

**SOUTH PENINSULA HOSPITAL, INC.
REGULAR BOARD MEETING**

SPH Conference Rooms

January 28, 2009

Call To Order

The BOD went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting.

*******Into Executive Session – 6:00 p.m. *******

*******Out of Executive Session – 6:50 p.m.*******

******* Regular Session – 7:00 p.m.*****.**

President Walt Partridge called the regular meeting to order at 7:00 p.m. and declared a vacancy on the board due to the resignation of Terry Thompson.

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|----------|----------------|--------------|
| Present: | Barbara Howard | Kent Haina |
| | Bernie Wilson | Kelly Cooper |
| | Walt Partridge | Nina Allen |

Also Present: Bob Letson, CEO
MaLisa Mudgett, CFO
Christine Anderson, Director of Patient Care Services
Derotha Ferraro, Marketing Coordinator/Grant Writer
Sara Karnos, Administrative Assistant
Jan Hanenberger, Homer Secretarial Services

A quorum was present.

Announcements, Welcome Guest & Public

President Partridge welcomed guests.

Approval of Agenda

Cooper/Allen moved/seconded:

To approve the agenda with the following changes under New Business:

- Item E to now be Resolution on Land Acquisition
- Item F to now be Consideration to Adopt a Resolution Approving the Capital Budget for 2009 – 2010
- Item G to be Creation of an Ad Hoc for Conduction the CEO Evaluation
- Item H to be Election of Officers to Serve for 2009

Motion carried with no objection.

Comments of Audience

No comments.

Reports

SAB Representative

President Partridge mentioned Judith Lund informed him she would not be able to attend this evening's meeting.

Ms. Howard reminded the members they should prepare a rotation attendance calendar showing which BOD member will attend the SAB meetings each month, and volunteered to attend the February 12 meeting.

Chief of Staff – Dr. Brady

Not able to attend.

President's Report

President Partridge reported the BOD requested Administration to make some changes to the Strategic Plan and the plan was submitted to the Planning Committee on January 23. The committee suggested minor changes, approved the plan, and it was provided to the board members this evening. The members were requested to read the final version between now and the board's special meeting on February 9, and raise any objections before the formal acceptance vote at that meeting. Kenai Peninsula Borough Mayor, Dave Carey, is scheduled to receive the plan by March 3 with a presentation of the plan to be held on March 14 in Homer, as a request of Mayor Carey.

President Partridge provided a verbal report on his two years as board president.

Approval of Consent Agenda

Cooper/Allen moved/seconded:

To approve the consent agenda.

President Partridge then read the Consent Agenda:

- a. Approval of Minutes of the December 17 Board Meeting
- b. Acceptance of December Financial Report
- c. Acceptance of Critical Access Hospital Report
- d. Acceptance of Diabetes Education Proposal Update
- e. Approval of Long Term Care Certificate of Need
- f. Approval of Annual Corporate Compliance Report
- g. Acceptance of Community Healthcare Needs Assessment Program Update
- h. Approval of Pension Plan Amendment Notification
- i. Approval of Medical Staff Bylaw Revision
- j. Approval of Medical Staff Privilege Form
- k. Acceptance of CEO Annual Goals Update
- l. Acceptance of 2009 Action Calendar
- m. Acceptance of Administrator's Monthly Report
- n. Acceptance of Annual Governance Committee Report
- o. Acceptance of Annual Membership Committee Report
- p. Acceptance of Annual Marketing Report

q. Financial Turnaround Update

Motion passed with no objection.

Board Education – Customer Service Plan: Derotha Ferraro, Marketing Coordinator/Grant Writer

Ms. Ferraro handed out copies of the SPH Customer Service Guidelines and provided a PowerPoint covering the information included in the packet, statistics and information on services at the hospital, expectations of patients as well as employees and fellow co-workers, and information obtained from the random survey taken in the community. Each department in the hospital is receiving presentations on the guidelines and they have been very well received.

Unfinished Business

a. Setting of Time and Place for Annual Financial Goals

It was recommended the Finance Committee prepare a list of important financial goals and have it on the agenda for the February 25 meeting.

b. Discussion and Direction for Content of the Board’s Website Page

Some items mentioned to be included in the website were:

- o Meeting minutes or at least a portion of the minutes
- o Pictures of the BOD members
- o Member application

Mr. Haina will now be working with Ms. Ferraro on this project. In the near future, a presentation of the board’s website page will be provided to the full board. Ms. Allen requested that the members’ home phone numbers and e-mail addresses not be included in the website information.

c. Consideration to Approve Recommendation of Finance Committee for Pension Plan

Cooper/Wilson moved/seconded:

To approve the issuance of the RFP to request assistance of Investment Management Services for the hospital’s Pension Plan Fund with the addition of UBS to the RFP list.

CFO Mudgett clarified Wells Fargo’s address should be Anchorage rather than Homer.

Motion passed with no objection.

New Business

a. Consideration to Adopt a Resolution Approving the Records Management Program for South Peninsula Hospital

Howard/Haina moved/seconded:

To table the approval of policies pertaining to records management until final legal review is complete.

b. Consideration to Adopt a Resolution Approving Contract Extension for Tom Owens for Labor Negotiations

CEO Letson stated the negotiations are more involved than originally thought and additional funding is need to complete the negotiations. The board is being asked to approve approximately \$90,000 to complete the negotiation process.

Wilson/Haina moved/seconded:

To adopt Resolution 09-14 authorizing contract extension for The Owens Group, LLC for Labor Negotiations.

Discussion followed and Ms. Cooper requested the record reflect that guidelines should be established with The Owens Group in writing regarding amounts being spent and our budgeted amount.

Roll call vote was taken:

- ✓ Kelly Cooper – yes
- ✓ Walt Partridge – yes
- ✓ Nina Allen – yes
- ✓ Bernie Wilson – yes
- ✓ Kent Haina – yes
- ✓ Barbara Howard – yes

Action vote: 6 – yes, 0 – no. Motion passed.

c. Consideration to Adopt Resolution Approving Funds for Homer Medical Clinic X-Ray Generator for Electrical System.

CEO Letson reported the approximate cost for the generator would be \$16,000 and would create additional revenue for SPH. Since the cost is under \$20,000 they were informed by Craig Chapman, KPB Finance Director, it would be handled through the Minor Equipment Fund. The funding allocation will require SAB approval only. Therefore, line number three can be removed from the resolution. Questions and answers followed.

Howard/Cooper moved/seconded:

To adopt Resolution 09-15, a resolution of the South Peninsula Hospital Board of Directors authorizing expenditure of \$16,000 for purchase of a generator for satellite imaging services to be provided at Homer Medical Clinic with two amendments under “NOW THEREFORE.....”:

1. That the funds in the amount of \$16,000 be appropriated from the South Peninsula Hospital Capital ~~Project~~ Minor Equipment Fund for the purchase of a generator for satellite imaging services at Homer Medical Clinic, project number 491.81211.9 SATE.48516.
2. And point number three: “For this resolution to be forwarded to the KPB Assembly”, be removed, and the word “and” be removed at the end of point number two.

Roll call vote was taken:

- ✓ Bernie Wilson – yes
- ✓ Barbara Howard – yes
- ✓ Kelly Cooper – yes
- ✓ Kent Haina – yes
- ✓ Nina Allen – yes
- ✓ Walt Partridge – yes

Action vote: 6 – yes, 0 – no. Motion passed.

d. Discussion of Annual Review of Board of Director Bylaws

Ms. Howard mentioned the BOD Bylaws require an annual review of the Bylaws. The board recently went through them extensively, changes were made, and they were adopted December 17. The Governance Committee is asking board members to look over the bylaws and make suggests on additional changes needed. Ms. Howard requested the minutes indicate that the annual review of the Bylaws has been conducted in compliance with the Bylaws. There were no objections from the members.

e. Resolution 09-17, Land Acquisition

Cooper/Howard moved/seconded:

To adopt Resolution 09-17 regarding the purchase of two adjacent vacant land parcels with a couple of adjustments: Add another WHEREAS between the third and fourth WHEREAS. The new fourth WHEREAS would read: WHEREAS would position South Peninsula Hospital for future campus expansion.

President Partridge then repeated the resolution with amendments: To adopt Resolution 09-17, a resolution of the South Peninsula Hospital Board of Directors in support of purchasing the two adjacent vacant parcels, Lots 2 and 3, Block 8, Fairview Subdivision with the amendment to add a fourth WHEREAS between the existing third and fourth WHEREAS. The third WHEREAS would state: WHEREAS the acquisition of the land will provide an immediate solution of the current construction related parking shortage, and the fourth WHEREAS would now be, WHEREAS the acquisition of the land would position South Peninsula Hospital for future hospital campus expansion, and the fifth WHEREAS would now read, WHEREAS this resolution has been approved by the Finance Committee on January 22, 2009.

Ms. Cooper wanted to make sure that Mr. Letson secures a first right of refusal in writing with Seller.

Roll call vote was taken:

- ✓ Barbara Howard – yes
- ✓ Kent Haina – yes
- ✓ Bernie Wilson – yes
- ✓ Kelly Cooper – yes
- ✓ Walt Partridge – yes
- ✓ Nina Allen – yes

Action vote: 6 – yes, 0 – no. Motion passed.

g. Consideration to Adopt Resolution 09-16 Approving the Capital Budget for 2010

Howard/Allen moved/seconded:

To adopt Board Resolution 09-16, a resolution of the South Peninsula Hospital Board of Directors approving the Capital Budget for FY 2010 and the budget would be the one including the land acquisition.

Appreciation for all the hard work done on working on the budget were expressed to all those involved. Comments and suggestions from the members were also shared.

Roll call vote was taken:

- ✓ Kelly Cooper – yes

- ✓ Walt Partridge – yes
- ✓ Nina Allen – yes
- ✓ Bernie Wilson – yes
- ✓ Kent Haina – yes
- ✓ Barbara Howard – yes

Action vote: 6 – yes, 0 – no. Motion passed.

h. Creation of an Ad Hoc for Conducting CEO Evaluation

President Partridge reported during Executive Session it had been decided to create an Ad Hoc to conduct the CEO evaluation and asked for volunteers. Mr. Haina, Ms. Allen, Ms. Cooper, and Mr. Partridge volunteered. Ms. Wilson was thanked for her prior work on the evaluation, had suggestions for preparing for the next evaluation, and will forward information to the members.

i. Election of Officers for South Peninsula Hospital Board of Directors to Serve for 2009

- President – one year term:
Cooper/Wilson moved/seconded:
To nominate Barbara Howard as President. Nominations were closed.

Roll call vote was taken:

- ✓ Bernie Wilson – yes
- ✓ Barbara Howard – yes
- ✓ Kelly Cooper – yes
- ✓ Kent Haina – yes
- ✓ Nina Allen – yes
- ✓ Walt Partridge – yes

Action vote: 6 – yes, 0 – no. Motion passed.

- Vice President – one year term:
Wilson/Partridge moved/seconded:
To nominate Kelly Cooper as Vice President. Nominations were closed.

Roll call vote was taken:

- ✓ Barbara Howard – yes
- ✓ Kent Haina – yes
- ✓ Bernie Wilson – yes
- ✓ Kelly Cooper – yes
- ✓ Walt Partridge – yes
- ✓ Nina Allen – yes

Action vote: 6 – yes, 0 – no. Motion passed.

- Secretary – one year term:
Cooper/Haina moved/seconded:
To nominate Bernie Wilson as Secretary. Nominations were closed.

Roll call vote was taken:

- ✓ Kelly Cooper – yes
- ✓ Walt Partridge – yes

- ✓ Nina Allen – yes
- ✓ Bernie Wilson – yes
- ✓ Kent Haina – yes
- ✓ Barbara Howard – yes

Action vote: 6 – yes, 0 – no. Motion passed.

- Treasurer – one year term:
Allen/Howard moved/seconded:
To nominate Walt Partridge as Treasurer. Nominations were closed.

Roll call vote was taken:

- ✓ Bernie Wilson – yes
- ✓ Barbara Howard – yes
- ✓ Kelly Cooper – yes
- ✓ Kent Haina – yes
- ✓ Nina Allen – yes
- ✓ Walt Partridge – yes

Action vote: 6 – yes, 0 – no. Motion passed.

Cooper/Howard moved/seconded:

To authorize the Corporate Secretary to prepare and distribute the Notice of Reorganization within fourteen days of this meeting which is in compliance with the SLOA. Motion passed with no objection.

Comments from the Audience

- Sara Karnos asked if Ms. Wilson was now the Corporate Secretary, and provided the approved BOD Bylaws for the prior officers to sign.
- Christine Anderson congratulated the members on their well run meeting and thanked them for their service to SPH, thanked Mr. Partridge for serving as the prior BOD President, and congratulated the new officers.

Comments from the CEO/CFO

- Bob Letson mentioned he will be holding a phone conference with Ms. Mudgett, Ms. Anderson, and representatives from the state the second week in February to discuss the agreement for SPH to become a designated psychiatric evaluation/stabilization treatment center with the state. He will provide a report on the meeting at the February BOD meeting.
- MaLisa Mudgett reported they will be asking Medicare for another accelerated payment, they received approximately \$500,000, \$1.3 million worth of payments is still in the system as payments from Medicare, and they will be starting the Operating Budget process in February.

Comments from the Board

- Nina Allen is relieved to be back from Juneau where the weather was causing some flight problems, appreciated all the hard work and help from the staff, felt they have a strong board for being so few, and thanked the new officers for accepting their positions.
- Kelly Cooper thanked Mr. Partridge for his service as President, Ms. Mudgett and all involved for their work on the budget, and felt the Customer Service Plan was great.

- Barbara Howard was glad to hear about the mental health and VA services which will provide a great service to the community, mentioned Ms. Cooper had done an excellent job as President of the Chamber of Commerce and will be a great officer on the BOD, and thanked Mr. Partridge for his wonderful service as the BOD President and to forward a big thanks to Mrs. Partridge.
- Bernie Wilson thanked Ms. Mudgett for the very nice job on the budget, and thanked Mr. Partridge for his service as President.
- Kent Haina extended his deepest sympathies to CEO Letson for his loss, thanked Ms. Mudgett for the wonderful budget, thanked Mr. Partridge for his service, and thanked the board for being patient with him as a new BOD member.
- Bernie Wilson mentioned it has been a pleasure working with Mr. Thompson. The other members agreed.
- Walt Partridge thanked the new slate of officers and looks forward to working with them.
- Bob Letson thanked Sara Karnos for all her hard work.

Executive Session

There was nothing further to be addressed in another Executive Session.

Actions Resulting from Executive Session

Howard/Allen moved/seconded:

That Dr. Paul Raymond is reappointed to the Active Staff of South Peninsula Hospital and that Dr. M. Todd Boling is reappointed to the Courtesy Staff of South Peninsula Hospital. Ms. Cooper abstained from voting due to Dr. Raymond being a client of hers. Motion passed.

Howard/Allen moved/seconded:

That Elisabeth Brennand is reappointed to the Category B Allied Staff of South Peninsula Hospital. Motion passed unanimously.

Adjournment

Cooper moved to adjourn at 9:20 p.m.

Respectfully submitted,

Accepted:

Janet E. Hanenberger
Homer Secretarial Services
Minutes Approved: _____

Barbara Howard, President

Bernadette Wilson, Secretary