

MINUTES

RE: BOARD OF COMMISSIONERS REGULAR BOARD MEETING

DATE: JULY 26, 2018 TIME: 3:05 PM

MEETING CALLED TO ORDER: 3:20 p.m.

MEETING ADJOURNED: 8:05 p.m.

PRESENT: Chairman Klein/Chair, Commissioner Ure/Vice Chair, Commissioner Wellins/Member, Commissioner Gregoire/ Member, Commissioner Berry/Secretary/Treasurer

THE PLEDGE OF ALLEGIANCE: Commissioner Berry

PUBLIC COMMENTS: None

APPROVAL OF MINUTES: May 30, 2018

MOTION: Motion was made by Commissioner Gregoire to approve the meeting Minutes for May 30, 2018, seconded by Commissioner Berry. **Motion carried unanimously.**

AUDIT COMMITTEE INTERVIEWS:

1. Interview applicant James Petkas for outside Audit Committee appointment

Board Members asked Audit Committee applicant and independent consultant, James Petkas, questions related to his work experience and interest in joining the Audit Committee. Mr. Petkas reported that he came out of retirement two weeks prior to this interview and is now employed as Chief Financial Officer of the Miami Beach Community Health Center, a 501C3 federally qualified health center that provides primary care, lab and pharmacy services to the HIV infected population, uninsured and Medicaid population.

Legal Counsel advised that the new information would have to be vetted by the Ethics Officer to ensure there are no potential or actual conflicts.

MOTION: Motion was made by Commissioner Ure to approve Mr. James Petkas fill one of the two positions of Independent Auditors for the Audit Committee subject to the updated ethics review, seconded by Commissioner Berry. **Motion carried unanimously.**

2. Interview applicant Scott Porter for outside Audit Committee appointment

The Board gave Mr. Scott Porter the opportunity to introduce himself and provide a brief work history, in addition to sharing what drew him to the North Broward Hospital District.

MOTION: Motion was made by Commissioner Ure to approve Mr. Scott Porter as the second and final member of the independent seat on the Audit Committee, seconded by Commissioner Gregoire. **Motion carried unanimously.**

COMMITTEE REPORTS:

Compliance and Ethics Committee

July 18, 2018

Commissioner Gregoire

MINUTES

Commissioner Gregoire briefly reported what was discussed at the last Compliance and Ethics Committee meeting held on July 18th. Minutes available upon request.

Legal Affairs & Governmental Relations Committee July 18, 2018 Commissioner Gregoire
Commissioner Gregoire briefly reported what was discussed at the last Legal Affairs & Governmental Relations Committee meeting held on July 18th. Minutes available upon request.

Building Committee July 18, 2018 Chairman Klein
Chairman Klein briefly reported what was discussed at the last Building Committee meeting held on July 18th. Minutes available upon request.

Finance Committee July 26, 2018 Commissioner Berry
Commissioner Berry briefly reported what was discussed at the last Finance Committee meeting held on July 26th. Minutes available upon request.

MOTION: Motion was made by Commissioner Berry to add the Human Resource Committee Report, to the Board Agenda, seconded by Commissioner Gregoire. **Motion carried unanimously.**

Human Resource Committee July 25, 2018 Commissioner Wellins
Commissioner Wellins briefly reported what was discussed at the last Human Resource Committee meeting held on July 25th. Minutes available upon request.

MOTION: Motion was made by Commissioner Berry to walk-on discussion regarding the (PTO) Paid-Time-Off issue, seconded by Commissioner Gregoire. **Motion carried unanimously.**

Chairman Klein agreed to place the Paid-Time-Off item on the Discussion Agenda as item 21.

MOTION: Motion was made by Commissioner Gregoire to walk-on discussion regarding the IRO Report and Broward Health's strategy for the next thirty days, seconded by Commissioner Wellins. **Motion carried unanimously.**

Chairman Klein agreed to place the IRO item on the Discussion Agenda as item 22.

MEDICAL STAFF FACILITY UPDATES: Chief of Staff Report

Broward Health North: Facility report was given by Dr. Gary Lehr, who stood in for Dr. Maheshwari who was on vacation.

Commissioner Berry requested that Jennifer Gottlieb, who was in the audience, get clarification from Senator Farmer on what interference is at the Board level as he does not believe it was the legislature's intent to prohibit the Board from getting involved in certain situations. He further reported that Broward Health is the only hospital district that has this provision in the state and it was just recently added.

Chairman Klein asked that an update on the status of the interference policy be put on the agenda for the August Board meeting in the nature of an appeal or Board approval process for exceptional and urgent circumstances.

Broward Health Imperial Point: Facility report was given by Dr. Jensen.

Broward Health Coral Springs: Facility report was given by Dr. Zingaro.

Broward Health Medical Center: Facility report was given by Dr. Morrison.

MEDICAL STAFF / CREDENTIALING UPDATE: Dr. Andrew Ta (REPORT ATTACHED)

4a) Broward Health North

4c) Broward Health Coral Springs

4b) Broward Health Imperial

4d) Broward Health Medical Center

MOTION: Motion was made by Commissioner Wellins to approve Medical Staff Credentialing for the month of June 2018, seconded by Commissioner Ure. **Motion carried unanimously.**

MOTION: Motion was made by Commissioner Berry to approve Medical Staff Credentialing for the month of July 2018. The motion was seconded by Commissioner Gregoire. **Motion carried unanimously.**

Mr. Santorio, EVP/COO requested that the walk-on item regarding the interlocal agreement be discussed before the CEO update, as the Broward County General Counsel was in attendance and could not stay until the end of the Board meeting.

MOTION: Motion was made by Commissioner Wellins to walk-on discussion regarding the Interlocal Agreement regarding the City of Pompano Beach Community Redevelopment Agency, seconded by Commissioner Gregoire. **Motion carried unanimously.**

Mr. Santorio circulated and requested that four copies of the Interlocal Settlement Agreement be signed by the Board. He explained that the CRA, Community Redevelopment Agency was established in October 1980 and its approximate \$7 million a year funding is shared between the North Broward Hospital District, Broward County, the City of Pompano Beach and Children's Services Council of Broward County. Broward Health's portion is between \$900k and a \$1 million a year, dependent on the tax rolls. He further reported there was a sunset, however an extension was placed for approximately 30 more years. The settlement agreement would allow the agreement to sunset over a seven year period at \$4.525 million versus \$30 million for the next thirty years. Statutory requirements demand that the agreement be signed by August 15.

MOTION: Motion was made by Commissioner Gregoire to approve the Interlocal Settlement Agreement Regarding the City of Pompano Beach Community Development, seconded by Commissioner Berry. **Motion carried unanimously.**

MOTION AMENDED: Chairman Klein suggested an amendment to the motion to allow for either the Chair or the Vice Chair to have further conversation with outside counsel, Kelley Kronenberg concerning precise terms of the agreement prior to entering into signatures. Both Commissioner Gregoire and Commissioner Berry approved the amended motion. **Motion carried unanimously.**

PRESIDENT/CEO UPDATE: Beverly Capasso

Ms. Capasso provided an update on Broward Health's events and achievements for the month of July 2018.

TELETRACKING DEMO/15 MINUTES: A TeleTracking command center and patient flow discussion and overview was presented by John Zapf.

DAVINCI ROBOT DEMO/15 MINUTES: Jody Szatkiewicz from Intuitive Surgical gave a presentation to the Board on their latest surgical robotics enabling surgeons to perform minimally invasive surgery from a surgical console.

NOTE: Mr. Santorio reported that in regards to the MModal inquiry proposed at the Legal Committee meeting, there is no *out for convenience* clause in the agreement, as in order to receive the \$7.3 million dollars in guaranteed savings over five years, MModal requires the five year contract. Mr. Santorio confirmed upgrades are included.

CONSENT AGENDA:

5. Broward Health North – Contractual Agreement for Alliance Imaging
6. Broward Health Physician Group – Contractual Agreement for Dr. Rojas
7. Broward Health Physician Group – Contractual Agreement for Dr. Villabona
8. Broward Health Medical Center and Broward Health Coral Springs – Contractual Agreement for Intuitive Surgical, Inc. (DaVinci)
9. Broward Health North – General Surgery On-Call
10. Broward Health North – Neuro Stroke On-Call
11. Broward Health Healthcare Facilities – Contractual Agreement for MModal (IT)
12. Broward Health Healthcare Facilities – Contractual Agreement for Sodexo
13. Broward Health North – Neurological Surgery On-Call Extension
14. Broward Health Medical Center – Salah Foundation Children’s Hospital – Design and Construction
15. Acceptance of the Interim Financial Statement for the month of May 2018

MOTION: Motion was made by Commissioner Gregoire to approve items five (5) through fifteen (15), on the Consent Agenda, seconded by Commissioner Ure. **Motion carried unanimously.**

NOTE: Item 16, originally titled, Acceptance of the Interim Financial Statement for the month of June 2018, was removed from the Agenda. Mr. Goldsmith reported that the numbers were not yet completed and would be presented to the Board at a future date.

Chairman Klein recognized Broward Health’s 35 year employee, Kenneth Warner, Director of Financial Management who will be retiring shortly after the tax hearings. Mr. Warner will be replaced by Modesto Gato who was also in attendance.

DISCUSSION AGENDA:

16. Millage Rate and Tax Hearings:

- a. 2018 Rolled Back Millage Rate of 1.1774
- b. Adoption of Proposed 2018 Millage Rate of 1.1774
- c. Setting of Date, Time and Place for First and Second Tax Hearings

MOTION:

- a) Commissioner Ure moved that the Board of Commissioners of the North Broward Hospital District should, by appropriate motion, determine the roll-back millage rate for 2018 is 1.1774 mills, seconded by Commissioner Gregoire. **Motion carried unanimously.**
- b) Commissioner Ure moved, based upon statutory requirements and process criteria, the North Broward Hospital District sets the proposed millage rate for 2018 at 1.1774, seconded by Commissioner Berry. **Motion carried unanimously.**
- c) Commissioner Wellins moved, based upon statutory requirements and requisite timelines, the North Broward Hospital District advises that the following dates, times and places be used to hold the 2018 TRIM public hearings: **First hearing – Wednesday, September 12, 2018 at 5:30 p.m. at Broward Health Medical Center in the auditorium, and Second and final hearing – Wednesday, September 26, 2018 at 5:30 p.m. at Broward Health North in the Conference Center,** seconded by Commissioner Gregoire. **Motion carried unanimously.**

17. Broward Health Healthcare Facilities – Contractual Agreement for Envision/Emcare

MOTION: Commissioner Gregoire motioned to authorize the President/CEO to enter into a contractual agreement with Emcare Inc. and Phoenix Emergency Medicine of Broward LLC., the current vendor, for a two-year term, seconded by Commissioner Berry. **Motion carried unanimously.**

Item 20 was moved up so that Commissioner Ure could participate in the discussion before his departure from the meeting.

20. Discuss 2018-2019 Board and Committee Meeting Dates: Commissioner Ure requested that the Board make more of a conservative effort to follow the schedule they all agreed to regarding Board and Committee meetings. Chairman Klein shared the same sentiment.

MOTION: Commissioner Ure motioned to reaffirm the same schedule set the prior year for the current year of 2018-2019, seconded by Commissioner Berry. **Motion carried unanimously.**

NOTE: Commissioner Ure excused himself from the meeting. A quorum remained as there were four Commissioners that remained in attendance.

18. Request to approve up to \$1 million in Locums for Physician Contracts: Mr. Santorio brought the Board's attention to tab 18, illustrating Locums services that were either currently being used or in proposal phase. He requested the Board allow him to secure agreements with Locums up to \$1 million dollars and bring status reports to the Board on a monthly basis.

MOTION: Commissioner Gregoire moved to approve up to \$1 million in Locums for Physician Contracts, seconded by Commissioner Berry. **Motion carried unanimously.**

19. Consideration of Board Liaison: Commissioner Wellins recommended a fulltime Liaison report to the Board directly to support the Board in several ways. He recommends the Board Liaison be a direct Board report while continuing to work for the Broward Health District. In an effort to keep all

matters of the Board private, the Liaison would need a private office and resources made available to be able to accomplish all duties in support of the Board.

Chairman Klein agreed the Board needs a direct report. He also sees a need for a second person in the nature of an advisor or chief of staff to assist in research, coordination and communication with outside parties. He believes it would be helpful to have a junior attorney work with the Board.

Commissioner Wellins cautioned the Board be very careful about hiring someone with legal responsibilities as the Charter and Bylaws are clear that legal decisions of the organization reside in the General Counsel's office.

Commissioner Gregoire agreed Ms. Alfaro should report to the Board directly. She expressed concern in hiring additional legal counsel.

Commissioner Berry added that within the executive office, a private suite is necessary, as he has concerns with documents and conversations being out in the open and not in a private secure place. Commissioner Berry is not opposed to Chairman Klein's suggestion, however he would need to see what that means and what the new report would really do.

MOTION: Commissioner Berry motioned to move the current resource to report directly to the Human Resource Chair with a secure space in the form of a private suite providing two offices and in the executive area so that there is access to the executive team, seconded by Commissioner Gregoire.

General Counsel advised that operationally, it would be better to have one point person and that the Secretary/Treasurer is the person responsible for all minutes and public notices.

MOTION AMENDED:

- a) have the Board Liaison respond to the Board's Secretary/Treasurer;
- b) have the Human Resource Committee explore an additional Board Report position, such as Chief of Staff;
- c) a secure private suite provided within the executive c-suite with locked spaces and doors for each Commissioner to meet privately and store their documents privately.

Commissioner Gregoire approved the amendment. **Motion carried unanimously.**

Chairman Klein requested Commissioner Berry follow through with having Ms. Alfaro assigned directly to the Board's oversight. Commissioner Berry agreed to the request.

21. PTO Discussion: Commissioner Berry was informed that Tier-One and Tier-Two has unlimited Paid-Time-Off with minimal checks and balance. In inquiring the status of all accruals the employees had accumulated before the policy change, he was informed accruals were paid out at approximately \$5 million dollars. This decision did not come to the Board for approval. Commissioner Berry does not believe this is good policy and further has a problem with Senior Management having

fundamentally changed the compensation plan of the four Direct Reports without the Board's knowledge given the Board is responsible for them.

Mr. Goldsmith explained the policy change was due to a savings projection of \$600-\$700k a year. From a compliance perspective the process hasn't changed, for the exception of PL time carrying over and unlimited. The operational team decided not to come to the Board after having inquired from General Counsel that the change was an operational policy change.

Ms. Barrett interjected that it was not operational, it was a human resource policy change and that Mr. Goldsmith told her the money was already budgeted. Mr. Goldsmith clarified that by budgeted he meant it was a liability being that it was the employees' money, as they earned that time.

Commissioner Berry reported that \$35 million dollars accrued for PTO and only \$5 million was paid out to Tier-One and Tier-Two. He would like to see a list of employees' time taken off after having received a payout.

Commissioner Wellins felt that at the very least the four Board Reports should be excluded from the PTO policy as their salaries should not be arbitrarily changed by management. Commissioner Wellins believes this item should be reviewed at an HR or Finance Committee meeting and then decided by the Board.

MOTION: Commissioner Berry moved that after the valorem taxes are calculated, the Board reduce the millage by an additional amount equal to the amount of money that was paid out for Paid-Time-Off, seconded by Commissioner Wellins.

Chairman Klein is in agreement that the Board needs to have direct oversight on direct reports as they are employees to the Board. If the prior policy was costing the District roughly \$700k a year in annual costs associated with the payouts and was probably factored in the decision making.

Commissioner Gregoire indicated that at this point it cannot be quantified what would have or would not have been paid out, therefore paying out an entire amount of \$5 million dollars does not seem like an appropriate decision.

Commissioner Wellins clarified that the movement of \$5 million dollars off the balance sheet was used for a purpose that it was not intended to be. The intention was that it had to be accrued by law due to a long standing policy so in the event that an employee decide to retire or leave they either could take the time or be paid out with a check. Instead the management team changed policy and paid out employees although they continue working at Broward Health.

ROLL CALL: Chairman Klein (no), Commissioner Ure (not present), Commissioner Wellins (yes), Commissioner Gregoire (yes), and Commissioner Berry (yes). **Motion carried 3 to 1.**

22. IRO Report: Commissioner Berry reported that although there is not enough time to thoroughly discuss the matter at this meeting, there are things listed in the IRO Report that the Executive Team could deal with right away.

Commissioner Gregoire reported that every one of the issues pointed out in the IRO Report is a violation of the Corporate Integrity Agreement policy, as well as Broward Health's internal controls.

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Commissioner Wellins has a problem with his name being on two of the items in the report, as the requests he made were not fulfilled and what he was told was not accurate.

Chairman Klein has concerns over the report being less of a report and more of an advocacy piece. He is not sure the IRO received all the information provided that he needed and there is concern over the scope and targeting. One of the fundamental concerns Chairman Klein has is that the information is coming to the Board from an outside entity and not directly from the Chief Compliance Officer and Legal Counsel who are charged with compliance and legality. Chairman Klein formally requested from anyone involved in the matter, that all texts and communications provided to the IRO are preserved so that an investigation could be done, if necessary.

Commissioner Wellins clarified that several of the items in the report were known for several months as they came to the Board and Committees as far back as April and May.

Commissioner Berry opined the Board should take action right away as the Federal Monitor, Laura Ellis, was copied on the report. Ms. Ellis approved Baker Donelson and gave them a certificate of independence and expertise. He believes the best way to resolve the issues listed on the report is by having the Senior Leadership Team take action on what they know was reported correctly and then list what they believe was reported incorrectly. At that point the Board should request outside counsel investigate the remaining items and fill in the gaps. Outside counsel could be selected and retained through the Legal Committee and General Counsel.

Ms. Barrett reported that the General Counsel office has already taken action to carefully dissect the report to determine if there are any reportable events.

Ms. Capasso reported that the Senior Management Team is also taking action immediately and will report the activity to the Board by the next Board meeting.

Discussion ensued regarding agreements not being processed correctly in Compliance 360.

COMMENTS BY COMMISSIONERS: None

NEXT REGULAR BOARD MEETING: The next regularly scheduled Board of Commissioners' meeting will be held on August 29, 2018 at 4:00 p.m. in Broward Health Corporate Office, Spectrum Site, 1700 NW 49 Street, Suite 150, Fort Lauderdale, Florida.

MEETING ADJOURNMENT: Meeting was adjourned at 8:05 p.m.

MOTION: Commissioner Berry motioned to adjourn the meeting, seconded by Commissioner Wellins. **Motion carried unanimously.**

AUTHENTICATION OF MINUTES: Patricia Alfaro, Special Assistant to the Board of Commissioners.

*Audiotape available upon request.

Respectfully submitted,

Commissioner Ray T. Berry

MINUTES

**NORTH BROWARD
HOSPITAL DISTRICT**

1700 NW 49th Street, Suite #150, Ft. Lauderdale, 33309

Secretary / Treasurer