

BOARD MINUTES FOR 12/30/03

DECEMBER 30, 2003

THE BOARD OF COUNTY COMMISSIONERS, IN AND FOR WASHINGTON COUNTY, MET ON THE ABOVE DATE AT 8:00 A.M. AT THE WASHINGTON COUNTY ANNEX, BOARD MEETING ROOM, 1331 SOUTH BOULEVARD, CHIPLEY, FLORIDA WITH COMMISSIONERS BROCK, CORBIN, HALL, COPE AND FINCH PRESENT. ATTORNEY HOLLEY, ADMINISTRATOR HERBERT AND DEPUTY CLERK CARTER WERE ALSO IN ATTENDANCE.

SHERIFF FRED PEEL PROCLAIMED THE MEETING. CHAIRMAN HALL CALLED THE MEETING TO ORDER WITH ATTORNEY HOLLEY OFFERING PRAYER. COMMISSIONER COPE LED IN THE PLEDGE OF ALLEGIANCE TO THE FLAG.

CHAIRMAN HALL STATED THE PURPOSE OF THE MEETING WAS TO DISCUSS THE LEASE AGREEMENT ON THE NORTHWEST FLORIDA COMMUNITY HOSPITAL WITH PAT SCHLENKER, NORTHWEST FLORIDA HEALTHCARE, INC.

ATTORNEY HOLLEY ADVISED THE BOARD THE LAW REQUIRES THEM, IF THEY APPROVE THE LEASE, TO MAKE FINDINGS TO ENTER INTO THE LEASE AS BEING IN THE BEST INTEREST OF THE PUBLIC WITH THESE FINDINGS TO BE STATED AND MADE PART OF THE RECORD; THE HOSPITAL BOARD WILL HAVE TO DO THE SAME.

HE THEN STATED THEIR MOTION WOULD BE TO APPROVE THE EXECUTION OF THE HOSPITAL AND PERSONAL PROPERTY LEASES, AUTHORIZE THE APPROPRIATE PEOPLE TO SIGN THEM, DEEM IT IS IN THE BEST INTEREST OF THE PUBLIC AND SET FORTH FACTUAL FINDINGS WHY IT IS IN THE BEST INTEREST OF THE PUBLIC.

COMMISSIONER BROCK THEN OFFERED A MOTION AND READ IT INTO THE MINUTES:

I MAKE A MOTION THAT WE ENTER INTO THE LEASE AGREEMENT, AS NEGOTIATED BY THE APPOINTED NEGOTIATION TEAM, WITH NORTHWEST FLORIDA HEALTHCARE, INC.

I DO SO BELIEVING THAT THIS LEASE AGREEMENT IS IN THE BEST INTEREST OF THE PUBLIC AND OF WASHINGTON COUNTY, FOR THE FOLLOWING REASONS:

1. I PREVIOUSLY VOTED TO SELL THE HOSPITAL TO SACRED HEART BECAUSE SACRED HEART HAD AN EXCELLENT REPUTATION IN THE HEALTHCARE INDUSTRY, AND I BELIEVE THAT SACRED HEART WOULD MAKE IT AN EXCELLENT HOSPITAL WHICH WOULD SERVE THE HEALTHCARE NEEDS OF WASHINGTON COUNTY AND THE SURROUNDING AREA.

ALSO, THE PROPOSED AGREEMENT WITH SACRED HEART CONTAINED A BUY BACK PROVISION WHICH I FELT WAS FAR SUPERIOR TO A RIGHT OF FIRST REFUSAL OFFERED BY OTHER PROPOSERS.

2. AFTER SACRED HEART WITHDREW AND NEW PROPOSALS WERE REQUESTED, WE RECEIVED PROPOSALS, WHICH COMPLIED WITH OUR REQUEST FOR PROPOSALS, FROM THREE (3) COMPANIES: (1) NORTHWEST FLORIDA HEALTHCARE, INC., (2) RESURGENCE, AND (3) BLACKHAWK. NORTHWEST FLORIDA HEALTHCARE, INC., IS A NEWLY FORMED COMPANY, OWNED BY THE CURRENT CEO OF OUR HOSPITAL. HE IS A MAN WITH AN EXTENSIVE HEALTHCARE BACKGROUND, AND A MAN WHOM I CONSIDER TO HAVE A GREAT DEAL OF INTEGRITY. HE IS ALSO WELL LIKED BY THE GREAT MAJORITY OF THE CURRENT EMPLOYEES AT THE HOSPITAL.

WE HAVE LIMITED BACKGROUND INFORMATION ON BOTH RESURGENCE AND BLACKHAWK, BUT THERE IS SOME INDICATION THAT BOTH OF THESE COMPANIES ARE INTERESTED IN ACQUIRING HOSPITALS FOR RESALE. UNDER THE BLACKHAWK PROPOSAL, BLACKHAWK WOULD HAVE THE OPTION OF PURCHASING THE HOSPITAL AT ANY TIME DURING THE LEASE TERM FOR AN AMOUNT EQUAL TO THE LONG-TERM DEBT ON THE FACILITY. BLACKHAWK ALSO OFFERS TO PAY A MONTHLY LEASE PAYMENT, AND TO INVEST 3.5 MILLION DOLLARS IN THE HOSPITAL OVER 36 MONTHS. THESE TWO PROPOSALS WOULD BE MEANINGLESS IF BLACKHAWK EXERCISED ITS OPTION TO PURCHASE. I DO NOT BELIEVE THAT SUCH A PROPOSAL IS IN THE BEST INTEREST OF THE PUBLIC OR OF THE COUNTY.

RESURGENCE PROPOSES TO EITHER LEASE WITH AN OPTION TO PURCHASE OR TO PURCHASE. IN BOTH CASES, THE PURCHASE PRICE IS STATED AS FAIR MARKET VALUE. THE TERM "FAIR MARKET VALUE" IS NOT DEFINED, BUT IN ITS PRIOR PROPOSAL, RESURGENCE STATED THAT FAIR MARKET VALUE WOULD BE APPROXIMATELY 3.2 MILLION DOLLARS. THIS PROPOSAL ALSO STATES THAT THE LEASE WOULD CONTAIN OPTIONS TO

PURCHASE AND TO TERMINATE WITH NO SPECIFICS ABOUT EITHER ONE. AS PREVIOUSLY STATED HEREIN, I DO NOT BELIEVE THAT IT IS IN THE BEST INTEREST OF THE PUBLIC OR OF THE COUNTY TO ENTER INTO AN AGREEMENT TO SELL THE HOSPITAL TO A COMPANY THAT WE HAVE VERY LITTLE INFORMATION ABOUT. ONCE THE HOSPITAL IS SOLD, WE HAVE NO CONTROL OVER A RESALE.

I DO NOT BELIEVE THAT IT WOULD BE IN THE PUBLIC'S BEST INTEREST TO ALLOW A PURCHASE OF THE HOSPITAL FOR THE DEBT BY A COMPANY WHO COULD THEN RESALE IT TO ANYONE OF THEIR CHOICE.

3. THERE HAS BEEN A LOT OF DISCUSSION AND CRITICISM ABOUT THE COUNTY BORROWING 3.2 MILLION DOLLARS AND INVESTING IT IN THE HOSPITAL. ALTHOUGH I, TOO, WOULD PREFER NOT TO BORROW ADDITIONAL MONEY, I AM CONVINCED THAT THE PROPOSED CAPITAL IMPROVEMENTS ARE VERY MUCH NEEDED AT THE HOSPITAL. NORTHWEST FLORIDA HEALTHCARE, INC., HAS ALSO AGREED TO INVEST A SIMILAR AMOUNT IN THE HOSPITAL DURING THE FIRST 10 YEARS OF THE LEASE, AND UNLIKE THE OTHER PROPOSALS, THIS AGREEMENT COULD BE ENFORCED. THIS PROPOSER HAS ALSO AGREED TO PAY THE 3.2 MILLION DOLLARS BACK TO THE COUNTY.

4. WHILE THE FUTURE HOLDS SOME UNCERTAINTIES UNDER ALL THREE (3) PROPOSALS, I BELIEVE THE NORTHWEST FLORIDA HEALTHCARE, INC., PROPOSAL IS BEST FOR OUR HOSPITAL, OUR COUNTY, AND OUR PUBLIC, I HAVE NO INTEREST IN SELLING THE HOSPITAL FOR ITS DEBT OR FOR A PROFIT, UNLESS THE BUYER IS A KNOWN AND TRUSTED COMPANY SUCH AS SACRED HEART WAS. MY MAJOR CONCERN IS TO PROVIDE GOOD HEALTHCARE FOR OUR COUNTY, WITHOUT LOSING THE TOTAL CONTROL OF THE HOSPITAL. OUR COUNTY CANNOT GROW AND ATTRACT JOBS WITHOUT A GOOD HOSPITAL.

IN CONCLUSION, I AM MORE INTERESTED IN HAVING A HOSPITAL IN OUR COMMUNITY THAT PROVIDES QUALITY HEALTHCARE, THAN I AM SELLING THE HOSPITAL TO A COMPANY WHICH APPEARS TO BE MORE INTERESTED IN MAKING MONEY THAN PROVIDING GOOD HEALTHCARE.

I ASK THAT YOU SUPPORT MY MOTION AND ADOPT MY PROPOSED FINDINGS AS TO WHY MY MOTION IS IN THE BEST INTEREST OF WASHINGTON COUNTY.

COMMISSIONER COPE SECONDED THE MOTION.

ATTORNEY HOLLEY INFORMED THE BOARD, ACCORDING TO STATUTE, A LEASE AGREEMENT SHOULD HAVE A PROVISION TO INCLUDE THE ARTICLES OF INCORPORATION BE SUBJECT TO APPROVAL OF THE BOARD OF DIRECTORS OF THE HOSPITAL AND REQUESTED THE MOTION BE APPROVED CONTINGENT ON THIS PROVISION BEING ADDED.

COMMISSIONER CORBIN STATED HE ONLY RECEIVED THE LEASE AGREEMENT PACKAGE AT 3:30 ON DECEMBER 29TH AND THIS DID NOT GIVE HIM THE TIME HE REALLY NEEDED TO READ IT AND INTERPRET IT AS HE WOULD HAVE LIKED TO.

COMMISSIONER FINCH NOTED HE RECEIVED THE INFORMATION AT 11:45 A.M. ON DECEMBER 29TH AND OBVIOUSLY THIS WASN'T ENOUGH TIME TO THOROUGHLY GO THROUGH AND REVIEW THE MATERIALS. HE STATED HE HAD SOME QUESTIONS PERTAINING TO THE PERSONAL PROPERTY AND REAL PROPERTY LEASES.

COMMISSIONER FINCH ADDRESSED HIM HAVING VOTED AGAINST THE PROPOSAL SINCE THE BEGINNING AND CONTINUES TO BELIEVE IT IS NOT GOING TO BE IN THE BEST INTEREST OF THE COUNTY; NOTHING COMMISSIONER BROCK HAS SAID INDICATES THAT HE HAS RESEARCHED ANYTHING THAT WOULD SAY THIS PROPOSAL IS IN THE BEST INTEREST OF THE COUNTY. COMMISSIONER BROCK'S MOTION DID NOT STATE SPECIFIC FACTS AS TO WHY NORTHWEST FLORIDA HEALTHCARE, INC. WAS THE BEST PROPOSAL.

HE ADDRESSED COMMISSIONER BROCK CONTINUING TO TALK ABOUT THE FAIR MARKET VALUE OF THE HOSPITAL AND REFERRING TO BLACKHAWKS AND RESURGENCE FAIR MARKET VALUE OF 3.2 MILLION DOLLARS; HOWEVER, MR. SCHLENKER'S FIRM HAD A FIRM OUT OF CHICAGO EVALUATE THE HOSPITAL AND THEY CAME BACK WITH A \$750,000 FIGURE. HE POINTED OUT THIS WAS FOR THE DEMOLITION OF THE HOSPITAL AND OFFICES AND TO JUST SELL THE PROPERTY. IT DOESN'T SOUND LIKE THAT FIRM WAS CONSIDERING THE FAIR MARKET VALUE ON THE NEEDS OF THE COUNTY.

COMMISSIONER FINCH REFERENCED COMMISSIONER COPE HAVING BEEN QUOTED IN THE NEWSPAPER OF HAVING A VISION FOR THE COUNTY AND REQUESTED HE SHARE THAT VISION

PRIOR TO THE BOARD VOTING ON THE LEASE ON EXACTLY HOW HE PLANS ON CARRYING IT OUT.

HE ALSO REFERENCED COMMISSIONER BROCK STATING ON TELEVISION THAT PEOPLE WOULD LOOK BACK IN FOUR OR FIVE YEARS AND SAY THIS WAS THE BEST DECISION THAT HAS EVER BEEN MADE; NORTHWEST FLORIDA HEALTHCARE, INC., PROPOSAL WAS THE BEST OF THE THREE PROPOSALS SUBMITTED.

HE ADDRESSED A LETTER THAT WAS SENT OUT FOUR OR FIVE YEARS AGO WHEN SACRED HEART WAS FIRST CONTRACTED TO MANAGE THE NORTHWEST FLORIDA COMMUNITY HOSPITAL; THE LETTER REFERENCED A VISION THAT COMMISSIONER HALL, BROCK AND COPE AND PRIOR COMMISSIONERS LARRY ENFINGER AND HULAN CARTER HAD AND THAT VISION HAS NOT OCCURRED. NONE OF THE THINGS THAT WAS DESCRIBED AS GOING TO HAPPEN WITHIN THE NEXT FEW YEARS HAS COME ABOUT OTHER THAN THE WELLNESS CENTER BEING BUILT. THE LETTER REFERENCED:

- A. SPECIALTY DOCTORS WOULD COME IN AND BE USED AT THE WELLNESS CENTER; THIS HAS NOT HAPPENED
- B. NONE OF THE OTHER THINGS IN THE LETTER HAS HAPPENED

AS HE LOOKS BACK FOUR OR FIVE YEARS SINCE THAT LETTER WAS SENT OUT, THAT WAS A TERRIBLE DECISION AND MORE THOUGHT SHOULD HAVE BEEN PUT INTO THAT DECISION TO AGREE THAT SACRED HEART SHOULD MANAGE THE HOSPITAL.

HE REFERENCED COMMISSIONER HALL HAVING MADE A REMARK AT THE LAST BOARD MEETING, THE OTHER PROPOSALS ALL LOOKED GOOD ON THE SURFACE BUT HE DIDN'T LIKE THE PART THAT ALLOWED THE COMPANIES THE POSSIBILITY TO BUY THE HOSPITAL. HE POINTED OUT A COMPANY CAN'T BUY THE HOSPITAL UNLESS THE BOARD AGREES FOR THIS TO HAPPEN. HE ALSO NOTED IT WAS INCLUDED IN NORTHWEST FLORIDA HEALTHCARE'S PROPOSAL FOR THEM TO HAVE THE RIGHT TO PURCHASE THE HOSPITAL IF THE BOARD AGREED WITH NORTHWEST FLORIDA HEALTHCARE HAVING THE RIGHT OF FIRST REFUSAL TO BUY IT.

NORTHWEST FLORIDA HEALTHCARE'S PROPOSAL WAS THE SAME AS OTHER PROPOSALS EXCEPT, EVEN ON THE SURFACE, THIS LEASE DOESN'T LOOK GOOD AND CHALLENGED THE BOARD TO GIVE HIM SOME POSITIVE POINTS IN COMPARING IT TO THE OTHER PROPOSALS WHERE IT STANDS OUT; IT JUST ISN'T THERE AND THEY KNOW THAT.

HE STATED THE BOARD WAS NOT, ON THE SURFACE, SELECTING NORTHWEST FLORIDA HEALTHCARE AS THE BEST PROPOSAL ON THE MERITS OF THEIR PROPOSAL; HE DOESN'T KNOW WHAT THEY ARE USING TO MAKE THE DECISION.

HE ASKED DEPUTY CLERK CARTER IF SHE HAD ANY IDEA THE AMOUNT THE COUNTY WOULD BE PAYING IN ADMINISTRATIVE CHARGES, ATTORNEY FEES, PENALTIES, ETC. IN DEVELOPING THE LOAN OTHER THAN THE INTEREST IT IS GOING TO COST THE COUNTY TO GO INTO THE LOAN. DEPUTY CLERK CARTER ADVISED SHE DIDN'T KNOW AND ADDRESSED SHE HAD NOT EVEN SEEN THE LOAN AGREEMENT.

COMMISSIONER FINCH THEN NOTED THE \$250,000 PENALTY THE COUNTY WAS GOING TO HAVE TO PAY DUE TO PAYING OFF ONE OF THE LOANS EARLY; OBVIOUSLY THERE WOULD BE ADDITIONAL ATTORNEY FEES AND ADMINISTRATIVE CHARGES FOR LOAN FEES.

HE THEN BEGAN REFERENCING THE HOSPITAL LEASE AGREEMENT:

ARTICLE 1 WHERE IT TALKS ABOUT THE TWENTY FIVE BED CRITICAL ACCESS HOSPITAL (INCLUDING, TWENTY-TWO INACTIVE ACUTE CARE BEDS) BANKED WITH THE STATE OF FLORIDA). HE QUESTIONED IF THERE WAS ANYTHING IN THE LEASE THAT WOULD NOT ALLOW THE ACUTE CARE BANK BEDS TO BE MOVED TO ANOTHER FACILITY.

ATTORNEY HOLLEY RESPONDED THE BEDS WOULD HAVE TO STAY AT THE SITE THE CERTIFICATE OF NEED IS ISSUED FOR.

COMMISSIONER FINCH ADDRESSSED HIS UNDERSTANDING THERE WAS A BILL PASSED THAT WOULD ALLOW THE BEDS TO BE MOVED WITHIN 50 MILES OF THEIR LOCATION.

COMMISSIONER FINCH SAID HE WOULD LIKE TO HAVE IT INCLUDED IN THE LEASE ALL 81 BEDS WOULD REMAIN AT THE NORTHWEST FLORIDA COMMUNITY HOSPITAL; SCHLENKER STATED HE WOULD HAVE NO PROBLEM WITH THIS BEING IN THE LEASE.

COMMISSIONER FINCH QUESTIONED WHERE IT SAID IN THE LEASE THAT NORTHWEST FLORIDA HEALTHCARE, INC. WOULD PAY BACK THE 3.2 MILLION DOLLARS IN YEAR ELEVEN.

ATTORNEY HOLLEY RESPONDED IT WOULD BE IN THE PROMISSARY NOTE THAT WILL BE EXECUTED BEFORE THE LEASE BECOMES EFFECTIVE.

COMMISSIONER FINCH THEN ADDRESSED SECTION 1.03 IN THE PERSONAL PROPERTY LEASE AGREEMENT AND QUESTIONED IF THE \$3,105,239 IS THE AMOUNT THE COUNTY WAS ACTUALLY GIVING NORTHWEST FLORIDA HEALTHCARE, INC.

ATTORNEY HOLLEY RESPONDED THIS IS THE SAME AMOUNT THE COUNTY IS BORROWING TO GIVE TO NORTHWEST FLORIDA HEALTHCARE BUT THIS IS WHERE THE LESSEE, NORTHWEST FLORIDA HEALTHCARE, IS COMMITTING TO EXPEND THE SAME AMOUNT DURING THE FIRST TEN YEARS FOR CAPITAL EQUIPMENT, IMPROVEMENTS, PHYSICIAN RECRUITMENT AND NEW SERVICES.

ATTORNEY HOLLEY STATED THERE HAD ONLY BEEN TWO OR THREE CHANGES MADE TO THE LEASE AGREEMENTS SINCE THE BOARD WAS GIVEN A COPY.

COMMISSIONER FINCH ADDRESSED SECTION 5.02. INDIGENT CARE WHERE NORTHWEST FLORIDA HEALTHCARE, INC. WILL COMMIT TO CONTINUE TO CARE FOR THE WASHINGTON COUNTY MEDICALLY INDIGENT AT A LEVEL EQUAL TO OR GREATER THAN CURRENT CHARITY CARE. IT DOES HOWEVER RESERVE THE RIGHT NOT TO PROVIDE CARE TO SELF-PAY PATIENTS WHO HAVE THE ABILITY TO PAY BUT ELECT NOT TO DO SO. HE QUESTIONED HOW IT WOULD BE DETERMINED IF AN INDIVIDUAL COULD PAY FOR SERVICES OR NOT.

ATTORNEY HOLLEY RESPONDED THE FLORIDA STATUTE REQUIRES THE LESSEE OF A COUNTY HOSPITAL TO PROVIDE INDIGENT CARE.

COMMISSIONER FINCH THEN READ SECTION 8.01 OF THE HOSPITAL LEASE AGREEMENT: EXCEPT AS OTHERWISE PROVIDED HEREIN, NEITHER PARTY WILL SELL, ASSIGN, MORTGAGE OR TRANSFER THIS LEASE, SUBLET THE LEASED PREMISES OR ANY PART THEREOF, EXCEPT FOR OFFICE SPACE LEASES IN THE MEDICAL OFFICE BUILDINGS, OR ALLOW ANY TRANSFER HEREOF, OR ANY LIEN UPON THE OTHER PARTY'S INTEREST BY OPERATION OF LAW, WITHOUT THE PRIOR WRITTEN CONSENT OF SUCH OTHER PARTY, EXCEPT LESSEE SHALL HAVE THE RIGHT TO ASSIGN ALL OR ANY PART OF THIS LEASE TO ANY AFFILIATED ENTITY SUBJECT TO APPROVAL OF LESSOR, WHICH SHALL NOT BE UNREASONABLY WITHHELD. HE THEN ASKED THE MEANING OF AFFILIATED ENTITY.

MR. SCHLENKER RESPONDED IT WAS REFERRING TO, SHOULD THEY HAVE A HOME HEALTH AGENCY AND IT HAS TO BE SET UP UNDER A SEPARATE CORPORATION BY LAW, IT WOULD BE A SEPARATE ORGANIZATION UNDER NORTHWEST FLORIDA HEALTHCARE, INC.; IT WOULD BE A SUBSIDIARY CORPORATION UNDER NORTHWEST FLORIDA HEALTHCARE, INC.

COMMISSIONER FINCH THEN QUESTIONED IF AFFILIATED ENTITY WOULD MEAN ANOTHER HOSPITAL NORTHWEST FLORIDA HEALTHCARE COULD LEASE TO; SCHLENKER STATED IT WOULDN'T AND IT WOULD HAVE TO BE AN AFFILIATED ENTITY OF NORTHWEST FLORIDA HEALTHCARE, INC.

COMMISSIONER FINCH REQUESTED IT BE SPELLED OUT EXACTLY WHAT AFFILIATED ENTITY IS SO ANYTHING WITH AFFILIATED ENTITY WOULD BE AFFILIATED WITH NORTHWEST FLORIDA HEALTHCARE, INC., AND NOT AFFILIATED WITH SACRED HEART HOSPITAL AND SACRED HEART COULD END UP WITH THE LEASE.

COMMISSIONER FINCH THEN ADDRESSED SECTION 10.02; HOSPITAL EMPLOYEES-AT THE EXECUTION OF THE LEASE, LESSEE WILL OFFER EMPLOYMENT TO SUBSTANTIALLY ALL EMPLOYEES OF THE HOSPITAL. HE THEN QUESTIONED IF THIS MEANT SCHLENKER WAS NOT GOING TO OFFER EMPLOYMENT TO ALL THE HOSPITAL EMPLOYEES.

ATTORNEY HOLLEY RESPONDED HE PRESUMED SCHLENKER WAS RESERVING THE RIGHT TO TERMINATE AN EMPLOYEE WHO WAS NOT PROPERLY PERFORMING HIS JOB.

SCHLENKER SAID THIS CLAUSE WOULD GIVE HIM THE ABILITY IF HE DIDN'T ELECT TO HIRE A PARTICULAR EMPLOYEE, HE WOULDN'T HAVE TO; HE HAS TOLD THE HOSPITAL STAFF, HE INTENDED BASICALLY TO HIRE ALL OF THEM.

COMMISSIONER FINCH SAID HE WAS CURIOUS WHY HE WOULD HAVE AN EMPLOYEE AT THE HOSPITAL NOW, IN LOOKING OUT FOR THE INTEREST OF THE COUNTY, THAT HE WOULD TERMINATE WHEN HE TOOK OVER THE LEASE.

SCHLENKER REITERATED WHAT ATTORNEY HOLLEY HAD SAID; IN THE EVENT THERE WAS AN EMPLOYEE THAT WAS NOT PERFORMING HIS DUTIES, HE WOULD HAVE THE RIGHT TO TERMINATE THEM.

COMMISSIONER FINCH ADDRESSED SECTION 10.06 OF THE HOSPITAL LEASE; SKILLED NURSING UNIT-LESSEE WILL CONTINUE TO OPERATE THE THIRD FLOOR AS A SKILLED NURSING UNIT, BUT RESERVES THE RIGHT TO MOVE THE UNIT TO A NEW LOCATION ON

CAMPUS IN THE FUTURE. COM- MISSIONER FINCH QUESTIONED IF ON CAMPUS WAS THE ACTUAL SURVEY LIMITS OF THE HOSPITAL GROUNDS.

SCHLENKER RESPONDED IT MEANT, IF IN THE FUTURE THE NEED FOR ACUTE CARE BEDS INCREASES, HE WOULD BUILD A NEW FACILITY TO TAKE CARE OF THE INCREASE AND IT WOULD STILL BE WITHIN THE BOUNDS OF THE SURVEY OF THE HOSPITAL GROUNDS.

COMMISSIONER FINCH QUESTIONED WHO DEVELOPED THE DEPRECIATED VALUES ON THE EQUIPMENT AT THE HOSPITAL.

SCHLENKER RESPONDED THE VALUES WERE BASED ON ACCOUNTING STANDARDS; THE HOSPITAL USES AN AICPA STANDARD FOR DEPRECIATION WHICH CAN'T BE VARIED FROM.

COMMISSIONER CORBIN QUESTIONED SCHLENKER IF HE HAD ANY INTENT TO CLOSE THE NORTHWEST FLORIDA COMMUNITY HOSPITAL AND BUILD ONE IN BAY COUNTY; HE WAS REFERRING TO TALK HE HAD HEARD IN THE COM- MUNITY ABOUT THIS IN REGARDS TO ST. JOES DEALINGS IN BAY COUNTY.

SCHLENKER STATED HE HAD NO ANTICIPATION OR INTENTION OF CLOSING THE NORTHWEST FLORIDA COMMUNITY HOSPITAL AND REFERRED TO THE LAW SAYING ACUTE CARE BEDS CAN'T BE MOVED MORE THAN ONE MILE; HOWEVER, HE HAS AGREED TO PUT IN THE LEASE AGREEMENT THE BEDS WILL REMAIN AT NORTHWEST FLORIDA COMMUNITY HOSPITAL.

CHAIRMAN HALL ASKED IF THERE WAS ANY FURTHER DISCUSSION; NO ONE RESPONDED. COMMISSIONER FINCH REQUESTED A ROLL CALL VOTE ON THE MOTION. COMMISSIONER FINCH VOTED NO, COMMISSIONER COPE VOTED YES, COMMISSIONER BROCK VOTED YES, COMMISSIONER CORBIN VOTED NO AND COMMISSIONER HALL VOTED YES. THE MOTION CARRIED TO ADOPT THE HOSPITAL LEASE AGREEMENT AND PERSONAL PROPERTY LEASE AGREEMENT WITH AN AMENDMENT THEY PROVIDE A PROVISION FOR THE ARTICLES OF INCORPORATION TO BE SUBJECT TO APPROVAL OF THE BOARD OF DIRECTORS OF THE HOSPITAL.

ATTORNEY HOLLEY ADVISED THE BOARD THEY NEEDED TO MAKE A MOTION TO AUTHORIZE THE CHAIRMAN AND CLERK TO EXECUTE WHATEVER PAPERS ARE REQUIRED TO BE SIGNED AT CLOSING. COMMISSIONER BROCK OFFERED A MOTION, SECONDED BY COMMISSIONER COPE AND CARRIED TO APPROVE OF THE MOTION ADDRESSED BY ATTORNEY HOLLEY. COMMISSIONER CORBIN AND FINCH OPPOSED.

COMMISSIONER BROCK OFFERED A MOTION TO ADJOURN. ATTORNEY HOLLEY RECOMMENDED THEY RECESS THEIR MEETING IN CASE SOMETHING CAME UP DURING THE NORTHWEST FLORIDA COMMUNITY HOSPITAL BOARD MEETING THEY NEED TO ADDRESS. COMMISSIONER BROCK AMENDED HIS MOTION TO RECESS, COMMISSIONER COPE SECONDED THE MOTION AND IT CARRIED.

PURSUANT TO THE NORTHWEST FLORIDA COMMUNITY HOSPITAL BOARD MEETING, CHAIRMAN HALL CALLED THE WASHINGTON COUNTY BOARD OF COMMISSIONERS MEETING BACK TO ORDER.

COMMISSIONER CORBIN REFERENCED THE BOARD HAVING BEEN ASKED TO RECOMMEND TWO APPOINTEES TO THE HOSPITAL BOARD OF TRUSTEES FOR NORTHWEST FLORIDA HEALTHCARE, INC. HE THEN SELECTED COMMISSIONER COPE TO SERVE AS ONE OF THE TRUSTEES; COMMISSIONER COPE REFUSED TO SERVE.

COMMISSIONER COPE THEN APPOINTED DR. TODD ANDERSON. COM- MISSIONER CORBIN ADDRESSED DR. ANDERSON BEING A NEWCOMER TO THE COUNTY AND DIDN'T FEEL HE WAS AS FAMILIAR WITH PEOPLE AS HE AND COMMISSIONER COPE AND ASKED COPE IF HE WOULD NOMINATE SOMEONE ELSE.

COMMISSIONER COPE SAID HE FELT DR. ANDERSON WOULD DO A GOOD JOB; HE WORKED ALL OVER THE COUNTY AND WORKED WITH A LOT OF PEOPLE.

CHAIRMAN HALL ASKED IF ANY OF THE OTHER BOARD MEMBERS HAD ANY MORE NOMINEES. COMMISSIONER CORBIN SAID THE BOARD WOULD NEED TO VOTE ON ONE NOMINEE AT THE TIME.

COMMISSIONER HALL ASKED FOR ACTION ON THE NOMINATION OF DR. TODD ANDERSON TO SERVE ON THE BOARD OF TRUSTEES FOR NORTHWEST FLORIDA HEALTHCARE, INC. THE MOTION CARRIED WITH COMMISSIONER CORBIN AND FINCH OPPOSED.

COMMISSIONER BROCK APPOINTED HOSEA BROWN TO SERVE ON THE BOARD OF TRUSTEES FOR NORTHWEST FLORIDA HEALTHCARE, INC. HE ASKED BROWN IF HE WOULD AGREE TO SERVE. MR. BROWN AGREED TO SERVE TO THE BEST OF HIS ABILITY.

CHAIRMAN HALL ASKED IF ANY OF THE OTHER BOARD MEMBERS HAD ANY OTHER NOMINATIONS; NO ONE RESPONDED.

CHAIRMAN HALL THEN ASKED FOR ACTION ON THE NOMINATION OF MR. BROWN. THE MOTION CARRIED UNANIMOUSLY FOR HOSEA BROWN TO SERVE ON THE BOARD OF TRUSTEES FOR NORTHWEST FLORIDA HEALTHCARE, INC.

COMMISSIONER COPE OFFERED A MOTION, SECONDED BY COMMISSIONER BROCK AND CARRIED TO ADJOURN. ATTEST:_____

DEPUTY CLERK
END OF MINUTES FOR 12/30/03

CHAIRMAN