

**LAWRENCE MEMORIAL HOSPITAL
BOARD OF TRUSTEE MEETING MINUTES
January 17, 2018**

Present:	Cindy Yulich (via phone)	Russ Johnson	Andy Ramirez
	Rob Chestnut	Karen Shumate	Marc Scarbrough, MD
	Mike Wildgen	Sheryle D'Amico	
	Joanne Hurst	Traci Hoopingarner	
	Lee Reussner, MD	Janice Early	
	Jane Blocher	Michael Williams	
	Gina Pacumbaba-Watson	Rebecca Smith	
	Mike Amyx	Everett Taylor	
		Janette Kirkpatrick	

Others present: Brett Bogan, Spencer Fane; Ann Marie Boncella, Planning Analyst; Cathy Cordova, Dir. Clinical Excellence and Value; Michelle Dreiling, Admin; Chad Lawhorn, The World Company; Amy Northrop, Dir. Strategic Development and Implementation; Caroline Trowbridge, Marketing Communications Manager, Reed Williams, Spencer Fane.

Call to Order

The meeting was called to order at 9:04 AM by Rob Chestnut, Vice Chairperson.

Welcome

Mr. Mike Amyx was welcomed to the Lawrence Memorial Hospital Board of Trustees.

Approval of Agenda

The Agenda was presented for review.

MOTION: made and seconded to approve the agenda. Motion carried.

Consent Agenda

- a) Board of Trustees Minutes, December 20, 2017
- b) Amendment Freezing the LMH Individual Account Pension Plan

MOTION: made by Mike Wildgen, seconded by Mike Amyx to approve the Consent Agenda. Motion carried.

Resolution

The following Resolution of the Board of Trustees of Lawrence Memorial Hospital Determining Intent to Reimburse for Certain Capital Expenditures was reviewed:

WHEREAS, The Lawrence Memorial Hospital, an instrumentality of the City of Lawrence, Kansas (the "Institution"), desires (directly or indirectly through an entity of which it is a member or affiliate) to borrow funds from a governmental issuer of bonds (the "Issuer") to provide funds to pay for all or a portion of the costs related to the acquisition, construction, improvement, extension, repair, equipping and furnishing of certain health care facilities and related land and other related facilities, including the projects more fully described in Exhibit A hereto (collectively, the "Project").

WHEREAS, the Institution has caused to be made certain capital expenditures in connection with the Project prior to the date of this Resolution, and the Board expects additional capital expenditures for the Project in the future.

RESOLVED, that the Institution intends to reimburse itself for all or a portion of such capital expenditures made in connection with the Project with the proceeds of tax-exempt bonds or other tax-exempt obligations issued by the Issuer for the benefit of the Institution (the "Bonds").

FURTHER RESOLVED, that the estimated total cost of the Project is \$110,000,000, for which the maximum principal amount of Bonds expected to be issued for the Project is not to exceed \$90,000,000 and equity contributions of the Institution or other entities have been or are expected to be provided to fund the remaining costs of the Project.

MOTION: made by Mike Amyx, seconded by Jane Blocher to approve the Resolution of the Board of Trustees of Lawrence Memorial Hospital Determining Intent to Reimburse for Certain Capital Expenditures. Motion carried.

Medical Executive Committee Recommendations

Dr. Marc Scarbrough, Chief of the Medical Staff, reviewed the Credentials recommendations from the Medical Executive Committee:

Medical Staff, New Appointments:

Steven Hinton, MD (Active Admitting; Surgery/Ophthalmology) – Initial appointment 1/17/18 not to exceed two years.

Allied Health Staff and LMH Employees, New:

Stacey Dines, APRN (LMH Employee; Eudora Family Care) – Initial credentialed 1/17/18 not to exceed two years.

Jana Glass, APRN (Allied Health Professional; LMH Emergency Department) – Initial appointment 1/17/18 not to exceed two years.

Reappointments:

None.

Focused Practitioner Practice Evaluations:

Michael Karachalios, MD (Consulting; Teleradiology) – Initial
Elizabeth Powers, DDS (Active Admitting; Pediatric Dentistry) – Initial
Michael Whiteside, MD (Consulting; Teleradiology) – Initial
Courtney Krisher, PA (AHP; LMH Hospitalists) Initial
Kathy Ramirez, APRN – (LMH Employee; LMH Urology) - Initial

Privilege and/or Status Changes and Resignations:

Eleanor Chu, MD (Consulting; Teleradiology) – Resignation effective 8/2/17
Yasuyuki Pham, MD (Consulting; Teleradiology) – Resignation effective 9/6/17
Tara Southwick, AuD (AHP; Specialty Care) – Resignation effective 11/3/17

MOTION: made and seconded to approve the Medical Staff Credentials recommendations as presented Motion carried.

CEO Comments

Russ Johnson, President and CEO, updated the Board on key initiatives.

- Milestones within Destination Health for 2018/2019 are undergoing revisions and will be brought to the Board for approval. This will be done in time for input into budget planning.
- Mr. Johnson recently sent a note to the Trustees regarding the variable compensation plan for the executive team that included information about organization-wide measures as well as individual performance measures. Mr. Johnson's evaluation by the Board will take place in February; he will be sending information out to the Board in advance.
- In the past we have not been clear with employees or management about the bonus that has often been given in December. Going forward we will make efforts to increase the understanding of what creates this opportunity. Directors will be moving to a more formal variable compensation program based on measures and input from the senior leader to whom they report. Driving this is the desire to create strong alignment for the organization across our goals. In the following year we will address variable compensation with managers and supervisors.
- A calendar of Board and Board Committee meeting dates was distributed.

Business Items and Updates

a) Financing Update for LMH Health West Project

- Mr. Johnson and Mr. Pedley, Chief Financial Officer, reviewed with the Trustees the financial assumptions and projections with the latest information on our project scope and financing options from our advisors at Piper Jaffrey.
- The Board supported the financing plan recommended by Piper Jaffrey using tax exempt Industrial Revenue Bonds issues by the City in two series:
 - Publicly issues bonds for LMH
 - Subordinated bonds for provider investors
- Trustees were asked for feedback and to communicate any further information they wished to have brought before the Board.

b) LMH Endowment Update

- Seven new members and a new slate of officers were welcomed at the January meeting.
- As the Board of Directors looks ahead, they will be working to modify their strategic plan to align the organization with LMH's new goals.
- An update on five areas of strategic focus for 2017-2018 was shared:
 - Enhance internal relations through greater transparency and collaboration
 - Implement new systems and procedures to become more efficient and effective at fulfilling our mission
 - Engage board leadership for guidance in new directions
 - Create new communication channels to ensure all donors understand the true value and purpose of their contributions
 - Develop new approaches to fundraising that makes it easier and more rewarding for donors to give time and money in support of our efforts
- An update on associate giving, annual appeals, revenue-generating and cultivation events, and corporate relations was provided.
- An update on major and planned gifts was provided.
- The Annual Meeting is scheduled to take place on February 22.
- Mr. Johnson recognized Rebecca Smith, Executive Director of LMHEA for her 2017 accomplishments.

Informational

Upcoming meetings and events:

- Finance Committee of the Board Meeting – 2/12/18, 7:30 AM Board Room (open meeting)
- Quality Committee of the Board Meeting – 2/13/18, 7:00 AM Board Room (open meeting)
- Joint Conference Committee of the Board Meeting – 2/14/18, 7:30 AM Auditorium (open meeting)
- Board of Trustees Meeting (abbreviated), 2/14/18, 9:00 AM Auditorium (open meeting)

Executive Session

MOTION: made at by 9:53 by Jane Blocher and seconded by Mike Wildgen to recess into Executive Session to discuss issues related to the potential acquisition of real estate for a new facility and employment contract matters, as authorized by Sections 75-4319(b)(1), (2) and (6) of the Kansas Open Meetings Act, all in consultation with the hospital's attorney deemed privileged by the attorney-client privilege. We will reconvene the open meeting in this room at 10:45 AM.

Thereafter, Open Session resumed.

MOTION: Mike Wildgen moved and Rob Chestnut seconded the approval of the Hospital's Executive Team to negotiate and enter into a Real Estate Purchase Contract to purchase approximately twenty (20) acres of land in the "Mercato Development" located at the Southeast Corner of Rock Chalk Drive and 902 Road. The Purchase Price will be approximately Four Million Three Hundred Fifty-Six Thousand and No/100 Dollars (\$4,356,000), at Five and No/100 Dollars (\$5.00) per square foot, plus One Million One Hundred Thousand and No/100 Dollars (\$1,100,000) for road construction (with no commission payable on this One Million One Hundred Thousand and No/100 Dollars (\$1,100,000)).

The Contract for Purchase must include a restriction precluding the Seller from selling or leasing any of the Mercato Development to any Hospital competitor (as defined by the Hospital's Executive Team) for a period of at least seven (7) years following the Closing without LMH's prior written approval.

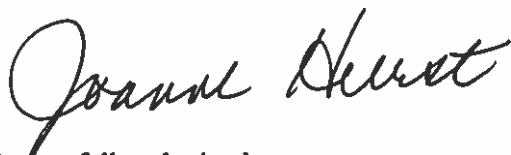
NOW THEREFORE, IT IS RESOLVED, that the Board of Trustees of Lawrence Memorial Hospital does hereby approve the Purchase of the land in the Mercato Development by the Hospital on the terms set forth above.

IT IS FURTHER RESOLVED that the Hospital's Administrative Team is authorized and directed to execute any documents and take any actions necessary or appropriate to effectuate the transactions contemplated by this Resolution.

Adjournment

There being no further business, the meeting adjourned.

MOTION: made by Mike Wildgen, seconded by Rob Chestnut to adjourn the meeting. Motion carried.



Respectfully submitted,
Joanne Hurst, Secretary of the Board