

Approval Date:  
November 14, 2014

MINUTES OF  
THE REGULAR MEETING OF THE  
CITRUS COUNTY HOSPITAL BOARD

OCTOBER 17, 2014 6:00 P.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Friday, **October 17, 2014**, in the Citrus Memorial Hospital Administration Building, 2<sup>nd</sup> floor Board Room, 502 W. Highland Blvd., Inverness, Florida. Chairwoman Mrs. Ressler called the meeting to order at 6:50 P.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: Nancy Harker, Glen Holmes and Mike Wright (Citrus County Chronicle)

Mrs. Ressler stated the CCHB Mission.

(5) PUBLIC COMMENT

➤ Nancy Harker: Ms. Harker asked if all the paperwork has been signed to close the transaction. Ms. Harker also commented that as the Citrus County Hospital Board gets closer to the closing the Foundation can be dissolved and should be as soon is possible.

(6) CEO REPORT

Mr. Aleman was absent.

(7) APPROVAL OF MINUTES

MOTION by Mrs. Joseph, second by Dr. Fallows to approve the minutes from the September 26, 2014 Final tax hearing meeting and the September 26, 2014 Special Meeting. The Motion passed unanimously, 3-0.

(8) FINANCE COMMITTEE REPORT

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

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

(13) NEW BUSINESS

Mrs. Ressler asked the Board to authorize Karla Dozier (CCHB administrative assistant) to be the designated contact person with the Florida Department of Revenue regarding the sales tax matters. (Copy on file)

**MOTION** by Mrs. Joseph, second by Dr. Fallows to authorize Mrs. Dozier (CCHB Administrative Assistant) to be the contact person with the Florida Department of Revenue. The motion passed unanimously, 3-0.

(9) TRANSACTION UPDATE

Mr. Grant stated that the bonds need to be paid as soon as possible and the Board passed a Resolution on September 26, 2014 to provide notice for redemption of the bonds as soon as possible. Discussion ensued.

**MOTION** by Dr. Fallows, second by Mrs. Joseph to give notice of redemption to the bond holders and pay the bonds at the absolute earliest time. The Motion passed unanimously, 3-0.

Mr. Grant informed the Board that he represents the We Care Food Pantry (WCFP) regarding allegations regarding Tom Slagle (Nature Coast Ministries) for assault to a WCFP employee. The Foundation has designated some funding from the Foundation Philanthropy to the Nature Coast Ministries and Mr. Stillwell contacted Mr. Grant to have the possibility of having to alter the terms of the Global Agreement regarding this matter.

**MOTION** by Dr. Fallows, second by Mrs. Joseph to allow the Citrus Memorial Health Foundation to alter the terms for the philanthropy funding allocated to Nature Coast Ministries according to the Global Agreement. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant presented to the Board an amendment to the Master Settlement Agreement (MSA) between the Hospital Board and the Foundation which will extend the effective date to October 31, 2014, for the purpose of closing the transaction. (Copy on file)

**MOTION** by Mrs. Joseph, second by Dr. Fallows to extend the date of the Master Settlement Agreement between the Citrus County Hospital Board and the Citrus Memorial Health Foundation to October 31, 2014 for the purpose of closing the transaction. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant also presented to the Board a draft of an amendment to the Citrus County Community Charitable Foundation (CCCCF) By-Laws investment committee. (Copy on file)

**MOTION** by Mrs. Joseph, second by Dr. Fallows to add a third person (a Certified Public Accountant) to the Investment Committee of the Citrus County Community Charitable Foundation. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant stated that HCA has hired a Law firm (Hogan & Lovells) to give an opinion about the transaction by Monday. Mr. Grant asked the Board to amend the Master Agreement with HCA to eliminate the closing condition which requires an AGO opinion.

**MOTION** by Mrs. Joseph, second by Dr. Fallows to eliminate the closing condition requiring an AGO. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant presented to the Board a discussion of a series of several transaction points and matters for consideration. Mi Gran recommended approval and stated action was needed to ensure the successful closing of the transaction.

**MOTION** by Mrs. Joseph, second by Dr. Fallows that the Citrus County Hospital Board as a whole:

- 1) Amend and reapprove the Master Agreement by and among the Citrus County Hospital Board (the "Board" or "CCHB"), Citrus Memorial Health Foundation, Inc., (the "Foundation") and Citrus Memorial Hospital, Inc. and HCA Health Services Of Florida, Inc., for the purposes set forth therein (the "Master Agreement") in the form presented to the Board;
- 2) Approve the Lease Agreement by and between the Board, as Lessor and Citrus Memorial Property Management, Inc., a Florida corporation, as Lessee (the "Replacement Lease") in the form presented to the Board, including the adjusted consideration reflected therein;
- 3) Approve any all other documents attached as exhibits to the Master Agreement or the Replacement Lease, or otherwise required to be delivered pursuant to the Master Agreement or the Replacement Lease, (collectively with the Master Agreement and the Replacement Lease, the "Transaction Documents") which require a CCHB trustee(s)' signature;
- 4) Approve the execution and delivery of all documents required to be executed and delivered to ensure compliance with Florida Statute 155.40 and all other applicable laws;
- 5) Approve and authorize the CCHB General Counsel to submit a revised request for an Attorney General opinion if he decides it is in the best interest of the Citrus County Hospital Board;
- 6) Approve and authorize any and all further revisions to any Transaction Document(s) that may be necessary to ensure compliance with Florida Statute 155.40 and all other applicable laws, or otherwise to facilitate the closing;
- 7) Authorize any Citrus County Hospital Board Trustee to execute and deliver the final Transaction Documents in connection with the closing;
- 8) Finds that the lease of the Hospital pursuant to the Replacement Lease is in the best interest of the affected community due to the affected community's demographics, financial condition, passage of the Affordable Care Act, negative reimbursement policies, and unprecedented changes to the healthcare market making Citrus Memorial Hospital's survival unlikely;
- 9) Finds that the Foundation's reliance on ad valorem tax proceeds to survive and remain competitive is not sustainable or viable for quality healthcare to be available to people within the affected community;
- 10) Finds that the Board entering into the Replacement Lease is in the best interest of the Affected Community because it will result in the continued operation of the Hospital and delivery of quality healthcare services to the affected community and it will help attract and retain highly qualified physicians and staff and the Hospital will receive and have access to the investment of \$45,000,000 in capital expenditures;
- 11) Finds that the transactions contemplated by the Master Agreement and the Replacement Lease comply with Florida Statutes 155.40 including without limitation subsection (1), (2) and 23(a) thereof, which provides for termination of the existing Lease Agreement with the Foundation as a direct result of the execution of the Replacement Lease;
- 12) Finds that the affected community will be relieved of all future ad valorem taxation by the CCHB;
- 13) Finds that the Lessee under the Replacement Lease will contribute over \$150,000,000 in ad valorem taxes for the duration of the Replacement Lease;
- 14) Authorizes any and all Trustees, or any of them, to take all necessary actions, including executing all documents, necessary or advisable to effectuate the transactions contemplated by the Master Agreement and the Replacement Lease, including but not limited to terminating the existing Lease Agreement with the Foundation as a direct result of the execution of the Replacement Lease;

- 15) Resolves that any and all actions heretofore taken by any Trustee(s) of the CCHB are the transactions contemplated by the Master Agreement and the Replacement Lease and are hereby ratified, confirmed and approved in all respects;
- 16) Resolves that each CCHB Trustee(s) is authorized, empowered, and directed for, and in the name of, and on behalf of the Citrus County Hospital Board to execute all Transaction Documents with such changes, modifications, or amendments thereto as deemed necessary or advisable, and in the best interest of Citrus County Hospital Board and to do all other acts, and take all actions and prepare, execute and deliver all papers, instruments, and documents, and do all things to effect and consummation of the transactions contemplated by the Master Agreement and the Replacement Lease. The Motion passed unanimously, 3-0.

Mr. Grant updated the Board about the lost portfolio insurance (LPT) and the excess is not covered right now.

The Board discussed the importance of having title insurance and via consensus demands such prior to closing for all property conveyed from the Foundation to the Citrus County Hospital Board.

Mr. Grant also noted that after October 31, 2014 the Hospital Board will not be covered under the Foundation's insurance and the Board needs to have and choose own insurer. Mr. Grant sent letters to different brokers to request insurance coverage information. Mr. Grant requests the Hospital Board to authorize a deposit of \$5,000 to the lowest bidder to ensure D & O coverage and consider payment in full at the next meeting.

**MOTION** by Dr. Fallows, second by Mrs. Joseph to make an D & O insurance deposit of \$5,000 to the lowest bidder. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant provided to the Board the latest update of the sources and uses because there was a discrepancy at the last meeting of the joint committee of four (4). (Copy on file)

**MOTION** by Mrs. Joseph, second by Dr. Fallows to amend the Global Agreement (if the Foundation does the same) between the Citrus County Hospital Board and the Citrus Memorial Health Foundation with the updated version of the Sources & Uses dated October 17, 2014. Discussion ensued; the Motion passed unanimously, 3-0.

Mr. Grant asked for authorization to divest the Citrus County Hospital Board of Robert Boissoneault Oncology Institute (RBOI) Joint Venture. The RBOI is being transfer to the Citrus County Hospital Board from the Foundation.

**MOTION** by Mrs. Joseph, second by Dr. Fallows to authorize the Citrus County Hospital Board General Counsel to divest the Citrus County Hospital Board of the Robert Boissoneault Oncology Institute . Discussion ensued, the Motion passed unanimously, 3-0.

Mr. Grant advised that the Board should have Worker's Compensation and if it doesn't the Hospital Board should purchase one. Ms. Dozier will verify if coverage exists with ADP.

**MOTION** by Mrs. Joseph, second by Dr. Fallows to authorize getting the Worker's Compensation if needed. Discussion ensued, the Motion passed unanimously, 3-0.

#### (10) FOUNDATION GOVERNANCE ISSUES

None.

#### (11) COMMITTEE REPORTS/MEDIA

Mrs. Joseph stated that she spoke with Ms. Bascom about her contract with the Board and that the contract will end on November 15, 2014. Via Consensus the Board will again discuss the matter on November 14, 2014 at the Citrus County Hospital Board meeting.

**(12) UNFINISHED BUSINESS**

None.

**(14) TRUSTEE COMMENTS**

Mrs. Ressler noted the Mr. Mason sent a letter to the editor with comments and questions regarding the Citrus County Community Charitable Foundation. Mrs. Ressler spoke with Mr. Mason regarding this matter.

**(15) OTHER**

**Elections**

**MOTION** by Mrs. Joseph, second by Dr. Fallows to nominate Mrs. Ressler for Chairperson. The Motion passed unanimously, 3-0.

**MOTION** by Mrs. Joseph, second by Mrs. Ressler to nominate Dr. Fallows for Vice-Chairperson. The Motion passed unanimously, 3-0.

**MOTION** by Dr. Fallows, second by Mrs. Ressler to nominate Mrs. Joseph for Secretary-Treasurer. The Motion passed unanimously, 3-0.

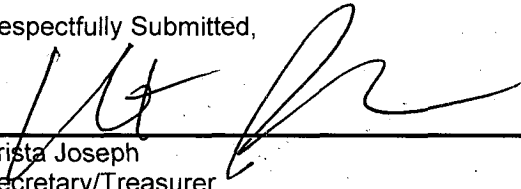
**(16) NEXT SCHEDULE MEETING DATE:**

Chairman announced the next scheduled Board meeting is set for Friday, November 14, 2014 at 6:00pm

**(17) ADJOURNMENT**

**MOTION** by Dr. Fallows, second by Mrs. Joseph to adjourn the meeting, the motion passed 3-0. The meeting was adjourned at 8:07pm.

Respectfully Submitted,

  
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Krista Joseph  
Secretary/Treasurer

10.17.14 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Finance Report & Invoice
3. Florida Department of Revenue Application Form.
4. Amendment of Master Settlement Agreement
5. Draft CCCC Investment Committee
6. Sources & Uses 10-17-14