



**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**BOARD MEETING MINUTES**

AGENDA ITEM	DISCUSSIONS/CONCLUSIONS	ACTIONS/FOLLOW-UP/ RESPONSIBLE PARTY
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<p><b>PRESENT AT MEETING:</b></p>	<p><b>Board Members:</b> John Mohun, President; Larry Long, Vice President; Karen Sessler, M.D., Secretary; Dale Chamblin, Treasurer; Roger Kahn, Board Member</p> <p><b>Staff:</b> Bob Schapper, CEO; Virginia Razo, COO; Crystal Betts, CFO; Judy Newland, Chief Nursing Officer; Gail Betz, Compliance Officer; Patricia Barrett, Executive Assistant/Clerk of the Board</p> <p><b>Others:</b> Steve Gross, Legal Counsel</p>	
<p>1. <b>Call to Order</b></p>	<p><b>Director Mohun called the meeting to order at 4:02 p.m.</b></p>	
<p>2. <b>Roll Call</b></p>	<p>The Roll Call reflected that all Board members were present.</p>	
<p>3. <b>Clear the Agenda/Items Not On the Posted Agenda</b></p>		
<p>4. <b>Input -- Audience Employee Associations</b></p>	<p>Employee Association input was asked, but none was offered.</p> <p>Trinkie Watson shared notes and comments compiled by community members related to Closed session item C. Many expected the issue brought forth at the last meeting. Other CEOs of public offices are afforded immunity of legal representation by legal counsel. The Board's denial of the immunity is unethical. It is a moral obligation to reimburse the CEO for costs the Board caused him to incur. Not doing so will expose the Board to potential litigation. When a new CEO candidate is being recruited, he/she will examine the Board's action will be heavily weighted. Immunity should have been treated with respect and confidentiality.</p> <p>Russ Anderson requested clarification as to the identity of the last</p>	



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	<p>speaker. Ms. Watson introduced herself.</p> <p>John Falk spoke to item C noting that it is a large chunk of money being requested for reimbursement. If the CEO is exonerated, it will give the public greater comfort. If the findings remain sealed the Board cannot in good faith direct money toward reimbursement</p> <p>Greg Jellinek stated that “insufficient evidence” by definition indicates there was some evidence.</p> <p>Mark Spohr stated his belief that there is an ongoing cover up of this issue. Until the report is cleared it is premature to reimburse any funds. After it has been cleared, it needs to be out in the open. Potential corruption needs to be out in the open.</p> <p>CEO, Bob Schapper, read a statement that was distributed to the Board and community for reference.</p> <p>Greg Jellinek was afforded the opportunity to address the Board a second time and read a section of the 1090 code related to financial interest by a governing body.</p> <p>John Falk was afforded the opportunity to address the Board a second time and shared that he had had personal conversations with the CEO. The CEO passionately believes the investigation has shown an absence of wrong doing. Unseal the investigation with the consent of the CEO as it is a personnel issue as well. Director Mohun requested clarification that the requested report was for the District’s</p>	
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	independent investigator's report.	
<b>5. Closed Session:</b>	Closed session began at 4:27 p.m.	
<b>A.</b> Approval of closed session minutes of 7/11/14; 7/22/14; 8/12/14; 8/21/14; and 9/23/14	Draft minutes included in closed session agenda packet for review.	
<b>B.</b> Chief Executive Officer Performance Evaluation, Including Eligible Incentive Compensation	Discussion held on a privileged matter.	
<b>C.</b> Consideration of Claim (Potential Litigation) [1 claim]	Discussion held on a privileged matter.	
<b>6. Open Session – Call to Order</b>	Director Mohun called the open session to order at 7:05 p.m.	
<b>7. Clear The Agenda/Items Not On The Posted Agenda</b>	The agenda was cleared. Item B.i.1 Higgins contract removed from the agenda.	
<b>8. Input – Audience:</b>	Audience input was asked, but none was offered.	
<b>9. Input From Employee Associations</b>	Employee Associations input was asked, but none was offered.	
<b>10. Number intentionally left blank</b>		
<b>11. Consent Calendar:</b>		
<b>A.</b> Contracts Auto Renew: 1. Camp_ED On Call 2. Dodd & Foley_ED on Call	Background was provided related to the two auto renew contracts.  Director Sessler recused herself from participating in the review	<b><u>Motion made by Director Kahn, seconded by Director Sessler, to approve Consent items A. Auto Renew contracts</u></b>



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<p>Orthopedic Surgery Amended:</p> <ol style="list-style-type: none"> <li>1. Timothy Lombard, M.D., dba Sierra Multi-Specialty</li> <li>2. Medical Group_Medical Director Cardiac Rehabilitation</li> </ol> <p>New:</p> <ol style="list-style-type: none"> <li>1. Arth, Brown, Uglum, Vayner_ED on Call Pediatrics</li> <li>2. Chase, Heneveld, Jensen, Specht_Physician Health and Advocacy Medical Advisor</li> <li>3. Barta_Medical Director Home Health</li> <li>4. Burkholder_EKG Services</li> <li>5. Dodd_Medical Director Rehabilitation Services</li> <li>6. Heifetz_Medical Director Oncology</li> <li>7. Kitts_Rural PRIME Preceptor</li> <li>8. Koch_Rural PRIME Preceptor</li> <li>9. Standteiner_Medical Director Hospitalist Services</li> <li>10. North Tahoe Anesthesia Group</li> </ol>	<p>of Dr. Barta's contract due to the potential of a perceived conflict.</p> <p><i>Dr. Sessler left the room at 7:12 p.m.</i>  <i>Dr. Sessler rejoined the meeting at 7:14 p.m.</i></p>	<p><b><u>1-2; Amended contracts 1-2; New contracts 1-2, 4-10, contracts as presented. Passed unanimously.</u></b></p> <p><b><u>Motion made by Director Long, seconded by Director Kahn, to approve Consent items A. New contract 3 (Barta), as presented. Passed unanimously by those voting.</u></b></p>
<p><b>12. Items for Board Discussion and/or Action</b></p>		



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<p>A. Consideration of the Chief Executive Officer's Request for Indemnification and Reimbursement of Attorney Fees and Expenses</p>	<p>Director Mohun provided a summary of the topic discussed in detail during closed session and brought to open session for action.</p> <p>Director Chamblin shared the statement read by during Closed session related to his position on this issue. Several members of the board agreed this statement was a good representation of their standing on this matter as well and asked that it be shared in open session.</p> <p>Dr. Heifetz spoke in support of the board reimbursing the CEO attorney fees.</p> <p>David Bunker, inquired as to what the CEO's legal fees charges noted as early as May 15<sup>th</sup> are related to; the Board has no further information and has raised questions on specific charges as well.</p> <p>Discussion took place related to the motion. Director Sessler provided a review of the concept of universalizing an ethical dilemma, providing background that the organization allows for representation for employees related to internal investigations and the CEO should be afforded that same benefit.</p> <p>Director Kahn responded to a question as to why only a portion of the fees were being reimbursed. The charges after the 21<sup>st</sup></p>	<p><b><u>Motion made by Director Sessler, seconded by Director Chamblin, to authorize a settlement not to exceed \$57k for the reimbursement of attorney fees and expenses related to the 1090 investigation for services rendered up through and including August 21, 2014, subject to an agreement to reimburse the district in the event a determination of court action or consent decree of a 1090 violation. This motion is based upon the findings that this decision is in the best interests of the district, and the CEO's action were within the scope of his employment and taken in good faith and without malice, and that General Counsel, in consultation with Hooper Lundy and Bookman, is authorized to enter into and execute a settlement</u></b></p>



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	<p>of August were deemed not necessary with respect to the 1090 investigation. The District did not have their independent investigator or Hooper Lundy &amp; Bookman conducting work during that time. General Counsel reported that he has spent some time related to how the topic would be agendized, and requesting documents related to the reimbursement after the August 21<sup>st</sup> date.</p> <p>A recommendation was made by Dr. Shawni Coll to reconsider reimbursing entire bill given that the CEO's attorney has had to respond the District's Counsel's requests after the 21<sup>st</sup> of August. Director Mohun responded that he is absolutely convinced the District has no legal obligation to pay these attorney fees.</p> <p>District Counsel clarified that the CEO had submitted his request for reimbursement and it had not been acted upon by the Board. The CEO did not intend to file a claim, but the District considered it a claim and no action had been taken.</p> <p><b>Director Long left the meeting at 7:33 p.m.</b></p> <p>Director Mohun indicated he disagrees with the motion and will not be voting in favor of reimbursement.</p> <p><b>Director Sessler moved for a 5 minute recess. Board Chair</b></p>	<p><b><u>agreement on behalf of the District on these terms.</u></b>  <b><u>Motion passes 4 to 1. Mohun the dissenting vote.</u></b></p>



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	<p><i>recessed the meeting at 7:34 p.m.</i>  <i>Open session reconvened at 7:42 p.m.</i></p> <p>Director Mohun expressed concern that the CEO’s legal fees are very high and reminded the Board that it is the tax payer’s money being spent.</p> <p>Director Sessler shared that clarification will be made that the charges will be confirmed to be related to the 1090 investigation prior to reimbursement.</p>	
<p>B. Contracts:                      Auto Renew:                      1. Higgins_IVCH ED On Call for Medicine                      2. Joseph_Dental Coverage Agreement                      3. Kitts_ED On Call for General Surgery                      4. Lechner_ED On Call for Dental                      5. Osgood_ED On Call for Orthopedics                      Amended:                      1. Jensen_Chair Interdisciplinary Practice Committee                      2. Koch_Medical Director Incline</p>	<p>Director Mohun provided background as to why contract are being reviewed by the full board without first being reviewed by Governance Committee.</p> <p>Auto Renew:                      1. Higgins [<b>contract removed from agenda</b>].                      2. Joseph – CEO confirmed the contract is for both skilled nursing and the ED.                      3. Osgood – Routing form mismarked as med directorship should be PSA.</p> <p>Amended:                      Compliance confirmed that the contracts are looked at individually and meet Fair Market Value and commercial reasonableness.</p>	<p><b><u>Motion made by Director Sessler, seconded by Director Long, to approve auto renew contracts as presented. Passed unanimously.</u></b></p> <p><b><u>Motion made by Director Kahn, seconded by Director Sessler, to approve amended contracts as presented. Passed unanimously.</u></b></p> <p><b><u>Motion made by Director Sessler, seconded by Director Long, to approve new</u></b></p>



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Village Health Clinic 3. Tirdel_Medical Director Health Clinic New: 1. Kaime_Associate Medical Director of Oncology 2. Koch_Medical Director Hospice		<u>contracts as presented. Passed unanimously.</u>
12. <b>Board Members Reports/Closing Remarks</b>	Director Mohun thanked the public for engagement and taking the time to come to these meetings.	
13. <b>Closed Session Continued, If Necessary</b>	<b>Open session recessed at 7:53 p.m.</b>	
14. <b>Open Session</b>	<b>Open session reconvened at 8:24 p.m.</b>	
15. <b>Report of Actions Taken in Closed Session</b>	No reportable items.	
16. <b>Adjourn</b>	<b>Meeting adjourned at 8:24 p.m.</b>	

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