

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

MARCH 28, 2013 12:30 P.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Thursday, **March 28, 2013**, in the Citrus Memorial Hospital Administration Building, 2nd floor Boardroom, 502 W. Highland Blvd., Inverness, Florida. Chairwoman Mrs. Ressler called the meeting to order at 12:30P.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) QUORUM PRESENT

(4) ATTENDANCE

Board Members: Debbie Ressler (Chairwoman), Robert Priselac (Vice-Chairperson), Krista Joseph (Secretary/Treasurer), Mike Bays (Trustee) and Gene Davis (Trustee).

Also in attendance:

William J. Grant, Esquire, CCHB General Counsel
Karla Dozier, CCHB Administrative Assistant

Prestige Court Reporting

Members of the Public: Angelina Banks, Drake Banks, Gauge Banks, Donald Haddens, Janis Garziano, Ryan Beaty (CMHF), Katie Mehl (CMHF), Andrea Weeks (CMHF), Gustavo Fonseca, MD, Parish Desai, MD, Kim Bedford, Joe Chrietberg, Justin Krumholtz, and Mike Wright (Citrus County Chronicle).

(5) PUBLIC COMMENT

- Jane Bradford: Ms. Bradford from Nature Coast Emergency Services introduced Angelina Banks to the Board. Ms. Banks is the person who got the scholarship donated by the CCHB for paramedic schooling.
- Paresh Desai, MD: Dr. Desai presented to the Board a copy of the letter sent to the newspaper by Dr. Fonseca, Dr. Fallows and Dr. Desai *(Copy attached)*.
- Gustavo Fonseca, MD: Dr. Fonseca expressed his thanks to the Board about the physician survey. Also Dr. Fonseca noted that he has been called a disgruntled physician by the Hospital Administration but many Doctors agree with him but they don't want to come forward.

(6) APPROVAL OF MINUTES

MOTION by Mr. Bays, second by Mr. Priselac to approve the minutes from the January 25, 2013 joint meeting. The Motion passed unanimously, 5-0.

MOTION by Mr. Davis, second by Mr. Bays to approve the minutes from January 30, 2013 Regular Meeting. The Motion passed unanimously, 5-0.

MOTION by Mr. Priselac, second by Mr. Davis to approve the minutes from February 07, 2013 Special Meeting. The Motion passed unanimously, 5-0.

MOTION by Mr. Bays, second by Mr. Davis to approve the minutes from February 22, 2013 Special Meeting. The Motion passed unanimously, 5-0.

(7) COMMITTEE REPORTS

Strategic Committee:

➤ **155.40 (Sub Committee)**

a) RFP Process: Mr. Priselac stated that the Strategic Committee recommendations are:

The approval of the VMG report of the Citrus Memorial Hospital valuation as presented.

MOTION by Mr. Priselac, second by Mrs. Ressler to accept the VMG report and to continue with the process of Florida Statute (F.S.) 155.40 according with the Resolution presented by General Counsel. The Motion passed unanimously, 5-0. (Copy of the Resolution on file)

The engagement of a transaction broker/banker to help with the process.

MOTION by Mr. Priselac, second by Mrs. Ressler to engage with a transaction broker/banker with the purpose of moving F.S. 155.40 forward. The Motion passed unanimously, 5-0.

Mr. Priselac asked if there is not an objection he would like to bring three names forward for the Transaction Broker/Banker position. After discussion and via consensus the Board agreed and Mrs. Joseph will check their references. The Board will have a meeting on April 15, 2013 to select the company to be the Transaction Broker/Banker.

➤ **Community Needs Assessment**: Mr. Priselac informed the Board that Well Florida conducted a series of surveys and he received the demographics; but at this time he didn't receive the results and the date of the next meeting.

Mr. Grant also will look for Transactions Attorneys and will present them to the Board.

(10) COMMENCE ATTORNEY CLIENT EXECUTIVE SESSION MEETING

The meeting was closed a (All the unauthorized individuals left the room) for the Attorney client executive session. According to Section 286.011(8) Florida Statutes the Executive Session will be closed to the public to allow the Citrus County Hospital Board of Trustees to meet with the Board's Attorneys regarding pending litigation.

The meeting was re-opened to the public at 4:30pm.

(11) FOUNDATION GOVERNANCE ISSUES

Mr. Grant informed the Board that the ILA is done and signed. Mr. Grant also requested to the Board to initiate a Developer's Agreement (DA) and at this stage the Foundation will be involved. The DA is the overview of the ILA will reduce to writing and delineates the detail of how this parcel will be zoned or rezoned.

Mr. Davis stated that he did an analysis of the VMG and the DA and said both will have a positive impact and also both will increase the value between \$4 to 5 million.

MOTION by Mrs. Ressler, second by Mrs. Joseph to authorize Mr. Grant (General Counsel of the CCHB) with the assistant of Mr. Shepard, Esq. to draft a Development Agreement. After discussion the motion passed unanimously, 5-0.

Mr. Grant also noted that there are two (2) Moody's report, they have the same date, but one has a different opinion than the one that was sent by the Foundation.

Mr. Grant will request to Mr. Stillwell that the Hospital administration not to send information to the Trustees personal emails and every Trustee needs be copied in the email. After approval to do so.

Mr. Grant stated that the appeal is in progression and the brief will be filed by May and the State has joined with the appeal.

Mrs. Ressler stated that she will be attending the Health Department Community Needs Assessment.

Mr. Grant stated that all the parties involved have to do a conflict of interest disclosure prior to making a decision regarding the F.S. 155.40 process.

Discussion ensued regarding the Hospital employees pension and the issue that is underfunded, right now the Hospital is seeking compliance under the IRS rules, but if the Hospital is sold or it leased they have to cover the total pension amount.

Mr. Beaty informed the Board that he sent an email to the Trustees from the Actuary regarding the Foundation pension.

MOTION by Mrs. Joseph, second by Mr. Priselac to get a independent opinion to evaluate the pension. The motion passed unanimously, 5-0.

Mr. Grant noted that Mr. Stillwell sent a letter on March 19, 2013 that the Foundation had voted in their last meeting to continue to abate the pending lawsuits until the Supreme Court decision. Mr. Grant requested the Trustees decision after the Attorney/Client session. The only case to continue is the Supreme Court case.

MOTION by Mr. Bays, second by Mr. Davis to abate the following pending lawsuits 2010-CA-5399, 2011-CA-809 and 2012-CA-2019. After discussion the Motion passed unanimously, 5-0.

Mr. Grant asked the Trustees authorization to draft a sidebar agreement with Mr. Stillwell, Esq. (CMHF Counsel) regarding the ILA and the DA.

MOTION by Mrs. Ressler, second by Mrs. Joseph to authorize Mr. Grant, Esq. (CCHB General Counsel) to sign a sidebar agreement with Mr. Stillwell, Esq. (CMHF General Counsel), that the position the either party takes in the Inter-local Agreement (ILA) and the Developers Agreement (DA) will not be used against the other in any litigation. The motion passed unanimously 5-0.

Mr. Grant asked the Board if they would like him to continue with zoning application. After discussion and via consensus Mr. Grant will continue with the application.

Mr. Grant read the CCHB counter proposal that that he will draft and send to the Foundation and the Board would like to receive an answer within 24 hours.

MOTION by Mr. Bays, second by Mr. Davis to send a counterproposal to the Citrus Memorial Health Foundation as follow:

1. The Foundation will take a straw poll vote that they are in favor of the Sale or Lease of the Hospital, the CCHB will rejoin the Foundation Board and they have to agree to indemnify the five Trustees, that they will not be sued in any way, shape or form for a breach of fiduciary duty, that they will hold the Trustees harmless and indemnify you against that, in the event that someone does, that they will indemnify you, which means they will hire a lawyer to defend you and pay any judgment and
2. If CMHF, Inc., agrees to sell or lease the Hospital the Hospital Board will transfer \$3M which shall satisfy any and all obligations of the CCHB to the CMHF through September 30, 2013 which includes but not limited to charity care, capital expenditures and debt reduction and

After discussion the Motion passed unanimously, 5-0.

Mr. Grant also advised the Board that legal invoices will significantly increase in the upcoming months due to the volume of tasks and work given to be completed by the Trustees.

(8) UNFINISHED BUSINESS

- a) Emergency Room Update: Mr. Priselac noted that an update was provided in the Foundation meeting and the waiting time is reported to be a little lower.
- b) Pension Update: Mrs. Ressler stated that she spoke with Mr. Barlow and assured him that the employees' pension is protected.

Mrs. Joseph had a good experience attending the Legislation Session in Tallahassee.

- **By-Laws Committee**: No Report
- **Audit Committee**: Mr. Davis informed the Board that the committee met on March 20, 2013. Mr. Davis presented to the Board Mr. Powell's engagement letter and timeline for the CCHB audit for Fiscal Year ended September 2012. (copy on file)

MOTION by Mr. Bays, second by Mrs. Joseph to authorize Mrs. Ressler to sign the engagement letter with Powell & Jones, for audit services for Fiscal year ended September 2012. The motion passed unanimously, 5-0.

Mr. Davis also noted that the committee recommended Mr. Davis to be the contact person between Mr. Powell's office and the Board.

MOTION by Mrs. Ressler, second by Mrs. Joseph to authorize Mr. Davis to be the contact person between Mr. Powell's office and the CCHB. The motion passed unanimously, 5-0.

Mrs. Ressler thanked the Trustees for submitting the Board's evaluation form. (Copy on file)

- **Personnel Committee**: No Report
- **Special Orders**: None
- Finance

b) Approval of the Finance Report for January and February, 2013: (Copy on file).

MOTION by Mr. Priselac, second by Mr. Davis to approve the finance report for January and February, 2013. The Motion passed unanimously, 5-0.

c) Approval of the Citrus County Hospital Board Invoices: (Copy on file).

MOTION by Mr. Bays, second by Mr. Priselac to approve payment of the invoices as presented. After discussion the Motion passed unanimously, 5-0.

Mr. Grant requested the Board's advice for the purpose of settlement negotiations and strategy sessions related to litigation expenditures in all pending litigations of the CCHB. Mr. Grant stated he needed to seek the Board's advice and direction. The entire session shall be recorded by a certified court reporter. The court reporter will record the times of the commencement and termination of the attorney/client session. All discussions and proceedings as well as the names of all persons present shall be recorded. The names of all persons speaking shall be recorded. No portion of the session shall be off of the record. The court reporter's notes shall be fully transcribed and be filed with the entity's clerk within a reasonable time after the meeting. Their counsel, William J. Grant and any other counsel deemed appropriate, will be put on the notice. The session shall commence at an open meeting at which the persons chairing the meeting, which will be the chairperson, shall announce the commencement and estimated length of the Attorney-Client Session and the names of the persons attending. At the conclusion of the Attorney-Client Executive Session, the meeting shall be reopened and the person chairing the meeting shall announce the termination of the session.

MOTION by Mrs. Joseph, second by Mr. Bays to engage in an attorney-client executive session meeting on April 15, 2013 for the purpose of discussing settlement negotiations or strategy sessions related to litigation expenditures. Following discussion, the motion passed 5-0.

Mr. Grant read the letter and the Resolution that the CCHB will send to the Foundation. (Copy on file)

MOTION by Mr. Bays, second by Mr. Davis to send the letter and Resolution to the Foundation. Following discussion, the motion passed 5-0.

MOTION by Mr. Bays, second by Mr. Davis to include in the letter the abatement of lawsuits with the exception of the appeal to the Supreme Court. Following discussion, the motion passed 5-0.

9) NEW BUSINESS

(12) TRUSTEE COMMENTS

- D. Ressler: Mrs. Ressler discussed the following topics:
 - The CMFH Conflict Committee meeting in May.
- K. Joseph: None
- M. Bays: None
- G. Davis: None
- R. Priselač: None

(13) OTHER

None.

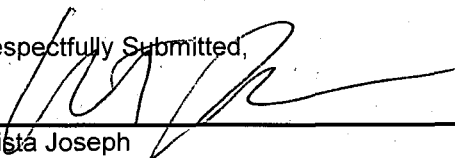
(14) NEXT SCHEDULE MEETING DATE:

Via consensus the meeting in June will be Monday the 17, 2013 at 2:00pm.

(15) ADJOURNMENT

MOTION by Mr. Davis, second by Mr. Bays to adjourn the meeting, the motion passed 5-0. The meeting was adjourned at 6:00pm.

Respectfully Submitted,



Krista Joseph
Secretary/Treasurer

03.28.13 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Finance Report & Invoices
3. Resolution
4. Board Evaluation
5. Letter to the Foundation and Resolution