00 a.m. or later instead of 9:00 a.m.

A Motion was made by Rich Bianculli to accept the 2017-2018 District Meeting Dates as revised. The Motion was seconded by Larry Strack. The Motion to Recommend passed unanimously.

2018 MRHS/MCHD Officers – Officers were approved for MRHS and MCHD for the year beginning January 2018 as follows:

Chairman – Rich Bianculli

Vice Chair – Sam McConnell

Secretary/Treasurer – Randy Klein

A Motion to approve the above nominations was made by Ram Vasudevan, the Motion to approve was seconded by Larry Strack. The Motion passed with no oppositions.

Old Business

None

Legal/Other

Legal Claims – No changes.

TimberRidge Financing by Successors to Hank Ehlers Agreement – Joe presented the Recognition Agreement for the TimberRidge Financing by Successors to Hank Ehlers. The entity that took over from Hank Ehlers is seeking refinancing of the Compass loan. Under the Compass litigation they have until December to get new financing in place. This Recognition agreement encumbers the Ground Lease and the 800 Building in the new financing agreement. The changes Joe was able to negotiate were lessons learned from the Compass litigation. For instance, should the Tenant default on the rent and the bank forecloses, the bank must bring current the default under the lease. The other changes require the Bank to comply with the Ground Lease for condemnation or insurance proceeds rather than simply taking all the money to pay down the loan. Joe recommends that the Board approve the agreement as the next step to resolve the Compass litigation, allowing the folks who took over for Ehlers to replace the Compass financing.

At the committee meeting a A Motion to Recommend the TimberRidge Financing by Successors to Hank Ehlers Agreement to be approved was made by Rich Bianculli only after

Randy Klein reviews the legal document and gives his opinion at the October board meeting and the blanks on the agreement are filled in. The Motion to Recommend was seconded by Larry Strack. The Recommendation passed.

Randy reviewed the Agreement and conferred with Joe and after brief discussion, A Motion to approve the agreement as presented was made by Rich Bianculli, the Motion to approve was seconded by Larry Strack. The Motion passed.

Encroachment Agreement for MRMC ED Renovations– The agreement is between the City, CHS and the District and it will reflect the proposed improvements that will be located in the Alleyway as shown on the attached diagram. Joe is still awaiting the final agreement from the City of Ocala.

CHS/MRMC Capital Expenses – Sam McConnell and Joe Hanratty stated that although the Tenant (CHS) has supplied broad categories of Capital Expenses pursuant to Section 7.7 of the lease in their annual report dated July 31, 2017, the Trustees would like clarification as to what those expenses cover exactly. Joe Hanratty has received some updates will email the trustees with the updated information and bring the completed list to the November board meeting.

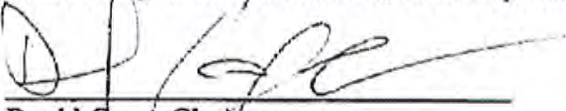
District Trustees Travel – Sam McConnell wants Joe Hanratty to obtain a written opinion from the Attorney General determining whether the trustees can travel outside the county for the sole purpose of learning/observing for educational purposes how other Districts operate without violating the Florida Sunshine Law. Charles Forman is working on this with the AG's office and will report back when he has a decision.

Audit Committee - In AGO 2012-31, the Attorney General referred to Section 218.391, Florida Statutes, and opined that an audit committee's statutorily prescribed function to exercise its discretion to create a request for proposals may not be delegated to a subordinate or other entity, absent statutory authorization. The Attorney General indicated that the Legislature in Section 218.391, Florida Statutes, has provided a template, which must be followed by a local governmental entity for the creation of and performance of functions by an audit committee under Section 218.391, Florida Statutes, before the municipality may choose an auditor. The Attorney General further stated that where the Legislature has prescribed the manner in which something is to be done, it is, in effect a prohibition against its being done in any other manner. Even were it not required to do so, the District, as a matter of good business practice, may benefit from applying its own auditor selection procedures because while the county's auditor selection process was designed to find an auditor to conduct a financial audit of the county, the District's selection process should be designed to find an auditor to conduct a financial audit of the District

On further review the Auditor General has decided that we have to have our own Audit committee. We are not going to be audited or investigated but we have to comply with the statute for the next audit. The question is what is our current Agreement with Purves Gray? If we are already contracted for the 2016/2017 audit then we can go forward with that. Otherwise, we have to comply with the statute for the next audit.

Adjournment

There being no further business, Dave Cope announced the meeting was adjourned at 5:25 p.m.



David Cope, Chairman