

**SOUTH BROWARD HOSPITAL DISTRICT  
REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE  
SOUTH BROWARD HOSPITAL DISTRICT  
INCLUDING REPRESENTATIVES OF THE MEDICAL STAFF OF EACH OF ITS HOSPITALS  
July 27, 2011**

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A Regular Meeting 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 27, 2011, at 5:36 p.m.

The following members were present:

Mrs. Kathleen Durham	Chairman
Mrs. Sara E. Wolfer	Vice Chairman
Mr. Alfredo Avalos	Secretary Treasurer
Mr. Jose Basulto	
Mr. Hobel Florido	
Mr. Albert C. Jones	
Ms. Laura Raybin Miller	

A registration sheet listing all attendees is 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 Mrs. Kathy Durham, Chairman.

**2. APPROVAL OF MINUTES**

**a. Regular Meeting Held June 22, 2011**

There being no additions or corrections to the Minutes,

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

**THE BOARD APPROVE THE MINUTES OF THE REGULAR MEETING  
HELD JUNE 22, 2011**

The motion ***carried*** unanimously.

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

**a. Audit and Compliance Committee; Mr. A. Avalos, Chairman  
Minutes of Meeting Held 7/18/11**

Mr. Avalos presented the Minutes of the Audit and Compliance Committee meeting held July 18, 2011, a copy of which is on file in the Executive Office.

**(1) Request Board Acceptance of the Fiscal Year 2011 Small Business Enterprise Program Annual Report**

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

**THE BOARD OF COMMISSIONERS ACCEPT THE FISCAL YEAR 2011  
SMALL BUSINESS ENTERPRISE PROGRAM ANNUAL REPORT**

The motion *carried* unanimously.

**(2) Request Board Acceptance of the Audited Financial Statements, Audit Results Report, Management Letter and the Single Audit Report and Schedule of Federal Awards, State Financial Assistance and Local Awards and Supplementary Information for the Fiscal Period Ended April 30, 2011**

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

**THE BOARD ACCEPT THE AUDITED FINANCIAL STATEMENTS, AUDIT RESULTS REPORT, MANAGEMENT LETTER AND THE SINGLE AUDIT REPORT AND SCHEDULE OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND LOCAL AWARDS AND SUPPLEMENTARY INFORMATION FOR THE FISCAL PERIOD ENDED APRIL 30, 2011**

Mr. Shaun Davis of S. Davis & Associates, P.A. advised the Board that his firm audited the District's single audit, which resulted in a clean opinion. During the course of the audit, it was determined that there were no comments or deficiencies to report to the District.

Mr. Jeff Sparling, Partner, Ernst & Young, reflected on his recent meeting with the Audit and Compliance Committee, at which time he presented a detailed review of the audited financial statements, audit results report and management letter. He offered to meet one on one with any of the Commissioners that would like a detailed review of the Ernst & Young audit documents.

Mr. Sparling drew the Board's attention to the Financial Statement Audit Results document, and highlighted several key items. Since the June 22, 2011, Board meeting, he noted that the only change to the financial statement was a \$7 million adjustment related to an anticipated Medicaid rate cut that ultimately did not occur. At the close of the fiscal year, the District had recorded a \$7 million reserve for the anticipated rate cut; however, as it did not occur, the adjustment increased net income by \$7 million.

Mr. Sparling expressed his appreciation to the District's management team for their outstanding cooperation and organization during the audit. He then offered to answer any questions from the Board.

The motion *carried* unanimously.

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

**THE BOARD APPROVE THE MINUTES OF THE AUDIT AND  
COMPLIANCE COMMITTEE MEETING HELD JULY 18, 2011**

The motion *carried* unanimously.

**b. Personnel Committee; Ms. L. Raybin Miller, Chairman**  
**Minutes of Meeting Held 7/18/11**

Mrs. Wolfer presented the Minutes of the Personnel Committee meeting held July 18, 2011, a copy of which is on file in the Executive Office.

**(1) Request Board Approval of the Proposed Defined Contribution Pension Plan for Eligible New or Re-Hired Employees Commencing Work On or After November 1, 2011**

Mr. Sacco provided an overview of discussions held over the past 18 months relative to the District's existing Defined Benefit Pension Plan and management's rationale for its recommendation to move to a Defined Contribution Pension Plan for all new and re-hired employees.

Ms. Denise Miller, Consulting Actuary of Towers Watson, discussed the objectives of the proposed plan and confirmed that the plan would place the District in a competitive position relative to retirement benefits as compared to other major healthcare organizations. Under the proposed plan, the District would establish and contribute 2.5% of the employee's salary into a 401(a) Plan, with the employee directing their investment decisions. The District's existing 403(b) Plan match would remain unchanged. A ten year projection under the new plan reflects a savings to the District in the range of \$15 million to \$25 million.

Mr. Sacco advised that the recommended date of implementation for the proposed plan is November 1, 2011. As of October 31, 2011, the current Defined Benefit Pension Plan would be frozen in time and continue to be in force for existing employees only. As of November 1<sup>st</sup>, all new and re-hired employees would be placed in the Defined Contribution Pension Plan.

Further dialogue ensued between the Board and Ms. Miller of Towers Watson.

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

**THE BOARD OF COMMISSIONERS APPROVE THE PROPOSED DEFINED  
CONTRIBUTION PENSION PLAN FOR ELIGIBLE NEW OR RE-HIRED  
EMPLOYEES COMMENCING WORK ON OR AFTER NOVEMBER 1, 2011**

The motion *carried* unanimously.

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

***THE BOARD APPROVE THE MINUTES OF THE PERSONNEL  
COMMITTEE MEETING HELD JULY 18, 2011***

The motion *carried* unanimously.

***c. Home Health Agency Committee; Mrs. S. Wolfer, Chairman*  
***Minutes of the Meeting Held 7/18/11*****

Mrs. Wolfer reviewed the Minutes of the Home Health Agency Committee meeting held July 18, 2011, a copy of which is on file in the Executive Office.

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

***THE BOARD APPROVE THE MINUTES OF THE HOME HEALTH AGENCY  
COMMITTEE MEETING HELD JULY 18, 2011***

The motion *carried* unanimously.

***d. Finance Committee; Mrs. K. Durham, Chairman*  
***Minutes of Meeting Held 7/20/11*****

Mrs. Durham reviewed the Minutes of the Finance Committee meeting held July 20, 2011, a copy of which is on file in the Executive Office.

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

***THE BOARD APPROVE THE MINUTES OF THE FINANCE COMMITTEE  
MEETING HELD JULY 20, 2011***

The motion *carried* unanimously.

Mr. Sacco noted that individual briefings relative to the District's financing structure or financial profile could be scheduled for any Board member upon request.

***4. REPORT OF SPECIAL COMMITTEES***

None

***5. ANNOUNCEMENTS***

None

***CORRESPONDENCE***

None

***6. UNFINISHED BUSINESS***

None

**7. BOARD REGULAR BUSINESS**

**a. Report from Chief of Staff, Memorial Regional Hospital; S. Steinlauf, M.D.**

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

Dr. Steinlauf presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 18, 2011, a copy of which is on file in the Executive Office.

Mr. Avalos *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; M. Jofe, M.D.**

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

Dr. Jofe presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 20, 2011, a copy of which is on file in the Executive Office.

Mr. Avalos *moved, seconded* by Mr. Jones, 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; J. Cooper, M.D.**

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

Dr. Cooper presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 18, 2011, a copy of which is on file in the Executive Office.

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

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

At the request of Mrs. Wolfer, a moment of silence was held in memory of Lawrence Stempel, D.O.

The motion **carried** unanimously.

**d. Report from Chief of Staff, Memorial Hospital Miramar; H. Pombo, M.D.**

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

On behalf of Dr. Pombo, Dr. Fine presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 19, 2011, a copy of which is on file in the Executive Office.

Mr. Avalos **moved, seconded** by Mr. Jones, 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; E. Bolton, D.O.**

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

Dr. Bolton presented the Executive Committee Report re recommendations for appointments, advancements, etc., dated July 20, 2011, a copy of which is on file in the Executive Office.

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

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

The motion **carried** unanimously.

**(2) Addendum to Agenda Item 7.e.1**

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

**THE BOARD APPROVE THE ADDENDUM TO AGENDA ITEM 7.E.1**

The motion **carried** unanimously.

**f. Administrative Staff**

No report.

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

**(1) Annual Financial Report for the Month of June 2011**

Mr. Muhart reviewed the Financial Report for the month of June 2011, a copy of which is on file in the Executive Office.

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

**THE BOARD APPROVE THE FINANCIAL REPORT FOR THE MONTH OF JUNE 2011**

The motion ***carried*** unanimously.

**(2) Presentation of Proposed Tax Millage Rates for Fiscal Year 2012, and Selection of Dates for Public Hearings on Adoption of Tax Millage**

Mr. Muhart advised that each year the Board of Commissioners of the South Broward Hospital District adopts a tax millage rate and budget. There 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 20, 2011, to Mr. Sacco, the Tax Fund Budget Sensitivity Analysis for Fiscal Year 2012, Tax Fund Budget Worksheet, and the proposed tax budget calendar for the month of September 2011, copies of which are on file in the Executive Office.

An in-depth review of the Tax Fund Sensitivity Analysis was presented reflecting projected tax revenue and expenditures based upon assessed values and various millage rates. The 2011 assessed valuations totaling \$38,627,384,484 were received from the Broward County Property Appraiser's Office and represent a 0.8% decrease from the 2010 valuations.

Mr. Muhart outlined the District's use of tax proceeds and reviewed several millage rate options, noting specific voting requirements for each level as mandated by property tax legislation. He advised that the FY 2012 tax budget marks the second consecutive year that the District will not use any tax revenues to fund uncompensated care delivered at its hospitals.

A review of the Tax Fund Budget Worksheet followed, reflecting the approach utilized to develop the millage rate required to fund the operating losses of the Primary Care Centers and to fund a Medicaid equivalent per diem rate for the uninsured population at Memorial Manor. A millage rate of 0.7942 would signify the lowest millage rate in the District's history and would generate \$24,024,000 of net tax revenues available for uncompensated patient care at the District's Primary Care Centers and Memorial Manor Nursing Home, representing 1.6% of total budgeted FY 2012 revenues.

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 millage rate selected tonight was not the final rate; however, any increase would be extremely difficult to achieve due to notice requirements. In addition,

selection of a millage rate equal to the rolled-back rate of 1.2884 mills would not be considered a tax increase.

Mr. Muhart noted that the September calendar reflects September 14, 2011, as the date of the District's preliminary tax hearing. The Board was offered two optional dates for the final tax hearing: September 26<sup>th</sup> at 5:30 p.m. followed by the regular Board meeting; or September 28<sup>th</sup>, which marks the beginning of Rosh Hashanah, at 5:01 p.m., either preceded by a 3:00 p.m. regular Board meeting or followed by the regular Board meeting.

After discussion, the Board agreed upon a final tax hearing date of September 26, 2011, at 5:30 p.m., followed by the regular Board meeting.

Mr. Sacco advised that it was management's recommendation to select a proposed millage rate of 0.7942, as it provides the necessary funding for the District's Primary Care network, as well as the Medicaid rate for the Memorial Manor Nursing Home. He also discussed next year's goal to further reduce Primary Care costs.

Discussion by the Commissioners ensued. The majority of the Board favored a proactive stance and expressed a desire to give back to the community by selecting a proposed millage rate of 0.7942.

Mr. Muhart read the first motion being presented to the Board.

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

***THE SOUTH BROWARD HOSPITAL DISTRICT INFORMS THE PROPERTY APPRAISER OF BROWARD COUNTY, FLORIDA THAT THE PROPOSED MILLAGE RATE FOR THE 2011 TAX YEAR IS 0.7942 MILLS, WHICH IS LOWER THAN THE ROLLED-BACK RATE OF 1.284 MILLS BY 38.36%***

The Chair requested a roll call vote:

Mr. Florido	Yes
Ms. Miller	Yes
Mrs. Wolfer	Yes
Mr. Avalos	Yes
Mr. Jones	Yes
Mr. Basulto	Yes
Mrs. Durham	Yes

Mr. Muhart read the second motion being presented before the Board to establish the meeting dates for the preliminary and final tax hearings. It was noted that the meeting dates cannot conflict with either the School Board or Broward Commission board meetings.

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

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

***PRELIMINARY HEARING: WEDNESDAY, SEPTEMBER 14, 2011, 5:30 P.M.***

***FINAL HEARING: MONDAY, SEPTEMBER 26 2011, 5:30 P.M.***

The motion *carried* unanimously.

**h. Legal Counsel; Ms. K. Stratos, Senior Vice President and General Counsel**

**(1) Report of Public Records Requests Denials, As Required by State Law**

Ms. Stratos reviewed the memorandum of July 8, 2011, relative to Denied Public Records Requests – 1<sup>st</sup> Quarter 2011, a copy of which is on file in the Executive Office. The denials were based on the Trade Secrets exemption under Florida Statute 395.3035 and claimed by the parties that are contracted with the District.

**8. NEW BUSINESS**

Prior to the election of Board officers, Mrs. Durham read Board Resolution No. 350 recognizing the significant contributions of Frank V. Sacco to the South Broward Hospital District and, namely, the Joe DiMaggio Children's Hospital (JDCH). This expression of honor will be accomplished by naming the JDCH Campus the Frank V. Sacco Campus.

Mr. Jones *moved, seconded* by Ms. Miller, that

***THE BOARD APPROVE RESOLUTION NO. 350 AS PRESENTED***

The motion *carried* unanimously.

Mr. Sacco expressed his sincere thanks to the Board for this honor.

Mr. Jones commented on how well deserved this recognition was and reflected on the growth of Memorial Healthcare System under Mr. Sacco's leadership.

**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 Ms. Stratos to conduct the election of officers. Ms. Stratos opened the floor for nominations for the office of Chairman of the Board.

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

***SARA WOLFER BE NOMINATED FOR THE OFFICE OF CHAIRMAN OF THE BOARD***

Ms. Stratos asked if there were any other nominations. There being none,

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

***THE FLOOR BE CLOSED FOR NOMINATIONS FOR THE OFFICE OF CHAIRMAN OF THE BOARD***

The motions *carried* unanimously.

Ms. Stratos declared Mrs. Sara Wolfer Chairman of the Board of Commissioners.

Ms. Stratos opened the floor for nominations for the Office of Vice Chairman of the Board.

Mrs. Wolfer ***moved, seconded*** by Ms. Miller, that

***ALFREDO AVALOS BE NOMINATED FOR THE OFFICE OF VICE  
CHAIRMAN OF THE BOARD***

Ms. Stratos asked if there were any other nominations. There being none,

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

***THE FLOOR BE CLOSED FOR NOMINATIONS FOR THE OFFICE OF VICE  
CHAIRMAN OF THE BOARD***

The motions ***carried*** unanimously.

Ms. Stratos declared Mr. Alfredo Avalos Vice Chairman of the Board of Commissioners.

Ms. Stratos opened the floor for nominations for the Office of Secretary Treasurer of the Board.

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

***HOBEL FLORIDO BE NOMINATED FOR THE OFFICE OF SECRETARY  
TREASURER OF THE BOARD***

Ms. Stratos asked if there were any other nominations. There being none,

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

***THE FLOOR BE CLOSED FOR NOMINATIONS FOR THE OFFICE OF  
SECRETARY TREASURER OF THE BOARD***

The motions ***carried*** unanimously.

Ms. Stratos declared Mr. Hobel Florido Secretary Treasurer of the Board of Commissioners.

Ms. Stratos passed the gavel back to the Chair.

**9. COMMISSIONERS COMMENTS**

Mr. Avalos commented on the excellence of the opening of the Children's Hospital and thanked everyone involved for doing a great job. Mr. Florido echoed his sentiments.

Mrs. Wolfer thanked her fellow Board members for the privilege and honor to be Chairman and pledged to be diligent and work to do a good job.

Mrs. Durham congratulated Mrs. Wolfer on her election as Chairman, and joined her fellow Commissioners in praising the opening of the Children's Hospital.

Mrs. Durham also congratulated Memorial Regional Hospital on being chosen as the recipient of the American Hospital Association's prestigious McKesson Quest for Quality Award.

**10. ADJOURNMENT**

There being no further business to come before the Board, Mrs. Durham declared the meeting adjourned at 7:00 p.m.

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

**BY:** \_\_\_\_\_  
***Kathy Durham, Chairman***

**ATTEST:** \_\_\_\_\_  
***Alfredo Avalos, Secretary Treasurer***