

MINUTES OF  
THE REGULAR MEETING OF THE  
CITRUS COUNTY HOSPITAL BOARD

**APRIL 18, 2011 3:00 P.M.**

(1) CALL TO ORDER

The regular monthly meeting of the Citrus County Hospital Board of Trustees was held Monday, **April 18, 2011**, in the Citrus Memorial Hospital Administration Building, 2<sup>nd</sup> floor Boardroom, 502 W. Highland Blvd., Inverness, Florida. Dr. Rao Chairman called the meeting to order at 3:00 P.M.

(2) PUBLISHED MEETING LEGAL NOTICE

*(Agenda & Published Legal notice Copies On File)*

(3) ATTENDANCE

Board Members: V. Upender Rao, MD (Chairman) Michael A. Smallridge (Secretary /Treasurer) Susan Kirk, LMT (Trustee)

Absent Member: Deborah L. Ressler, RN, BSN (Vice Chairman)

Also in attendance:

William J. Grant, Esquire, CCHB General Counsel  
Vickie LaMarche, CCHB Chief Operating Officer  
Harry Kilgore, CCHB Director of Finance  
Karla Dozier CCHB Staff

Mark Williams, CFO (CMHF)  
Prestige Court Reporter Services, (CMHF)

Members of the Public: Chris Van Ormer (Citrus County Chronicle), Joe Chrietzberg, and Paresh Desai, MD.

(4) APPROVAL OF MINUTES

**MOTION** by Mrs. Kirk, second by Mr. Smallridge to approve the March 14, 2011 Minutes. The Motion passed unanimously, 3-0.

(5) PUBLIC COMMENT

Joe Chrietzberg: Mr. Chrietzberg expressed surprise by the lack of interested citizens that choose not to attend Board meetings. He stated that if the local Bill passes it will be important for the CCHB to get away from generalities and get into the minutia of things. Mr. Chrietzberg also expressed concern about the \$10 million in the bank not being used. In addition, Mr. Chrietzberg feels that many other health care entities will be coming to the CCHB for money since the Trustee Board will be in charge of the county health plan.

(6) FINANCE COMMITTEE REPORT

Mr. Smallridge, member of the Finance Committee recommended approval of the Finance Report for March 2011 as well as the list of invoices to be paid with the recommended addition of the Compliance Line invoice in the amount of \$2,500.

**MOTION** by Mr. Smallridge, second by Mrs. Kirk to approve the Finance Report for March 2011 and to pay the list of invoices. The Motion passed unanimously, 3-0. (Copy on file)

**(7) FINANCE DIRECTOR REPORT**

Mr. Kilgore stated that two firms from the Audit selection process will do a presentation for the Board at 4:00pm and 4:20pm and the Old Florida National Bank will relocate its office in July to the office of Orange Bank.

**(8) COO REPORT**

Ms. LaMarche stated she concluded the FASD CAD program and she was asked to write a letter for their newsletter that will be published in the next issue. Ms. LaMarche informed the Board that the FASD annual meeting will be in June in Key Largo.

**(9) FOUNDATION GOVERNANCE ISSUES / LEGAL**

Mr. Grant informed the Board that Mr. Shepard will be attending the meeting by phone at 3:30pm. Mr. Grant stated that there will be additional legal expenses because of the multiple lawsuits; the legal team will get with Ms. LaMarche, Mr. Kilgore and the Finance Committee for further analysis.

Mr. Grant updated the Board about the different lawsuits:

- CMHF vs. CCHB (2010-CA-5399) a second motion was filed to dismiss the Foundation's lawsuit.

(Mr. Shepard appearance by telephone begins)

- CCHB vs. CMHF (2010-CA-5702) Mr. Grant stated that we have responded to the Foundation's request for admissions and interrogatories; in addition we requested an extension to the request to Produce and the Sunshine suit will be amended to add the Foundation Board members as parties.
- CMHF vs. CCHB (2011-CA-1476) Mr. Shepard advised the Board regarding the issues of indemnity and he provided a memorandum prior to the meeting.
- CMHF vs. CCHB (2011-CA-1388) Mr. Grant informed the Board that the Foundation shall indemnify any board member, officer or former members of the Board referenced in their By-laws and there will be a claim with their insurance policy.

**MOTION** by Mr. Smallridge, second by Mrs. Kirk that the Citrus County Hospital Board of Trustees, finds that the lawsuit filed by the Citrus Memorial Health Foundation case No. 2011-CA-1388 arises out of the official duties and services as a Trustee of Citrus County Hospital Board and served a valid public purpose. After discussion the Motion passed unanimously, 3-0.

**MOTION** by Mr. Smallridge, second by Mrs. Kirk that the Citrus County Hospital Board of Trustees, finds that the lawsuit filed by the Citrus Memorial Health Foundation case No. 2011-CA-1476 arises out of the official duties and services as a Trustee of Citrus County Hospital Board and served a valid public purpose. After discussion the Motion passed unanimously, 3-0.

**MOTION** by Mr. Smallridge, second by Mrs. Kirk that the Citrus County Hospital Board of Trustees, direct our general counsel to defend us in Case Nos. 2011-CA-1476 and 2010-CA-1388 an to retain counsel as needed. After discussion the Motion passed unanimously, 3-0.

Mr. Grant requested authorization to add some claims or file an independent suit regarding Sunshine violations by the Foundation.

**MOTION** by Mrs. Kirk, second by Mr. Smallridge to authorize the Citrus County Hospital Board general counsel to file claims in regard to CMHF Sunshine violations. After discussion the Motion passed unanimously, 3-0.

Mr. Smallridge stated he would like to send a letter to the Foundation to see if they are willing to meet and discuss the lawsuits with the Citrus County Hospital Board.

Mr. Grant advised the Board that the HB 1043 will be in the Finance and Tax Committee on Wednesday, April 20, 2011 at 1:30pm.

(Mr. Shepard appearance by telephone ends)

Mr. Grant informed the Board that Mr. Beaty's lawyers just responded and they just filed a motion to compel arbitration which is consistent with the contract.

- Struke vs. CCHB (2011-CA-1255) Mr. Grant stated we need to respond to the allegations to determine if the Foundation is sovereignly immune.

**MOTION** by Mrs. Kirk, second by Mr. Smallridge to authorize the Citrus County Hospital Board general counsel to act accordingly in the case of Struke vs. the Citrus County Hospital Board 2011-CA-1255 in the best interest of the Trustees. After discussion the Motion passed unanimously, 3-0.

Mr. Grant requested the Board's advice for the purpose of settlement negotiations and strategy sessions related to litigation expenditures in Case Numbers 2011-CA-1255, 2011-CA-1476 and 2011-CA-1388. Mr. Grant stated that he approximated the necessary time to seek the Board's advice and direction to be three hours in length. 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, filed with the entity's clerk within a reasonable time after the meeting. The chief administrative officer of this agency is Vickie LaMarche, who will also be in attendance with the Trustees, the court reporter and their counsel. Their counsel is William J. Grant and Bruce Blackwell and any other counsel deemed appropriate, will be put on the notice.

**MOTION** by Mrs. Kirk, second by Mr. Smallridge to engage in an attorney-client executive session meeting on April 26, 2011 at 8:30am for the purposes of discussing settlement negotiations or strategy sessions related to litigation and expenditures. Following discussion, the motion passed 4-0.

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

(10) PRESENTATION BY OLIVER & COMPANY P.A. FOR AUDITING SERVICES

Presentation by Mary Beth Gary from Oliver & Company / Inverness, Florida.

(11) PRESENTATION BY POWELL & JONES P.A. FOR AUDITING SERVICES

Presentation by Mr. Powell from Powell & Jones / Lake City, Florida

**MOTION** by Mrs. Kirk, Seconded by Mr. Smallridge to engage Powell & Jones. Following discussion. The motion passes 3-0.

(12) OTHER

None

(13) TRUSTEE STATEMENT

V. Rao: None

D. Ressler: Ms. LaMarche read a statement sent by Mrs. Ressler (copy attached).

M. Smallridge: Mr. Smallridge asked if we have a date for Mr. Beaty's arbitration and when the Auditor General will return.

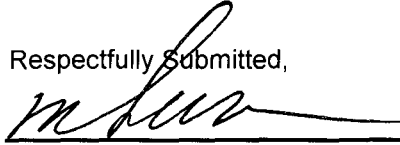
S. Kirk: Ms. Kirk stated that she went twice to Tallahassee.

(14) RECOMMENDED NEXT SCHEDULED MEETING DATE: Monday, May 16, 2011 at 3:00 pm

(15) Adjournment

**MOTION** by Mrs. Kirk, second by Dr. Rao to adjourn meeting. The Motion was approved unanimously and the meeting adjourned at 5:29 PM

Respectfully Submitted,



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Michael Smallridge  
Secretary

04.18.11 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Financial Report
3. List of invoices

04.18.11 Minute Attachments:

1. Mrs. Ressler statement dated 04-15-11