

DRAFT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION**

September 10, 2014

The Nueces County Hospital District Board of Managers met in **SPECIAL SESSION** in the NCHD Board Room at 555 N. Carancahua, Suite 950-A, Corpus Christi, TX on Wednesday, September 10, 2014 at 9:00 a.m.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp, Administrator/CEO
Dena B. Bruni, Assistant Administrator, Administrative Services
Wm. DeWitt Alsup, Attorney, Alsup Law Firm
Catherine Heller, Assistant County Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Gary Eiland, Attorney, King & Spalding, LLP., Houston, Texas
Adam Robison, Attorney, King & Spalding, LLP., Houston, Texas
John Michael, P.E., Naismaith Engineering, Inc.
Pam Robertson, President/CEO, Christus Spohn Health System Corporation
Pam Brower, CFO, Christus Spohn Health System Corporation
Estela Chapa, COO, Christus Spohn Health System Corporation
Kelly Elkins, Staff, Christus Spohn Health System Corporation
Katy Kiser, Manager of Marketing & Communications, Christus Spohn Health System Corp.
Osbert Blow, M.D., Christus Spohn Hospital - Memorial
Diane Lowrance, Executive Director, Behavioral Health Center of Nueces County
Jay Woodall, Corpus Christi Medical Center
Cecilia Garcia-Akers, Dr. Hector P. Garcia Foundation
Jim Akers, Dr. Hector P. Garcia Foundation
Servando Caballero, Public Citizen
Dave Hendricks, Reporter, Caller Times
J. Salinas, GII
David Engel

-
1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 9:05 a.m.

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION
September 10, 2014**

2. **Establishment of Quorum** - Mr. Huseman

A quorum was present with six members in attendance.

Van Huseman, Chairman - PRESENT

Claude "Cal" Jennings, Member - PRESENT

Rodney J. Hart, Member - PRESENT

Irma Caballero, Member - PRESENT

Robert N. Corrigan, Jr., Member - PRESENT

Raymond F. Wetegrove, Member - PRESENT

Dan Winship, Member - **ABSENT**

3. **PUBLIC COMMENT** - Person(s) wishing to comment must sign-in on the "Agenda Item Request to Speak" form provided at the entrance of the Board meeting room at least five (5) minutes prior to commencement of the Board meeting. See the "Public Comment" section of the preceding General Information page for additional Public Comment-related information; commenters shall limit their comments to three (3) minutes.

None requested. An original blank (no signatures) "Request to Speak" sign-in sheet is attached hereto for information and made a part of these minutes.

Mr. Huseman made a few comments about the discussion that will be held regarding the negotiations by and between the Nueces County Hospital District and Christus Spohn Health System Corporation. He mentioned three important points:

- ▶ First, the proposal under discussion here today is basically a Letter of Intent (LOI). This is not the final documents there will be further negotiations and discussions. there will be additional changes and before anything is approved it will be presented to this Board and Commissioner Court for final approval;
- ▶ Second, this is a negotiated document and there's been extensive and expensive negotiations over several months. We've tried to achieve the best that negotiations can achieve, the best compromises of the different interests in trying to achieve the best all concerned; and

MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION
September 10, 2014

- ▶ Third, the issue about a delay of this process was addressed. As a reminder to all parties that the Nueces County Hospital District is not a political body/entity.

Mr. Hipp thanked board members and others present at this meeting. He addressed some of the highlights and stated why this deal makes sense to the Hospital District and care of the indigent moving forward. He stated that Hospital District and Christus Spohn Health System Corporation have embarked in a fair and unique project. There's no other in the state. The Baptist Foundation agreed to deed changes with this proposal.

4. SPECIAL AGENDA:

- A. Discuss and consider any necessary action relating to receipt of a Material Alteration Notice and related consent request from Christus Spohn Health System Corporation applicable to Hospital District-owned hospital real property presently known as Christus Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas; Alteration Notice and consent request includes, but is not limited to, proposed construction by Christus Spohn of a new ambulatory health center on the hospital campus and then demolition of the hospital buildings located on the campus; Alteration Notice and consent request provided in accordance with Schedule 1, Section 3.8.6 of Christus Spohn Health System Corporation Membership Agreement between the Hospital District and Christus Health - ACTION

On motion by Ms. Caballero, seconded by Mr. Jennings, the Board of Managers accepted and approves receipt of a Material Alteration Notice request from Christus Spohn Health System Corporation applicable to Hospital District-owned real property presently known as Christus Spohn Hospital Corpus Christi - Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas; Alteration Notice and consent request includes, but is not limited to, proposed construction by Christus Spohn of a new ambulatory health center on the hospital campus and then demolition of the hospital buildings located on the Memorial campus; Alteration Notice and consent request provided in accordance with Schedule 1, Section 3.8.6 of Christus Spohn Health System Corporation Membership Agreement between the Nueces County Hospital District and Christus Spohn Health System Corporation. **MOTION CARRIED.** Copy of draft and undated document relating to Material Alteration Notice for Christus Spohn Hospital Corpus Christi - Memorial is

MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION
September 10, 2014

attached hereto and made a part of these minutes.

- B. Discuss and consider adopting a Board of Managers Resolution approving a binding Letter of Intent between the Hospital District and Christus Spohn Health System Corporation relating to the District's receipt of Christus Spohn's Material Alteration Notice and related consent request applicable to District-owned hospital real property presently known as Christus Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas; Letter of Intent includes, but is not limited to, Christus Spohn's intent to: (i)construct an ambulatory health center of at least 40,000 square feet to provide comprehensive outpatient medical care on the District-owned hospital campus; (ii) relocate the inpatient beds and Level II trauma center from the hospital to the Christus Spohn Shoreline hospital facility; and (iii) then demolish the existing buildings on the campus; Letter of Intent subject to Commissioners Court approval and authorize Administrator to execute the Letter of Intent and any other related documents necessary to achieve the objectives of the Letter of Intent - ACTION

On the same motion by Ms. Caballero, seconded by Mr. Jennings, the Board of Managers adopted a resolution approving a binding Letter of Intent (LOI) between the Hospital District and Christus Spohn Health System Corporation relating to the District's receipt of Christus Spohn's Material Alteration Notice and related consent request applicable to District-owned hospital real property presently known as Christus Spohn Hospital Corpus Christi - Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard, Corpus Christi, Texas; Letter of Intent includes, but no limited to, Christus Spohn's intent to: (i)construct an ambulatory health center of at least 40,000 square feet to provide comprehensive outpatient medical care on the District-owned hospital campus; (ii) relocate the inpatient beds and Level II trauma center from the hospital to the Christus Spohn Shoreline hospital facility; and (iii) then demolish the existing buildings on the Memorial campus; Letter of Intent subject to Commissioners Court approval and further authorizes Administrator to execute the Letter of Intent and any other related documents necessary to achieve the objective of the Letter of Intent. MOTION CARRIED. Original executed resolution and its Exhibit "A" Letter of Intent are attached hereto and made a part of these minutes.

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION
September 10, 2014**

Mr. Hipp added if Letter of Intent is approved today, it will include the closing of Memorial Hospital.

5. **ADJOURN**

There being no further business, and on motion by Mr. Hart, seconded by Mr. Corrigan. the meeting adjourned at 11:45 a.m.

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
SPECIAL SESSION
September 10, 2014**

PRESIDING OFFICER:

Van Huseman, Chairman
Board of Managers
Nueces County Hospital District

ATTEST:

Jonny F. Hipp, Secretary
Board of Managers
Nueces County Hospital District

Wm. DeWitt Alsup, General Counsel
Nueces County Hospital District