



**BOARD OF TRUSTEES (Open Session) MEETING**  
**September 23, 2025**  
**VIRTUAL Via Microsoft Teams**

**Trustees Present:** Dr. Jerry Kennett, Jan Beckett, Gary Thomspson, Judy Starr, Barry Orscheln

**Other Attendees:** **Boone Health Executive Team:** Brady Dubois

**Present:** **Others:** Daniel Beckett, Joe Bayer and Shelly Rackers

The open session meeting of the Boone County Hospital Board of Trustees meeting was called to order at 12:00 p.m. by Dr. Jerry Kennett, Chairman.

Dr. Jerry Kennett directed the Board of Trustees to review the Consent Agenda items:

- Board of Trustee Meeting Minutes – August 26, 2025
- August 2025 Trustee Financial Report
  - **Financial Report Correction:** Gary highlighted an error in the financial report showing BMP3 rent income at about 50% of the usual amount for August, explaining that Brian Winn confirmed it was an accounting error and had been corrected. Shelly will ad corrected financials to BoardEffect once received.

**A motion was made by Jan Beckett and seconded by Barry Orscheln to approve all consent agenda items as presented. The Trustees unanimously approved said motion.**

- Joe Bayer, Director of Support Services provided updates on ongoing design and construction projects.
  - **PT Expansion and Project Coordination:** Joe explained that the PT expansion involves adding three rooms, and the preference is to select the same contractor for both the PT expansion and the rheumatology/primary care projects to streamline work and minimize delays.
  - **Bidding Process and Timeline:** Joseph stated that bids for rheumatology and primary care at Nifong are due Friday evening, with Rene' compiling a bid tab for review; Dr. Kennett suggested sending the results to the entire board for review and possible virtual meeting to be called to discuss if needed.

- **Project Funding Clarification:** Brady confirmed that the PT expansion would be funded by Boone Health (the hospital) and not by the trustees, as it is considered an internal improvement.
- **Facilities Maintenance and Repairs:** Joe reported on various facilities maintenance activities.
  - **Parking Lot and Grounds Maintenance:** Joe updated that parking lot resealing was completed for all trustee properties except the warehouse, which is scheduled for mid-October, and that trees were removed from the North campus.
  - **Window and Crosswalk Repairs:** A new window for the bridge between BMP3 and BMP2 was ordered and scheduled for early October installation, and Hemme Construction completed crosswalk repairs at Nifong.
  - **Concrete Repair Options and Decision:** Joe presented three options for concrete and snow melt system repairs at Nifong from Watson Concrete, recommending the option to repair the two wings in the front and the back for \$94,600;
    - **A motion was made by Gary Thompson and seconded by Judy Starr to approve a bid from Watson Concrete for \$94,600 to repair the two wings in the front and back. The Trustees unanimously approved said motion.**
  - **Glycol System Repair:** Gary inquired about the glycol system integration, and Joe confirmed that recent repairs by Teal Mechanical resolved previous concerns, allowing the recommended repairs to proceed.
- **Emergency Lighting Repairs and Safety Upgrades:** Joe explained the need for emergency lighting repairs 35 lights failing recent tests, following a Joint Commission citation, presented a quote from Meyer Electric.
  - **Repair Cost and Vendor:** Meyer Electric provided a quote of \$11,766 to complete the necessary repairs, which Joe compared to a previous repair cost of approximately \$40,000. Joe noted that the building is about 11 years old, and the failures are likely due to the age of the original lights, with about 200 fixtures in total.
    - **A motion was made by Jan Beckett and seconded by Judy Starr to approve Meyer Electric's bid of \$11,766 to repair the 35 lights that failed recent testing. The Trustees unanimously approved said motion.**
- **Parking Lot Lighting and Safety Concerns:** Joe raised concerns about insufficient lighting in the parking lot west of the doctor's building, indicating that Security has received complaints about darkness especially as days get shorter, and suggested getting a quote for additional lighting to improve

safety. The Board of Trustees agreed, Joe will bring quotes to the next meeting.

- **Warehouse and BMP3 Equipment Repairs:** Joe updated the group on ongoing repairs to the warehouse A/C condensing unit and the pending quote for the BMP3 exhaust fan, noting these are not urgent issues.
- **Lease Issues and Tenant Departure:** Gary updated the group on discussions with Anthony Deshay regarding the lease, noting Anthony's dissatisfaction with the three-month waiver and his intent to vacate by December 31, 2025, with no plans to pay rent in 2026.
  - **Tenant Lease Negotiations:** Gary explained that Anthony Deshay was not satisfied with the three-month lease waiver, plans to vacate by December 31, and stated he would not pay rent in 2026, suggesting legal action would be required to collect further rent.
  - **Trustee Response:** Jerry and the group agreed to let the situation sit for now, acknowledging the possibility of delays in the tenant's move-out and potential for further rent collection if the tenant remains.
- **Welltower Asset Sale and Lease Implications:** Daniel Beckett explained Welltower OM Group's plan to sell all assets to a joint venture, and its request for Trustee's to sign the proposed landlord estoppel and recognition agreement whereunder the Trustee's consent to the assignment of the tenant's rights under the three ground leases to the joint venture, and request for the trustees' to waive its right of first refusal to purchase the Tenant "Improvements" as defined in the leases.
  - **Asset Sale and Lease Assignment:** Daniel Beckett described Welltower OM Group's sale of assets to a joint venture (and Welltower's ownership in the joint venture) and the request for the trustees to sign a landlord estoppel certificate and consent to assignment.
  - **Right of First Refusal:** Daniel explained that the trustees have a right of first refusal to purchase improvements made by Welltower (or the predecessors in title to the leasehold interest), which has been waived in past assignments, and that the current request includes waiving this right again.
  - **Lease Term and Termination:** Daniel clarified that the ground lease terms runs until August 31, 2045, May 31, 2050, and April 30, 2025 respectively with no early termination option granted to the Trustees, and that the trustees would need to negotiate a purchase if a new partner wished to acquire the buildings.
  - **Sale Terms and Timing:** Daniel noted that the terms and conditions of the sale of improvements by Welltower OM Group to the third-party joint venture entity have not been shared, and the closing date has been delayed due to lender approval issues; the trustees have 60 days from September 10, 2025 to exercise their right of first refusal

- **Employee Retention and Severance Plans:** Dr. Kennett and Judy informed the group about the board's approval of retention and severance plans for employees, including details on bonus percentages, accruals, and financial implications.
  - **Retention and Severance Plan Approval:** Jerry announced that the board approved both retention and severance plans for employees, with retention bonuses set at 30% of annual salary for the executive team and 15% for directors, and severance up to one year's salary if terminated within a year of a new partner taking over.
  - **Accrual and Financial Impact:** Judy clarified that the retention bonus liability has already been accrued on the books as a performance bonus, with \$900,000 accrued through August and a total estimated cost of \$1.3 million.
  - **Eligibility and Performance Metrics:** Judy and Dr. Kennett explained that employees are unlikely to receive both retention and performance bonuses, as financial performance metrics are not expected to be met, but quality metrics may still be achieved.

Brady Dubois, CEO provided an update on hospital operations, highlighting ongoing efforts to resolve revenue recognition issues, debt collection process changes.

**A motion was then made by Barry Orscheln and seconded by Judy Starr to adjourn the Board of Trustees' meeting. The Trustees unanimously approved said motion.**

The open session meeting of the Board of Trustees was adjourned by Dr. Jerry Kennett, Chairman at 12:35 p.m.

  
Jan Beckett, Secretary