

**LAKE SHORE HOSPITAL AUTHORITY
BOARD OF TRUSTEES**

**BUDGET HEARING
MINUTES
September 11, 2013**

| | | |
|---------------|--|--|
| Present: | Marc Vann Waseem Khan, M.D. Stephen Douglas | Lory Chancy Tim Murphy |
| Also Present: | Marlin Feagle Jack Berry, LSHA Staff Tony Britt, LC Reporter Steve Nelson, LCMC Rhonda Sherrod, Shands | Richard Powell Sue Frazee, LSHA Staff Cynthia Watson, LSHA Staff Frank Pommert, Shands Stephanie Bushart, Shands |
| Absent: | Koby Adams, Board Member | Courtney Bryan, LSHA Staff |
| Public: | Barbara Lemley Bucky Nash Paul Vann (Regular Meeting) | Stewart Lilker Barbara McInturff |

Chairman Waseem Khan opened the Public Hearing at 5:15 PM and welcomed new Board member, Tim Murphy.

Chairman Waseem Khan announced that the proposed millage rate of 1.500 mills is 55.59% over the rolled back rate for 2013. The purpose of the levy is to fulfill the Authority's obligations under the Indigent Care Agreement and Lease Assignment Agreement with Lake Shore HMA, Inc. (1.500 mills).

Mr. Richard Powell explained that at the Workshop in August the Board had requested three (3) options for the Budget; however the appropriations remained the same. He referred to Personnel Services and the requested five (5) percent increase for all employees except the Executive Director, who requested exclusion. He gave an overview of each fund; Operating Fund, Patient Care Funds, and the Capital Improvement Fund. Mr. Powell made note of and reviewed the *Analysis of Millage Options* worksheet.

Chairman Khan recommended staying at the 1.5 mils during the time of transition with the hospital. Mr. Stephen Douglas questioned the salary increase for the Executive Director. Mr. Jack Berry recommended staying with the 1.5 mils due to the unforeseen with the hospital transition and to prevent using reserve funds. Mr. Richard Powell, Auditor, offered his opinion regarding reduction of reserves. Mr. Berry informed the Board that he was dealing with a national company who wanted the LSHA to construct a building that they could lease. There were comments and discussion among the Board Members concerning the cost of operating the hospital should HMA give notice.

Mrs. Rhonda Sherrod questioned where the funds were located that were previously allocated for Capital Improvement and later requested for IGT transfers and wanted to confirm that the funds

were still available for IGT's, as voted last September. Mr. Powell confirmed that the funds were still there. Member of the public, Mr. Stewart Lilker, questioned the budget materials that were made available to him. He spoke of the impact of the budget on the community and respectfully asked the Board to consider that. Member of the public, Ms. Barbara Inturff, addressed the Board concerning her tax statement and the fact that the LSHA was the only entity proposing an increase. Mr. Berry and other Board Members addressed her concerns. Member of the public, Ms. Barbara Lemley, asked for clarification of the value of 1.5 mils. She also expressed concern regarding salary increases, the network of physicians used in the program, the rental income generated by the Economic Development Council, and in closing stated she felt the millage should be kept at the lower rate.

There were no amendments to the proposed budget.

Motion: Mrs. Lory Chancy made a motion to adopt the tentative millage rate of 1.5 mils for the 2013-2014 fiscal years at this point. Mr. Marc Vann seconded the motion. Mr. Vann clarified the fact that the budget could be lowered at the Final Budget Haring. All were in favor. Motion carried.

Motion: Mr. Marc Vann made a motion to adopt the tentative budgets for the 2013-2014 fiscal years as follows:

| | Appropriations & Reserves |
|--|--|
| Patient Care Fund – Hospital Services | \$ 2,815,218 |
| Patient Care Fund – Clinical Services | \$ 905,000 |
| Operating Fund | \$ 3,658,100 |
| Capital Improvements Fund | <u>\$ 1,811,600</u> |
| TOTAL | <u>\$ 9,189,918</u> |

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

Chairman Waseem Khan closed the Budget Hearing at 6:08 PM and announced that the Final Budget Hearing will be held on Monday, September 23, 2013 at 5:15 PM at Lake Shore Hospital Authority Administrative Complex, Conference Room, 259 NE Franklin Street, Lake City, Florida 32055.

Respectfully submitted,

Loretta Chancy, Secretary/Treasurer

Date of Approval