

**MONTROSE MEMORIAL HOSPITAL
BOARD OF TRUSTEES
SPECIAL MEETING MINUTES
MAY 6, 2019**

The special meeting of the Board of Trustees of Montrose Memorial Hospital was held Monday, May 6, 2019 at 1:00 p.m. in the Montrose County Board Room, located at 161 S. Townsend Ave, Montrose, CO, 81401.

Call to Order: The regular meeting was called to order at 1:04 p.m. by President Mark Rackay.

Roll call:

Mark Rackay, President	- Present
Joe Saunders, Vice President	- Present
Phil Booker, Secretary/Treasurer	- Present
Sheena Yehling, Trustee	- Present
Michelle Haynes, Trustee	- Absent
Daniel Lambert, Trustee	- Present
Alexander Parker, Trustee	- Present

Quorum present.

Also present: County Commissioner Sue Hanson
Assistant County Attorney Julie Address
Allison Mason, Assistant Secretary

Pledge of Allegiance

1.0 Public Comments: None.

2.0 New Items:

(2.01) Review trustee orientation materials – President Mark Rackay discussed with Assistant County Attorney Julie Address the need for a written orientation for existing and future members of the Board of Trustees, so that obscure issues could be clarified. He noted that the board needed to know exactly how to follow the statutory and lease obligations, and thereby avoid future litigation and while maintaining good relationships with the county and the Board of Directors. Address and the board agreed that most of the confusion came from the relationship between MMH the enterprise, MMHI, and the Board of Trustees, and the duties and obligations surrounding each.

Secretary/Treasurer Phil Booker said he was not always sure which hospital financial information could be shared publicly and which was confidential. Address suggested that if there is a question concerning the confidentiality of the information being shared, the board should discuss it in executive session and avoid sharing it in a public meeting.

Vice President Joe Saunders asked Address to review the settlement agreement with the board, since the majority of the board members joined the board after the agreement was ratified in November of 2017 and had no direct experience with the prior litigation. Rackay summarized for the new board members how the litigation beginning in 2015 came about. Resolution 27-2014 was adopted by the Board of County Commissioners in 2014 and called for the hospital to comply with statutory reporting (and other) requirements. In 2015, the Board of Trustees passed Resolution #15-03 in support of the commissioners' resolution. In response, MMHI sued the BOCC, contesting its duty to comply with the requirements set forth in the resolution, saying the obligations did not apply since the Trustees had agreed to lease the hospital to MMHI in

2010. The Board of Trustees entered the litigation in 2015. By the end of 2017, the MMHI Board of Directors reached a settlement agreement with the BOT and BOCC. The agreement was meant to uphold the original statutes of the Hospital Act (C.R.S. 25-3) and the Board of Trustees' role as overseer and landlord. The settlement agreement specifically calls for trustees to sit on MMHI committees and keeps an open line of communication between the Board of Directors and the Board of Trustees.

Commissioner Sue Hansen asked Address about the Board of Trustees designating itself as an enterprise. Address confirmed that this can be done as long as the hospital receives no more than 10% of its funding from state government. [The Board of Trustees designated the hospital as an enterprise in 1996 and passed Resolution #11-09 in 2011 upholding that designation]. Then Hansen said she would like to better understand the grey areas concerning the relationship between the MMHI, the BOT, and the BOCC, especially concerning confidentiality, since the MMHI committees had invited her to attend their meetings.

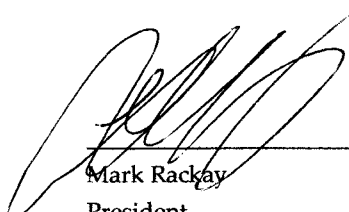
Another grey area was indebtedness. Rackay said that should MMH go under, the burden no longer would fall on the taxpayers, since the bonds were refinanced against MMHI assets. The hospital would revert back to county management, and the Board of Trustees would resume the role now held by the Board of Directors. The county would not be liable for any of MMHI's debt. Hansen cautioned that even though the debt does not belong to the county, the county should be prepared to run the hospital.

Trustee Zander Parker said it was his understanding that the county must approve all decisions concerning the real property and buildings of MMH. Rackay confirmed that only the county can govern the real property, since it is titled to the County. Parker said he would like the lease schedule to be available so he could be clear as to what assets were leased. The entire lease is available in the office in paper and electronic formats.

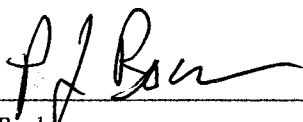
Rackay mentioned the requirement for the hospital to provide directors and officers liability insurance to the Board of Trustees. Administrative Assistant Allison Mason said she would work with the insurance agent to make sure the trustees had coverage and to have the certificate updated to clearly show the trustees as insured.

Hansen asked for further clarification on which information from the MMHI Finance Committee meetings is confidential and which can be freely shared. Address said it was up to MMHI make that distinction. Rackay suggested that Ron Courtney, the Board of Directors' liaison to the trustees and former MMHI Board Chair, be present at the next orientation meeting.

3.0 Adjournment: Vice President Joe Saunders moved to adjourn the meeting. Secretary/Treasurer Phil Booker seconded. **Motion carried.** Meeting adjourned at 1:42 p.m.



Mark Rackay
President



Phil Booker
Secretary/Treasurer

