

**LAKE SHORE HOSPITAL AUTHORITY
BOARD OF TRUSTEES
Minutes
Regular Meeting**

**August 11, 2014
5:15 p.m.**

| | | |
|----------------|---------------------------------|-------------|
| Present | Stephen Douglas - Vice Chairman | Marc Vann |
| | Koby Adams | Tim Murphy |
| | Lory Chancy | Janet Creel |

| | | |
|----------------------|--------------------------------|----------------------------|
| Also Present: | Jack Berry, LSHA Staff | Cynthia Watson, LSHA Staff |
| | Steve Davis, Shands | Courtney Bryan, LSHA Staff |
| | Frank Pommert, Shands | Linda Silecchia, Shands |
| | Tony Britt, Lake City Reporter | Steve Nelson, LCMC |
| | Wendell Johnson, City Manager | Marlin Feagle, Attorney |
| | Rhonda Sherrod, Shands | |
| | Richard Powell, Accountant | |

Absent: Waseem Khan, M.D. - Chairman

| | | |
|----------------|------------------|----------------|
| Public: | Barbara Lemley | Stewart Lilker |
| | Paul Vann | Ralph Kitchen |
| | Sandra Buck-Camp | |

CALL TO ORDER

The Budget Workshop Meeting of the Lake Shore Hospital Authority Board of Trustees was called to order at 5:15 pm and the Regular meeting was called to order at 5:32pm by Vice Chairman, Stephen Douglas in the Conference Room at the Lake Shore Hospital Authority Administrative Complex.

BUDGET WORKSHOP

Mr. Richard Powell discussed the Fiscal Year 2014-2015 Tentative budget with the Board. Mr. Powell stated that the Authority has an obligation under the lease to levy or provide equivalent funds of 1.5 mills. Since both the hospital and clinical appropriation for the current year is under expended there will be sufficient reserves in those funds to offset the required millage. Mr. Powell stated that the intent of this budget is to keep the ad valorem millage the same it's been for the last three years at .962 mills. Mr. Powell reviewed and explained the total revenues/balances in the hospital funds, he said that the estimated expenditures for the current year is less than \$2,000,000.00. Mr. Powell stated that if this continued the next year then there would be unexpended balance that could be used to offset millage in the next year. He stated that in this fund they are complying with the requirement in the lease of providing 1.5 mills. Mr. Powell then reviewed and explained the clinical services fund which is also eligible use of the millage and stated that the budget anticipates that they can provide the 1.5 mills while only levying .962 mills and there is sufficient beginning reserves funding to comply with the lease. Mr. Powell reviewed the operating fund and then turned it over to Mr. Berry to review the recommended personnel budget plan. Mr. Berry informed the Board that he would like two full-time positions and one part-time position. He stated that Courtney was offered the full time position to move up but declined and would rather work part-time so she can finish college. Mr. Berry said that they need to hire a full-time person and estimated the salary at \$35,000.00 and

that it would save the Authority \$22,000.00 a year. There was discussion amongst the Board about the savings with the new position, about the part-time bookkeeper, and pay-roll

Page Two

LAKE SHORE HOSPITAL AUTHORITY

August 11, 2014

services. Mr. Berry informed the Board that the part-time bookkeeper position would go away and Courtney would fill the part-time position. He stated that the company Pay-Chex is handling the pay-roll and is saving the Authority money. He also told the Board that he was very pleased with the pay-roll company and thinks it's a good idea to use someone off premises so that way no one could tamper with pay-roll. There was also discussion about the salary for the new position, a few of the Board members thought the salary needed to be more than \$35,000.00. Mr. Berry said that he just put a number in the budget and if the Board wants to change it he's fine with that. He also said if he comes across a good candidate he wouldn't mind paying more. He also said the Authority would run an ad in the newspaper once a week for two weeks. Mr. Vann asked if benefits were included in the \$35,000.00 and Mr. Berry said it did not. Mr. Douglas asked if there was still going to be a secretary position. Mr. Berry told him that there would be and Courtney would still have that position. He also stated again that the bookkeeper position would go away and that would support the secretary position. There was more discussion about the savings of the positions. Mr. Powell continued to review and explain the rest of the budget to the Board. Mr. Powell informed the Board that the point of the workshop is to see if there is a consensus of the budget going to the first budget hearing and that you can change the budgets in any way before the final hearing. Mr. Koby Adams suggested that they start the budget out with the .962 mills and Mrs. Lory Chancy agreed.

There being no further business, the Budget Workshop Meeting adjourned at 5:30pm

PUBLIC COMMENTS

Barbara Lemley expressed her concern on the property being sold to Dr. Atta. She does not understand how the Board can approve the contract with Dr. Atta and not offer the property to other people to buy it. Ms. Lemley stated Mr. Berry said that there has been a decrease in the administrative costs. She said that when Mrs. Frazee operated by herself for a number of years the Board never questioned her efficiency, and with there being three people in the office, she doesn't see how another position can be justified. Ms. Lemley spoke about the Executive Director evaluations. She stated that per Mr. Berry's contract it states that the Board will decide if they are going to evaluate him and Mr. Berry gave each Board member an evaluation packet at the last Board meeting. She stated that the Board took no action to decide to evaluate him, and thought that prior action should have been taken if they chose to evaluate him. She feels that the Board needs to formulate a new evaluation form with new questions since the same one has been used for years. Ms. Lemley asked Mr. Feagle if he could address the release of the credit report on Mr. Berry, but Vice Chairman Mr. Stephen Douglas told him not to at that time. The last thing that Ms. Lemley spoke about was employee Courtney Bryan going back to part-time at 60% health benefits. She wanted to know if her benefits were reduced when she was previously part-time at 60%, and if it was going to be recalculated. She felt that it needed to be addressed if it hadn't been already.

CONSENT AGENDA

Motion: Mr. Koby Adams made a motion to approve July 2014 Consent Agenda.

Mrs. Lory Chancy seconded the motion. All were in favor. Motion carried.

** (Approval of Check Registers, Minutes, Invoices, and Attorney Fees were all approved under the Consent Agenda) **

UNFINISHED BUSINESS

Contract with Dr. Atta/Parcel #12066

Mr. Berry informed the Board that Mr. Feagle had the contract for the property purchase with Dr. Atta. Mr. Berry told the Board that Dr. Atta has decided to build a masonry building similar to the Enterprise building instead of a modular. Attorney Marlin Feagle spoke to the Board and wanted to make sure that they've had a chance to review the contract with Dr. Atta. He stated that he was not present at the last Board meeting and he understood the Board wanted restrictions placed on the property. He told the Board that on page five of the contract it stated the three restrictions the Board wanted on the property and wanted the Board to be sure, because once the contract is done it's done. First restriction would be that the building plans would have to be submitted to the Board/Hospital for prior approval. The second restriction is that the property would be restricted to be used only for medical offices. The third restriction is that if the property is offered for sale within ten years that the hospital would have the right of first refusal to purchase on the same terms and conditions. Mr. Feagle told the Board that if they have any other proposed restrictions to let him know so he can add it to the contract before it is signed.

Motion: Mr. Marc Vann made a motion to accept Dr. Atta's offer. Mr. Koby Adams seconded the motion.

Discussion: Mr. Marc Vann stated that he is thrilled about Dr. Atta purchasing the property and taking the chance to make an investment to help improve the area. Vice Chairman Stephen Douglas asked Mr. Feagle if the restrictions on the contract meant the plans should be submitted and approved in advance to closing? In advance of what? Mr. Feagle said that it would be in advance of obtaining a building permit and actually building. Mr. Douglas suggested to give Dr. Atta a time frame to build. The Board agreed and withdrew the Motion.

New Motion: Mr. Vann made a motion to accept Dr. Atta's offer subject to one more modification. The Board requires construction to be complete within 24 months. Mr. Koby Adams seconded the motion. All were in favor. Motion carried.

Executive Director Evaluations- Marlin Feagle

Mr. Feagle explained the Executive Director Evaluation forms to the Board. He said that his office prepares a summary of the evaluations for the Board to review. He informed the Board that there are twenty areas of evaluation with scores 1-5, 1 being the lowest and 5 being the highest. He said that all of the evaluations were 3 or better and there are comments at the end of the evaluation forms. The original evaluations will be a part of the hospital record.

Discussion: Mr. Douglas said that he did not write any comments on his evaluation form because he was limited in his time. However, he did read the other Board Members comments and thought they were good and positive.

Motion: Mr. Koby Adams made a motion to approve the Executive Director Evaluations. Mrs. Lory Chancy seconded the motion. All were in favor. Motion carried.

Release of Credit Report- Marlin Feagle

Mr. Feagle addressed the Board about the public records request of Executive Director Jack Berry's credit report. Mr. Feagle said that they are still waiting on a legal opinion, which the board approved. He stated that the Board has to be very careful about releasing the information because they have to determine whether it's subject to public records release or subject to exemption. He recommended that the Board receive legal counsel that is familiar with the federal side of this because of the fair credit reporting act and privacy laws before they can make a decision. He stated again that he did not have the opinion yet, and was sure to have it by the next meeting.

NEW BUSINESS

Presentation – Wendell Johnson, City Manager

Mr. Johnson informed the Board that the City is in the process of purchasing land in or around the lake. He said they are tearing down the old home across from the new pavilion, and plan to expand Wilson Park and the Lake Desoto Recreation Area. Mr. Johnson informed the Board that he sent Mr. Berry a letter and each Board member should

Page Four

LAKE SHORE HOSPITAL AUTHORITY

August 11, 2014

have a copy. He said the letter gives an overview of what the City has done in the past few years and gives an idea of what they want to do. Mr. Johnson informed the Board that they have talked to the owner of the Vanguard property and the owner is open to negotiation with the City to purchase. He also stated that there are other properties they are interested in as well that would help them with their vision of expanding the Lake Desoto Recreation Area. Mr. Johnson informed the Board that the City has received the acceptance from the United Way Board of Directors that the City will convey ownership of the land to them under a twenty year arrangement. The condition is that the United Way will have to build a new moderate building in order to receive the land. Mr. Johnson informed the Board that the City is interested in the Authority's property west of the parcel Dr. Atta's purchasing. He asked the Board to consider being open minded about the City's vision to expand the recreation area. He asked if the Authority could come to some terms with the City about the parcel in question. He said it would go back to the CRA where they will develop a plan and it will be funded through the CRA in the next budget year.

Discussion: Mr. Vann asked Mr. Johnson what he foresees as the primary use of the property.

Mr. Johnson responded by saying that the City would like to put a small play area for children, or a stretch area for people who walk around the lake. He also said that they would like to have an area for different events such as the Olustee Festival for Vendors. Mr. Johnson said he can't say exactly until determined by the Board.

Motion: Mr. Vann made a motion to instruct Mr. Berry to meet with Mr. Wendell and discuss donating the property to the City and bring back a proposal. Mr. Koby Adams seconded the motion. All were in favor. Motion carried.

Hospital Lip Agreement \$2,400,000.00

Mr. Berry informed the Board that it is time for the Annual Lip Agreement for \$2.4 million dollars for hospital services. He said the Board needed to authorize a motion to approve it so he can get it to Tallahassee.

Motion: Mr. Koby Adams made a motion to approve the 2014-2015 LIP Agreement.

Mrs. Janet Creel seconded the motion. All were in favor. Motion carried.

Change September 8th Regular Meeting to September 15th, 2014 Budget Meeting

Mr. Berry told the Board that he would rather have two Board Meetings in September rather than three so they can go ahead and get everything done. He felt it would work out better that way because of the Labor Day holiday.

Motion: Mr. Koby Adams made a motion to move the September 8th Regular Meeting to the September 15th Budget Meeting. Mrs. Janet Creel seconded the motion. All were in favor. Motion carried.

HOSPITAL UPDATE

Rhonda Sherrod announced to the Board that the hospital will be starting a major capital improvement by replacing the chillers in the hospital. They will be replacing a 147 ton and a 192 ton chillers with two 300 ton york chillers. They will also be providing an additional cooling tower for the increased load, as well as all associated pumps with variable frequency drives. She also stated that they will be changing the current piping arrangement where the new chillers can run independent. They will also provide a control system that is compatible with their building automation system. Mrs. Sherrod informed the Board that the project will cost \$1.143 million dollars, and that the work should start the first of November and be completed by the first week in December. Once the project is completed, they will have exceeded the \$6 million dollar capital improvement obligation that is in the lease agreement that was negotiated in July of 2010. Mrs. Sherrod reminded the Board of the open house at Lake Shore Primary Care West on Tuesday, August 19, 2014 from 4:30-6:00pm to meet the new provider and the nurse practitioners.

STAFF REPORT

Mr. Berry informed the Board that Mr. Vann asked him to assemble some data on the cost the Authority has spent on the Public Records Request and who the requests are from. Mr. Vann asked to explain to the Board and said that while at the last Board meeting when Mrs. Creel asked over and over “WHY” would anyone want Mr. Berry’s credit report, “Why” is it anyone’s business, it made him question how much time and money the Authority has spent on the public records requests. Mr. Vann stated that he asked Mr. Berry to come up with something that will show how much the Authority has spent and how many requests they have had over the past few years. He said that the fact the Authority is in a lawsuit right now over public records and he was not sure how much the taxpayer’s money has been wasted. Mr. Vann said that every time a public records request is filed, the legal fees add up and again how much of our taxpayers money is being wasted on the requests that are no one’s business anyway. He also stated that there is no way to calculate on the time Mr. Berry and his staff have spent looking up the requests. Mr. Berry informed the Board that when he became the public records custodian that there was not a log being kept. He informed the Board that he started keeping a log in 2013, and in 2013 the LSHA had 31 public records requests and 96.78% came from two people. He stated that LSHA has had 60 public records requests and over 90% came from the same two people. Mr. Berry said that in 2009 LSHA spent \$175.00 and since then the Authority has spent \$17,348.00 is climbing. Mrs. Creel was very surprised at how much the Authority has spent and felt like the homeless or sick could’ve used that money. Mr. Berry informed the Board that by law there are certain things that have to be done for the Public Records Request, and it takes time and there are only three people in the office. Mr. Berry stated that it’s more harassment than anything and they (Stewart Lilker and Barbara Lemley) will call the office, make a request, and they will never come by and pick up the copies they requested. Mrs. Creel asked if there was any way the Authority could recap the \$17,348.00 that has been spent. Mr. Feagle responded by saying that there is a difference between court costs and attorney fees. Mr. Feagle explained to the Board that the case is ongoing, and if the Judge does not grant summary judgment to one side or the other then the case will go to trial in September and that’s when the court costs will really begin. Mr. Vann asked what record the LSHA was being sued over and Mr. Berry said that Mr. Lilker wanted to see the office plans for the doctor’s offices that the Board was given. He offered to show the plans to Mr. Lilker between 8:30-9:30am, but it was not convenient for Mr. Lilker. A few Board members commented on the fact that the Authority is being sued on a public records request of plans that have never been built and Mr. Lilker was offered to view. They were surprised that the Authority has spent \$8,000 at this point plus the LSHA staffs time. The Board continued to discuss the laws about the Public Records and what can and cannot be done. Mr. Berry informed the Board that they (Lilker and Lemley) come into the LSHA office and record the conversation without anyone’s knowledge. The Board asked Mr. Feagle if it was against the law, and he said because it’s a public building he would have to find out.

Mr. Berry addressed the Board that Bruce Kelly recommend the Board set up a strategic/shade meeting to develop a strategic plan to sell the hospital and to go forward with the sale. Mr. Feagle then explained the Statute 395.3035 to the Board regarding the Shade/Strategic meeting. Mr. Feagle stated that under the statute you are allowed to have a strategic plan meeting outside of the Sunshine Law, but it’s very restricted. He said that the Board will have to decide if this will be one of those meetings, and if it’s not one of the eight meetings described you can’t do it. The following are the reasons you can have a strategic meeting: 1.) Initiate a new healthcare service, 2.) Materially expand an existing health service, 3.) Acquire additional facilities by purchase or lease, 4.) Expand existing facilities, 5.) Change all or a material part of the use of an existing facility or a newly acquired facility, 6.) Acquire another healthcare facility or provider, 7.) Merge or consolidate with another healthcare facility, 8.) Enter into a shared service arrangement with another healthcare provider, or any combination of those things. Mr. Feagle stated that the Attorney General said that they are not going to make the decision for you, but you’ve got to decide if you’re doing one of the exceptions listed above to justify having a strategic meeting.

Motion: Mr. Vann made a motion to instruct Mr. Marlin Feagle to contact the Attorney General’s office to get a ruling on whether they can have a Shade Meeting about

the strategic plan on the sale of the hospital. Mrs. Lory Chancy seconded the motion.

Discussion: Mr. Koby Adams asked Mr. Feagle how long it would take to provide the Information. Mr. Feagle said that they within 30 days.
All were in favor. Motion carried.

BOARD MEMBER COMMENTS

There were no comments.

ANNOUNCEMENTS AND ADJOURNMENT

- Budget/Regular Meeting: September 15, 2014 at 5:15 p.m.

There being no further business, the Regular Meeting adjourned at 6:50 p.m.

Respectfully submitted,

Lory Chancy, Secretary/Treasurer

Date of Approval