

"Newco" Board Meeting Minutes **February 6, 2008**

Present: Kevin Cichocki, D.C., David Dunn, M.D., Evan Evans, M.D., James T. Evans, M.D., Robert Gioia, Mary Gresham Ph.D., Sharon L. Hanson, James Kaskie, Brenda McDuffie, Judge James McLeod, Sundra Ryce, Irene Snow, M.D., Edward F. Walsh, Jr., Robert M. Zak, Michael Young, Robert Wild, Betsy Baumler.

Absent: Jody Lomeo, John Simpson, Ph.D., David Zebro

The meeting was called to order at 8:35 AM by the Chair, Robert Gioia.

Minutes

The minutes of the January 23, 2008 Board were presented for approval. Some minor changes were suggested. **Upon motion duly made and seconded, the minutes of the January 23, 2008 Board of Directors Meeting were unanimously approved with the suggested changes.**

Request for Proposal for Communication Firm

Mr. Kaskie outlined the request for proposal sent to five area firms to support Newco with the development of a communication plan, brand identity and ongoing marketing and communications counsel. He indicated the RFP had been sent to the following firms: E-3 Communications (recommended by Sharon Hanson), Eric Mower & Associates (ECMCC's firm), Paragon (Kaleida Health's firm), Stand Advertising (recommended by Dr. Dunn – UBMD campaign), and Travers Collins (firm currently representing the Catholic Health System). Mr. Kaskie indicated once the proposals were returned (due February 18th), he planned to review the proposals with Thomas Quatroche, Senior Vice President of Marketing and Planning for ECMCC, and Michael Hughes, Vice President, Public Relations for Kaleida Health to narrow it down between two firms and then invite the finalists to present to the Board for their final decision.

Heart Vascular Engagement

Mr. Kaskie discussed the proposals received in response to the heart vascular infrastructure RFP outlined at the last meeting of the Board. He indicated the ad hoc committee appointed by the Board unanimously agreed to advance the engagement of PricewaterhouseCoopers ("PWC"). He also indicated the engagement was discussed at the Strategic and Community Plan Committee meeting on February 5, 2008.

Mr. Kaskie outlined the discussions regarding the choice of PWC and indicated in addition to the Board members included in the conference call to finalize the engagement, Mr. Mark Barabas, COO of ECMCC (representing Mr. Young who could not attend) and Mr. Donald Boyd, President of Millard Fillmore Gates Hospital also took part.

Mr. Kaskie outlined the process PWC will follow, including keeping all proprietary information in a "black box" to keep all competitive information confidential and stated PWC was currently populating the list of physicians and interviews to be scheduled over the next few weeks in order to meet the April 1st deadline. **Upon motion made and seconded, the Board unanimously agreed to the engagement of PricewaterhouseCoopers.**

Zero Tolerance

Mr. Gioia reminded everyone of the zero tolerance rule and stressed the importance that everyone abide by it. He again asked that all parties refrain from any negative media campaigns, editorials, etc.

Discussion between Newco and ECMCC Counsel

Mr. Wild updated the Board on his discussions with Mr. Anthony Colucci, ECMCC's counsel. He indicated Mr. Colucci had sent a list of "points" on the MOU. He stated he felt it was a good start and was currently working on proposing amendments to the MOU. He stated he had recently sent them to Mr. Kaskie for his review.

Members of the Board expressed concern over the length of these discussions and stated they would like a deadline imposed on getting the MOU fully executed by all parties. The Board agreed to table the discussion of a deadline to the next meeting but also indicated they would like to review a copy of the revisions at the next Board meeting if not before.

Strategic and Community Plan Committee Meeting

Dr. Cichocki highlighted the Strategic and Community Plan Committee meeting which took place the afternoon prior to the Board meeting. He indicated the majority of the meeting had been spent discussing the process of reviewing CONs and the authority of Newco to approve such CONs. The Committee members requested clarification from Messrs. Gioia and Wild as to Newco's authority. Mr. Gioia indicated the Department of Health had reiterated that all CONs must be reviewed and approved by Newco. Mr. Wild indicated the Department of Health considered Newco the governing body for all decisions on CONs. With the clarification on the CON approval process by Mr. Wild, a motion was duly made and seconded, and the Board unanimously approved that a summary of all CONs be submitted to the Strategic and Community Plan Committee for review and recommendation prior to submission to the full Board.

Messrs. Young and Kaskie presented the following CONs for ECMCC and Kaleida Health that were approved for recommendation to the Board by the Strategic and Community Plan on February 5th:

ECMCC

1. 12-Zone-3 Renovation of 30 year old nursing unit
2. ED/OR Expansion – to address ER volume and Gates closure volume
3. Four renal stations – volume; uninsured patients in ER
4. Level II Stroke Center designation

Kaleida Health

1. Millard Fillmore Gates Hospital Extension Clinic
2. Women and Children's Hospital of Buffalo Extension Clinic
3. Women and Children's Hospital of Buffalo Dental Clinic
4. Buffalo General Hospital 3rd MRI

Mr. Young answered questions from the Board on the ED/OR Expansion. He indicated the expansion was necessary due to a 15% increase in business. The Board requested more information

on this CON prior to approval at the next Board meeting and also requested that all CONs be submitted in a set format including a project description, rationale, impact, and total cost. Upon motion made and duly seconded as amended, all CONs listed above with the exception of the ED/OR Expansion for ECMCC were unanimously approved. Mr. Gioia requested Mr. Kaskie notify the DOH that Newco had collaboratively approved the CONs as indicated.

HEAL NY

Mr. Kaskie outlined an upcoming deadline of April 6th for HEAL NY 7 & 8 applications.

Chris Collins Meeting

Mr. Gioia highlighted a recent meeting with County Executive Chris Collins, Legislature Chairperson, Lynn Marinelli, Mr. Thomas Mazur and Mr. Kaskie. He indicated Mr. Collins is concerned the MOU has not yet been finalized.

Governance Committee Meeting

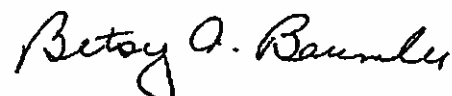
Mr. Gioia requested that Mr. Walsh schedule a Governance Committee meeting prior to the next Board to begin the process of drafting By-laws for Newco.

Next Meeting

Mr. Gioia stated the next meeting of the Newco Board of Directors would be held on Wednesday, February 20th, 2008 at WNED.

The meeting was adjourned at 10:15 AM.

Respectfully submitted,



Betsy A. Baumlner