

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY

MINUTES OF THE NOVEMBER 21, 2019 MEETING

(Open Session)

Attendees:

Authority Board Members: Fred Ghiglieri, Joel Callins, Dr. Kathy Hudson, Clinton Johnson, Dr. Michael Laslie, Ferrell Moultrie, Glenn Singfield, Dr. Tania Smith, and Nyota Tucker

Authority Legal Counsel: Tommy Coleman

Those Present on Behalf of Phoebe Putney Memorial Hospital, Inc.: Joe Austin, Dawn Benson, Jessica Castle, Brian Church, Dr. Steve Kitchen, Felicia Lewis, Evelyn Olenick, Ben Roberts, Scott Steiner

Absent Authority Members: None

Open Meeting and Establish a Quorum:

Chair Ghiglieri called the meeting to order at 7:31am in the Willson Board Room at Phoebe Putney Memorial Hospital. He thanked all Members for their attendance and participation and he observed that a quorum was present.

Approval of the Agenda:

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the proposed Agenda for the meeting was made by Clinton Johnson and seconded by Dr. Kathy Hudson. A copy of the Agenda as adopted is attached.

Approval of the Minutes:

The proposed Minutes of the August 15, 2019 open session meeting of the Authority had been provided to Members prior to this meeting and the same were considered for approval. Dr. Hudson made a motion and Glenn Singfield seconded the motion, to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members.

The proposed Minutes of the October 17, 2019 open session called meeting of the Authority had likewise been provided to Members prior to this meeting and the same were considered for approval. Dr. Hudson made a motion and Mr. Johnson seconded the motion, to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members.

Certified Authority Audit for FYE 2019:

Jeffrey Wright, assisted by Stephen Harrell, each of Draffin & Tucker, CPAs, presented the Audited Financial Statements for the Authority for the year ending July 31, 2019 and the report also showed the 2018 financial statements for comparison purposes. Discussions, questions, and comments ensued. A copy of the Audit is attached hereto. On behalf of Management, a motion was made by Brian Church,

seconded by Dr. Tania Smith to adopt and approve the Certified FYE Authority 2019 Audit as prepared and presented by Draffin & Tucker. The motion passed unanimously by vote of all Members. A bound copy of the Authority Audit was offered to all Authority Members and a copy is retained with these Minutes. A request was made by the Authority Members that when Draffin & Tucker, CPAs, prepares the Financial Audit for the HAADC for year ending 2020, to expand paragraph "Other Matters" to give more definition as to why "missing information" is acceptable for the HAADC financials.

Financial Reports:

Brian Church, CFO of PPMH, Inc., presented and reviewed an interim financial report for the Authority's current fiscal year through October 31, 2019. Copies of the Authority's Financial Statements as presented by Mr. Church are attached.

PPMH, Inc. CEO and Operational Reports:

Joe Austin, CEO of PPMH, Inc., reported on the LeapFrog Hospital Safety Grades and noted that PPMH received an "A" letter score for Fall 2019. Mr. Austin also provided an update on Phoebe Volunteer Services, new imaging services available at Meredyth location, enhanced lab automation at PPMH Main campus, and the proposed SIM Lab, scheduled to go-live April 2020. Dr. Evelyn Olenick, CNO of PPMH, Inc., and Scott Steiner, President/CEO of PPHS, Inc., spoke on the benefits of the SIM lab including partnerships with other teaching institutions. Mr. Austin also reported on projects in development including vascular las relocation, installation of second operating room hybrid room, and five-year operating room modernization plan. Discussion and questions ensued. Copies of Mr. Austin's presentation as presented are attached.

Scott Steiner, President/CEO of PPHS, Inc., reported on the recent Phoebe Focus strategic pillars and key investments and presented an Inside Phoebe with Ben Roberts video on Phoebe Focus. He reported that focus groups are being formed and interested community members may sign up at phoebefocus.com. Discussion and questions ensued. Copies of Mr. Steiner's presentation as presented are attached.

Financial Transparency Rules Implementation at PPMH:

Mr. Church reported that effective October 1, 2019, Georgia House Bill 321 requires all not-for-profits in Georgia – and only not-for-profit hospitals – to post a link in a prominent location on the main page of its website to the most recent version of documents including audited financial statements, 990s, GA DCH annual hospital questionnaire, Community Benefit Report, and others. Ms. Jessica Castle, VP of Marketing for PPHS, Inc., provided a live demonstration of documents located on Phoebe's Transparency Information page on Phoebe's website. Mr. Church noted that Phoebe has been an industry leader when it comes to sharing information about our organization and all the information listed is in accordance with the new law. Copies of Mr. Church's presentation as presented, and a handout provided by Ms. Castle are attached.

Lease Analysis Ad-Hoc Committee Update since August 15, 2019 HAADC Discussion:

Dr. Tania Smith, Chair of the Lease Analysis Ad-Hoc Committee, updated the Authority on the proposed Lease Analysis and noted the scope would include quality of care, financial management, reduction of costs, maintenance of plant, and indigent care. Dr. Smith reported the RFP would be reviewed at the

ad-hoc committee scheduled immediately following the conclusion of today's Authority meeting. Discussion and questions by the Authority Members ensued regarding timing and approval of the RFP process.

HAADC Bond Interest Rate Opportunity Potential:

Mr. Church reminded the Authority Members that corporate tax reform resulted in increased interest expense for Phoebe, so the 2008A&B Series bonds were refinanced and have enjoyed a healthy decline in interest rates. Mr. Church reported on the London Interbank Offered Rate (LIBOR) and how it has declined in the last 12 months. He reported that from November 2018 to November 2019, Phoebe has saved \$616,000 in annual interest rate savings. Mr. Church reported he will be closely watching the LIBOR rates weekly and if the rates get to a range around 1.0-1.25%, it may be the right time to lock in a 9-20 year fixed rate on this debt and he will request approval at a future Authority meeting.

Closing of the Meeting:

A motion was made by Mr. Callins, seconded by Ms. Tucker to close the meeting for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategies that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, or (iii) to discuss confidential matters or information pertaining to peer review or provided by a peer review organization as defined in O.C.G.A. §31-7-131.

Chair Ghiglieri polled each individual Authority Member present with respect to his or her vote on the motion and the vote of each of the Members is shown below, with no Member opposing:

Fred Ghiglieri	Yes
Joel Callins	Yes
Dr. Kathy Hudson	Yes
Clinton Johnson	Yes
Dr. Michael Laslie	Yes
Ferrell Moultrie	Yes
Glenn Singfield	Yes
Dr. Tania Smith	Yes
Nyota Tucker	Yes

The motion having passed, the meeting closed.

Open Session Reconvened:

Pursuant to the unanimous vote of all Members in attendance at the conclusion of the Closed Session, the meeting reopened.

2020 Meeting Schedule:

Chair Ghiglieri noted the next meeting is scheduled for February 20, 2020 and all Members were in agreement of this meeting date. Chair Ghiglieri noted that the remaining 2020 meetings dates will be approved at the February meeting.

Adjournment:

There being no further business the meeting was adjourned.