

MINUTES OF THE SPECIAL-CALLED MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CITY OF SILOAM SPRINGS, BENTON COUNTY,  
ARKANSAS, HELD JANUARY 30, 2009

The Board of Directors of the City of Siloam Springs, Arkansas, met in special-called session at the City of Siloam Springs Administration Building, January 30, 2009.

The meeting was called to order by Vice Mayor Long.

Attendance Roll Call:

Wasson, Nation, Wiles, Long – Present.

Smiley, Turner – Arrived late.

Mayor David Allen, City Administrator David Cameron, Deputy City Clerk Connie Neu, City Attorney Jay Williams – Present.

Opening prayer was led by Long.

Vice Mayor Long led the Pledge of Allegiance.

Vice Mayor Long noted that Smiley and Mayor Allen arrived.

The next agenda item was Ordinance No. 09-03. A motion was made by Long and seconded by Smiley to place Ordinance No. 09-03, Amend Section 46-55/Removal of Members of Hospital Board, on its first reading suspending the rules and reading title only. Jay Williams stated that currently the ordinance allows for removal of any individual member by a two-thirds majority vote. With the transfer of operations to CHS, the Hospital Board will become surplus and unneeded, so the proposed amendment is to allow for disillusion of the Board as a body rather than going through and removing the membership one-by-one as the ordinance currently permits. Cameron stated there is no provision in the by-laws that stipulate the disillusion of the Hospital Board other than what is in the code. Turner arrived. A motion was made by Long and seconded by Smiley to amend the motion to combine all three readings. Mayor Allen confirmed, per our attorney, that Ordinance No. 08-18 passed on September 23, 2008, would be upheld per state statue. Jay Williams recommended that Ordinance No. 09-03 be read in full. Jay Williams stated he had just received two resolutions from the Hospital's attorney that will be introduced to the Hospital Board tonight with respect to transfer of funds. One is the endowment fund held by the Hospital and the other does not specify but is the funds and assets not other wise covered by the asset purchase and lease agreement. Both of those resolutions propose transferring the funds to the City and also the liabilities. The Board discussed the foundation funds and endowments. Paul Calloway, Finance Director, stated the transfer of funds, including these endowment funds, all of which are recorded on the Hospital's balance sheet, will be effective upon the passage of the resolution by the Hospital Board of Governors and the close of the Hospital sale to CHS. The only money not under the Board of Directors' control is the Foundation funds. This is money raised through fundraising efforts. Turner stated for the record that if these monies (endowed monies) end up under the control of this Board, that we would make every effort to make sure those monies were spent the way the people who donated or endowed the Hospital Board with this money, is spent in the direction that they would have requested. These are in restricted accounts. Cameron stated that one of the liabilities we assume is the severance agreement. Nation noted these liabilities will be paid from Hospital funds, not City funds.

Roll Call: (combine three readings)

Wasson, Smiley, Turner, Nation, Wiles, Long – Aye.

No Nay.

Six Ayes. No Nays. Motion Carried.

Roll Call:

Smiley, Turner, Nation, Wiles, Long, Wasson – Aye.

No Nay.

Six Ayes. No Nays. Motion Carried.

David Cameron read Ordinance No. 09-03 in full.

A motion was made by Smiley and seconded by Wiles to adopt Ordinance No. 09-03, Amend Section 46-55/Removal of Members of Hospital Board.

Roll Call:

Turner, Nation, Wiles, Long, Wasson, Smiley – Aye.

No Nay.

Six Ayes. No Nays. Motion Carried.

The next agenda item was Ordinance No. 09-04. A motion was made by Long and seconded by Wasson to place Ordinance No. 09-04, Dissolve Board of Governors Siloam Springs Memorial

Hospital, on its first and final reading suspending the rules and reading title only. Jay Williams stated that as written the Hospital Board cannot meet tonight. This ordinance as presented would dissolve the Hospital Board immediately. Jay Williams stated this would go into effect on the date of passage by the Board of Directors per state statute. A motion was made by Wasson and seconded by Smiley to add the effective date of January 31, 2009, at 12:01 a.m.

Roll Call: (Amendment)

Nation, Wiles, Wasson, Smiley, Turner – Aye.

Long – Nay.

Five Ayes. One Nay. Motion Carried.

Cameron made the recommendation for an amendment to require any action taken at tonight's Board of Governor's meeting to be subject to Board of Directors' approval. Specifically, because the Hospital Board may be intending to cut a check for their CEO's severance effective tomorrow. But the severance agreement requires the Mayor's signature, and it hasn't been approved by the City's Board. Cameron stated the amendment he is requesting is to ask the Board's consideration that all approvals or transfers of funds would be subject to Board approval. Long stated he would like to change his vote if the contract between the CEO and Hospital is subject to this Board's approval. Jay Williams stated that such a provision was outside the scope of the original ordinance proposal and not an agenda item. A motion was made by Wasson and seconded by Wiles to withdraw the original amendment. After further discussion, Wasson withdrew his motion to remove the amendment. Mayor recognized original movant's withdrawal of motion. Cameron stated he and the City Attorney would be attending the Hospital Board meeting this evening to represent City's interests. Smiley stated that she didn't want anything cloudy that may jeopardize overall ordinance included in it. After further discussion to clarify status of motion, Smiley stated that she would like the Hospital Board to meet tonight rather than being dissolved immediately. Wasson stated that that's where they are with the motion. Long called for vote. Mayor stated that the motion is to dissolve Hospital Board with effective date of 12:01 a.m., January 31, 2009.

Roll Call: (as amended)

Wiles, Long, Wasson, Smiley, Turner, Nation – Aye.

No Nay.

Six Ayes. No Nays. Motion Carried.

An ordinance entitled:

AN ORDINANCE DISSOLVING THE BOARD OF  
GOVERNORS OF THE SILOAM SPRINGS  
MEMORIAL HOSPITAL

was read for its first and final reading.

A motion was made by Smiley and seconded by Nation to adopt Ordinance No. 09-04, Dissolve Board of Governors Siloam Springs Memorial Hospital.

Roll Call:

Long, Wasson, Smiley, Turner, Nation, Wiles – Aye.

No Nay.

Six Ayes. No Nays. Motion Carried.

There being no other business to come before this Board, a motion was made by Long and seconded by Wasson that this meeting be adjourned. A voice vote was called for on the motion, and it was approved unanimously.

APPROVED:

(SEAL)

ATTEST:

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David E. Allen, Mayor

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Peggy Woody, City Clerk, MMC