

North Broward Hospital District Board of Commissioners
1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316

FINANCE COMMITTEE MEETING
Immediately following the Pension and Investment Committee Meeting
Wednesday, February 22, 2023

The Finance Committee of the North Broward Hospital District was held at the Broward Health Sports Medicine Building, 1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316.

1. NOTICE

Official notice is attached to these minutes, titled EXHIBIT I. Agenda of this meeting is attached to the minutes, titled EXHIBIT II. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. These exhibits are presented for consideration of the Committee.

2. CALL TO ORDER

There being a quorum present, the meeting was called to order by Chair Paul C. Tanner at 1:57 p.m.

3. ROLL CALL

Present:

Commissioner Jonathan K. Hage (Via TEAMS)
Commissioner Levi G. Williams, Jr.
Commissioner Christopher J. Pernicano (arrival 2:26 p.m.)
Commissioner Stacy L. Angier
Commissioner Nancy W. Stamper
Commissioner Ray T. Berry, Vice Chair
Commissioner Paul C. Tanner, Chair

Senior Leadership

Additionally Present:

Shane Strum, President, Chief Executive Officer
Alan Whaley, EVP, Chief Operating Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel

4. PUBLIC COMMENTS

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

5. APPROVAL OF MEETING MINUTES

5.1. Approval of Finance Committee Meeting Minutes dated January 25, 2023

In light of Chair Tanner's absence during the January 25, 2023, Finance Committee Meeting, Chair Tanner noted that the minutes were reviewed by the Finance Vice Chair, Commissioner Ray T. Berry.

Without objection, Chair Tanner approved the minutes, dated January 25, 2023.

Motion *carried* without dissent.

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*Commissioner Hage joined the meeting via TEAMS at 1:58 p.m.

6. **TOPIC OF DISCUSSION**

6.1. CFO Presentation (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

Mr. Fernandez noted that this CFO presentation would be his last presentation with the organization and thanked the Board for their support over the past nine (9) years.

Mr. Fernandez noted that Mr. Shane Strum was the 8th President/CEO during Mr. Fernandez's tenure. Mr. Strum was recognized for taking the organization to the next level. Mr. Fernandez cautioned that competitive healthcare organizations recognize the District's success and the potential recruitment risk of its current leaders.

Commissioner Berry echoed Mr. Fernandez's concern of potential recruitment to competitive healthcare organizations. Additionally, noted the difference of salaries between the South Broward Hospital District and the North Broward Hospital District.

To ensure the District's retention of talent, and in consideration of the recent resignations of Alex Fernandez, SVP, Chief Financial Officer and Jared Smith, Broward Health Coral Springs Chief Executive Officer, it was recommended that salaries be discussed and adjusted, starting from the President/CEO and C-Suite Senior Leadership, to be more competitive with the South District.

WALK-ON MOTION It was *moved* by Commissioner Berry, *seconded* by Commissioner Stamper, that:

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District increase the salary of Mr. Shane Strum, President/Chief Executive Officer to be equal of that of the South Broward Hospital District President/Chief Executive Officer.

* Commissioner Pernicano joined the meeting at 2:26 p.m., and discussion ensued to an amendment by Commissioner Williams.

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the Human Resource Department, Finance Department, Legal Department, Chief Operating Officer and President/Chief Executive Officer, to come back to the board to propose a compensation increase strategy, over a period of time, for all top to bottom associates including the salary of Mr. Shane Strum, President/Chief Executive Officer.

Commissioner Williams shared the reasoning for the amended motion as a means to assist in designing a plan of action and timeline for salary increases of all associates ensuring market competitiveness and retention.

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Motion confirmed by roll-call vote:

YES Commissioner Levi G. Williams, Jr.
NO Commissioner Ray T. Berry
NO Commissioner Nancy W. Stamper
NO Commissioner Paul C. Tanner, Secretary/Treasurer
NO Commissioner Christopher J. Pernicano, Vice Chair
NO Commissioner Stacy L. Angier, Chair

Motion *failed* 5 to 1.

RESTATED ORIGINAL

MOTION That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District adjust the base salary for Mr. Shane Strum, President/CEO, effective Wednesday, February 22, 2023.

Motion confirmed by roll call.

YES Commissioner Christopher J. Pernicano
YES Commissioner Levi G. Williams, Jr.
YES Commissioner Stacy L. Angier
YES Commissioner Nancy W. Stamper
YES Commissioner Ray T. Berry, Vice Chair
YES Commissioner Paul C. Tanner, Chair

*Commissioner Hage disconnected from TEAMS and arrived in-person for the remaining portion of the meeting at 2:46 p.m., in which he asked that his roll call vote be recorded as a **YES**.

Motion *carried* 7/0.

Mr. Fernandez continued to share his final monthly CFO Presentation that included financial detail for the entire Broward Health System.

6.2. Approval of Interim Financial Statements for the month of January 2023 (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

MOTION It was *moved* by Commissioner Angier, *seconded* by Commissioner Stamper, that:

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District approve the Interim Financial Statement for the month of January 2023, as presented.

Motion *carried* unanimously.

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6.3. Resolution FY23-06, Resolution Amending the Bylaws and Modifying the Composition of the Board of Directors of Broward Health ACO Services, Inc. (Presenter – Linda Epstein, General Counsel)

Ms. Epstein shared detail to proposed modifications within Resolution FY23-06.

Discussion ensued, in which Commissioner Williams expressed continued concern of Resolutions specifically wherein the Board authorizes the President/CEO, or designee, to act on behalf of the Board. He further suggested that the abovementioned be bifurcated, striking all references of “The President/CEO of the North Broward Hospital District, or his or her designee, is authorized to act on behalf of “Member”...”.

It was agreed that the subject on resolutions and authorities be taken up at a future Governance Committee meeting.

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District approve Resolution FY23-06, Resolution Amending the Bylaws and Modifying the Composition of the Board of Directors of Broward Health ACO Services, Inc., as presented.

Motion *carried* 6 to 1.

6.4. Approval of settlement and execution of a settlement agreement and release in the Colson Hicks Eidson, P.A. v. NBHD case (Presenter – Linda Epstein, General Counsel)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to execute a Settlement Agreement and Release in the Colson Hicks Eidson, P.A. v. NBHD case and to approve a settlement in the amount of \$235,000 for fees incurred in the State of Florida v Lynn Barrett, Case Number 17010909MM10A in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida.

Motion *carried* unanimously.

6.5. Federally Qualified Health Center update (Presenter – William Green, Executive Director/Project Director FQHC)

Mr. William Green provided a summary of the Federally Qualified Health Center including, but not limited to:

- Operational Site Visits
- Findings
- Corrective Actions

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For further detail, related slides are available within the February 2023 Finance Committee Meeting book on the Board of Commissioners' webpage.

6.6. Broward Health Diverse Vendor Participation Report (Presenters – Jorge Hernandez, VP, Supply Chain / Chief Procurement Officer and LaRae Floyd, Manager, Supply Chain Operations & Diversity)

Due to time constraints agenda item 6.6. was deferred to the March 2023 Finance Committee meeting.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 3:28 p.m.

Respectfully submitted,
Commissioner Paul C. Tanner, Secretary/Treasurer

Resolution FY 23-06

Resolution Amending the Bylaws and Modifying the Composition of the Board of Directors of Broward Health ACO Services, Inc.

WHEREAS, the North Broward Hospital District (the “District”) is a special taxing district of the State of Florida established for the health care needs of the residents of the District and is authorized and empowered to maintain hospitals and supportive facilities for the care and treatment of the people of said District, as well as establish subsidiary and affiliate organizations which foster the administration of such services;

WHEREAS, the District is governed by the seven-member Board of Commissioners of North Broward Hospital District (the “Board”) who are all appointed by the Governor of the State of Florida;

WHEREAS, the District established Broward Health ACO Services, Inc. (“ACO”) as a Florida not-for-profit corporation duly organized pursuant to the Florida Not For Profit Corporation Act, § 617.01011, *et seq.*, Florida Statutes;

WHEREAS, the Amended and Restated Articles of Incorporation of Broward Health ACO Services, Inc. (“Articles of Incorporation”), establishes the ACO and provides that the District is the sole member of the ACO;

WHEREAS, Art. VII of the Articles of Incorporation and Art. IX of the Amended and Restated Bylaws of Broward Health ACO Services, Inc., effective as of September 25, 2019, (the “Bylaws”), as subsequently amended, reserve to the District the sole power to make any alterations or amendments to the Bylaws;

WHEREAS, the District wishes to amend certain provisions of the Bylaws as set forth herein;

WHEREAS, the ACO is governed by a Board of Directors, the appointment and removal of whose Directors is reserved to the District pursuant to Art. V of the Articles of Incorporation and Section 3(a) and Section 5 of Art. III of the Bylaws;

WHEREAS, the District wishes to remove a Director from and appoint two new Directors to the ACO’s Board of Directors; and

WHEREAS, 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 of the Board of Commissioners of the North Broward Hospital District.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of North Broward Hospital District, that:

1. The Bylaws are hereby amended as provided below. Except with respect to section titles and certain officer titles, words ~~stricken~~ are deletions and words underlined are additions.
2. Art. III, s. 3. of the Bylaws is hereby amended to read as follows:

1. Section 3. Number, Appointment & Resignation.

- (a) The Board of Directors shall consist of not less than five (5) but not more than nine (9) Directors. The number of Directors of the Corporation shall be fixed from time to time, within any limits set forth in the Articles of Incorporation, by ~~resolution of the Member.~~ ~~Any decrease in the number of Directors shall not shorten the term of an incumbent Director.~~ Directors shall be appointed by the Member from time to time as the needs of the Corporation may require. Each Director appointed shall hold office until his or her successor is duly appointed and qualified or until his or her resignation or removal. In the absence of an express determination by the Member, the number of Directors, until changed by the Member, shall be the total number of Directors appointed last fixed by the Member ~~during the preceding annual period.~~ The President/CEO of the North Broward Hospital District, or his or her designee, is authorized to act on behalf of the Member to appoint Directors and to fix the number of Directors within any limits set forth in the Articles of Incorporation.
- (b) A Director may resign at any time by delivering written notice to the Corporation. The resignation shall be effective upon receipt, unless the notice specifies a later effective date. If the resignation is effective at a later date and the Corporation accepts the future effective date, the Member may fill the pending vacancy, pursuant to Article III, Section 4 below, effective at the effective time of the resignation.

3. Art. III, s. 4. of the Bylaws is hereby amended to read as follows:

Section 4. Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of Directors, may be filled by appointment by the Member. ~~A Director appointed to fill a vacancy shall hold office for the unexpired term of his or her predecessor in office. Any Director position to be filled by reason of an increase in the number of Directors may be filled by appointment by the Member, but only for a term of office continuing until the next appointment of Directors.~~ The President/CEO of the North Broward Hospital District, or his or her designee, is authorized to act on behalf of the Member to fill by appointment a vacancy occurring in the Board of Directors.

4. Art. III, s. 5. of the Bylaws is hereby amended to read as follows:

Section 5. Removal of Directors. A Director may be removed by the Member with or without cause. The President/CEO of the North Broward Hospital District, or his or her designee, is authorized to act on behalf of the Member to remove a Director with or without cause.

5. In accordance with Art. V of the Articles of Incorporation and Art. III, s. 5 of the Bylaws, the Board hereby removes Keith Foster, M.D. from his role as a Director of the Board of Directors of the ACO.
6. In accordance with Art. V of the Articles of Incorporation and Art. III, s. 3(a) of the Bylaws, the Board hereby appoints James Roach, D.O. and Maxine Hamilton, M.D. to hold office and serve as Directors of the Board of Directors of the ACO.
7. The number of Directors on the ACO Board of Directors is hereby fixed at eight (8).
8. As a result of the foregoing removal and appointment, the Board of Directors of the ACO

therefore now consists of the following eight (8) individuals:

Jon Albee
Aldo Calvo, D.O.
Jerry Capote, M.D.
Husman Khan, M.D.
Joshua Lenchus, D.O.
Avinash Persad, M.D.
James Roach, D.O.
Maxine Hamilton, M.D.

9. This resolution is effective immediately upon its ratification by the Board.
10. This resolution hereby supersedes, amends, replaces and repeals any conflicting resolution or conflicting policy previously adopted by the Board.

DULY ADOPTED this 22nd day of February, 2023.

Time Adopted 5:26 PM