

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

MAY 21, 2014 6:00 P.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Wednesday, **May 21, 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 6:03P.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)
Richard Powell, Powell & Jones, CPA
Trey Crabb (Transaction Consultant)
Sara Bascom, Bascom Communications
Karla Dozier (Administrative Assistant)

Prestige Court Reporting

Members of the Public: Jon Frankel, MD., Nancy Harker, Glenn Holmes, Mark Williams (CMHF) and Mike Wright (Citrus County Chronicle)

Mrs. Ressler stated the CCHB Mission.

(5) PUBLIC COMMENT

➤ Nancy Harker: Ms. Harker commented about the newspaper article and the Foundation needs to stop blaming the Hospital Board for the delay in the transaction.

➤ Jon Frankel, MD.: Dr. Frankel gave the Board a summary of his meeting with Mr. Marmorstein (HCA), Joan Trout (HCA), Dr. Gonzalez (HCA) and Mr. Aleman and confirmed that HCA West Florida Division will open a mega laboratory in Largo Florida which will be a two (2) hour drive for specimens. Dr. Frankel was told that he will be offered a position; but his professional opinion is that to have pathology services outsourced will be a detriment for the patients and physicians and the quality and turnaround will suffer.

(6) CEO WELCOME & REPORT

Mr. Aleman was absent.

Mrs. Ressler informed the Board that she met with Mr. Aleman about some staff concerns.

(7) APPROVAL OF MINUTES

MOTION by Dr. Fallows, second by Mrs. Joseph to approve the corrected minute from the April 07, 2014 regular meeting and the April 30, 2014 regular meeting. The Motion passed unanimously, 3-0.

(8) APPROVAL OF THE CCHB AUDITED FINANANCIAL STATEMENTS FOR FISCAL YEAR ENDING SEPTEMBER 2013

Mr. Powell presented to the Board the Audited Financial Statements for Fiscal Year ending September 30, 2013 and he did not find any deficiencies.

MOTION by Mrs. Joseph, second by Dr. Fallows to accept the Audited Financial Statements for Fiscal Year ending September 30, 2013. After discussion the Motion passed unanimously, 3-0.

(9) FINANCE COMMITTEE REPORT

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

MOTION by Mrs. Joseph, second by Dr. Fallows to approve the finance report for April, 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

(10) TRANSACTION UPDATE

Mr. Crabb informed the Board the issues that set back the negotiation were the Cerner contract and the value of the account receivables (AR). After weeks of negotiations they came to a compromise to give HCA credit of \$12.5M for the Cerner contract and \$2.5M for the AR.

Mr. Crabb also addressed the newspaper article and the delay of the process. The hospital still has to address the tail insurance, the pension plan, and the schedules for the agreements (Foundation contracts).

Discussion ensued about the pension plan. Mr. Grant noted that Mr. Burks and Andrea Powers could clarify better the questions and concerns the Trustees have regarding the pension.

Mr. Grant presented a resolution about addressing some of the issues with the transaction which includes the Cerner contract, the account receivables and the arbitration. Discussion ensued. (Copy attached)

MOTION by Mrs. Joseph, second by Dr. Fallows to accept the Resolution dated May 21, 2014 as presented including Exhibit "A". The motion passed unanimously, 3-0.

(10) COMMENCE ATTORNEY CLIENT EXECUTIVE SESSION MEETING

Canceled.

(11) FOUNDATION GOVERNANCE ISSUES

Mr. Grant presented and recommended a settlement agreement between the Hospital Board and Mr. Schweickert Jr and Nemzoff. Discussion ensued. (Copy attached)

MOTION by Mrs. Joseph, second by Dr. Fallows to accept the Settlement Agreement between the Citrus County Hospital Board, Josh Nemzoff and Robert Schweickert, Jr. The Motion passed unanimously, 3-0.

(12) COMMITTEE REPORTS/MEDIA

Mrs. Bascom proposed to the Board to send the right message with a press release regarding the new developments in the transaction and the issues found in the due diligence which affects the bottom line.

(13) UNFINISHED BUSINESS

None.

(14) NEW BUSINESS

Mrs. Ressler stated that the following issues were discussed and approved by the Foundation on Monday, May 19, 2014:

- Donate \$99,000 to Nature Coast Ministries from the Philanthropy (for the dental program).
- Contribution of \$3M to the YMCA from the Philanthropy.
- Contribution of \$250,000 to the Central Florida Community College to provide scholarships to nurses.

The Foundation will send a letter to the donors before transferring the money regarding the contributions.

(15) TRUSTEE COMMENTS

None.

(16) OTHER

Discussion ensued regarding the fees and to amend the contract of the Transaction attorney Ashby Burks from Baker, Donelson, Bearman.

MOTION by Dr. Fallows, second by Mrs. Joseph to approve amending the current maximum cap to \$650,000 for the transaction attorney contract and to authorize the Chairperson to sign. The Motion passed unanimously, 3-0.

Dr. Fallows stated that HCA could utilize the services of Dr. Frankel and the medical staff is supportive of the pathology and laboratory services provided by Dr. Frankel.

MOTION by Dr. Fallows, second by Mrs. Joseph to add to the issues list with HCA independent pathology and laboratory services provided by Dr. Frankel. The Motion passed unanimously, 3-0.

Via consensus the Board agreed for Mr. Grant to go to Nashville to try to expedite the transaction with HCA.

(17) NEXT SCHEDULE MEETING DATE:

The next scheduled Board meeting is set for Monday, June 09, 2014 at 6:00pm.

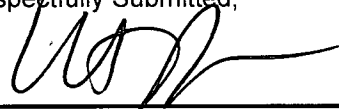
Also the Board will schedule the following meetings:

Monday, June 16, 2014 at 6:00pm. (Committee of four)
Wednesday, June 18, 2014 at 6:00pm (Committee of four)
Friday, June 27, 2014 at 10:00am.

(18) ADJOURNMENT

MOTION by Mrs. Joseph, second by Dr. Fallows to adjourn the meeting, the motion passed 3-0. The meeting was adjourned at 8:06pm.

Respectfully Submitted,



Krista Joseph
Secretary/Treasurer

05.21.14 Minute Copy on File:

1. CCHB Finance Report & Invoices

05-21-14 Attachments

1. Resolution 05-21-14
2. Settlement Agreement Schweickert-Nemzoff