THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes – February 5, 2014

MEETING NO. 2014-03: The Special Joint Meeting of the City and Borough of Juneau Assembly with the Bartlett Regional Hospital Board, held in the Assembly Chambers of the Municipal Building, was called to order at 5:30 p.m. by Mayor Merrill Sanford.

I. FLAG SALUTE

II. ROLL CALL

Assembly Present: Mary Becker, Karen Crane, Loren Jones, Jesse Kiehl, Merrill Sanford, Randy Wanamaker, Carlton Smith, Jerry Nankervis, and Kate Troll

Bartlett Regional Hospital (the Board) members present: Robert Storer (Vice President), Linda Thomas (Past President), Nancy Davis (Secretary), Lauree Morton, Mary Borthwick, Mark Johnson, and Dr. Alex Malter

Board members absent: Kristen Bomengen (President), Dr. Nathan Peimann

Staff present: City Manager Kim Kiefer; Deputy City Manager Rob Steedle; Municipal Attorney Amy Mead; Human Resources/Risk Management Director Mila Cosgrove, Municipal Clerk Laurie Sica; Deputy Municipal Attorney Jane Sebens; BRH Interim CEO Jeff Egbert; BRH PIO Jim Strader; Deputy Clerk Beth McEwen

III. SPECIAL ORDER OF BUSINESS

A. Joint Meeting with the Bartlett Regional Hospital Board

Mayor Sanford said that they would be discussing matters, mostly in open session, but asked Ms. Mead and Ms. Kiefer to interject whenever they felt the group was going into subjects that they may need to address in executive session. Mr. Sanford said they will not be taking public testimony on this topic. He said he was disappointed that no one had sent in any questions in writing in advance of the meeting. Mr. Wanamaker said he had some questions that he put in writing and distributed them to those present.

Mayor Sanford said they would be hearing primarily from BRH Vice President Robert Storer and Past President Linda Thomas. Mr. Storer began by introducing the BRH Board members and conveyed President Bomengen's regrets that she could not be present because she was traveling out of the country.

Mr. Storer explained that although BRH is a public entity it also competes with the private sector. The Board has city ordinances and rules to follow and transparency is an issue. They also have health care laws and personnel issues that prevent them from speaking on certain issues in public session but they are happy to speak as expansively as possible in open session and should it be necessary, they can discuss matters in more detail in executive session.

Mr. Storer said he had a few comments before turning it over to Ms. Thomas. He said the main issue they are here to address is severance. They recognize that it is an industry standard and long before he came on the Board. Severance was acknowledged by contract with the former management company as long ago as 1996. He said A) severance is not a new issue and B) it is a national issue as well.

Ms. Thomas provided an overview of the events that led to the departure of three of the senior leadership team resigning in a three-month period from October 1, 2013 through December 31, 2013. She asked for the patience of the members while she goes through the information because it can be fairly tedious but that she hoped that it will give them an understanding of the fluid environment that they are working with and the communication with all the stakeholders involved. Those stakeholders include the employees, the management team, the CBJ Assembly, the BRH Board, the media, and the public. She also commented that the Board's only conduit or management is through the CEO. The CEO is responsible for all personnel, staff, and operations of the hospital. There were three senior leadership resignations. The two resignations of the management team and their separation agreements were within the authority and purview of the CEO. The Board was responsible for the actions of the CEO and while they were trying to deal with the concerns that were in process, the CEO resigned. The Board approved the CEO's separation agreement that was developed jointly with the CBJ Law and Human Resources Department, felt it was an appropriate agreement, and felt that it was in the best interest of the hospital for continuity and as smooth of a transition as possible. Below is a recap of the events that she said were significant in contributing towards the resignations of the senior leadership team.

- Mid-May 2013: The BRH Board of Directors requested that CBJ conduct an independent investigation after complaints were received regarding their leadership. The focus of the investigation was two-fold. It was listening to the concerns of employees and determining if there were actions by the leadership team that would create legal liability as it relates to personnel interactions and management. Secondly, it was to determine the general environmental climate that had been created under the direction of the senior leadership team.

- June 7-August 2, 2013: An independent investigator was engaged by CBJ and interviews were conducted with 36 individuals.

- August 5: A summary was prepared by the CBJ Human Resources (HR) Manager and submitted to the CBJ Law Department.

- August 7: A special meeting of the BRH Board was held to hear the results of the investigation. That discussion was done in executive session and they reported publicly at the end of the executive session that the Board had received a report concerning complaints involving BRH management; they were taking the report very seriously and they would be meeting with the CEO in the immediate future to discuss the findings and the next steps.

- August 8: Linda Thomas, Nancy Davis, and CBJ HR Manager Mila Cosgrove met with the CEO (Chris Harff) to discuss the results of the report in person. They requested that the CEO come back to the Board with a plan on how to handle the issues raised in the report.

- August 12: BRH Board held a special meeting to discuss the report with Ms. Harff and the entire Board.

- August 19: Another BRH special meeting was held to discuss Ms. Harff's recommended communication and operational plan. This was discussed during executive session and she felt that it addressed the issues that had been raised during the investigation. The plan was moved forward by the Board with a discussion to go to the Board's Finance Committee regarding budgetary impacts. The Board also delegated Ms. Thomas and Ms. Bomengen to work with the CEO on further refinement of the plan. In addition, Ms. Harff was asked to communicate as quickly as possible to the managers what operational changes would happen which she did two days later.

- August 21: A memo was sent to all the Assemblymembers with a press release. It was sent to the Assembly right before Ms. Harff's meeting with the management team at Bartlett.

  > The press release stated in part that the Board had directed the CEO to take active steps to address the issues that were brought forward. In addition, the Board communicated to the CEO the need to better communicate their vision, their short and long-term plans both financial and operational throughout the organization as they were developed. The Board was concerned about communication and recognized the need for significant improvement for communication both within the community and with the BRH employees. They recognized that a plan reduction of fifteen positions had created uncertainty and concerns amongst managers and employees. The CEO had recommended changes to the personnel plan that would limit the reductions to vacancies created solely by attrition and retirement. They also discussed the need for a transparent and clear approach to these issues. Questions had also risen during the investigation about rumors of a sale of the hospital so they wanted to emphasize that the Board's vision and intent continues to be that BRH remain a locally controlled publicly owned community hospital.

- August 22: Ms. Harff informed the Board that agreements had been executed with the CFO and HR Director. When the Board asked for copies of the agreements, they noted that the agreements had been signed on August 9 – almost two weeks earlier and the day after they had met with Ms. Harff to discuss the results of the investigation.

- August 27: The Board held a meeting and discussed the CFO and HR Director's agreements in executive session. During that meeting, Ms. Harff noted that the separation dates were agreed upon based upon the needs of the hospital and to ensure continuity as best as possible. The CFO in particular was agreeable to staying on to finish projects that were financially very important to the hospital and to ensure time to hire an interim CFO. At that time, the Board was also working with CBJ Law towards a shared services agreement to help them better align their contractual employment and other legal matters and improve their risk management. They were also beginning discussions with CBJ Human Resources on a similar alignment.

- September 22: The Board received written notice of Ms. Harff's intent to resign.

- September 24: The Board accepted Ms. Harff's resignation.

- September 25: The Assembly was notified and a press release was sent out.

- The Board worked with CBJ HR and Law Departments on what was considered an acceptable CEO separation agreement considering all the factors culminating in the resignation. One of the discussion and decision points was a smooth transition over the period of time that Ms. Harff was willing to stay vs. leaving immediately.

Ms. Thomas said that pretty much sums up the series of events as they occurred. Mr. Storer said he wanted to share a few closing comments and then open it up to questions from the Assembly. Mr. Storer said that one question that has been running through his mind is "How can we ensure that this never happens again?" He said that he doesn't think you can guarantee that. He did say there are some things that can be done to mitigate it and they have already taken some of those steps such as entering into shared agreements with the CBJ Law and HR/RM Departments. He said he sees this as benefitting both the employees at the hospital as well as the Board.

He said another thing he wanted to point out is that health care is in transition. It is in transition nationally, regionally, and locally. He said that one of the recent transitions locally at BRH includes a change about two years ago to go from a management company to the Board hiring their own employees and no longer using the management company. He said the reason they did that was for control and accountability purposes and that a residual of that is transparency. He said it is a work in progress and they are working on the control issues and the very fact that they are meeting with the Assembly shows that the accountability factor is working. It may not be the best of reasons they are meeting but the Assembly is aware of the issues and there has been communication throughout the period in that regard. Mr. Storer said, on a happier note, he wanted to point out that at no time has the quality of health care been diminished and in fact, BRH staff has recently been awarded with two nationally recognized awards. One was for quality from Press Ganey and the other was in patient safety. While these other issues are difficult and they are working through them, at no time is the quality being diminished at BRH.

Mayor Sanford then consulted with Ms. Mead on the questions distributed by Mr. Wanamaker. Ms. Mead said they would all be eligible for discussion in open session. Mr. Sanford then asked Mr. Storer and Ms. Thomas to answer the questions to the best of their ability as presented by Mr. Wanamaker.

Question 1: Was there any member of the BRH Board who was not informed of the severance contract matter prior to the signing? Ms. Thomas said there were three separation agreements, two for the management team – the CFO and the director of HR which were signed on August 9 and the Board was informed of them around August 22-23 timeframe. As far as the separation agreement for the CEO, the Board was informed prior to the signing of the agreement.

Question 2: If so, how long after were you informed and how were you informed? Answered above under #1.

Question 3: Was the BRH Board advised prior to the CEO severance signing that the President would negotiate and sign the severance? Ms. Thomas: "Yes."

Question 4: Did the BRH Board at any time or in any way give approval to the severance contracts negotiations and signing and if so, why? Ms. Thomas said that the management team severance contracts were not approved in advance by the Board, however the severance agreement with the CEO was done in conjunction with CBJ HR and Law Departments and was approved.

Question 5: Has the BRH Interim CEO reviewed ay of the severance contract issues to determine if proper procedures were followed and if changes to procedures may be warranted? Mr. Storer asked Mr. Egbert if he'd be able to answer. Mr. Egbert said that was not part of the work that he was brought here to do. He is here to manage the hospital and not to second-guess the contracts that were done by the Board prior to his arrival. Mr. Storer said in response to the latter part of that question, as they move forward to replace the CEO position, severance will be an issue. He said he thinks the lesson learned is for a more rigorous review on the structure. It will depend on the winning candidate or candidates and it might include longevity or performance or other issues. It may or may not look different from the structure that occurred last time.

Mayor Sanford said that now that the CBJ HR and Law Departments are helping with the process, if there will be more scrutiny. Mr. Storer said, yes and it will also include advice from their interim CEO. He said there may be some difficult decisions to be made in the process, for instance, the first candidate or the Board may or may not be willing to accept what the other wants.

Discussion took place regarding the role of the Board vs. the role of the CEO and how they may be able to move forward on the Board having oversight of future severance packages. Ms. Mead said there is a general code section that says that the administrator is the one who handles the personnel and employees of the Hospital. Ms. Thomas said the interim CEO is working with CBJ Law and Risk Management on developing procedures regarding any contractual relationships. They are developing the tree of decision making to help set those parameters in advance and that is a work in progress.

Question 6: Has the BRH Board reviewed the severance contract issues to determine if proper procedures were followed and to determine if any changes to procedures may be warranted? Mr. Storer said he believes that was already answered and Mr. Wanamaker agreed.

Question 7: Did any member of the BRH Board inform the City leadership about the severance contracts before they were signed? If so, who, when, and what were they told?
Ms. Thomas said that as far as the CEO contract, yes. They discussed it with CBJ Law and HR but not the management team's contracts because they weren't aware of them at the time they were signed.

Mr. Smith asked if there were other positions that would be eligible for severance pay. Mr. Storer said that below the CEO, it has been determined by the CEO whether or not severance is offered. Mr. Storer said he is aware of one other severance package that occurred during the CEO's administration. Additional discussion took place regarding the positions that may be eligible. Ms. Cosgrove explained that to her knowledge, there are only two BRH employees who operate under employment contracts as a standard rule – the CEO and the CFO. She said the reason for that is that those two positions are not in PERS and so when the Quorum contract went away, those two positions were put in place and there are some unique aspects to their compensation structure as a result. One instance is how their retirement contributions are handled so those contracts were done in a very specific way. She said she does not believe that those contracts exist with any other employees. She said the pieces relating to relocation is standard practice in the hospital. Employees at the director level and above are considered partially exempt employees.

Mr. Nankervis asked what the ordinance is that governs the severance process. Ms. Mead said there is no ordinance that covers the severance process. The decision to pay severance to the CFO and HR director was made solely by the CEO at the time. Ms. Mead said that they were not reviewed by anyone that she was aware of and that no one knew about them until after they had been signed. There is nothing in the code that provides for a severance package. It was a business decision made by the CEO. There was the separate situation with the CEO in which there was a separation agreement that had been drafted and proposed by the CEO that went through CBJ Law review and that did include a severance piece that the Board was comfortable with but that would not be something that was covered by ordinance. Mayor Sanford said that what was covered by the ordinance was the CEO's responsibilities for doing this. Mr. Nankervis said he understood that but asked if there was something that said the CEO can't discuss with the Board the possibility of severance packages for other employees. He said that it would seem to him that the Board would want to know about a financial expenditure like that. Ms. Mead said that Ms. Cosgrove just reminded her of an ordinance that discusses a pay plan and how the pay plan for the employees has to be consistent with private industry. Mr. Nankervis said if he were the Board, he would want to know that the CEO was negotiating severance packages and what that might cost the Board. He asked if the severance packages are agreed to upon entry into a position or upon departure from the position. His understanding was that oftentimes a severance package is agreed to before anyone enters into a position. He asked what the case was with these positions. Mr. Storer said the original contract did memorialize a severance agreement which included one year's pay and while that seems a bit much to him, it is apparently an industry standard. He said he wanted to be careful not to say too much about what was discussed in executive session but the Board did discuss with the CEO the exit or severance pay and in the end, it was not a full year's pay that was paid.

Mayor Sanford asked staff about the standard for severance packages, are they done up front or at the last minute when someone is leaving. Ms. Mead said she would speak specifically to Ms. Harff's agreement because she wasn't involved with the other two. Ms. Harff had a severance agreement in the contract that she signed coming into the position. That is not what was followed when she left. When she left, she tendered her resignation on a particular date and the Board made a decision based on whether or not they wanted to provide for a smooth transition and have her stay on longer than she intended. They came up with an amount that they were willing to pay to assist with that smooth transition. Ms. Mead said it was not really a severance agreement, it was a separation agreement with Ms. Harff that covers this.

Mr. Kiehl asked Ms. Thomas that when the CEO informed the Board of the severance agreements that she had signed for the CFO and HR Director, if the Board received copies of those with the dollar amounts and fiscal impact of those when she informed the Board or just notice that they were leaving. Ms. Thomas said that Ms. Harff informed her on August 22 that the agreements had been executed with the CFO and HR Director. Ms. Thomas said she asked Ms. Harff via email for copies of the agreements which Ms. Harff sent to Ms. Thomas the next day. Ms. Thomas then provided those to the Board and they were reviewed by the Board in executive session and noted that they had been signed on August 9. As far as the financial impact, they did have that information and she can provide that to the Assemblymembers if they wished. Mr. Kiehl said they were made aware of it through public reporting. He asked about the Board's comfort level to finding the additional resources in the existing budget since we are still within the fiscal year when all this happened. Ms. Thomas said this discussion was held in executive session but that she can address some of the benefits of the CFO staying on for a longer period of time and the continuity of the transition and how that resulted in additional monies that kept them within the budget framework. She said there was one significant settlement agreement that had been in progress a couple of years with Medicaid. Mr. Brough was in the final stages of negotiating that settlement and it resulted in a considerable amount of money and much more than was paid in retaining Mr. Brough. The Board made a business decision to keep Mr. Brough on to finish that process. There was also a rural development project worth several $100 thousand dollars that Mr. Brough was the most knowledgeable of the Board chose to retain him for the time it took to resolve that project. Additional discussion took place regarding the finances and the additional revenues that came about as a result of Mr. Brough's continuation as well as how the Board and interim CEO were managing the remainder of the budget to ensure that the severance amounts would not have an impact on the remaining employees.

Ms. Troll said her understanding with severance packages is that it is usually only for the CEO and in general is paid out when the CEO is let go by a Board but if a CEO willingly quits, she thought the severance package then becomes void. She asked if that is the case with the hospital industry in general. Ms. Cosgrove said to reiterate what Ms. Thomas has already said that the agreements that were negotiated with the two management team members were done by the CEO and no one present at this meeting knows the discussion that happened so she cannot address those specifically. She did say that in general she did not think that it was common that every hospital employee needs to have a separation or severance agreement in place. That is not the general practice of people leaving, however at the upper level, it is not uncommon and she has frequently talked with people who are "working out a severance agreement while they are seeking other employment." so it is a bit of a different environment than we are used to operating under.

Mr. Egbert said that he can't speak to the specifics of what had gone on since he wasn't present at the time. He said in his tenure as a CEO, if he were to have an administrator or CFO resign voluntarily and he needed to have access to them and the knowledge that they held for a period of time, it would not be unreasonable and he has in fact has in the past, extended severances to people who have resigned. This ensured that he had access to them and perhaps protect his organization from potential litigation or had them participate with him in defending litigation after they had left.

Mr. Wanamaker asked the Board if the CEO gave information to the Board about the reasoning behind the severance agreements with the two employees and what the justification was and if not, could they still go and get that information as a rightful piece of information.

Ms. Thomas said that the reason was for continuity of operations.

Ms. Becker said she understands that the Board hires the CEO and negotiates whatever the contract and any severance is for that position with the CEO. She said she also understands that the CEO then makes the decisions on whom and how to hire those main staff members under the CEO. She asked if the Board then approves those hires and if they approve what is in those contracts. Ms. Thomas said that in this situation, the CEO indicated that the contracts were developed with an attorney and the Board did not see the contracts or separation agreements until after they were approved by the CEO. Ms. Becker asked if they have safeguards in place to ensure that will not be happening again in that way. Ms. Thomas said they are working with CBJ Law and HR to prevent that from happening again and also working on the contractual process so that safeguards will be in place to keep that from happening again.

Mr. Jones said that he served on the BRH Board from 1990-1994 and 2004-2010 and during that time, there were two CEOs: Bob Valliant and Shawn Morrow and one interim CEO between Bob Valliant's un-timely death and Shawn Morrow. He said that in all of that time, the Board never reviewed any contracts for personnel that the CEO entered into. They did not feel that it was their responsibility other than to be informed that the CEO made the hire. They understood the budget structure and they understood that there was money in the personnel funds. In all of the boards that he has served on, all the board trainings that he has been to, the boards are cautioned about those issues of micromanaging and it is a fine line between wanting to answer your questions of "Are you going to approve the hire that the CEO or an executive director of a non-profit makes without micromanaging those kinds of decisions." Generally, they were informed of the hire and the salaries being paid but after the fact. They were never in a position, nor did they ever ask to be in a position to say yeah or nay, prior to the CEO making that kind of a decision. He said he would caution them all that they are dealing with a $100 million dollar industry in this town. They are dealing with an industry that competes with private industry where all the information that is being discussed at this meeting is so secret you can't even find out what people are paid in the health care industry in this state. He cautioned that the people we want to hire [the senior health care people and senior policy setting people who run our hospital] that we want those people to be the best and they are going to come out of the private sector and are going to have an entirely different aspect of what it is to be a "public employee." He believes that is one of the issues that came up with both Mr. Morrow and Ms. Harff that they came out of private industry and he didn't think they realized what it was to work in a public environment where we expect the level of transparency that would never be acceptable in a private industry. From his experience of over ten years of service on the Board during the past twenty years, that is not an issue that any Board he served with ever dealt with. When it was dealt with, it was in executive session but never the hiring process. It was generally when the CEO wanted to fire one of his employees and wanted to make sure the Board understood why so if the Board heard from the public, they would know.

Mr. Storer said that they now have a more formal structure for legal review of all contracts that they hope will reduce alarm bells from going off in the future.

Ms. Mead said there were a few questions that made her think that it may not be completely understood but that the BRH HR Director did not have an employment contract with BRH. When she left, there was a separation release agreement that was signed, similarly to Mr. Brough's, but she did not have an employment contract that addressed a severance agreement; she did not have a contract at all.

Mr. Jones asked about the general practice of employers making agreements with employees just short of termination and to what extent severance agreements might be part of that process. Ms. Mead said that negotiations happen all the time between employers and employees as part of disciplinary and/or termination agreements. She said that she was not aware whether or not that was part of what may or may not have been involved with this situation specifically. She said the only agreement she had knowledge of was the one with Ms. Harff and the decision to pay her a severance package was tied to the transition period that BRH was hoping she would stay through.

Mr. Nankervis said he appreciated Mr. Jones' comments about the fine line and the balancing act that the Board is faced with and being informed is one of the most important things rather than micromanaging. He said he has heard consistently from people that there is an appearance of an employee who was on their way out the door, negotiating and signing severance packages for their employees and that eliminated any accountability, positive or negative for those actions. He said that seemed horribly inappropriate to people who spoke with him and they were trying to understand how that could happen. Mayor Sanford said there have been things that were not able to be discussed because they were discussed in executive session. There are most likely more things that the Assembly can ask the Board and get more information if they chose to go into executive session but it would be up to the Assembly. Mayor Sanford said that some of the information on the CEO could be discussed in executive session since the Board was involved in those discussions but there may not be much more information available on the other two positions.

Mr. Jones said that he has also received those comments from the public and if the CEO had submitted her resignation and then signed the contracts for the other two, it would lend itself more to those comments, but she was still employed and intending to stay when she took her actions. In looking at the dates involved, she signed the contracts in the beginning of August and she didn't submit her resignation until the end of September. When she informed the Board, the Board was assuming she was still employed, still employable, and still intending to stay. As a Board, if you were having trouble and the CEO resigned and you were fearful of that, you should have said, that is it, you make no more personnel decisions. All those decisions were made when the Board in good faith assuming that she was the CEO and intending to remain. To him, it would be very difficult to assume that the Board failed in some way.

Mayor Sanford also pointed them to the clause by Mr. Egbert in which he mentioned language of severance contracts written into the agreements such that the outgoing employees are available as a resource for legal matters and lawsuits if necessary.

Ms. Crane said that one of the comments she had heard from the public was that the Board and the Assembly should be paying more attention. She said that is exactly what they are doing. The Board is now dealing with a level of detail that they have never dealt with before because it is being run now as a community hospital by the community. Whereas when they had a contract with Quorum and for many years before that, the Board was not as involved with the detailed operations and outcomes of the hospital and now the Board is very involved, much more so than in the past.

Mr. Kiehl asked about the CEO and CFO's agreements including the 'duty to defend.' He asked if that was in all three of the agreements or just those two. Ms. Cosgrove said it was in all three. He also asked if any employee leaving without such an agreement has an obligation to come back and defend us. Ms. Mead said an employee has no obligation to defend the employer after leaving; they have an obligation to tell the truth but they don't have to come back and defend.

Ms. Troll said that she understood that the severance agreements were done to ensure continuity of business but now that they have left the community, that access was no longer available and was there any recourse for that. Ms. Cosgrove said that she did not believe there was a loss of continuity, that they did not lose access. She said individuals on her staff have reached out to Ms. Adams for some additional information based on projects that are still out there. She said she believes that Mr. Brough and Ms. Harff have all been contacted since leaving so the continuity and access to those employees during the transition has been there; they have not refused to assist. Ms. Troll thanked her for that correction as her understanding had been that there had not been any contact since they left.

Mayor Sanford asked if any of the members had questions that they wished to address in executive session. Mr. Wanamaker said he thought executive session should only be called if it was absolutely necessary as he felt the public deserves as much information as could be properly shared with them. He asked about the other employee who had received a severance agreement and suggested that Mr. Storer may consult with Ms. Mead about whether or not that could be discussed in open session or if it would need to be discussed in executive session.

Mayor Sanford called for a brief recess at 6:35p.m.

Ms. Mead said her understanding is that the question went to a separation agreement that was entered into in the past and if they wanted specific details about that situation and what occurred, that would have to be addressed in executive session because it is a personnel matter. Mayor Sanford asked how far in the past this happened. Ms. Mead said that it was just after Ms. Harff began, so approximately a year and a half ago. Discussion took place regarding what could and could not be addressed in public session. Mr. Wanamaker said he would be willing to go into executive session to learn more about this. Ms. Mead said that situation was very different from the others they have been discussing. She said that she could state in general that there was a situation that occurred and an agreement was entered into between the CEO and the employee that achieved a mutually agreeable separation from the hospital from employment. Ms. Mead said that she was not involved in the drafting of the agreement so she doesn't know if any amount of money was paid but if there was an amount of money paid that is not confidential. Mr. Storer said he would like to be able to tell them but he did not have that information with him at the meeting but that he would be happy to provide it to the Assemblymembers as soon as possible. Ms. Cosgrove said she did not have specific figures to provide since she did not have those documents in front of her but she could give a general guess and she believed that it was six months of salary, similar to the ones that were entered into with Ms. Adams and Mr. Brough because that was what Ms. Harff indicated she had based those other two agreements on. Ms. Cosgrove said she had no reason to believe it would be anything other than that and she did not believe there was an issue of relocation. Anyone separating from employment would be paid out his or her leave and anything else due to him or her.

Additional discussion took place on what the position was and Mr. Storer said if they identified the position, they would be identifying the person and that would not be something they can discuss in open session. Mr. Wanamaker said he would be satisfied if the staff can provide the Assembly with the additional information another time.

Mr. Nankervis asked if the Board could provide an update on the long-term CEO replacement process. Ms. Thomas said they have formed a CEO recruitment committee consisting of two community leaders Rosemary Hagevig and Donna Pierce, two doctors Dr. Bob Urata, and Dr. Alan McPherson, and four BRH Board members. They just met on Tuesday night (2/4/14) and narrowed down the applications and started the process to set up preliminary interviews. They expect and hope to have someone in place by May or June. Ms. Thomas said we have an excellent interim CEO.

Ms. Mead said that Ms. Cosgrove just found the documents regarding the earlier severance agreement and that it was a six-month salary amount agreed upon. Mayor Sanford asked if staff was clear on what other information Mr. Wanamaker was asking for. Ms. Mead asked if there was anything other than the amount paid that they were asking for. Mr. Wanamaker said he would like to know the circumstances, the position, and the amount of money involved. He said they know a great deal about the other agreements and he felt they should know at least that same level of information for this circumstance so it could be put into the proper context. He said that this is not just about looking into the procedural questions of whether or not our procedures are accurate but also communications matters too. He said that in his experience, a good CEO is going to advise the board of important action they are taking such as relieving or accepting the resignations of key employees and that they are going to enter into severance agreements with them to ensure that the transition is smooth and seamless and they don't spring it on you as a surprise. He said he was surprised to hear that it hadn't happened that way in this case. He said he is not in favor of micromanaging but the Board, especially one charged with public funds, has a responsibility and an obligation to be as informed as possible regarding the proper protocol for personnel and other privacy issues.

Mayor Sanford asked Ms. Mead if she had the specifics she needed for the follow-through. She said yes, however, in order to discuss the specifics of this situation, it would have to be in executive session because it involves a personnel matter.

Ms. Troll asked to make a non-executive session comment. She said that she concurs with what Mr. Wanamaker said about the proper role of the CEO and that they would bring these things forward in a timely manner to the Board even though it is clearly within their authority to execute the agreements. A good CEO is not going to want to get too far out in front of the Board, they want to bring the Board along with and vice-a-versa so that it is a good ebb and flow. Ms. Troll said she assumes that during their recruitment for the new CEO they will make the candidates aware of the role of the community-based hospital and the role of the Board so that they can avoid these situations in the future. Mr. Storer said they have not yet formed the questions but that there will be a number of questions that recognize that issue. One clear thing they will be reinforcing is the status of it being a community hospital and it is a government entity and the expectations and rules based around that.

Mayor Sanford said they would be going into executive session to address the one thing that Mr. Wanamaker moves to discuss, however he said they would complete the rest of the agenda prior to going into executive session.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Mayor Sanford asked if anyone from the public wished to address the Assembly on any non-agenda items. *Hearing none, public participation was closed.*

V. ASSEMBLY COMMENTS & QUESTIONS

Mayor Sanford pointed out the Assembly calendar was distributed and asked the members to be sure to note all the special meetings scheduled during February. He also pointed out that the calendar was missing the special meeting on February 26, 2014 to be held at 6:00p.m. in the Chambers with the School Board and Airport Boards and for members to make note of that meeting on their calendar. He stressed the fact that the meetings scheduled for Monday, February 10 are scheduled to take place back to back to back rather than at set times and as soon as the previous meeting is completed, they will start on the next meeting so he told members to be sure they are present in a timely fashion.

VI. EXECUTIVE SESSION

MOTION by Mr. Wanamaker that the Assembly and the Bartlett Regional Hospital Board recess into executive session for the purposes of discussing a personnel matter at the Hospital regarding severance agreements. Mayor Sanford asked if anyone from the public wished to comment on the propriety of the body moving into executive session for that matter. Hearing none, Mayor Sanford adjourned the meeting into executive session at 7:13p.m.

VII. ADJOURNMENT - They came out of Executive Session and Mayor Sanford adjourned the meeting at 7:35p.m.

Signed:______________________________ Signed:______________________________
Elizabeth J. McEwen, Deputy Clerk Merrill Sanford, Mayor