

**HOBOKEN MUNICIPAL HOSPITAL AUTHORITY
BOARD OF DIRECTORS
MEETING MINUTES**

LOCATION: Hoboken University Medical Center, Hoboken, NJ (Assumption Hall)

DATE/TIME: Wednesday, April 22, 2009 – 7:05 p.m.

PRESENT: James F. Caulfield, Chairman
Alfred O. Fayemi, MD
Joseph M. Kozel, MD
Kevin Kramer
Eric Lawton
Harvey A. Holzberg
Frederick J. Tomkins
E. Norman Wilson

EXCUSED: Camille Corea
Michael Nestor
Mayor David Roberts
Susan Tonry

ALSO PRESENT: Andrew Aronson, Esq., Gluck Walrath, LLP
Joseph Burt, VP Foundation
Frank Ciesla, Esq., Giordano, Haloran & Ciesla
George Crimmins, Executive Director
Yleana Contreras, Exec. Director Human Resources
Ronald DiVito, EVP & Chief Financial Officer
Steven Fillebrown, NJHCFFA (*via teleconference*)
Spiros Hatiras, VP Administration
Ellen Refowitz, VP Patient Care & CNO
Anna Laviena, Recording Secretary

<u>ITEM</u>	<u>DISCUSSION</u>	<u>ACTION/FOLLOW-UP</u>
CALL TO ORDER	Chairman Caulfield called the meeting to order at 7:05 p.m.	
OPEN PUBLIC MEETINGS ACT	All notice requirements under the Open Public Meetings Act have been satisfied by having a copy of the meeting agenda and meeting notice published in the Star Ledger and the Jersey Journal and having a copy posted on the bulletin board in the Hoboken City Clerk's Office and on the HMHA website.	<i>N/A</i>

<u>ITEM</u>	<u>DISCUSSION</u>	<u>ACTION/FOLLOW-UP</u>
ROLL CALL	Roll call was taken. Commissioners Corea, Nestor and Tonry and Mayor David Roberts are excused. Quorum of Commissioners is present. Steven Fillebrown participating via teleconference in Commissioner Tonry's absence.	
FLAG SALUTE	Members and guests rose to salute the American Flag.	
PREVIOUS MINUTES	The minutes of the March 19, 2009 Special Meeting were presented for review and approval. Motion was made by Commissioner Kramer and seconded by Commissioner Tomkins to approve the minutes as presented. Vote was taken. (7-0-0).	<i>Approved.</i>
	The minutes of the March 25, 2009 meeting were presented for review and approval. Motion was made by Commissioner Kramer and seconded by Commissioner Tomkins to approve the minutes as presented. Vote was taken. (7-0-0).	<i>Approved.</i>
EXECUTIVE SESSION	Resolution to move into Closed Executive Session was presented at 7:10pm. Mr. Aronson said the items to be discussed in closed session are 1) NJSA 10:4-12 (b)(7) - pending litigations, contract negotiations and matters that fall within attorney client privilege, and 2) NJSA 10:4-12 (b)(8) - contracts, employment and appointments. The public will be advised when we come out of closed session on what topics were discussed and if any decisions were made that will be made public. Motion was made by Commissioner Wilson and seconded by Commissioner Fayemi. Vote was taken (7-0-0) Mr. Crimmins was excused from part of the Closed Session. Mr. Aronson was requested to remain.	<i>Approved.</i>
	Chairman Caulfield made a motion to come out of Closed Executive Session and go back into Open Session at 8:20pm. Vote was taken (7-0-0) Mr. Aronson reported that during Closed Executive Session three matters were discussed. Two were negotiation of contracts; one with the potential Chief Executive Officer of the hospital, and the other with the Executive Director for HMHA. The other matter was credentialing issues with regard to Dr. Santusht Perera. Additional information on those items will be made available as soon as they possibly can be.	<i>Approved.</i> <i>Informational.</i>
CEO REPORT	Commissioner Holzberg reported the following: <u>New Emergency Room</u> project is below budget and ahead of schedule. Feedback from those who have seen it is positive. <u>Rehabilitation Beds</u> : Dialogue continues with Kessler concerning contracting with them for the 30 rehabilitation beds. They will be keeping 20 beds at HobokenUMC and the remaining 10 beds in their West Orange facility. <u>JCAHO</u> : HobokenUMC had an announced survey by JCAHO about one year ago. We are working hard to keep everything on track to meet all the standards, when they make their surprise visit. <u>Christ Hospital</u> : There have been very public disagreements at CH between the Medical Staff and the Board and Administration as well. Several of their board members have resigned and no meetings of the medical staff have been held.	<i>Informational.</i>

<u>ITEM</u>	<u>DISCUSSION</u>	<u>ACTION/FOLLOW-UP</u>
<p>(cont.)</p> <p>COMMITTEES</p> <p>-Finance</p> <p>-Quality/Patient Safety</p> <p>-Credentials Committee</p> <p>FINANCE REPORT</p>	<p><u>Volume:</u> All Hospitals in Hudson County are having a variety of financial problems. Patient daily census has gone down. Because we have done well in the sale of the bonds, we can survive this financial down turn. We are financially secure at this point (volume decline approx. 4% YTD).</p> <p><u>HUMC logo on Ambulance:</u> Mr. Ciesla responded, a contract needs to be considered by the ambulance company and then it will be presented to the Authority for approval as the Authority is the owner of the trade name. Contract should be resolved and ready for presentation at the next Authority meeting on May 27, 2009.</p> <p>Commissioner Tomkins reported the Finance Committee met earlier today. The sale of the bonds that were “restructured” was reviewed. The first quarter 2009 financial statements as well as the potential funds for the projects that remain were also reviewed.</p> <p><u>OB Project:</u> Mr. Hatiras said that the first part of this project is the relocation of geropsych which needs to be approved by DCA. The actual OB project has been approved. DCA had some questions and requested some clarifications. These were responded to and we anticipate DCA’s response within next 60 days. The budget for the OB project will be presented to the Authority for approval next month as well as the contract for the project construction manager. 98% of the project funding comes from the Foundation. Pending DCA’s approval, we expect the project to begin within the next 30 days.</p> <p>Commissioner Kozel reported the Quality/Patient Safety Committee met this morning and the following reports were review.</p> <p><u>Behavioral Health:</u> Medication reconciliation which is the passing of the list of medications from one physician to the other, suicide risk reduction and productivity measures were reviewed. Chart review is ongoing.</p> <p><u>Infection Control:</u> Nosocomial infection rates in the units were discussed.</p> <p><u>Medication Safety:</u> The primary concern was use of inappropriate and unauthorized abbreviations which rarely occur but are not at 0%. Adverse drug reactions and use of anticoagulants were also discussed.</p> <p><u>Environment of Care:</u> Equipment management and response to down time, environmental rounds and fire safety, hazardous materials and emergency management were all reviewed.</p> <p>Commissioner Kozel reported the Credentials Committee recommends 6 new appointments to the medical staff, all of which have undergone the credentialing process per the Medical Staff Bylaws: Davarajon Iyengar, MD, Howard Benn, MD, Richards Afonja, MD, Zorayda DeLeon, MD, Peter Levine, DPM and Fredrick Brandt, MD. These will be presented for Board approval.</p> <p>Mr. DiVito reported the financials for period ending 3/31/09.</p> <p><u>OB Project:</u> Detailed records are kept as they are subject to audit. The full amount approximating the budget is on hand for the project’s completion.</p> <p><u>Bonds:</u> There is a contract for sale of \$9.7M of bonds which we have now refinanced for a period of 20 years at an interest cost of 7.79% with no interest payable for the balance of 2009, 3 years of principal debt deferred until years 2027, 2028 and 2029; this puts us where we want to be closing. Six months ago the market had gone through a freefall and we had to go through some short term borrowing at high interest rates. This current refinancing does not increase the indebtedness of the Authority (capped at \$52M). The same amount of the</p>	<p><i>Accepted.</i></p> <p><i>Accepted.</i></p> <p><i>Accepted.</i></p> <p><i>Informational.</i></p>

<u>ITEM</u>	<u>DISCUSSION</u>	<u>ACTION/FOLLOW-UP</u>
<p>(cont.)</p> <p>NEW BUSINESS</p> <p>-Payment of Claims -Credentials Committee</p> <p>-Contract # 1</p> <p>-Contract # 10</p> <p>-Contract # 10</p> <p>-Contract # 11</p> <p>-Contract # 9</p> <p>-Contract # 12</p> <p>-Bonds Issue</p>	<p>bonds that were outstanding before this issue will be outstanding after this issue. We only went from a short term debt to a long term debt in order to free up working capital. Mr. Aronson added the contract on the sale of the bonds will be presented for approval today, and once approved the sale of the bonds will take place on either April 30, 2009 or May 1, 2009. The \$9.7M does not increase our overall debt on the bonds. The debt was just restructured and we are within the cap and maintain the cap.</p> <p><u>Financial Statements</u> for first quarter ending March 31, 2009 show a profit of \$.5M before depreciation from operations and after interest and depreciation; a loss of \$1.3M YTD. All statistics and volume was anticipated. There was some change in admissions and we hope to make this up within the next month or two.</p> <p><u>HUMC Gala</u>: Mr. Burt reported the Gala will be held on Friday, May 15, 2009 at the Westin Hotel in Jersey City. The Foundation Board voted unanimously to honor Commissioner Holzberg to receive the Special Service Award and the Medical Staff voted Dr. Joseph Scerbo to receive the Dr. Wallace T. McCaffrey Award for his 40 years of service. To date, 200 responses have been received and those who are not attending are taking ads.</p> <p><u>HUMC Boxing Event</u> is scheduled for Thursday, July 9, 2009 at The W Hotel in Hoboken. Commissioner Nestor is hosting this event.</p> <p>Resolution authorizing the Payment of Claims and Resolution accepting and approving the Credentials Committee Report for April 2009 were presented. One Motion to approve both Resolutions was made by Commissioner Tomkins and seconded by Commissioner Wilson. Vote was taken (7-0-0)</p> <p>Resolution for Change Order #3 for Contract 10 is deleted; it was approved at the March 25, 2009 meeting.</p> <p>The following six (6) Resolutions were presented for approval:</p> <ul style="list-style-type: none"> • Amending and Approving Change Order No. 2 for Contract No. 1. The Board had approved the change order and with the deletion of some of the work, the contract manager reduced the amount. The amount of \$57,600 was approved in October 2008, is now the amount is reduced to \$32,305. • Approving Change Order #3 for Contract 10 • Approving Change Order #4 for Contract 10 • Approving Change Order #2 for Contract 11 • Approving Change Order #2 for Contract 9 • Approving Change Order #3 for Contract 12 <p>One Motion to approve the six (6) Resolutions as presented was made by Commissioner Kozel and seconded by Commissioner Fayemi. Vote was taken (7-0-0)</p> <p>The following three Resolutions were presented for approval: <u>Resolution concerning review of findings made by the Local Finance Board</u> at their March 11, 2009 meeting, specifically, the LFB identified three things: 1) The project cost is determined to be reasonable and accepted methods, 2) The method proposed for funding the project cost was reasonable, and 3) The proposal for maximum terms and conditions for the sale of the bonds, in light of current market conditions, are reasonable.</p>	<p><i>Approved.</i></p> <p><i>Approved.</i></p>

<u>ITEM</u>	<u>DISCUSSION</u>	<u>ACTION/FOLLOW-UP</u>
<p>(cont.)</p> <p>-Executive Director</p> <p>DISCUSSION ITEMS</p> <p>PUBLIC COMMENTS</p> <p>ADJOURNMENT</p>	<p>The LFB made those findings based on our application to them. The Authority is required to review those findings and pass a Resolution saying that we accept those findings.</p> <p><u>Resolution of the HMHA Amending and Supplementing the Bond Resolution</u> adopted by the Authority on March 19, 2009 and authorizing certain additional matters in connection with the issuance by the Authority of the bond authorized hereby. The Authority authorized this bond issue by resolution at a prior meeting of the Authority. This Resolution gives details of the actual bond issue: 1) Amend the earlier bond resolution. In order to do this we have to do a supplemental indenture that sets forth the terms of the bond issue, 2) Approving the purchase contract presented by NW Capital Markets, the "Underwriter", 3) Approving a guarantee agreement - this debt is guaranteed by the City of Hoboken and a new guarantee agreement needs to be in place, 4) Approving a disclosure agreement, and 5) Approving a preliminary and final official statement which was basically the offer statement sent out to potential buyers.</p> <p><u>Resolution extending the contract with George Crimmins as Executive Director</u> for the HMHA which expires April 30, 2009, for a period of 60 days with a 30 day term clause.</p> <p>One Motion to approve the three resolutions as presented was made by Commissioner Tomkins and seconded by Commissioner Lawton. Vote was taken (7-0-0).</p> <p>None</p> <p>None</p> <p>There being no further business, Chairman Caulfield made a motion to adjourn the meeting at 8:45 p.m. Motion approved.</p>	<p><i>Approved</i></p> <p><i>Approved. Meeting adjourned.</i></p>

Respectfully submitted,

 Secretary

Hoboken Municipal Hospital Authority
Board of Directors