

North Broward Hospital District Board of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, FL 33309

REGULAR BOARD MEETING 4:00 p.m., Wednesday, May 25, 2022

The Board of Commissioners Regular Board Meeting of the North Broward Hospital District was held on May 25, 2022, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

1. NOTICE

Notice and Agenda, titled EXHIBIT I and EXHIBIT II, are attached to the official meeting book archived at the Board of Commissioners' Office. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. Exhibits are presented for consideration of the Board.

2. CALL TO ORDER

There being a quorum present, the meeting was called to order by Chair Stacy L. Angier at 4:09 p.m.

3. ROLL CALL

Present:

Commissioner Paul C. Tanner
Commissioner Ray T. Berry
Commissioner Christopher J. Pernicano, Secretary/Treasurer
Commissioner Stacy L. Angier, Chair

Not Present:

Commissioner Jonathan K. Hage
Commissioner Levi G. Williams, Jr.
Commissioner Nancy W. Stamper

Senior Leadership

Additionally Present:

Shane Strum, President, Chief Executive Officer
Ken Hetlage, Interim Chief Financial Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel

*Chair Angier yielded the floor for a moment of silence for the victims of the Uvalde, Texas shooting that occurred on May 24, 2022.

4. THE PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Christopher J. Pernicano.

5. RECOGNITION OF FORMER COMMISSIONER MARIE C. WAUGH

Chair Angier recognized former Commissioner Marie Waugh who was in attendance and presented her with a token of appreciation for her service. Ms. Waugh expressed that it had been an honor and pleasure to serve the District alongside the Board. Applause was given and photos were taken.

6. OATH OF OFFICE

6.1. Paul C. Tanner (Presenter – Mrs. Jodi Tanner)

Commissioner Tanner was sworn in by his wife, Mrs. Jodi Tanner.

7. PUBLIC COMMENTS

Chair Angier opened the floor for public comments, in which there were none.

8. APPROVAL OF MINUTES

8.1. Approve Regular Board Meeting Minutes dated April 27, 2022

Without objection, Chair Angier approved the minutes, dated April 27, 2022.

Motion *carried* without dissent.

8.2. Approve Joint Board Meeting Minutes dated March 28, 2022

Without objection, Chair Angier approved the Joint Board meeting minutes, dated March 28, 2022.

Motion *carried* without dissent.

9. INTRODUCTIONS / RECOGNITIONS

9.1. Introduction of Dr. Rubens Sievert, Endocrinology (Presenter - Shane Strum, President/CEO)

President/CEO, Mr. Shane Strum, introduced Dr. Rubens Sievert, Endocrinology. Dr. Sievert shared his background and stated he was very fulfilled by the diversity of the patient population the District served, regardless of age or lack of insurance.

9.2. BHIP, Distinguished Physician Award, Dr. Stuart Boe, Thoracic Surgeon (Presenter - Dr. Fernando Narvaez, Dr. William Jensen)

Dr. Jensen, Broward Heath Imperial Point former Chief of Medical Staff and Dr. Fernando Narvaez, newly appointed Chief of Medical Staff, presented Dr. Stuart Boe, Thoracic Surgeon, with the Distinguished Physician Award. Dr. Jensen shared a brief overview of Dr. Boe's personal and professional achievements over his 32-year career with the District.

10. MEDICAL STAFF CREDENTIALING (Presenter - Dr. Joshua Lenchus, Interim System Chief Medical Officer)

- 10.1.) Broward Health North
- 10.2.) Broward Health Imperial Point
- 10.3.) Broward Health Coral Springs
- 10.4.) Broward Health Medical Center
- 10.5.) Core Privilege Forms

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MOTION It was *moved* by Commissioner Pernicano, *seconded* by Commissioner Berry, that:

The Board of Commissioners of the North Broward Hospital District approve Medical Staff Credentialing Reports and Core Privilege Forms, as presented.

Motion confirmed by roll-call vote:

YES Commissioner Paul C. Tanner

YES Commissioner Ray T. Berry

YES Commissioner Christopher J. Pernicano, Secretary/Treasurer

YES Commissioner Stacy L. Angier, Chair

Motion *carried* 4/0.

11. CHIEF MEDICAL STAFF UPDATES

Medical staff updates were given by Dr. Boyar for Broward Health North, Dr. Narvaez for Broward Health Imperial Point, Dr. Penate for Broward Health Coral Springs, and Dr. Kumar for Broward Health Medical Center. Said reports highlighted each of the facilities' objectives, events, and awards received over the past month.

11.1.) Broward Health North

11.2.) Broward Health Imperial Point

11.3.) Broward Health Coral Springs

11.4.) Broward Health Medical Center

12. PRESENTATIONS

12.1. CEO Update (Presenter - Shane Strum, President, Chief Executive Officer)

Mr. Strum recognized Former Commissioner Waugh for her service and Commissioner Tanner on his recent appointment to the North Broward Hospital District Board of Commissioners.

Mr. Strum presented his full monthly report, highlighting the five pillars (Quality, Service, People, Growth, and Finance) of the organization and the progress at each of the facilities.

In addition, Mr. Strum shared the success of the 9th Annual Broward Health Ball held on May 14, 2022, which raised the most money to date, raising over \$900K.

The following videos were shared:

- The Broward Health Rewind:
 - The video featured Broward Health Coral Springs' 35th Anniversary and the Cardiac Cath Lab "wall-breaking" expansion event.

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- May Stroke Awareness featured on Channel 4 News
 - The video featured 38-year-old Broward Health North patient that suffered a Stroke and the importance of the warning signs.
- Nurse Residency Program featured on Florida 24 In-Depth
 - The video highlighted the District's Nurse Residency Program developed to address the nursing shortage by mentoring and training nurses, which has helped in retaining and promoting new nurses.

13. CONSENT AGENDA

13.1. Approval to place Investment Manager, Brandes Emerging Markets Equity Portfolio in both the Pension and Unrestricted Funds on the Watch List

13.2. Approval for the District to hire Earnest Partners to manage the small to mid-cap (SMID) strategy in both the Pension and Unrestricted Funds

13.3. Approval for the District to terminate the Vanguard Extended Market Index Fund in the Pension and Unrestricted Funds and to reallocate the entire portfolio to Earnest Partners

13.4. Approval of Motion 05.2022, Authorization to Establish a Subcommittee of the Pension and Investment Committee to Administer and Oversee the District's Defined Contribution Plans, dated May 25, 2022

13.5. Approval of the Interim Financial Statement for the month of March 2022

13.6. Approval of the Interim Financial Statement for the month of April 2022

13.7. Approval for the District to close down the operation of Broward Health's Home Health, sell off the assets on terms and conditions that are in the best interests of the District, as determined by the District's CEO and to take all other such deeds and acts consistent and necessary to effectuate the foregoing

13.8. Approval for the District to compensate Sellers Dorsey at a rate of up to 7% of IME net receipts, which will result in payments to Sellers Dorsey in excess of \$400,000.

13.9. Approval for the District to enter into a two-year employment agreement up to the 82nd percentile with Dr. Warren Sturman for the provision of internal medicine services at Broward Health Medical Center

13.10. Approval for the District to enter into a contractual agreement with ROI Healthcare Solutions LLC in the amount of \$2,200,000.

13.11. Approval for the District to enter into an agreement with Medtronic for the purchase of a Medtronic O-Arm and two Stealth Navigation Systems in the amount of \$1,453,234.48

13.12. Approval for the District to enter into a 10-year extension of its lease with the Children's Diagnostic & Treatment Center, Inc., at 1401 South Federal Highway, Fort Lauderdale, Florida on the terms and conditions outlined in Exhibit A, attached hereto and incorporated herein by reference

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MOTION It was *moved* by Commissioner Berry, *seconded* by Commissioner Pernicano, that:

The Board of Commissioners of the North Broward Hospital District approve items 13.1 through 13.12 on the Consent Agenda.

Motion confirmed by roll-call vote:

YES Commissioner Paul C. Tanner
YES Commissioner Ray T. Berry
YES Commissioner Christopher J. Pernicano, Secretary/Treasurer
YES Commissioner Stacy L. Angier, Chair

Motion *carried* 4/0.

14. DISCUSSION AGENDA

- 14.1. Approval of the Broward Health Graduate Medical Education Executive Summary of the Annual Institutional Report and to Adopt the Letter of Commitment to Graduate Medical Education (Presenter - Dr. Patricia Rowe-King)

Dr. Rowe-King, the designated institutional official, presented the executive summary of the annual report, which included the Accreditation Council for Graduate Medical Education (ACGME) Institutional requirement to present the functioning, metrics and match of the GME program to the Board.

For further detail, related slides are available on the Board of Commissioners' webpage.

MOTION It was *moved* by Commissioner Pernicano, *seconded* by Commissioner Berry, that:

The Board of Commissioners of the North Broward Hospital District accept the Graduate Medical Education Executive Summary of the Annual Institutional Report; reaffirm Broward Health's commitment to Graduate Medical education; adopt the Letter of Commitment to Graduate Medical Education; and authorize the Chairperson of the Board, the President and CEO of Broward Health, and the Designated Institutional Official of Broward Health's GME Program to sign such letter of Commitment on behalf of Broward Health and its Sponsoring Institution.

Motion confirmed by roll-call vote:

YES Commissioner Paul C. Tanner
YES Commissioner Ray T. Berry
YES Commissioner Christopher J. Pernicano, Secretary/Treasurer
YES Commissioner Stacy L. Angier, Chair

Motion *carried* 4/0.

15. COMMENTS BY COMMISSIONERS

Closing comments were given by the Commissioners.

MINUTES

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16. NEXT REGULAR BOARD MEETING

The next regularly scheduled Board of Commissioner's Meeting will be held on Wednesday, June 29, 2022, at 4:00 p.m. at the Broward Health Corporate Spectrum location, 1700 Northwest 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

17. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 5:41 p.m.

Respectfully submitted,
Commissioner Christopher J. Pernicano, Secretary/Treasurer

DRAFT

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Motion 05.2022

Authorization to Establish a Subcommittee of the Pension and Investment Committee to Administer and Oversee the District's Defined Contribution Plans.

May 25, 2022

Introduction

The North Broward Hospital District (the "District"), is a special district as defined under § 189.012(6), Florida Statutes, and was established by the Florida legislature in 1951 under ch. 27438, Laws of Florida, as recodified in ch. 2006-347, Laws of Florida, as amended (the "District's Charter");

The District is governed by the Board of Commissioners of North Broward Hospital District (the "Board") with such powers, duties, and responsibilities granted to it under the District's Charter;

Section 4(2) of the District's Charter and § 218.415, Florida Statutes, authorizes the Board to invest any funds in the District's control and possession in accordance with an investment policy approved by the Board which mandates prudent investment practices and the Board has established policies in accordance with the foregoing;

Section 19 of the District's Charter authorizes the District to establish and create various employee annuity and retirement plans following approval by the Board via resolution and the Board via resolution has created various employee retirement plans including, without limitation, tax-sheltered annuity and defined contribution plans governed under § 403(b) of the Internal Revenue Code (26 U.S.C. § 403(b)), § 457(b) of the Internal Revenue Code (26 U.S.C. § 457(b)), and § 457(f) of the Internal Revenue Code (26 U.S.C. § 457(f)) (collectively, the "Defined Contribution Plans");

The Board, in Section 3.12(c)(9) of the Board's Codified Resolutions of the Board of Commissioners of the North Broward Hospital District (the "Codified Resolutions") created the Pension and Investment Committee with oversight of the District's investment activities, fund management, and self-insurance plans, as well as the District's employee pension and retirement plans, including, without limitation, the Defined Contribution Plans;

Currently the District utilizes two (2) recordkeepers to administer the Defined Contribution Plans and the District wishes for the administration of the Defined Contribution Plans to be administered by one (1) recordkeeper consistent with the recommendations of the District's investment advisor;

The Board wishes to further delegate certain responsibilities to a subcommittee created by the CFO to establish goals, strategies, objectives, guidelines, and constraints for administration of the Defined Contribution Plans in an effort to better assist the Board and the Pension and Investment Committee in their oversight duties, as well as to ensure the best and most appropriate options are available to officers and employees of the District; and

Unless context otherwise requires, capitalized terms used but not defined herein have the meanings ascribed to such terms in the Amended and Restated Bylaws of the North Broward Hospital District and its accompanying Codified Resolutions.

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Authorization

NOW, THEREFORE, the Board of Commissioners of the North Broward Hospital District authorizes and finds that:

1. The above recitals are true and correct in every respect and are hereby incorporated herein by reference.
2. The CFO is hereby authorized and empowered to establish a subcommittee to the Pension and Investment Committee of the Board (the "Subcommittee") to carry out the fiduciary responsibilities and delegations of authority conferred by this directive.
3. The Subcommittee is hereby delegated the authority, in accordance with prudent and best investment practices, to establish an Investment Charter and Investment Policy Statement governing and defining the Defined Contribution Plans' goals, strategies, objectives, policies, guidelines, and constraints for administration of the Defined Contribution Plans in an effort to better assist the Board and the Pension and Investment Committee in their oversight duties.
4. The Subcommittee is hereby further delegated the duty to select the recordkeepers of the District's Defined Contribution Plans and the duty to select the particular investment plan and fund options available to eligible participating officers and employees in consultation with an investment advisor to ensure the best and most appropriate investment options in the Defined Contribution Plans are available to officers and employees of the District.
5. The Subcommittee is hereby authorized and empowered in the name of, and on behalf of, the District, to take, or cause to be taken, any and all such further acts, deeds, and matters, to pay such fees and expenses, and to execute, file, and deliver, or cause to be filed and delivered, all such registrations, certifications, forms, notices, documents, and instruments, in each case, in such form and terms as the Subcommittee may approve and as may be deemed necessary or appropriate in order to fully carry out the purposes and intent of the foregoing (as conclusively evidenced by the taking of such action or the execution and delivery of such instruments, as the case may be), and any and all actions heretofore or hereafter taken by the Subcommittee in connection with the subject of the foregoing recitals and resolutions be, and each of them hereby is, ratified, confirmed, and approved in all respects as the act and deed of the District.
6. This authority hereby conferred shall take effect immediately upon the Board's ratification.
7. This authority hereby supersedes, amends, replaces and repeals any conflicting resolution or conflicting policy previously adopted by the Board.

DULY ADOPTED this 25th day of May 2022.

Time Adopted 5:12 PM

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Exhibit A

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT (“First Amendment”) to Lease Agreement (the “Lease”), by and between the **North Broward Hospital District d/b/a Broward Health**, a special taxing district of the State of Florida (“Landlord”), and **Children’s Diagnostic & Treatment Center, Inc.** (“Tenant”) (together, the Landlord and Tenant are the “Parties”), takes effect July 15, 2022 (“First Amendment Effective Date”).

RECITALS

WHEREAS, the Parties entered into that certain Lease Agreement effective as of July 15, 2002 (the “Lease”), for the lease of the one-story 42,200 square foot office building and 88,200 square foot parking garage located at 1401 South Federal Highway, Fort Lauderdale, Florida 33311, as more particularly described in the Lease;

WHEREAS, pursuant to the Lease Summary Section and Section 2.3 of the Lease, Tenant was afforded the option of two (2) ten (10) year renewal terms;

WHEREAS, the Tenant wishes to exercise the first ten (10) year renewal option and the Landlord agrees to the extension subject to additional modifications as described herein; and

WHEREAS, the Parties agree to amend the Lease as set forth herein, and now wish to reduce the terms of their agreement to writing.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- I. **RECITALS:** The foregoing recitals are true and correct in all respects and are incorporated herein by reference.
- II. **DEFINITIONS:** For purposes of this First Amendment, capitalized terms used but not defined herein have the meanings assigned to them in the Lease.
- III. **AMENDMENTS:** The Lease is hereby amended as follows:
 - A. **Section 2: Term of Lease**

The Parties hereby agree to extend the Lease up to and through July 14, 2032 (the “Renewal Term”) on the same terms and conditions as modified by this First Amendment, and subject to earlier termination as provided in this First Amendment and the Lease.

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B. Section 4.1: Base Rent

Section 4 of the Lease is hereby deleted in its entirety and is replaced with the following.

4.1 Base Rent. Tenant shall pay to Landlord, without notice, demand, setoff, or deduction to Landlord (except as expressly provided herein), the monthly base rent of Thirty-Four Thousand Two Hundred Forty-Nine Dollars and Twenty-Two Cents (\$34,249.22) commencing on the start of the first Lease Year of the Renewal Term ("Base Rent"). For purposes of this Lease, the term "Lease Year" shall mean and be defined as that certain twelve month period commencing on the First Amendment Effective Date, and each successive twelve-month period that this Lease is in effect during the Renewal Term. The Base Rent shall be paid to Landlord on or before the 1st day of each month during each Lease Year of the Renewal Term. If the First Amendment Effective Date is other than the first day of a calendar month, the Base Rent for the remaining portion of the calendar month in which the First Amendment Effective Date falls shall be prorated for the first month on the basis of a thirty (30) day month, set off against any overpayment of Base Rent from the last month of the Initial Term, and the balance of the prorated rent for the first month of the Lease Year of the Renewal Term shall be paid on the First Amendment Effective Date. The Base Rent set forth above shall be effective for the first Lease Year of the Renewal Term of this Lease unless Landlord obtains a fair market valuation report conducted by an independent third-party appraisal company ("FMV Report") that determines that the Base Rent is not consistent with the fair market value, in which case the Base Rent shall be adjusted in the first year consistent with the FMV Report and the adjusted amount shall be the Base Rent for purposes of this Lease. Annually, for each successive Lease Year following the first Lease Year, the Base Rent amount paid in the preceding Lease Year shall be subject to a three percent (3%) increase (the "Rental Increase") and such Rental Increase shall be considered the new Base Rent. The determination of the annual Base Rent is at all times subject to the then-current FMV Report obtained by Landlord. After application of the Rental Increase, the Base Rent shall be compared with the FMV Report. The Base Rent may be adjusted up or down as necessary to keep it consistent with the FMV Report and Landlord's policies and procedures, and any adjustments to the Base Rent shall be considered the new Base Rent. All adjustments to the Base Rent, as applicable, shall be communicated between Landlord and Tenant and need not be reflected in a formal written amendment to this Lease.

C. Section 16.5: Modification by Landlord

The following shall be added to the Lease as a new Section 16.5.

16.5 Termination for Relocation by Landlord. Tenant understands and agrees that Landlord, at its sole and absolute discretion, may terminate this Lease upon thirty (30) days prior notice to Tenant for the purposes of relocating Tenant to a new facility(ies) and location(s); provided, however, that any new facility and location shall be sufficient to accommodate Tenant's operational

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needs. To the extent that the Base Rent, as defined in Section 4.1 of this Lease, needs to be increased or decreased based upon Landlord's relocation of Tenant, both Parties shall mutually agree to such modification of the Base Rent.

- IV. COUNTERPARTS:** This First Amendment may be executed in two (2) or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a .PDF format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or .PDF signature page were an original thereof.
- V. ELECTRONIC SIGNATURE:** The Parties agree that this First Amendment or any other document necessary for the consummation of the transaction contemplated by the Lease may be accepted, executed, or agreed to through the use of a digital signature in accordance with the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001, et seq.), Florida's Electronic Signature Act of 1996 (§ 668.001, F.S., et seq.), Florida's Uniform Electronic Transactions Act (§ 668.50, F.S.), and any other applicable federal or state law, and any document accepted, executed, or agreed to in conformity with such laws shall be binding and shall have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility. Both parties hereby consent to the use of any third-party electronic signature capture service providers as may be chosen by either party in conformance with the foregoing laws.
- VI. HEADINGS:** Headings herein are for the convenience of reference only and shall not be considered on any interpretation of this First Amendment or the Lease.
- VII. NO OTHER CHANGES:** Except as modified by this First Amendment, all terms, covenants, obligations and provisions of the Lease shall remain unaltered, shall continue in full force and effect, and are hereby ratified, approved and confirmed by the parties in every respect. If the terms and conditions set forth in this First Amendment directly conflict with any provision contained in the Lease, then this First Amendment shall control.

IN WITNESS WHEREOF, we the undersigned, duly authorized representatives have executed and delivered this First Amendment without reservation and having read the terms and conditions contained herein to be effective as of the First Amendment Effective Date.

**NORTH BROWARD HOSPITAL
DISTRICT D/B/A BROWARD HEALTH**

**CHILDRENS'S DIAGNOSTIC &
TREATMENT CENTER, INC.**

MINUTES

North Broward Hospital District Board of Commissioners
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By: _____
Alexander Fernandez, SVP/Chief Financial Officer

By: _____
Juliette Lippman, Esq., Chairperson

Date: _____

Date: _____

DRAFT