

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

FINANCE COMMITTEE MEETING
Immediately Following the Pension and Investment Committee Meeting
Wednesday, May 18, 2022

The Finance Committee of the North Broward Hospital District was held on May 18, 2022, immediately following the Pension and Investment Committee Meeting, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

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 Marie C. Waugh at 4:27 p.m.

3. **ROLL CALL**

Present:

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

Not Present:

Commissioner Jonathan K. Hage

Senior Leadership

Additionally Present:

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

4. **PUBLIC COMMENTS**

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

5. **APPROVAL OF MEETING MINUTES DATED MARCH 23, 2022**

Without objection, Chair Waugh approved the minutes, dated March 23, 2022.

Motion *carried* without dissent.

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6. TOPIC OF DISCUSSION

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

Mr. Fernandez shared that the District secured their best performing cash month in the history of the District. Noted that this achievement was partially attributed to Commissioner Berry's passion to see the District be the best in all aspects and with his expertise being in Revenue Cycle, Commissioner Berry encouraged focus on driving excellence in revenue cycle. As a result of attaining record breaking performance, Commissioner Berry acknowledged the Revenue Cycle Team, consisting of approximately 450 associates, with catered lunches from YOLO Restaurant.

Mr. Fernandez presented Commissioner Berry with the Finance Committee Train Award and a personalized *Thank You* postcard signed by the Revenue Cycle Team. Applause was given and photos taken.

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

For further detail, related slides are available within the May 2022 Finance Committee Meeting book on the Board of Commissioners' webpage.

6.2. Approval of Interim Financial Statements for the month of March 2022 (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

MOTION It was *moved* by Commissioner Pernicano, *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 March 2022, as presented.

Motion confirmed by roll call.

YES Commissioner Levi G. Williams, Jr.

YES Commissioner Stacy L. Angier

YES Commissioner Nancy W. Stamper

YES Commissioner Ray T. Berry

YES Commissioner Christopher J. Pernicano, Vice Chair

YES Commissioner Marie C. Waugh, Chair

Motion *carried* 6/0.

6.3. Approval of Interim Financial Statements for the month of April 2022 (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

MOTION It was *moved* by Commissioner Berry, *seconded* by Commissioner Angier, 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 April 2022, as presented.

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Motion confirmed by roll call.

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

Motion *carried* 6/0.

6.4. Gold Coast Home Health, Approval to close down and sell the assets of Gold Coast Home Health (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

Discussion ensued regarding select terms of the agreement(s) including, but not limited to, retention of existing Broward Health service line associates, salaries and benefits. In addition to providing indigent care on a continuing basis. Mr. Fernandez and Mr. Brett Bauman, Sr. Associate General Counsel, provided detail to subject agreement(s).

Mr. Fernandez agreed to send the District's GA-002-065 Uncompensated Indigent Care Program Policy at Commissioner Williams' request.

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to close down the District's operation of Broward Health Home Health, sell off the assets of Broward Health Home Health on terms and conditions that are in the best interests of the District as determined by the District's CEO, and take all other such deeds and acts consistent and necessary to effectuate the foregoing.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

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6.5. Systemwide, Approval to pay over \$400,000 for Sellers Dorsey Contract (Presenter – Alex Fernandez, SVP, Chief Financial Officer)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize 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., as presented.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

6.6. BHPG, Authorization to enter into a two-year employment agreement with Dr. Warren Sturman up to the 82nd percentile for the provision of internal medicine services at Broward Health Medical Center (Presenter – Ken Hetlage, Interim Chief Operating Officer)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize 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, as presented.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

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- 6.7. BHC, Authorization to move forward with the approval of the additional budget for the implementation of Infor CloudSuite: Financial Services, Human Capital Management and Supply Chain (Lawson ERP Replacement) (Presenter – Ken Hetlage, Interim Chief Operating Officer)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into a contractual agreement with ROI Healthcare Solutions LLC in the amount of \$2,200,000., as presented.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

- 6.8. BHN, Authorization to move forward on the replacement of the aged O-Arm and, two Stealth Navigation Towers for Neuro/Stroke, Spine & ENT Programs (Presenter – Ken Hetlage, Interim Chief Operating Officer)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize 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, as presented.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

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- 6.9. Authorization to enter into a 10-year lease extension with Children’s Diagnostic & Treatment Center (“CDTC”) at 1401 South Federal Highway, Fort Lauderdale, Florida on the terms and conditions outlined in Exhibit A, attached here to and incorporated herein by reference (Presenter – Ken Hetlage, Interim Chief Operating Officer)

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize 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 here to and incorporated herein by reference, as presented.

Motion confirmed by roll call.

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

Motion *carried* 6/0.

- 6.10. Federally Qualified Health Center Presentation (Presenter – William Green, Executive Project Director, FQHC)

Mr. William Green provided a brief implementation update following the October 27, 2021 Board approval to transition from Community Health Services Health Center to a Federally Qualified Health Center.

For further detail, related slides are available within the May 2022 Finance Committee Meeting book on the Board of Commissioners’ webpage.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 5:30 p.m.

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

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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.

B. Section 4.1: Base Rent

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

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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 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.

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- 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.**

By: _____
Alexander Fernandez, SVP/Chief Financial Officer

By: _____
Juliette Lippman, Esq., Chairperson

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Date: _____

Date: _____

APPROVED