

MINUTES OF
THE REGULAR MEETING OF THE
CITRUS COUNTY HOSPITAL BOARD

JANUARY 24, 2011 9:00 A.M.

(1) CALL TO ORDER

The regular monthly meeting of the Citrus County Hospital Board of Trustees [CCHB or Hospital Board] was held Monday, **January 24, 2011**, at the Citrus Memorial Hospital Administration Building, 2nd floor Boardroom, 502 W. Highland Blvd., Inverness, Florida. The Chairman called the meeting to order at 9:00 A.M.

(2) PUBLISHED MEETING LEGAL NOTICE

(Agenda & Published Legal notice Copies On File)

(3) ATTENDANCE

Board Members: V. Upender Rao, MD (Chairman) Deborah L. Ressler, RN, BSN (Vice Chairman) Michael A. Smallridge (Secretary /Treasurer) Susan Kirk, LMT (Trustee)

Also in attendance:

William J. Grant, Esquire, CCHB General Counsel
Vickie LaMarche, CCHB Chief Operating Officer
Harry Kilgore, CCHB Director of Finance
Karla Dozier CCHB Staff

Mark Williams, Citrus Memorial Health Foundation, Inc., CFO
Prestige Court Reporter Services, (CMHF)

Members of the Public: Chris Van Ormer (Citrus County Chronicle), Sam Draper, Diane Toto (WCFP) Joe Chrietberg, and additional members of the public.

(4) APPROVAL OF MINUTES

MOTION by Mrs. Ressler, second by Dr. Rao to approve the September 29, 2010 Final Budget Hearing Minutes & Exhibits. The Motion passed unanimously, 4-0.

MOTION by Mrs. Ressler, second by Dr. Rao to approve the November 15, 2010 Minutes & Exhibits. The Motion passed unanimously, 4-0.

Amend the motion to reflect Mr. Smallridge as the new Secretary/Treasurer and will now be the signatory of those minutes.

(5) PUBLIC COMMENT

Joe Chrietberg: Mr. Chrietberg stated a concern regarding the money that the CCHB has in the bank. Mr. Chrietberg suggested that the Board would need a mandate to use this money and that he feels it is the duty of the Board to use the money somehow.

(6) FINANCE COMMITTEE REPORT

Finance Committee chair Mrs. Ressler yielded to Mr. Kilgore to give the finance report for November and December.

A. Finance Report: Mr. Kilgore presented the Finance reports for November and December. (Copies on file) Mr. Grant asked if there had been any requests for indigent funding pursuant to the CCHB policy. Mr. Kilgore replied to the negative.

MOTION by Mrs. Kirk, Seconded by Mrs. Ressler to accept the Finance Reports for November and December 2010. The Motion passed unanimously, 4-0

Mr. Kilgore asked the Board to approve the list of invoices previously reviewed by the Finance Committee.

MOTION by Mrs. Kirk, Seconded by Mrs. Ressler to pay the invoice as presented on page one, item numbers 1 through 28 with a caveat previously discussed about item 25. Following discussion the Motion passed unanimously, 4-0
(Copy on File)

MOTION by Mrs. Kirk, Seconded by Mrs. Ressler to approve the payment for 50 percent of the required fee for the lobbyists, the firm being Gunster (\$25,000). Following discussion the Motion passed unanimously, 4-0

B. RFQ for Annual Auditing Services:

Mr. Kilgore requested authorization from the Board to publicize the RFQ for Auditing services.

MOTION by Mr. Smallridge, Seconded by Mrs. Kirk to authorize publication and solicitation of proposals for Auditing Services. The Motion passed unanimously, 4-0.

C. Forensic Auditing ISQ:

In their meeting on January 13, 2011 the Finance Committee reviewed the four firms that submitted qualifications to do a forensic audit. The committee narrowed the selection to a short list of two firms that will make presentations to the Board this morning. The two firms are RSM McGladrey and Thomas, Howell & Ferguson.

D. Policy Review:

Mr. Kilgore reported that financial policies had been presented and reviewed in the Finance Committee. Mr. Grant suggested that all policies should have the signature of the Chairman of the Board, Chief Administrative Officer and a check off by any Directors and/or legal.

MOTION by Mr. Smallridge, Second by Dr. Rao to initial any documentation coming before the board and to be reviewed by the COO, the Finance Director when applicable and that it also be initialed by legal counsel. Following discussion the Motion passed unanimously, 4-0.

(7) FINANCE DIRECTOR REPORT

Nothing further.

(8) COO REPORT

None due to scheduled presentations.

(9) FOUNDATION GOVERNANCE ISSUES / LEGAL

Mr. Grant requested the Board's advice for the purpose of settlement negotiations and strategy sessions related to litigation expenditures in Case Number 2010-CA-5702 and 2010-CA-5399. Mr. Grant stated that he approximated the necessary time to seek the Boards advice and direction to be two 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, 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 is William J. Grant and Bruce Blackwell and any other counsel deemed appropriate, will put on the notice.

Mr. Grant stated that Mr. Henigar sent a letter to Dr. Rao that the Foundation was not interested in mediation. (Exhibit)

MOTION by Mr. Smallridge, Seconded by Mrs. Kirk to engage in a attorney-client executive session meeting on February 21, 2011 for the purposes of discussing settlement negotiations or strategy sessions related to litigation and expenditures. Following discussion. The motion passed 4-0.

Mr. Grant stated that there is a conference call scheduled between the Citrus Memorial Health Foundation and Moody's on January 25, 2011 at 10:30am. Mr. Grant asked the Trustees if they wanted to participate in the call.

MOTION by Mrs. Kirk, Seconded by Mrs. Ressler to participate in the Conference call between CMHF, Inc. and Moody's.

Amend Original Motion by Mr. Smallridge to include Ms. LaMarche and Mr. Kilgore in the call. The motion passes 4-0.

RECESS

(10) TRUSTEE STATEMENT

Mrs. Kirk discussed the need for detailed minutes and whether or not the Board could use the transcripts as original minutes as per the Sunshine Law. General Counsel informed Mrs. Kirk that information on the Auditor General's report suggest actual minutes. Mrs. Kirk informed that minutes should be basic information and action items only. Mrs. Kirk also brought up the need to start the process of cleaning up the by-laws and suggested they be brought to the next meeting.

In addition, Mrs. Kirk suggested a secretarial position to assist the COO in efficiencies of work load in the office with the projection that the work load will increase due to the local bill and other happenings.

UNFINISHED BUSINESS:

(11) CITRUS COUNTY HEALTH DEPARTMENT DR. TERESA GOODMAN PRESENTATION

Citrus County Health Department presentation by Dr. Teresa Goodman and Cathy Pearson (Citrus County Department of Community Services) regarding the request and need for a mobile unit for the underserved indigent population in Citrus County.

MOTION by Mr. Smallridge, Seconded by Mrs. Kirk to authorize our legal counsel to go forward with document negotiations and get it by our next meeting, if we can do it by the next meeting. Get us something we can review and then go to the next step after that. The motion passes 4-0.

NEW BUSINESS:

(12) RSM MCGLADREY PRESENTATION (FORENSIC AUDIT)

Presentation by RSM McGladrey from Orlando, Florida.

(13) THOMAS, HOWELL, FERGUSON PRESENTATION (FORENSIC AUDIT)

Presentation by Thomas, Howell, Ferguson from Tallahassee, Florida.

MOTION by Mr. Smallridge, Seconded by Mrs. Ressler to engage with RSM McGladrey. Following discussion. The motion passes 4-0.

(14) OTHER

Mr. Grant informed that the Foundation is being sued on some substantive lawsuits. Mr. Grant will provide a package of information to each of the Trustees that contains more detailed information.

Mr. Beaty's lawsuit will be ready in the next few days. Final suit is currently under evaluation by legal counsel.

Mr. Grant reviewed the policies and suggested recommended changes. Policy changes to be made with appropriate signatories and returned to next Board meeting for approval.

Mrs. Kirk inquired if the Board is a member of the Citrus County Chamber of Commerce. Response was no.

MOTION by Mrs. Kirk, Seconded by Mrs. Ressler to joined the Citrus County Chamber of Commerce and pay the membership not to exceed \$500. The motion passed 4-0.

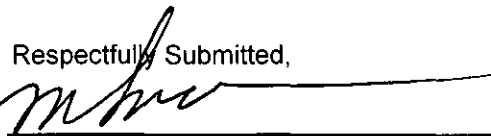
Chairman Rao, after discussion with all Board members chose to separate the Finance and Audit Committee. Mr. Smallridge will serve as Chairman of the Audit Committee with Mrs. Kirk as a member. Mrs. Kirk will forgo her previous appointment to the Finance Committee.

Dr. Rao left the meeting at 12:58pm. Mrs. Ressler was placed in charge as acting Chair to conclude the meeting.

(15) RECOMMENDED NEXT SCHEDULED MEETING DATE: Monday, February 14, 201 at 9:00 am

(16) Adjournment

MOTION by Mrs. Kirk, second by Mrs. Ressler to adjourn meeting. The Motion was approved unanimously and the meeting adjourned at 1:20 PM

Respectfully Submitted,


Michael Smallridge
Secretary

01.24.11 Minute Copy on File:

1. Agenda & Public Notice
2. CCHB Financial Report
3. List of invoices

01.24.11 Minute Attachments:

1. Letter from Mr. Henigar to Dr. Rao, dated
2. Letter from James Kennedy, dated 01-21-11