

MINUTES OF
A REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

SEPTEMBER 18, 2012 9:30 A.M.

(1) CALL TO ORDER

A regular meeting of the Citrus County Hospital Board of Trustees was held Tuesday, **September 18, 2012**, Citrus County Hospital Board offices located at 123 N. Apopka Ave., Inverness, Florida. Chairman Mr. Smallridge called the meeting to order at 9:00A.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) ATTENDANCE

Board Members: Michael A. Smallridge (Chairman), Deborah L. Ressler, RN, BSN (Trustee) and Robert Priselac (Trustee).

Also in attendance:

Vickie LaMarche, CCHB Chief Operating Officer
William J. Grant, Esquire, CCHB General Counsel
Karla Dozier, CCHB Administrative Assistant

Richard Powell, CPA Powell & Jones

Prestige Court Reporting

Members of the Public: Rebecca Beattie, Justin Krumholtz; Joe Chrietzberg; Richard Callahan; Sandra Chadwick, CMHF; Ryan Beaty, CMHF; Katie Mehl, CMHF; Mark Williams, CMHF; Mike Wright, Chronicle and Clark Stillwell, Legal Counsel CMHF.

Public Comment (For Items not already appearing on today's Agenda)

➤ Rebecca Beattie: Mrs. Beattie stated that she commends the efforts of the two boards to work together and she requested that the Board suspend Mr. Grant as their legal counsel.

(4) APPROVAL OF MINUTES

Tabled to the next meeting.

(5) ITEMS REQUIRING ACTION BY BOARD

a) Approval of the Finance Report for August 2012: (Copy on file).

MOTION by Mrs. Ressler, second by Mr. Smallridge to approve the finance report for August, 2012. The Motion passed unanimously, 3-0.

MOTION by Mr. Priselac, second by Mrs. Ressler that effective today the retaining of any lobbyist by the Citrus County Hospital Board for future duties; the Hospital Board shall decide its scope, duties and fees prior to hiring. After discussion, the Motion passed, 3-0.

MOTION by Mr. Priselac, second by Mrs. Ressler to notify the current lobbyist of the Hospital Board that this Board no longer desires him to lobby on the Board's behalf regarding CCHB appointment recommendations to the Governor's office. After discussion, the Motion failed 2-1.

b) Approval of the Citrus County Hospital Board Invoices: Discussion ensued regarding the approval of the invoices (Copy on file).

MOTION by Mrs. Ressler, second by Mr. Priselac to approve the invoices as presented. The Motion passed unanimously, 3-0.

c) Foundation Governance Issues: Mr. Grant stated that the Foundation sent counter proposals to the agreements provided by the Citrus County Hospital Board.

In 2011-CA-1388 the breach of fiduciary duty case the CCHB proposed that in exchange for the dismissal of the case the Trustees would rejoin the Foundation for the purpose of strategic meetings; the Foundation counterclaim is to accept the proposal but they would want to add a clause regarding holding any directors liable for any breach of fiduciary duty. Mr. Grant also stated that the Board filed a motion for summary judgment in this case.

Mr. Stillwell, general counsel stated that in the last Foundation meeting their directors agreed to the following:

- The foundation stated that to the extent that no cases have been settled they would like to abate all litigation for a hundred and twenty days (120).
- In the strategic planning case 2010-CA-5702 the agreement needs to be signed.
- In the Fiduciary duty 2011-CA 1388 Mr. Stillwell stated that the Foundation is just looking for a waiver of individual liability not corporate liability for their directors.
- In the severance case 2012-CA-219 the Foundation's position is to dismiss the case and the money would be returned to the Foundation to a Board-restricted fund and before they spent it, the expenditure would require Foundation approval.

Mr. Grant noted that the Board could abate the litigation for a period of time after the DCA renders their decision. Mr. Grant also stated that after the ruling is made the Foundation will probably gather and decide if they lose the appeal, whether or not they will appeal the DCA ruling.

Mr. Grant informed the Board that the \$2M long-term debt reduction offer by the Board where the Foundation would match with \$1M that their directors did not approve the payment match. Mr. Grant advised the Board to prepare an agreement as the Board proposed and present same to the Foundation with the check, if they don't agree they return it.

Mr. Priselac stated that the two (2) counsels for the boards could get together and coordinates possible dates for a joint meeting.

RECESS

In the case 2010-CA-5399 the proceedings continue.

In the case 2012-CA1034 Mr. Grant would like to postpone service of the process for 120 days if both parties agree.

Mr. Grant requests the Board's advice in all litigation for the purpose of settlement negotiations and strategy sessions related to litigation expenditures in all pending litigations. 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 and be 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, William J. Grant and any other counsel deemed appropriate, will be put on the notice. The session shall commence at an open meeting at which the persons chairing the meeting, shall announce the commencement and estimated length of the Attorney-Client Session and the names of the persons attending. At the conclusion of the Attorney-Client Executive Session, the meeting shall be reopened and the person chairing the meeting shall announce the termination of the session.

MOTION by Mr. Smallridge, second by Mrs. Ressler to engage in an attorney-client executive session meeting(s) on September or October 2012 for the purpose of discussing settlement negotiations or strategy sessions related to litigation and expenditures. Following discussion, the motion passed 3-0.

MOTION by Mr. Priselac, second by Mrs. Ressler to authorize the Chairperson of the Board to sign the agreement regarding the advance of \$800,000 to the Foundation for charity care. Following discussion, the motion passed 3-0.

Mr. Priselac stated that he would like to have a clear understanding of the rules of order for the joint meeting so that both boards conduct themselves in a professional manner to obtain better results.

f) Other: None

NEW BUSINESS

(6) TRUSTEE COMMENTS

a) D. Ressler: Mrs. Ressler discussed the following topics:

- Charity Care funding.
- Auditor General Update.
- Reimbursement to CMHF for capital expenditure(s).

MOTION by Mr. Priselac, second by Mrs. Ressler to reimbursement Citrus Memorial Health Foundation for the purchase of the EUS machine (capital expenditure) in the amount \$389,104.40. Following discussion, the motion passed 3-0.

- CMHF request of capital expenditure.

MOTION by Mrs. Ressler, second by Mr. Priselac to reimbursement Citrus Memorial Health Foundation for the purchase of a stereotactic breast biopsy machine (capital expenditure) in the amount \$150,000.00. Following discussion, the motion failed 2-1.

- Charity care percentage.

b) R. Priselac: Mr. Priselac discussed the following topics:

- Day Star update.
- Well Florida Council meeting.
- Grant Writing
- Invoices
- Involvement in the strategic planning of the hospital.

(7) STAFF UPDATES / REPORT

None.

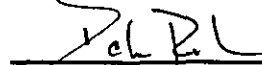
(8) NEXT SCHEDULE MEETING DATE:

Thursday, September 18, 2012 at 5:01p.m (Tax Hearing)

(9) ADJOURNMENT

The meeting was adjourned at 12:40pm.

Respectfully Submitted,



Debbie Ressler
Chairman

09.18.12 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Finance Report & Invoices