



BOARD OF DIRECTORS MEETING MINUTES  
TUESDAY, JUNE 29, 2010  
6:00 P.M.

MEMBERS PRESENT:

Frank Zachman, Jr.  
Bill Reed  
Greg Muehlenbein  
Shelley Allen  
Rick Basinger  
Clint Ragan  
Randy Kirsch  
Mike Lewis

MEMBERS ABSENT:

Rhonda Barnard

OTHERS PRESENT:

Randall Dauby, CEO  
Bradley Futrell, COO  
Kent Mitchell, CFO

Frank Zachman, Jr., President, called the meeting to order. Roll call was taken and with a quorum present the meeting proceeded.

Topic of Discussion	Description	Action Taken
<u>Minutes of the 05/25/10 Board of Directors Meeting and Executive Session</u>	The minutes were reviewed.	Mike Lewis made a motion to approve the 05/25/10 Board of Directors Meeting Minutes and Executive Session. Randy Kirsch seconded the motion. Motion carried.
<u>Nursing Center Discussion</u>	The potential sale of the nursing center was discussed briefly. The board needed to go into executive session to review several contracts regarding the potential sale.	Rick Basinger made a motion at 6:04 P.M. to enter Executive Session to discuss the potential sale of the nursing center. Shelley Allen seconded the motion. Motion carried.
<u>Executive Session</u>		

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Topic of Discussion	Description	Action Taken
<u>Executive Session (continued)</u>		Bill Reed made a motion at 7:19 P.M. to go out of Executive Session and return to Regular Session. Mike Lewis seconded the motion. Motion carried.
<u>Nursing Center</u>	Several agreements for the nursing center sale:	
	<u>Resolution 03-2010</u> The resolution enables the hospital district to sale, lease or transfer the nursing center to another company.	Randy Kirsch made a motion to approve Resolution 03-2010. Bill Reed seconded the motion. Roll call vote: Randy Kirsch – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Mike Lewis – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes. Motion carried.
	<u>Management Agreement</u> The Management Agreement for the nursing center with the Tutera Group (Walnut Creek Management a division of the Tutera Group).	Rick Basinger made a motion to approve the Management Agreement with the Tutera Group (Walnut Creek Management) effective July 1, 2010. Shelley Allen seconded the motion. Roll call vote: Rick Basinger – Yes, Shelley Allen – Yes, Randy Kirsch – Yes, Mike Lewis – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Bill Reed – Yes. Motion carried.
	<u>Asset Purchase Agreement</u> The Asset Purchase Agreement for the nursing center with the Tutera Group	Greg Muehlenbein made a motion to approve the Asset Purchase Agreement with the Tutera Group. Clint Ragan seconded the motion. Roll call vote: Greg Muehlenbein – Yes, Clint Ragan – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Randy Kirsch – Yes, Mike Lewis – Yes. Motion carried.

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Topic of Discussion	Description	Action Taken
<p><u>Nursing Center (continued)</u></p>	<p><u>Escrow Agreement</u> The Escrow Agreement for the nursing center with the Tutera Group.</p>	<p>Randy Kirsch made a motion to approve the Escrow Agreement. Bill Reed seconded the motion. Roll call vote: Randy Kirsch – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Randy Kirsch – Yes, Mike Lewis – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes. Motion carried.</p>
	<p><u>Collective Bargaining Addendums for Nursing Center LPN’s and Other Nursing Center Employees</u> Addendums to Hamilton Memorial Hospital District’s current Collective Bargaining Agreements for Nursing Center LPN’s and All Other Nursing Center Employees.</p>	<p>Rick Basinger made a motion to approve both addendums to Hamilton Memorial Hospital District’s Collective Bargaining Agreements for Nursing Center LPN’s and All Other Nursing Center Employees. Clint Ragan seconded the motion. Roll call vote: Rick Basinger – Yes, Clint Ragan – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Randy Kirsch – Yes, Mike Lewis – Yes, Bill Reed – Yes. Motion carried.</p>
	<p><u>Certificate-of-Need (CON Agreement</u> The Certificate-of-Need Agreement with Foley &amp; Associates to prepare the CON for Hamilton Memorial Nursing Center to discontinue service and the CON for the Tutera Group to reopen for service.</p>	<p>Randy Kirsch made a motion to approve the CON Agreement with Foley &amp; Associates. Greg Muehlenbein seconded the motion. Roll call vote: Randy Kirsch – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Mike Lewis – Yes. Motion carried.</p>

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Topic of Discussion	Description	Action Taken
<p><u>Statistics, Financial Statements and Cash Disbursements for the Month of May</u></p>	<p><b><u>Statistics</u></b>            Census Days – 281            Hospital Admissions – 89            % of Occupancy – 43%            Observation Hours – 1,156            Emergency Room Visits – 502            Surgical Procedures – 20            Laboratory Procedures – 5,748            Xray Procedures – 955            MRI Scans – 8            CT Scans – 217            Ultrasounds – 84            Mammograms – 54            Physical Therapy Units – 1,671            Respiratory Therapy Units – 2,054            EKGs – 237            Social Services Units – 453  <b><u>Clinic Visits:</u></b>            Dr. Cope – 164            Cindy Lord, FNP – 29</p> <p><b><u>Financial Statements</u></b>            Available Cash on Hand in Bank - \$2,003,707.69            Bond Proceeds/Restricted Funds - \$1,907,377.81            Net Accounts Receivable – \$2,111,403.75            Total Cash Disbursements – \$997,514.10</p> <p><b><u>Hospital</u></b>            Total Revenue - \$875,941.98            Total Expenses - \$977,286.35  <b>Expenses in Excess of Revenue – (\$101,344.37)</b></p> <p><b><u>Nursing Center</u></b>            Total Revenue - \$128,191.63            Total Expenses - \$148,865.92  <b>Expenses in Excess of Revenue – (\$20,674.29)</b></p>	<p>Bill Reed made a motion to approve the Statistics, Financial Statements and Cash Disbursements for the month of May. Greg Muehlenbein seconded the motion. Roll call vote: Bill Reed – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Randy Kirsch – Yes, Mike Lewis – Yes.            Motion carried.</p>

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Topic of Discussion	Description	Action Taken
<p><u>Statistics, Financial Statements and Cash Disbursements for the Month of May (continued)</u></p>	<p><b><u>Home Health Agency</u></b>                      Total Revenue - \$8,917.71                      Total Expenses - \$509.81  <b>Revenue in Excess of Expenses - \$8,407.90</b>  <b>Expenses in Excess of Revenue for the Month of May - (\$113,610.76)</b>   <b>Year-to-Date Expenses in Excess of Revenue – (\$781,349.42)</b></p>	
<p><u>Employee Merit Performance</u></p>	<p>There were twenty-six evaluations performed between 05/17/10 – 06/21/10. The average score received was 246.65 out of 300 possible points.</p>	
<p><u>Patient Surveys</u></p>	<p>The patient survey comments were reviewed.</p>	
<p><u>Building/Grounds and Equipment</u></p>	<p><u>Old Air Handler</u>                      The proposal from Rend Lake Plumbing to remove the old air handler in the boiler room that does not work.</p> <p><u>IT Wiring</u>                      Hamilton County Construction provided wiring services for construction for \$15,120.00.</p>	<p>Randy Kirsch made a motion to approve the proposal from Rend Lake Plumbing to remove the old air handler not to exceed \$11,200.00. Greg Muehlenbein seconded the motion. Roll call vote: Randy Kirsch – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Mike Lewis – Yes.                      Motion carried.</p> <p>Mike Lewis made a motion to approve the wiring services from Hamilton County Construction for \$15,120.00. Bill Reed seconded the motion. Roll call vote: Mike Lewis – Yes, Bill Reed – Yes, Shelley Allen – Yes, Rick Basinger – Yes, Randy Kirsch</p>

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Topic of Discussion	Description	Action Taken
<u>Building/Grounds and Equipment (continued)</u>		– Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes. Motion carried.
<u>Prevailing Wage Ordinance No. 159</u>	The Prevailing Wage Ordinance No. 159 was presented for approval.	Rick Basinger made a motion to approve the Prevailing Wage Ordinance No. 159. Mike Lewis seconded the motion. Roll call vote: Rick Basinger – Yes, Mike Lewis – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Bill Reed – Yes, Shelley Allen – Yes, Randy Kirsch – Yes. Motion carried.
<u>Election of Officers for 2010-2011 Fiscal Year</u>	The Nominating Committee, Mike Lewis and Rhonda Barnard, recommends the same officers for Fiscal Year 2010 – 2011:	Greg Muehlenbein made a motion to approve the same officers for Fiscal Year 2010 - 2011. Shelley Allen seconded the motion. Motion carried.
	<b>President</b> – Frank Zachman, Jr. <b>Vice President</b> – Randy Kirsch <b>Secretary</b> – Bill Reed <b>Treasurer</b> – Mike Lewis	
<u>Fiscal Year 2010 – 2011 Budget</u>	The Fiscal Year 2010 – 2011 Budget was presented for approval.	Bill Reed made a motion to approve the Fiscal Year 2010 – 2011 Budget. Randy Kirsch seconded the motion. Roll call vote: Bill Reed – Yes, Randy Kirsch – Yes, Mike Lewis – Yes, Greg Muehlenbein – Yes, Clint Ragan – Yes, Shelley Allen – Yes, Rick Basinger – Yes. Motion carried.
<u>Construction Update</u>	Phase IV construction is progressing ahead of schedule. The construction may be finished at the end of September or mid October.	

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Topic of Discussion	Description	Action Taken
<u>Medicaid Cost Based Legislation</u>	Governor Quinn has not indicated what he plans to do with the Medicaid Cost Based Legislation.	
<u>Physician Recruitment</u>	Dr. Alex Alvarez and Dr. April Toelle have both graduated from Deaconess' Family Medicine Residency Program. Dr. Alvarez plans to start working on August 2 <sup>nd</sup> and Dr. Toelle will start working on August 16 <sup>th</sup> .	
<u>MISCELLANEOUS</u>	<ul style="list-style-type: none"> <li>• Dotty Cubley's resignation was effective 06/25/10.</li> <li>• We are still currently looking for a mid-level practitioner for the clinic.</li> <li>• Dr. Mutschler is starting a clinic out of his house.</li> </ul>	
<u>Adjournment</u>		Rick Basinger made a motion at 8:32 P.M. to adjourn the meeting. Bill Reed seconded the motion. Motion carried.

HAMILTON MEMORIAL HOSPITAL DISTRICT

William D. Reed, Secretary  
Board of Directors