

**MINUTES  
LOWER FLORIDA KEYS HOSPITAL DISTRICT  
FINANCE COMMITTEE MEETING  
OCTOBER 11, 2022**

**PRESENT:** Mrs. Ovide, Mr. Levin

**ABSENT:** Mr. Muir

**ALSO PRESENT:** Mr. Hill, Mr. Hammond, Dr. Thompson, Mr. Yasin

**CALL TO ORDER**

Mr. Levin called the meeting to order at 2:36p.m.

**MINUTES:**

The minutes of the finance committee meeting held on June 15, 2022 were reviewed as presented:

**Mrs. Ovide motioned to approve the minutes as presented. Mr. Levin seconded. The motion carried unanimously.**

**PFM QUARTERLY REPORT:**

**Report ending August 31, 2022**

The report from PFM for the quarter ended August 31, 2022 reflects the portfolio being down 16.6 % YTD and the benchmark was down 15.3%. It was a difficult year and the Fed Reserve didn't do a good job unwinding interest rates. In May 2022 the Fed decided to raise rates. Commodities were up and energy prices are coming back down. Stocks and bonds are currently down and there is a lot of uncertainty in the market. Inflation rates are high and the housing recession is still in full effect. There was two consecutive quarters of GDP decline but despite that the unemployment rate was down 3.5%. The inflation rate is ticking down but it isn't going down fast enough.

The quarterly report is attached to the official minutes.

**AUDIT REPORT:**

There was no report from the auditor.

**ATTORNEY REPORT:**

Mr. Fishman received a phone call from the General Counsel/Principal of Portopiccolo Group, which is the entity that acquired the nursing home from Senior Care out of bankruptcy. Portopiccolo Group is in the process of refinancing the 2 year loan they received when they acquired the nursing home back in 2020. The District Board entered into a 4<sup>th</sup> amendment to the ground lease with Portopiccolo Group and part of that amendment stated that if the Nursing Home refinanced their loan that the entire amount of the additional rent would accelerate and become due in full. The District also added a provision that in any event that entire amount of the additional rent amount would balloon in 10 years. It was originally a 30 year advance which under normal amortization on a 30 year schedule wouldn't end until April 1, 2038. The General Counsel of Portopiccolo Group asked Mr. Fishman if the Board would be willing to abate the revision about the additional rent accelerating and just allow them to make their monthly payments and their 10 year balloon would become due in 2030.

Mr. Fishman advised the board that if the district was willing to not require the full acceleration at this time then the District should extract something for forgiving that. Mr. Hill, Mr. Levin and Mr. Fishman discussed the option of having a 5 year balloon rather than 10 years and it would balloon in October 2025 or upon the refinancing of their loan or earlier if they refinanced again.

The District knows that replacing a nursing home operator is a difficult task and wants to work with the current nursing home operators to keep the place open and serving the community. The District Board unanimously agrees to move the balloon up from 10 years to the earlier of or 5 years to assist them with their loan refinancing,

Mr. Fishman's report is attached to the official minutes.

**QUARTERLY FINANCIAL REPORT:**

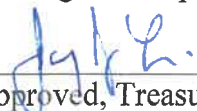
Mrs. Cranney-Black gave the financial quarterly report on behalf of Mrs. Narkiewicz's and stated that all expenditures are in line with budget.

Mrs. Narkiewicz submitted the FY23 budget for board approval. This budget was based on FY22 actual expenses and note that the revenues decreased due to the dividends. Mrs. Cranney-Black also advised the board that the quarterly PCC clinic payments are coming in way less than half of the \$125,000 that is allotted each quarter.

Mrs. Narkiewicz's financial statements are attached to the official minutes.

**ADJOURNMENT:**

There was no further business to come before the Finance Committee, Mr. Levin adjourned the meeting at 3:06 p.m.

  
\_\_\_\_\_  
Approved, Treasurer

02/13/23  
\_\_\_\_\_  
Date