

MUNICIPAL ORDER 23-2018

A MUNICIPAL ORDER APPROVING CHANGES TO ARTICLE III OF THE BYLAWS OF OWENSBORO HEALTH, INC. FORMALLY OWENSBORO MEDICAL HEALTH SYSTEM, AS REQUIRED BY THEIR ARTICLES OF INCORPORATION, AND SECTION 7.01 OF THE BYLAWS, WHICH STATES THAT CERTAIN AMENDMENTS ADOPTED BY THE OWENSBORO HEALTH, INC. BOARD OF DIRECTORS ARE SUBJECT TO APPROVAL BY THE CITY AND COUNTY; AND FURTHER APPROVING A CHANGE TO SECTION 3.03 OF THE BYLAWS PROHIBITING A MEMBER OF THE BOARD OF DIRECTORS, OTHER THAN ONE MEMBER WHO IS EITHER A PHYSICIAN DIRECTOR OR THE EXECUTIVE APPOINTEE, FROM BECOMING AN EMPLOYEE OF THE CORPORATION.

WHEREAS, on October 28, 2003, Daviess Fiscal Court and the Board of Commissioners of the City of Owensboro enacted a joint ordinance authorizing the surrender of ODCH's interest in Owensboro Medical Health System, now Owensboro Health, Inc., (hereinafter "OH") and simultaneous therewith, approved Amended and Restated Articles of Incorporation of OH; and

WHEREAS, KRS 273.191 states that the power to alter, amend or repeal bylaws or adopt new bylaws shall be vested in the Board of Directors of a Nonstock, Nonprofit Corporation, unless otherwise provided in the Articles of Incorporation or bylaws; and

WHEREAS, the OH Board of Directors has proposed changes to the bylaws. Those changes include changes to Article III, Section 3.03(h), and are being submitted to the Owensboro Board of Commissioners for its approval, in accordance with Article VII, Section 7.01 of the bylaws.

**NOW, THEREFORE, BE IT ORDERED BY THE CITY OF OWENSBORO,
KENTUCKY, AS FOLLOWS:**

Section 1. The Owensboro Board of Commissioners hereby grants approval to the following changes to the Bylaws of Owensboro Health, Inc.:

Amend Section 3.03(h) of the Bylaws to read as follows:

- (h) No member of the Board of Directors, other than one ~~[of the]~~ member who is either a Physician [Directors] Director or the Executive Appointee, may ~~[or shall]~~ be, or, while a Board Member, become, an employee of the Corporation. Any person elected or appointed to the Board of Directors who, at the time of election or appointment, fails to meet the criteria for election or appointment, shall not take office; any person elected or appointed to the Board of Directors who, at the time of election or appointment, meets the criteria for such election or appointment but thereafter fails to do so, will be deemed to have resigned his or her position as a Director of the Corporation immediately before the event occurs which would cause him/her to fail to meet the criteria for serving as a member of the Board of Directors.

Section 2. The Mayor, City Manager, City Attorney and appropriate staff are hereby authorized to execute any and all other documents deemed necessary to facilitate the requirements as set forth herein.

INTRODUCED, PUBLICLY READ AND APPROVED ON ONE READING, this the 16th day of October, 2018.

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk