

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

AUGUST 08, 2014 10:00 A.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Friday, **August 08, 2014**, in the Citrus Memorial Hospital Administration Building, 2nd floor Board Room, 502 W. Highland Blvd., Inverness, Florida. Chairwoman Mrs. Ressler called the meeting to order at 10:12 A.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) QUORUM PRESENT

(4) ATTENDANCE

Board Members: Debbie Ressler (Chairwoman), Dr. Mark Fallows (Vice-Chairperson), Krista Joseph (Secretary/Treasurer)

Also in attendance:

William Grant, Esq. (General Counsel)
Karla Dozier, Administrative Assistant

Members of the Public: Ralph Aleman, (CEO CMHF); Mark Williams (CMHF) and Mike Wright (Citrus County Chronicle)

Mrs. Ressler stated the CCHB Mission.

(5) PUBLIC COMMENT

None.

(6) CEO REPORT

Mr. Aleman reported the following:

- Hospital has been busy in the month of July but he didn't have an exact number.
- The ER waiting time was 154 minutes.
- The acquisition of the Genesis Women's Center by the Foundation. Mr. Aleman stated that the Hospital administration will try to finish the transition by the end of the month.
The Hospital Board asked many questions about not being notify of the transaction between the Hospital and Genesis and reasons of the purchase. Mr. Aleman noted that was the advice by the Foundation's attorney. Genesis has problems with the patient population with Medicaid insurance which significantly reduce their revenues.
- Recruiting of a Vascular Surgeon.
- Recruiting of a pulmonary doctor.

Mrs. Ressler presented a letter from Dr. Wallis sent to Mr. Aleman with some inquires. (Copy on file)

(7) APPROVAL OF MINUTES

MOTION by Dr. Fallows, second by Mrs. Joseph to approve the minutes from July 17, 2014 regular meeting and July 24, 2014 Joint Committee Meeting. The Motion passed unanimously, 3-0.

(8) FINANCE COMMITTEE REPORT

a) Approval of the Finance Report for July 2014: Mrs. Joseph presented the CCHB Finance report for July 2014. (Copy on file)

MOTION by Mrs. Joseph, second by Dr. Fallows to approve the finance report for July, 2014. The Motion passed unanimously, 3-0.

b) Approval of the Citrus County Hospital Board Invoices:

Mrs. Joseph presented the invoices, discussion ensued. (Copy on file)

MOTION by Mrs. Joseph, second by Dr. Fallows to approve payment of the invoices as presented. The motion passed unanimously, 3-0.

c) Other: None

(9) TRANSACTION UPDATE

Mr. Grant stated there were some issues that needed to be resolved between the Foundation and the Hospital Board which was discussed in the group of four.

- Anticipated Expenses: After discussion the group of four compromised and recommended that the listed items in the uses and sources for CMHF may not exceed the 200% or a maximum of \$300K whichever is lower and after that will require the approval of the Hospital Board.
- Unanticipated Expenses: The committee of four agreed not to exceed \$150K in a single amount and \$600K in the aggregate and after that will require the approval of the Hospital Board.
- Timing of Dissolution: Via consensus the committee agreed the Foundation will attach their signed dissolution documents to the Global Agreement with the Hospital Board and same shall be held in an escrow for filing on the contracted. The date of dissolution is not finalized because the Foundation is acquiring transfer of loss portfolio insurance, which if acquired will eliminate the delay of the dissolution. The time for dissolution will be tentatively set at 14 months from closing.
- Working capital: The committee agreed to a maximum of \$250K comes out of the indemnity escrow.

MOTION by Dr. Fallows, second by Mrs. Joseph to approve the following: (1) CMHF anticipated expenses listed in the sources and uses not to exceed the 200% or a maximum of \$300K whichever is lower. (2) CMHF unanticipated expenses not to exceed \$150K in a single amount and \$600K in the aggregate. (3) CMHF will dissolve in 14 months, but if the CMHF acquires a transfer of loss portfolio insurance that will eliminate the delay for dissolution. (4) A maximum of \$250K for working capital which comes out of the indemnity escrow. The Motion passed unanimously, 3-0.

Mr. Grant asked the Board for authorization to seek an opinion about issues relate to sunshine.

Mr. Grnat informed the Board about the issues with HCA.

- Closing conditions by HCA: Title insurance; tail insurance; medical staff by-laws and cardiovascular contract.
- The Capital expenditure: The committee of four has an exception that the interest payment cannot count against the expenditure-thus interest would be LIBOR plus 2%, but HCA must spend the \$45M as agreed upon. The committee also stated that if HCA promise to build another Acute Care facility in the County then the \$45M can be used for that purpose.
- HCA asked that any person who received money from the Citrus County Community Charitable Foundation (CCCCF) will need to sign a non-compete agreement. The committee of four recommended incorporating this clause in the CCCC by-laws.
- No legal opinions other than the AGO opinion.

Mr. Grant presented an idea to the Board about transferring the CCHB to the Board of County Commissioners in 2021.

(13) NEW BUSINESS

Mr. Grant informed the Board that Mrs. Ressler and he met with Attorney Busack about conveying a small piece of land (40 acre parcel in Allen Ridge) to the Citrus County Board of County Commissioners (CCBOCC). Discussion ensued.

MOTION by Dr. Fallows, second by Mrs. Joseph to convey the small sliver of land to the CCBOCC subject to Mr. Allen and Mr. Williams' agreement to convey the land that they now hold in fee and easement, respectively, for conversion to two publically maintained county roads adjacent to CCHB property (40 acre parcel). The motion passed unanimously, 3-0.

HCA has thus far rejected Dr. Frankel's proposal.

MOTION by Dr. Fallows, second by Mrs. Joseph to reject any closing conditions added by HCA; no IGT payment and revisit the Accounts Receivables (AR) and Cerner; no casualty insurance, no third party cotrolling the closing. The motion passed unanimously, 3-0.

Mrs. Ressler informed the Board that the committee of four would like to extend an invitation to HCA to participate in a meeting on August 22, 2014 to discuss the outstanding issues and try to finalize the deal as soon as possible.

Mr. Grant expressed his concerns regarding HCA walking away from the deal and stated the Hospital Board and the Foundation need to have a plan B.

(10) FOUNDATION GOVERNANCE ISSUES

Mr. Grant stated that the hospital received a bond extension until August 31, 2014.

Mrs. Ressler presented to the Board a list of the different food banks in Citrus County (*Copy on file*). Mrs. Ressler would like to see one (1) representative of the community food bank to the Citrus County Community Charitable Foundation. Discussion ensued.

(11) COMMITTEE REPORTS/MEDIA

None.

(12) UNFINISHED BUSINESS

None.

(14) TRUSTEE COMMENTS

None.

(15) OTHER

None.

(16) NEXT SCHEDULE MEETING DATE:

Chairman announced the next scheduled Board meeting is set for Friday, September 12, 2014.

(17) ADJOURNMENT

MOTION by Mrs. Joseph, second by Dr. Fallows to adjourn the meeting, the motion passed 3-0. The meeting was adjourned at 1:00pm.

Respectfully Submitted,



Krista Joseph
Secretary/Treasurer

08.08.14 Minute Copy on File:

1. Agenda & Public Notice
2. Letter from Dr. Wallis
3. CCHB Finance Report & Invoice
4. CCHB Report Uses and Sources
5. List of Food Banks