

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

SEPTEMBER 12, 2014 11:00 A.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Friday, **September 12, 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 11:12 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); George Mavros (CMHF); Joe Meek (BOCC); Jeffrey Wallis, MD.; Jon Frankel, MD., Nancy Harker, Glen Holmes and Peter Marmarstein (HCA)

Mrs. Ressler stated the CCHB Mission.

(5) PUBLIC COMMENT

- Nancy Harker: Ms. Harker thanked the Hospital Board for their hard work on behalf of the taxpayers of Citrus County. Ms. Harker also thanked Commissioner Meek for his support of the Hospital Board at the last County Commissioner meeting.
- Joe Meek: Commissioner Meek thanked Mrs. Ressler and Mr. Grant for their detailed presentation at the County commission meeting and the County endorsing the transaction. Also Commissioner Meek noted that the BOCC voted to join the Hospital Board and the Foundation in the request of the Attorney General's opinion.
- Jon Frankel: Dr. Frankel gave the Board an update and report of his contract. Dr. Frankel stated that he met with Mr. Aleman and Mr. Marmarstein to discuss his contract and presented him an offer that he didn't respond to yet. Dr. Frankel stated that was a privilege working at the hospital for 30 years and hoped that there will be a good resolution of his contract issue.
Dr. Frankel also thanked the Board for their work and support.

➤ Peter Marmmerstein: Mr. Marmmerstein thanked the Board and General Counsel for their work. Mr. Marmmerstein also stated that the Board will not regret their decision of trusting HCA and he is looking forward to work with the Physicians.

(6) CEO REPORT

Mr. Aleman reported that the Hospital is busy and everybody is hoping that the transaction will be finalized soon.

(7) APPROVAL OF MINUTES

MOTION by Dr. Fallows, second by Mrs. Joseph to approve the minutes from August 07, 2014 Joint Committee of four (4) Meeting and August 08, 2014 Regular Meeting and August 22, 2014 Special Meeting. The Motion passed unanimously, 3-0.

(8) FINANCE COMMITTEE REPORT

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

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

c) Other: None

(9) TRANSACTION UPDATE

Mr. Grant stated that he gave a presentation to the BOCC and also met with Commissioner Meek and Mrs. Ressler. Mr. Grant also noted that all the Commissioners asked questions and he got a good response from the community and the BOCC joining and signing the request made to the Attorney General's Office (AGO). Mr. Grant advised the Board to have a plan "B"; if the AGO's opinion is adverse to one of the questions asked.

Mr. Grant informed the Board that the Foundation was not ready to sign with HCA; they still have some issues to resolve.

Mr. Grant expressed the importance of acquiring the loss portfolio insurance; which will protect the taxpayers, the Foundation directors, the Charitable Foundation and the Hospital Board. Mr. Williams will have a response about the loss portfolio insurance by 5:00pm and will have two (2) more offers.

Mr. Grant noted the proceeds from the lease will be distributed according to 2014-254 Laws of Florida as follows (Copy on file):

- Pay Bond debt
- Fund the Pension 100%
- CCHB Administrative expenses (8 million)
- The proceeds balance will go to escrow to pay for the Foundation's winding-up. After three (3) years some of the indemnity escrow money will be transferred to the Citrus County Community Charitable Foundation (CCCCF) and then subsequent after seven (7) years additional money will be transferred.

Mr. Grant presented to the Board a checklist and status of the transaction and the escrow agreement. *(Copy on file)*

Mr. Grant informed the Board that the Lease agreement is done and the master agreement needs the schedules.

Discussion ensued about the population of the investment committee of the CCCCCF.

MOTION by Mrs. Joseph second by Dr. Fallows to populate the investment committee of the Citrus County Community Charitable Foundation with one (1) Licensed Securities Broker and one (1) Licensed Financial Planner. *The Motion passed unanimously, 3-0.*

Discussion ensued about the appoint of the twelve (12) member of the CCCCCF. Via consensus the Board would like that the CCCCCF to choose their twelve member who shall be either a not for profit or for profit entity.

Mr. Aleman stated that he received the Medical Staff By-Laws from HCA and the physicians are working hard to approve by September 18, 2014. Via consensus the board agrees to send a letter to the medical staff regarding the approval of the proposed by-laws.

Mr. Marmmerstein was asked by the Board if HCA has an agreement with Dr. Kim and Mr. Marmmerstein responded that he will meet with Dr. Kim on September 16, 2014.

Mr. Grant informed the Trustees that CCHB staff is working closely with the Florida Department of Revenue regarding the sales taxes.

Mr. Grant also noted that there was some property that will be excluded from the transaction.

The Oncology practice in Allen Ridge, which the land is leasing by the Foundation and have a joint venture 17.4% ownership of the building. Mr. Mavros informed the Board that the building will be appraised again.

The Medowcrest building and also Dr. Irvin's building are part owned by the Foundation. Dr. Irvin will buy the Foundation's portion of the building.

Mr. Williams stated that he will keep the Board updated regarding the worker's compensation matters.

The Board discussed the possibility to sign all the documents subject to the Foundation's signature.

MOTION by Mrs. Ressler second by Mrs. Joseph to authorize all CCHB Trustees to execute the HCA Master Agreement, Lease and Foundation Global Agreement upon (1) no subsequent, material deviation from the existing text and Exhibits and (2) attachments of final approved schedules and Exhibits by all parties; subject to the Foundation's signature of the Global Agreement. *The Motion passed unanimously, 3-0.*

(10) FOUNDATION GOVERNANCE ISSUES

Mr. Grant stated that Mrs. Chadwick appointed Ms. Diaz to chair the Foundation's transition committee. Mr. Grant suggested that will be good for the two Boards if one of Trustees could be a member of the transition committee. The Board would like Mrs. Ressler to be the person who represents the Board in that committee.

(11) COMMITTEE REPORTS/MEDIA

None.

(12) UNFINISHED BUSINESS

None.

(14) TRUSTEE COMMENTS

None.

(15) OTHER

None.

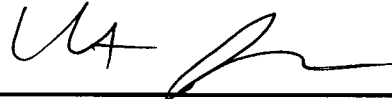
(16) NEXT SCHEDULE MEETING DATE:

Chairman announced the next scheduled Board meeting is set for Friday, September 26, 2014 (final tax hearing).

(17) ADJOURNMENT

MOTION by Mrs. Joseph, second by Dr. Fallows to adjourn the meeting, the motion passed 3-0. The meeting was adjourned at 12:59pm.

Respectfully Submitted,



Krista Joseph
Secretary/Treasurer

09.12.14 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Finance Report & Invoice
3. Payments from HCA from Consideration at Closing
4. Transaction checklist