

**SOUTH BROWARD HOSPITAL DISTRICT  
A COMBINED REGULAR MEETING/LIAISON CONFERENCE ADVISORY COMMITTEE/AND  
WORKSHOP SESSION OF THE BOARD OF COMMISSIONERS OF THE  
SOUTH BROWARD HOSPITAL DISTRICT**

**July 23, 2008**

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A Combined Regular Meeting/Liaison Conference Advisory Committee/and Workshop Session of the Board of Commissioners of the South Broward Hospital District (S.B.H.D.) was held at Memorial Regional Hospital, in Perry Auditorium, July 23, 2008, at 5:35 p.m.

The following members were present:

Mr. Kevin P. Tynan	Chairman
Mrs. Kathleen Durham	Vice Chairman
Mrs. Sara E. Wolfer	Secretary Treasurer
Mr. Alfredo Avalos	
Mr. Albert C. Jones	
Ms. Laura Raybin Miller	

The following member was absent:

Mr. Shane Strum

A registration sheet listing all attendees is attached to the Minutes on file in the Executive Office.

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**1. CALL TO ORDER**

There being a quorum present, the meeting was called to order by Mr. Kevin Tynan, Chairman.

**2. APPROVAL OF MINUTES**

**a. Regular Meeting Held June 25, 2008**

There being no additions or corrections to the Minutes,

Mr. Jones *moved, seconded* by Mrs. Wolfer, that

**THE BOARD APPROVE THE MINUTES OF THE  
MEETING HELD JUNE 25, 2008**

The motion *carried* unanimously.

3. **REPORTS TO THE BOARD; REPORTS FROM BOARD OFFICERS AND STANDING COMMITTEES**

a. **Home Health Agency Committee; Mrs. S. Wolfer, Chairman**  
**Minutes of Meeting Held 7/9/08**

Mrs. Wolfer reviewed the Minutes of the Home Health Agency Committee meeting held July 9, 2008, a copy of which is attached to the Minutes on file in the Executive Office. She thanked Mrs. Miller for conducting the meeting in her absence.

Mr. Jones *moved, seconded* by Mrs. Durham, that

**THE BOARD APPROVE THE MINUTES OF THE HOME HEALTH  
AGENCY COMMITTEE MEETING HELD JULY 9, 2008**

The motion *carried* unanimously.

b. **Audit and Compliance Committee; Mr. A. Avalos, Chairman**  
**Minutes of Meeting Held 7/14/08**

Mr. Avalos reviewed the Minutes of the Audit and Compliance Committee meeting held July 14, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

**(1) Request Board Acceptance of Fiscal Year 2008 Small Business Enterprise  
Program Annual Report**

Mrs. Wolfer *moved, seconded* by Mrs. Durham, that

**THE BOARD ACCEPT THE FISCAL YEAR 2008 SMALL BUSINESS  
ENTERPRISE PROGRAM ANNUAL REPORT**

Mr. Jones commended the efforts of Mr. Muhart, Mr. Del Gesso, and the Small Business Enterprise Program staff. He noted that the minority spend has increased significantly from last year, with the African American spend up by 106%. Mr. Jones advised that a consultant has been engaged to assist the District in identifying minority vendors. He reflected on the significant progress achieved in minority spend since becoming a Board member in 1999, noting the continued focus on quality.

Relative to the increase in out of state spend, Mr. Muhart advised that the majority of dollars was associated with an out of state African American technology firm that did place a resource in Broward County; however, this firm subsequently removed its resource from South Florida, which is indicative of the potential volatility of this spend.

The motion *carried* unanimously.

**(2) Request Acceptance of Audited Financial Statement, Audit Results Report and Management Letter for the Fiscal Period Ended April 30, 2008**

Mrs. Durham *moved, seconded* by Mrs. Wolfer, that

**THE BOARD ACCEPT THE AUDITED FINANCIAL STATEMENTS, AUDIT RESULTS REPORT AND MANAGEMENT LETTER FOR THE FISCAL PERIOD ENDED APRIL 30, 2008**

Co-auditing partners, Mr. Douglas Cooper, Coordinating Partner of Ernst & Young, and Ms. Tanya Davis, Partner of S. Davis and Associates, were invited to come forward and report to the Board.

Ms. Davis reviewed the S.B.H.D. 2008 Audit Results, noting the audit revealed no evidence of fraud or illegal acts and no material weaknesses in internal control. She also reviewed the Management Letter, stating there were no findings or recommendations to improve financial management, accounting procedures, and internal controls.

Mr. Cooper affirmed that the auditors are aware they are engaged by and work for the Board and the Audit and Compliance Committee. He thanked management for their cooperation and assistance during the audit and commended the Finance and Internal Audit teams for completing the consolidated audit, individual hospital audits, and grant audits earlier than ever before, without compromising quality and despite the bond offering that occurred near year end.

Mr. Cooper reviewed the S.B.H.D. d/b/a Memorial Healthcare System Financial Statements for the Years Ended April 30, 2008 and 2007 and summarized key information. He referenced the Report of Independent Certified Public Accountants as an unqualified, clean opinion. Relative to Management's Discussion and Analysis, he noted the 2008 presentation is consistent with prior year, and the Consolidated Balance Sheet reflects the System's consistency in taking a very conservative approach in the financial statements relative to estimates in judgmental areas.

The motion *carried* unanimously.

Mrs. Durham *moved, seconded* by Mr. Jones, that

**THE BOARD APPROVE THE MINUTES OF THE AUDIT AND COMPLIANCE COMMITTEE MEETING HELD JULY 14, 2008**

The motion *carried* unanimously.

**c. Contracts Committee; Mrs. S. Wolfer, Chairman**  
**Minutes of Meeting Held 7/14/08**

Mrs. Wolfer reviewed the Minutes of the Contracts Committee meeting held July 14, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

**(1) Request Board Approval of Employment Agreement Between S.B.H.D. and Carmen J. Calfa, M.D., Hematology/Oncology**

Mr. Avalos ***moved, seconded*** by Mr. Jones, that

**THE BOARD APPROVE THE EMPLOYMENT AGREEMENT BETWEEN S.B.H.D. AND CARMEN J. CALFA, M.D. FOR THE PROVISION OF MEDICAL ONCOLOGY/HEMATOLOGY PHYSICIAN SERVICES WITH A SPECIALTY IN BREAST CANCER ONCOLOGY**

The motion ***carried*** unanimously.

At the invitation of the Chair, Dr. Calfa came forward and stated that she was delighted to be part of the family and looks forward to a great future at the Breast Cancer Center working with Drs. Franco and Perez.

Mr. Jones ***moved, seconded*** by Mrs. Durham, that

**THE BOARD APPROVE THE MINUTES OF THE CONTRACTS COMMITTEE MEETING HELD JULY 14, 2008**

The motion ***carried*** unanimously.

**d. Finance Committee; Mrs. K. Durham, Chairman**  
**Minutes of Meeting Held 7/14/08**

Mrs. Durham reviewed the Minutes of the Finance Committee meeting held July 14, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

**(1) Request Board Termination of the Investment Management Relationship with NCM and Transfer of These Assets to Smith, Graham & Co., the District's Other Short Duration Minority-Owned Investment Management Firm**

Mr. Jones ***moved, seconded*** by Mr. Avalos, that

**THE BOARD OF COMMISSIONERS TERMINATE THE INVESTMENT MANAGEMENT RELATIONSHIP WITH NCM AND TRANSFER THESE ASSETS TO SMITH, GRAHAM & CO., THE DISTRICT'S OTHER SHORT DURATION MINORITY-OWNED INVESTMENT MANAGEMENT FIRM**

Mr. Wheatley advised that the Committee's recommendation, as well as that of Jeffrey Slocum and Associates, is a result of chronic underperformance over time by NCM. Contributing to this decision was NCM's purchase of securities late last year that were subsequently downgraded.

Transfer of assets in the amount of \$49 million to Smith, Graham & Co. allows the System to both reward Smith, Graham and Co. for their performance, as well as retain the African American spend.

The motion *carried* unanimously.

**(2) Request Board Acceptance of the Pension Fund Investment Report for the Period Ending April 30, 2008**

Mr. Wheatley reviewed the Preliminary Performance Flash Report prepared by Jeffrey Slocum & Associates for the period ended June 30, 2008, noting fund performance is reflective of the challenging and volatile market conditions. The aggregate calendar year-to-date performance statistics exhibit a loss of 7.4%. The small cap manager, Independence Investments, has been significantly impacted by the current market environment; therefore, the Finance Committee discussed taking steps with Jeffrey Slocum & Associates over the next few months to identify and begin interviewing other small cap managers, should the Board wish to transition away from Independence Investments to another small cap manager with less volatility. Jeffrey Slocum & Associates will also report back to the Finance Committee relative to their long term return expectations for various asset classes in relation to achievement of the actuarially assumed return of 8% that is required for the Pension Plan.

Mr. Avalos *moved, seconded* by Mr. Jones, that

**THE BOARD OF COMMISSIONERS ACCEPT THE PENSION FUND INVESTMENT REPORT FOR THE PERIOD ENDING APRIL 30, 2008**

The motion *carried* unanimously.

**(3) Request Board Acceptance of the Operating Fund Investment Performance Report for the Period Ending April 30, 2008**

Mr. Wheatley referenced the Preliminary Performance Flash Report prepared by Jeffrey Slocum & Associates for the period ended June 30, 2008, noting that calendar year-to-date aggregate performance reflected a gain of 2% vs. the benchmark of 1.8%.

Mrs. Wolfer *moved, seconded* by Mr. Jones, that

**THE BOARD OF COMMISSIONERS ACCEPT THE OPERATING FUND INVESTMENT PERFORMANCE REPORT FOR THE PERIOD ENDING APRIL 30, 2008**

The motion *carried* unanimously.

Mr. Avalos *moved, seconded* by Mr. Jones, that

**THE BOARD APPROVE THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD JULY 14, 2008**

The motion *carried* unanimously.

4. **REPORT OF SPECIAL COMMITTEES**

None

5. **ANNOUNCEMENTS**

None

**CORRESPONDENCE**

None

6. **UNFINISHED BUSINESS**

7. **BOARD REGULAR BUSINESS**

a. **Report from Chief of Staff, Memorial Regional Hospital; T. Macaluso, M.D.**

(1) ***Executive Committee Report Re Recommendations for Appointments, Advancements, etc.***

Dr. Macaluso presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 22, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

Mrs. Durham ***moved, seconded*** by Mr. Jones, that

**THE BOARD APPROVE THE RECOMMENDATIONS OF  
THE EXECUTIVE COMMITTEE OF THE MEDICAL STAFF  
AT MEMORIAL REGIONAL HOSPITAL**

The motion ***carried*** unanimously.

b. **Report from Chief of Staff, Joe DiMaggio Children's Hospital; J. Long, M.D.**

(1) ***Executive Committee Report Re Recommendations for Appointments, Advancements, etc.***

Dr. Long presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 22, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

Mrs. Wolfer ***moved, seconded*** by Mrs. Durham, that

**THE BOARD APPROVE THE RECOMMENDATIONS OF  
THE EXECUTIVE COMMITTEE OF THE MEDICAL STAFF  
AT JOE DIMAGGIO CHILDREN'S HOSPITAL**

The motion ***carried*** unanimously.

**c. Report from Chief of Staff, Memorial Hospital West; D. Weiss, M.D.**

**(1) Executive Committee Report Re Recommendations for Appointments, Advancements, etc.**

Dr. Weiss presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 22, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

Mr. Jones *moved, seconded* by Mr. Avalos, that

**THE BOARD APPROVE THE RECOMMENDATIONS OF  
THE EXECUTIVE COMMITTEE OF THE MEDICAL STAFF  
AT MEMORIAL HOSPITAL WEST**

The motion *carried* unanimously.

**d. Report from Chief of Staff, Memorial Hospital Miramar; B. Shatkin, M.D.**

**(1) Executive Committee Report Re Recommendations for Appointments, Advancements, etc.**

Dr. Shatkin presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 22, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

Mr. Avalos *moved, seconded* by Mrs. Durham, that

**THE BOARD APPROVE THE RECOMMENDATIONS OF  
THE EXECUTIVE COMMITTEE OF THE MEDICAL STAFF  
AT MEMORIAL HOSPITAL MIRAMAR**

The motion *carried* unanimously.

**e. Report from Chief of Staff, Memorial Hospital Pembroke; J. Snow, M.D.**

**(1) Executive Committee Report Re Recommendations for Appointments, Advancements, etc.**

On behalf of Dr. Snow, Dr. Marks presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 22, 2008, a copy of which is attached to the Minutes on file in the Executive Office.

Mrs. Wolfer *moved, seconded* by Mr. Avalos, that

**THE BOARD APPROVE THE RECOMMENDATIONS OF  
THE EXECUTIVE COMMITTEE OF THE MEDICAL STAFF  
AT MEMORIAL HOSPITAL PEMBROKE**

The motion *carried* unanimously.

**f. Administrative Staff**

No report

**g. Financial Report: Mr. M. Muhart, Senior Vice President and Chief Financial Officer**

**(1) Financial Report for the Month of June 2008**

Mr. Muhart reviewed the Financial Report for the month of June 2008, a copy of which is attached to the Minutes on file in the Executive Office. Mr. Muhart commended the administrative teams of the hospitals for holding operating expenses below budget for the past two months.

Mr. Tynan and Mr. Sacco also applauded the hospitals' administrative teams for the outstanding job they have done in managing operating expenses without sacrificing the quality of patient care.

Mr. Avalos ***moved, seconded*** by Mr. Jones, that

***THE BOARD APPROVE THE FINANCIAL REPORT FOR THE MONTH OF JUNE 2008***

The motion ***carried*** unanimously.

**(2) Presentation of Proposed Tax Millage Rates for Fiscal Year 2009; and Selection of Dates for Public Hearings on Adoption of Tax Millage**

Mr. Muhart stated that each year the Board of Commissioners of the South Broward Hospital District adopts a tax millage rate and budget. These are statutory requirements that must be strictly adhered to, commencing tonight with the selection of a proposed millage rate and date for a public Preliminary Tax Hearing. To assist in this process, Mr. Muhart referred to his memorandum dated July 16, 2008 to Mr. Sacco, the Tax Fund Budget Sensitivity Analysis for Fiscal Year 2009, and the proposed tax budget calendar for the month of September 2008, copies of which are attached to the Minutes on file in the Executive Office.

Mr. Muhart provided an in-depth review of the Tax Fund Sensitivity Analysis which outlines projected tax revenue and expenditures based upon assessed values and various millage rates. The 2008 assessed valuations were received from the Broward County Property Appraiser's Office and are illustrated (in thousands) on line 1, columns 1-6, in the Tax Fund Budget Sensitivity Analysis. The assessed valuations of \$50,719,568,857 represent a 4.3% decrease over the 2007 valuations of \$53,004,503,441, as shown in column 8, line 1. This decrease includes a base valuation decrease of \$3,615,652,516, or 6.8%, and new construction of \$1,330,717,932, which accounts for a 2.5% increase over the prior year.

Mr. Muhart outlined the District's use of tax proceeds, noting the increases in uncompensated care levels due to the current economic environment. He reviewed the various millage rate options and discussed the new property tax legislation which mandates specific voting requirements to approve various millage rate levels.

Additional handouts were distributed to the Board and reviewed by Mr. Muhart as follows: 2008 Average Values for Single Family Homes – Broward County Specific and City Specific Within the South Broward Hospital District; Table of Operating and Debt Millage Rates for Other Broward County Taxing Authorities; and table outlining the effects of S.B.H.D. tax levies on a selected sample of homesteaded single-family homes in the District for the 2007 and 2008 tax years. It was noted that adoption of a tentative millage rate of 1.2184 mills, the Simple Majority Max Rate, would provide 95% of homesteaded property owners in the District with a tax either the same as or less than last year; tentative adoption of last year's millage rate of 1.1643 would afford 99.6% of homesteaded property owners with tax relief.

Mr. Muhart advised it is management's recommendation that the Board adopt a tentative rate equal to the maximum millage rate that could be levied by simple majority vote of the Board (Simple Majority Max Rate). This action would provide the Board with more flexibility to evaluate operating results through July and August in determining the final millage rate at the September hearings.

Mr. Muhart stated that the September calendar reflects September 10, 2008, as the date of the District's preliminary tax hearing and September 24, 2008, as the date of the final tax hearing. The School Board and Broward Commission board meetings are both reflected on the calendar, as the District's tax hearings cannot conflict with the School Board. Notice to property owners of the District's proposed millage rate and the date, time and place of the preliminary hearing will take place via the Truth in Millage notices sent to all property owners by the Broward County Property Appraiser's Office. The Board was reminded that the proposed millage selected at tonight's meeting can be decreased, but any increase would be extremely difficult to achieve due to notice requirements.

Mr. Muhart requested two motions from the Board: first to select the proposed tax millage rate for the 2008 tax budget (the District's fiscal year 2009); and second, to select the dates and times of the preliminary and final tax hearings.

At the request of the Chair, Mr. Muhart read the motion being presented before the Board relative to the dates and times of the preliminary and final tax hearings.

Mrs. Durham ***moved, seconded*** by Mr. Jones, that

***THE BOARD SELECTS THE FOLLOWING DATES FOR THE PUBLIC HEARINGS ON ADOPTION OF THE TAX MILLAGE AND BUDGET:***

***FIRST HEARING: WEDNESDAY, SEPTEMBER 10, 2008, 5:30 P.M.***

***SECOND HEARING: WEDNESDAY, SEPTEMBER 24, 2008, 5:30 P.M.***

The motion ***carried*** unanimously.

Mr. Tynan reflected on his tenure with the Board and the Board's historical stance to reduce taxes whenever possible. He expressed a desire to continue to keep taxes as low as possible, noting however that consideration must be given to the net tax revenue that will be available for patient care. He discussed the fact that adoption of last year's millage rate would result in a \$3.8 million decrease in tax revenue to the District and noted concerns relative to the likelihood of future funding reductions in various arenas. Mr. Tynan voiced his agreement with management's recommendation to take a conservative approach and tentatively adopt the millage rate of 1.2184 mills, with the hope that the Board may be able to move back to 1.1643 mills in September.

Mr. Tynan also thanked Mr. Sacco and Mr. Muhart for compiling the statistics relative to other Broward County taxing authorities, thus providing the Board with a barometer of where the District stands in comparison to other County taxing authorities.

Mrs. Miller echoed Mr. Tynan's opinion, also expressing concern relative to the length of time it may take to collect taxes in light of the current economy.

Mrs. Durham voiced her desire to give back to the community, however agreed that tentative adoption of 1.2184 mills was prudent at this time.

Concerns relative to uncompensated care costs, reimbursement reductions and timely collection of taxes were expressed by Mrs. Wolfer, who also agreed with tentative adoption of 1.2184 mills.

Mr. Jones reflected on the past eight years, noting that that the South Broward Hospital District has taken the lead in providing tax relief to the community. He expressed agreement in taking safe haven with adoption of the tentative rate of 1.2184 mills, while staying mindful of the economic burden faced by the community. He, too, hopes the District finds itself in the position to move back to last year's rate of 1.1643 mills in September.

Mr. Avalos joined his fellow Commissioners in voicing his approval of adoption of the tentative rate of 1.2184 mills at this time.

Per Mrs. Durham's request, Mr. Muhart will provide the Commissioners with an outline of the District's past millage rates.

In light of the present economic environment, Mrs. Miller discussed the possibility of providing effective tax relief to the community next year based on an improved economic environment and increased cash flow. She questioned the possibility of obtaining data relative to foreclosures as a means of identifying deferred tax revenues and inquired as to the timeframe for receipt of said revenues. Mr. Barber discussed the process, advising it could take up to a year and a half.

At the request of the Chair, Mr. Muhart read the motion relative to adoption of a proposed millage rate for the 2008 tax year. He also clarified that although a millage rate of 1.2184 had been presented and discussed by the Commissioners, the actual proposed tentative millage rate is 1.2183 mills.

Mrs. Wolfer *moved, seconded* by Mrs. Durham, that

**THE SOUTH BROWARD HOSPITAL DISTRICT INFORMS THE  
PROPERTY APPRAISER OF BROWARD COUNTY, FLORIDA THAT THE  
TOTAL PROPOSED MILLAGE RATE FOR THE 2008 TAX YEAR IS  
1.2183 MILLS, WHICH IS LOWER THAN THE ROLLED BACK RATE OF  
1.2548 MILLS BY 2.9%**

The motion *carried* unanimously.

Mr. Sacco assured the Board of management's desire to move to a lower millage rate in September; however, consideration must be given to July and August financials. Tentative adoption of 1.2183 mills provides the Board with the flexibility to move to a lower rate in September.

**h. Legal Counsel; Mr. G. Barber, Senior Vice President and General Counsel**

No report

**8. NEW BUSINESS**

**a. *The July Board Meeting was Designated by the Board of Commissioners as the Annual Meeting; therefore, the Following Action is Required:***

**(1) *Election of Officers***

The Chair passed the gavel to Mr. Barber to conduct the election of officers. Mr. Barber opened the floor for nominations or motions for the election of Board officers for the upcoming year.

Mr. Avalos *moved, seconded* by Mrs. Miller, that

**THE CURRENT SLATE OF OFFICERS FOR THE SOUTH BROWARD  
HOSPITAL DISTRICT REMAIN THE SAME FOR AN ADDITIONAL YEAR**

The motion *carried* unanimously.

**9. COMMISSIONERS' COMMENTS**

Mrs. Durham read aloud a note she received from a friend who recently underwent surgery at Memorial Regional Hospital, in which she praised the exceptional care rendered to her by staff and physicians. Mrs. Durham stated she was proud to be part of Memorial Healthcare System.

**10. ADJOURNMENT**

There being no further business to come before the Board, Mr. Tynan declared the meeting adjourned at 7:10 p.m.

**WORKSHOP SESSION**

No business.

**THE BOARD OF COMMISSIONERS OF THE  
SOUTH BROWARD HOSPITAL DISTRICT**

**BY:**

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**Kevin P. Tynan, Chairman**

**ATTEST:**

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**Sara E. Wolfer, Secretary Treasurer**