

CALHOUN COUNTY BOARD OF COUNTY COMMISSIONERS
MINUTES
SPECIAL MEETING MAY 21, 1991

COMMISSIONERS PRESENT:

S. DONNELL WHITFIELD
PACK BOWDEN
WILLIE TRUMAN GRANT
JOHN LINDSEY

PRESENT AND ACTING:

GAIL O'BRYAN, ADMINISTRATIVE ASSISTANT
JOE TAYLOR, FINANCE
BILL A. CORBIN, COUNTY ATTORNEY

THE BOARD OF COUNTY COMMISSIONERS OF CALHOUN COUNTY MET THIS DATE IN SPECIAL SESSION FOR THE PURPOSE OF DISCUSSION OF LEASE/PURCHASE AGREEMENT ON THE HOSPITAL.

PRESENT REPRESENTING CALHOUN-LIBERTY HOSPITAL:

MARGARET BROCK- LEESEE CALHOUN-LIBERTY HOSPITAL
JOHN MILLER- ATTORNEY FOR CALHOUN-LIBERTY HOSPITAL

COMMISSIONER WHITFIELD CALLED THE MEETING TO ORDER AND DISCUSSION ENSUED ON CALHOUN-LIBERTY HOSPITAL LEASE/PURCHASE AGREEMENT.

MRS. BROCK REPORTED SHE HAS NOTICE FROM IRS THAT THEY AGREED TO THE PAYMENT PROGRAM PLAN FOR REPAYING IRS AT \$5000.00 PER MONTH. SHE SAID SHE HAS ALSO PAID IRS \$37,000.00 UP FRONT AND THAT IRS HAD ALREADY LEVIED ON OLD HOSPITAL ACCOUNT. SHE RELAYED THAT SHE HAD SENT ALL W'2, 1099'S AND EVERYTHING ELSE SHE COULD FIND RELATING TO SAME TO IRS.

MR. MILLER, ATTORNEY FOR CALHOUN-LIBERTY HOSPITAL, RELAYED THAT THE CONTRACT DOES NOT STATE WHEN THE LIABILITIES WILL BE PAID. HE SAID MRS. BROCK WAS UNDER THE IMPRESSION THAT THE HOSPITAL WOULD CARRY SOME OF ITS OWN WAY. HE SAID HIS INTERPERTATION WAS THAT MRS. BROCK DID NOT HAVE TO PAY ANY AMOUNT ON THE LIABILITIES UNTIL SHE HAS A VERIFIED COPY OF THE LIABILITES.

MR. JOE TAYLOR STATED THAT EVERYONE INVOLVED WAS AWARE OF WHAT LIABILITIES WERE INCLUDED IN THE \$958,311.58 MENTIONED IN THE LEASE/PURCHASE AGREEMENT.

MR. MILLER STATED HE DID NOT NECESSARILY FEEL THAT MRS. BROCK WAS LEGALLY OBLIGATED FOR THE RETIREMENT OWED BY CALHOUN GENERAL HOSPITAL.

MRS. BROCK NOTED SHE HAD RECEIPTS AND CANCELLED CHECKS SHOWING SHE HAD PUT \$160,000.00 OF HER PERSONAL FUNDS INTO THE HOSPITAL. MRS. BROCK THEN READ TO THE BOARD THE MONTHLY OPERATING COST FOR THE HOSPITAL.

ATTORNEY CORBIN REPORTED THAT PAGE 5 OF THE LEASE-PURCHASE AGREEMENT STATES: LESSEE ASSUMES AND SHALL HOLD THE LESSOR HARMLESS FROM THE OUTSTANDING LIQUIDATED LIABILITES OF THE HOSPITAL IN THE MAXIMUM SUM OF \$958,311.58.

MR. MILLER REPORTED THAT THE CORPORATION DOES NOT HAVE FUNDS TO PAY

THE RETIREMENT OWED AND HE DOES NOT FEEL THAT MRS. BROCK SHOULD PAY FROM HER PRIVATE FUNDS. MR. MILLER ALSO REPORTED HE HAD SPOKEN WITH MIKE DAVIS YESTERDAY AND MR. DAVIS HAD SAID NO MONEY WOULD BE COMING ON MEDICARE COST REPORT SINCE NO CLAIMS HAD BEEN FILED.

MR. TAYLOR REPORTED THAT IF THE STATE SHOULD SEIZE THE COUNTY'S FUNDS FOR RETIREMENT OWED BY CALHOUN GENERAL HOSPITAL, CALHOUN-LIBERTY HOSPITAL, INC., COULD SAY THE DEBT HAD BEEN TAKEN CARE OF.

MR. MILLER RESPONDED, HE DID NOT FEEL THAT MRS. BROCK WOULD TAKE THAT POSITION, AND ACCORDING TO THE AGREEMENT, ANYTHING DUE AT THE TIME THE CORPORATION TOOK OVER THE HOSPITAL WOULD BE PAID AT THE TIME OF PURCHASE AND MRS. BROCK WOULD PROBABLY PUT THAT IN WRITING.

COMMISSIONER WHITFIELD STATED THAT THE \$71,000 NOTE WITH C & L BANK OF BLOUNTSTOWN, WHICH WAS LISTED IN THE 958,311.58 LIABILITIES, WAS A DEMAND NOTE AND WAS PAID BY THE BOARD OF COUNTY COMMISSIONERS APPROXIMATELY 3 WEEKS AGO. HE SAID, SINCE PAYING THAT NOTE, THE COUNTY DOES NOT HAVE FUNDS TO SIGN CHECKS FOR REIMBURSEMENT GRANTS. HE ASKED THAT CALHOUN-LIBERTY HOSPITAL CORPORATION PAY THE COUNTY IN THIS BUDGET YEAR FOR THAT LOAN. HE SAID THE BOARD WAS UNDER THE IMPRESSION THAT MONEY COLLECTED FROM OLD MEDICAID AND MEDICARE BILLINGS WOULD BE APPLIED TO OLD BILLS.

MRS. BROCK STATED THERE WAS NOT VERY MUCH MONEY COMING IN FROM MEDICAID AND MEDICARE BILLINGS.

COMMISSIONER BOWDEN STATED THE BOARD AGREED TO BORROW THE \$71,000 FOR THE HOSPITAL BASED ON INFORMATION FROM THE PREVIOUS ADMINISTRATOR OF CALHOUN GENERAL HOSPITAL. HE SAID THE NOTE WAS TO BE REPAID BY THE HOSPITAL FROM MEDICAID AND MEDICARE FUNDS. HE RELAYED THE COUNTY IS IN A REAL BIND SINCE THEY REPAID THE LOAN TO C & L BANK.

COMMISSIONER WHITFIELD STATED THAT MRS. BROCK HAD WANTED TO KEEP THE HOSPITAL OPEN DURING THE TRANSITION PERIOD AND THAT THE BCC HAD OPENED A LINE OF CREDIT FOR \$118,000.00 AND IN A RESOLUTION HAD PLEDGED REPAYMENT TO THE BANK WITH FUNDS RECEIVED FROM MEDICARE-MEDICAID PAYMENTS AND THAT THE HOSPITAL WAS TO PAY THE INTEREST. HE SAID WE ONLY HAD TO USE \$ AND OF THAT AMOUNT APPROXIMATELY \$5,000.00 WAS LEFT IN THAT BANK ACCOUNT AND IRS HAD LEVIED ON THAT ACCOUNT. HE REQUESTED THAT WITHIN THE NEXT 20 OR 30 DAYS THAT THE BOARD BE REPAID THIS AMOUNT IN ORDER FOR THE COUNTY TO CONTINUE TO OPERATE.

MR. MILLER SUGGESTED THAT HE TALK WITH MRS. BROCK AND AFTER DOING SO, HAVE HER AGAIN MEET WITH THE BOARD ON THE MATTERS DISCUSSED, THE BOARD AGREED.

THE BOARD AND MRS. BROCK DISCUSSED AUDIT REQUIRED FOR CALHOUN GENERAL HOSPITAL.

COMMISSIONER WHITFIELD REPORTED THE ACCOUNTING FIRM HAS NOT BEEN ABLE TO BEGIN THE AUDIT AS STATED IN THE AGREEMENT AND THAT THE AUDIT PERIOD NEEDS TO BE EXTENDED FOR AN ADDITIONAL PERIOD OF 90 DAYS. HE REPORTED THAT MRS. BROCK HAD ALREADY SIGNED AN ADDENDUM EXTENDING THE REQUIRED PERIOD FOR AN ADDITIONAL 90 DAYS FROM AND AFTER THE EXPIRATION OF THE ORIGINAL 90 DAY TERM.

MOTION BY COMMISSIONER BOWDEN TO EXTEND THE AUDIT PERIOD FOR AN ADDITIONAL 90 DAYS FROM AND AFTER THE EXPIRATION OF THE ORIGINAL 90 DAY TERM.

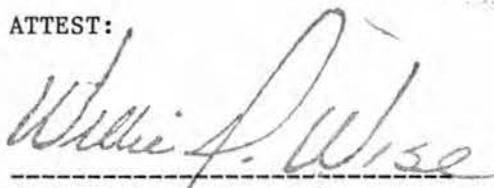
2ND COMMISSIONER GRANT
MOTION CARRIED

COMMISSIONER WHITFIELD REMINDED THE BOARD THAT APALACHICOLA VALLEY
NURSING HOME NEEDED THE BOARD TO COOK FISH FOR THEM ON SATURDAY, MAY
25, 1991.

THE BOARD EXECUTED THE BOND FOR NEWLY APPOINTED COMMISSIONER JOHN
LINDSEY.

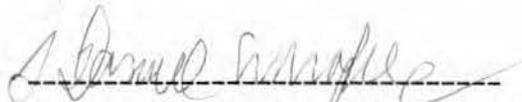
THERE BEING NO FURTHER BUSINESS, THE BOARD DID ADJOURN.

ATTEST:



WILLIE D. WISE, CLERK

CALHOUN COUNTY BOARD OF COUNTY
COMMISSIONERS



S. DONNELL WHITFIELD, CHAIRMAN