

MUNICIPAL ORDER 53-2022

A MUNICIPAL ORDER APPROVING CHANGES TO ARTICLE 5 OF THE ARTICLES OF INCORPORATION OF OWENSBORO HEALTH, INC., AS REQUIRED BY ARTICLE 10 OF ITS ARTICLES OF INCORPORATION; THE PROPOSED AMENDMENTS TO ARTICLE 5 INCLUDE AN INCREASE IN THE BOARD OF DIRECTORS FROM FOURTEEN (14) TO SIXTEEN (16) MEMBERS, AND AN INCREASE IN THE NUMBER OF CITY APPOINTEES TO THE BOARD OF DIRECTORS FROM THREE (3) TO FOUR (4) MEMBERS.

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, the OH Board of Directors has proposed changes to Article 5 of the Articles of Incorporation, which changes are being submitted to the Owensboro Board of Commissioners for its approval in accordance with Article 10 of the Articles of Incorporation.

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

Section 1.

Amend Article 5 of the Articles of Incorporation to read as follows:

5. **DIRECTORS** The Corporation shall be controlled and managed under the direction of a Board of Directors.

The Corporation's Board of Directors shall have [~~fourteen~~]sixteen [~~(14)~~](16) members. Effective [~~October~~

~~31~~December , ~~[2003]~~2022, and thereafter, members of the Corporation's Board of Directors shall be elected or appointed in the following manner:

(a) ~~[Three]~~Four ~~[(3)]~~(4) directors shall be appointed by the County Judge/Executive of Daviess County ("County Judge") with the consent of the Daviess County Fiscal Court ("County Appointees"); provided that the total number of County Appointees shall not constitute a quorum of the members of Fiscal Court or any other public agency. ~~[These directors designated as the initial County Appointees are set forth in subparagraph (g).]~~

(b) ~~[Three]~~Four ~~[(3)]~~(4) directors shall be appointed by the Mayor of the City of Owensboro ("Mayor") with the consent of the Board of the City Commissioners of the City of Owensboro ("City Appointees"); provided that the total number of City Appointees shall not constitute a quorum of the members of the Board of City Commissioners or any other public agency. ~~[These directors designated as the initial City Appointees are set forth in subparagraph (g).]~~

~~[(c)]~~ ~~[One (1) director will be appointed jointly by the County Judge and the Mayor ("Executive Appointee"); provided that such person shall be a member of the active Medical Staff of Owensboro Health ("OH") throughout his/her entire term of office, and shall not be an elected public official, an employee of the County or the City, or a member of the governing body of any public agency. These directors designated as the initial Executive Appointee is set forth in subparagraph (g).]~~

~~[(d)]~~ ~~[Three (3)]~~

(c) Four (4) members of the Corporation's Board of Directors shall be physicians who are members of the [OH] active Medical Staff [("Physician Directors")] of the Owensboro Health ("OH") general acute care hospital in Daviess County

(the "Hospital") or members of the active Medical Staff of another general acute care hospital in the Corporation's health care system ("Physician Directors"). The collective Medical Staff of these hospitals are the Medical Staff of the Corporation. One of the Physician Directors may be a physician not on the active Medical Staff of OH Hospital but on the active Medical Staff of the Corporation.

The Corporation's Bylaws shall set forth the method of election or appointment of Physician Directors [~~to succeed the initial three (3) Physician Directors set forth in subparagraph (f);~~ provided no Physician Director shall be (i) an elected public official, (ii) an employee of the County or City, (iii) a member of the governing body of any public agency, or (iv) appointed or elected to his/her position as a Physician Director by any of the persons or entities in (i) through (iii). [~~Those directors designated as the initial Physician Directors are set forth in subparagraph (g).]~~]

[e](d) Four (4) members of the Board of Directors shall be elected or appointed from the community at large ("Community Directors"). The Corporation's Bylaws shall set forth the method of election or appointment of the Community Directors; provided that Community Directors shall be elected by vote of the Corporation's Board of Directors from a slate submitted to the Board of Directors by a Nominating Committee that consists of at least two Board Members (including the Board Chair) and up to ten other committee members who represent the Owensboro Daviess County community and the Corporation's service area communities at large; provided no Community Director shall be (i) an elected public official, (ii) an employee of the City or County, (iii) a member of the governing body of any public agency, (iv) appointed or elected to his/her position as a Community Director by any of the persons or entities in (i) through (iii), or (v) a physician who is a member of the active Medical

Staff of the Corporation. [~~These directors designated as the initial Community Members are set forth in subparagraph (g).~~]

~~[f](e)~~ No more than four (4) members of the Board shall be physicians who are members of the active Medical Staff of the Corporation.

~~(g)~~ The following persons shall constitute the Corporation's Board of Directors effective October 31, 2003, to serve the term set opposite their name with their successors to be elected or appointed in the manner set forth in the Corporation's Bylaws:

<u>City Appointee</u>	<u>Term of Office</u>
L. Stuart Augenstein	November 1, 2004
Billy Joe Miles	November 1, 2005
G. Ted Smith	November 1, 2006
<u>County Appointee</u>	<u>Term of Office</u>
Reid Haire	November 1, 2004
Ann Murphy Kincheloe	November 1, 2005
Alan Braden	November 1, 2006
<u>Executive Appointee</u>	<u>Term of Office</u>
Michael Scherm	December 1, 2003
<u>Physician Appointees</u>	<u>Term of Office</u>
David Danhauer	February 28, 2004
Albert Mercer	November 1, 2005
Frederic Park	November 1, 2006
<u>Community Director</u>	<u>Term of Office</u>
Ben Hartz	February 28, 2004
Ed Wathen	February 28, 2004
Beth Johnson	February 28, 2004
David Hocker	February 28, 2004

~~(g)f)~~ 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, other than any Physician Director who thereafter fails to do so because he or she becomes an employee of the Corporation but who may nonetheless continue to serve as a Director for the remainder of his or her term, 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.

[H](g) Consistent with provisions hereinabove set forth, the Corporation's Bylaws shall provide further provisions relating to the election or appointment of members of the Board of Directors, term of office, including staggered terms and for the removal of members of the Board.

Section 2. That the Mayor, City Manager, and other City staff as appropriate are hereby authorized and directed to execute any other documents in furtherance thereof.

INTRODUCED, PUBLICLY READ AND APPROVED ON ONE READING, this the 20th day of December, 2022.

Thomas H. Watson, Mayor

ATTEST:

Beth Davis, City Clerk