

Highlands County Hospital District Board of Commissioners Regular Meeting – May 22, 2025

The Highlands County Hospital District Board of Commissioners met at 1:31pm on Thursday, May 22, 2025, at the Highlands County Commissioner's Board Room. Notice of the Regular Meeting was published in the Highlands News Sun on May 11, 2025. The notice is filed in the Board's meeting file.

COMMISSIONERS PRESENT: Victor Divietro, Dean Gerber, Dusty Johnson, Jeff Roth

COMMISSIONERS ABSENT: Katie Wilson

OTHERS PRESENT: Bert Harris – Swaine, Harris & Wohl, PA; Gail Escobar- Clerk; Ingra Gardner – Community Programs Director; Sadie McNew – Assistant to Development Services Director; Joe Gleason – HCA Florida Highlands CEO; Henry Capote – HCA Florida Highlands CFO; Katie Houlihan – Assistant County Attorney; Myla Reizen – Jones Walker, LLP; Jennifer Ungru – Jones Walker LLP via TEAMS, and members of the public

I. MEETING CALLED TO ORDER at 1:31 pm by Chairman Gerber.

II. INVOCATON AND PLEDGE OF ALLEGIANCE
Mr. Roth led the pledge and gave the invocation.

III. CALL COMMENTS FROM THE PUBLIC
There were no comments.

IV. APPROVAL OF MINUTES

MOTION: Mr. Roth made a motion seconded by Mr. Johnson to approve the minutes of the regular meeting of February 27, 2025. Upon roll call, all Members voted aye. The motion carried.

V. ACCOUNTANT'S REPORT

A representative from the accountant Wicks, Brown, Williams & Co was not able to be present at today's meeting. Full written report was provided and included in the agenda packet. Board member, Dusty Johnson, gave an overview of the information provided by the accountant.

Written report provided reflected investments updated through April 30, 2025, cashflow through March 31, 2025, check register through third quarter ending June 30, 2024, financial statements for second quarter January 1, 2025 and March 31, 2025, and summary of brokerage statements through April 30, 2025.

MOTION: Mr. Divietro made a motion seconded by Mr. Roth to accept the written accountant's report. Upon roll call, all Members voted aye. The motion carried.

VI. APPROVAL OF PAYMENT OF INVOICES

MOTION: Mr. Johnson made a motion seconded by Mr. Divietro to approve payment of invoices as presented by the Clerk for Highlands News Sun – 238.42; Swaine, Harris, & Wohl – 5,952.50; Wicks, Brown, Williams & Co. – 1,585.00; Jones Walker LLP – 14,154.72, for a total of \$21930.64. Upon roll call, all Members voted aye. The motion carried.

VII. HRMC REPORT

Joe Gleason, CEO, provided a summary of current community activities, the hiring of new physicians, and receiving a Leapfrog A rating. He also said that he had sent an email to Mr. Gerber to advise that this meeting will be his last with the District since he is moving to a Davie HCA hospital. Henry Capote, CFO, will be the point of contact for the hospital in the interim.

VIII. BUSINESS RELATED TO SALE OF HOSPITAL

Mr. Harris provided a summary of past activity to date.

There are two points of discussion for today's agenda. One being the process going forward and second is the discretion by the District Board and the County Commission Board (BOCC) of how the money will be used from the sale of the hospital and how much control is with Highlands County in the use of the money.

The Process Going Forward

Mr. Harris provided an overview of the process to date. Myla Reizen, special counsel, along with her firm, Jones Walker, has represented other hospital districts and is familiar with other methodologies used including amending enabling acts as it relates to the sale of hospitals. Therefore, the goal is to amend this District's enabling act to move away from requiring the approval of the Agency for Health Care Administration (AHCA) and adhering to Florida Statute 155.40. This requires significant work to prepare an amendment of the enabling act and negotiate that with this Board, the BOCC, and the legislative members who are involved in health care to allow for a smooth transition through the legislative process. The next session begins January 2026 and the enabling act will need to be ready by August for this Board to review and to be ready in September for the local hearing of our legislative delegation. This amended enabling act would provide for the sale or lease of the hospital. Alternately, there would need to be negotiations with HCA to extend the current lease, under a market rate rent, beyond the current expiration date of July 31, 2027.

This Board needs to appoint an individual to lead the negotiations with HCA as to the extension of the lease and to appoint an individual be the point of contact with the amendment of the enabling act.

Realty Trust Group (RTG) was contacted which provided a general scope of work and staff bios for this meeting. It is expected that a proposal will be ready for this Board to review and accept within a few weeks. Therefore, a special meeting will be needed within a few weeks.

Ms. Reizen stated that special districts that would have fallen under Florida Statute 155.40 have not used that statute since 2012. The statute provisions are very detailed in terms of the process for appraisals, the process for public notice, going through ACHA, and 50

percent of the funds from the sale must be placed in a trust fund with the remaining 50 percent to go to indigent health services. The District's current enabling act is clear on the leasing issue with clarification needed on the sale of the hospital. Other key provisions to be included are to ensure the transaction meets the health care needs of the community, ensure the public voice is heard, and be sure the transaction meets the best interest of the community through a fair market value asset. Obtaining a consultant is important to develop and determine the best alternatives from a financial perspective to be certain that the final decision is financially sound. The need for a parallel path of extending the current lease is due to the time period of the lease, and the goal for the enabling act is to work on language to be ready for a District Board review in August. The enabling act needs to be ready for the local review by the legislative delegation in September.

MOTION: Mr. Divietro made a motion seconded by Mr. Johnson to appoint Dean Gerber as the Board point of contact as related to amending the enabling act. Upon roll call, all Members voted aye. The motion carried.

MOTION: Mr. Divietro made a motion seconded by Mr. Johnson to appoint Dean Gerber to enter negotiations with HCA for the extension of the hospital lease. Upon roll call, all Members voted aye. The motion carried.

RFP Valuation of Hospital Properties in 2024

The Board is in agreement to not contract with the one RFP submittal in 2024 by BBG Real Estate Services for valuation of hospital properties.

MOTION: Mr. Johnson made a motion seconded by Mr. Roth to reject the one bid submitted through the RFP request process for valuation of the hospital parcel. Upon roll call, all Members voted aye. The motion carried

IX. DUKE ENERGY REQUEST

This request will be presented at a future meeting. The need is to upgrade electrical lines so a request for an easement is expected to be presented. Approval will be required by this Board and also HCA. This item could be on the agenda of the special meeting on June 10, 2025.

X. DECLARATION OF SURPLUS FUNDS FOR GRANT PURPOSES

Mr. Johnson reviewed the projected surplus information that was included in the accountants report for the year ending September 30, 2025. There was Board discussion to add \$100,000 for expected expenses through September of 2025.

MOTION: Mr. Johnson made a motion seconded by Mr. Divietro to declare surplus funds of the Hospital District in the amount of \$374,301. Upon roll call, all Members voted aye. The motion carried.

XI. HEALTH SERVICES GRANT 2025-2026 RECOMMENDATIONS

MOTION: Mr. Divietro made a motion seconded by Mr. Roth for the BOCC to expend surplus funds and approved grant funding for the following organizations:

Central Florida Health Care - \$10,000; Champion for Children Foundation-Prevention - \$20,000; Champion for Children Foundation - Ila & Kinsley Cox LMF -

\$8,000; Change of Pace - \$15,000; Peace River Center for Personal Development – 25,000; The Ruth E. Handley Children’s Advocacy Center - \$42,688; Samaritan’s Touch Care Center - \$146,000. Upon roll call, all Members voted aye. The motion carried.

MOTION: Mr. Johnson made a motion seconded by Mr. Gerber to recommend to the BOCC to expend surplus funds and approved grant funding for **Ridge Area Arc** in the amount of **\$95,000**. Upon roll call, all Members voted aye with Mr. Roth and Mr. Divietro abstaining. The motion carried.

XII. LEGAL COUNSEL

No additional legal business was introduced.

XIII. OTHER BUSINESS

A special meeting was scheduled for Tuesday, June 10, 2025 at 1:30pm.

Joe Gleason, HCA Florida Highlands CEO, mentioned that FFA may need to be contacted if utility work is near the helipad. Mr. Harris, legal counsel, stated that since both the District Board and HCA have to approve the contract for easement, any concerns with the helipad should be covered.

Bill Stephenson, Samaritan’s Touch Care Center, questioned the County previously going to the legislature to change the enabling act and asked what the concern was with the Florida Statue 155.40. Mr. Harris stated that the item presented to the legislature last year was a totally different item. He said the issues with F.S.155.40 would require great explanation and he can provide the information to Mr. Stephenson.

XIV. ADJOURNMENT

Chairman Gerber adjourned the meeting at 2:13 pm with the next regular meeting set for Thursday, August 28, 2025.


Dean W. Gerber, Chairman


Gail Escobar, Clerk