

RESOLUTION NO. 118-15

A RESOLUTION APPROVING THE AMENDED & RESTATED BYLAWS  
OF THE MEMORIAL HEALTH SYSTEM ENTERPRISE BOARD OF  
TRUSTEES

WHEREAS, Memorial Health System was established as an enterprise of the City (the "MHS Enterprise") governed through a Board of Trustees; and

WHEREAS, after determining it to be in the best interest of the public health, safety, and general welfare of the City and its residents, the City Council approved the City's entry into (i) the Health System Operating Lease Agreement dated July 2, 2012 (which contemplated transfer of Memorial Health System assets and the long-term lease of Memorial Health System facilities to a lessee (first Poudre Valley Health Care, Inc., then UCH-MHS)), and (ii) the Integration and Affiliation Agreement, dated July 2, 2012, by and among the City, University of Colorado Health, Poudre Valley Health Care, Inc., and UCH-MHS (such agreements, collectively, the "Memorial Health System Affiliation"); and

WHEREAS, upon referral by the City Council and through the special election held August 28, 2012, the voters of the City approved the terms of the Memorial Health System Affiliation, and the transactions and actions contemplated thereby, and the Memorial Health System Affiliation became effective on October 1, 2012; and

WHEREAS, the MHS Enterprise remains an enterprise of the City, with responsibilities relating to, among other matters, administering and monitoring the Memorial Health System Affiliation, preparing to address and resolve any issues or concerns arising under the Memorial Health System Affiliation or related agreements, evaluating potential future health care services and affiliations or ventures, and managing residual liabilities from the MHS Enterprise's direct operation of health care facilities prior to the Memorial Health System Affiliation; and

WHEREAS, the Board of Trustees of the MHS Enterprise, after thorough study, has approved Amended & Restated Bylaws at their November 10, 2015 meeting, in recognition of the Memorial Health System Affiliation; and

WHEREAS, the Amended & Restated Bylaws are consistent with the City of Colorado Springs Rules and Procedures of Council, the City Charter, and all applicable electoral ordinances governing the MHS Enterprise.


**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF COLORADO SPRINGS:**

Section 1. The City Council hereby approves the adoption of the Amended & Restated Bylaws promulgated by the MHS Enterprise Board of Trustees (the "MHS Enterprise Board").

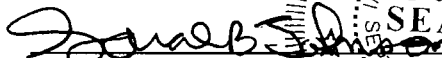
Section 2. The City Council hereby approves the rescission of (i) the governing charters of the MHS Enterprise Board and (ii) other governance-related materials of the MHS Enterprise Board (other than the Amended & Restated Bylaws), including summaries of Board Committee Organization. The City Council also approves the suspension of all policies previously adopted by the MHS Enterprise Board until such time as the MHS Enterprise Board specifically readopts such policies.


Section 3. Members of the MHS Enterprise Board, their authorized designees, any authorized agent of the MHS Enterprise, and any authorized agent of the City of Colorado Springs on behalf of the MHS Enterprise, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution and the Amended & Restated Bylaws. Such actions heretofore taken by such Board members, their authorized designees, any authorized agent of the MHS Enterprise, and any authorized agent of the City of Colorado Springs on behalf of the MHS Enterprise, are hereby ratified, confirmed and approved by the City Council.

Dated at Colorado Springs, Colorado, this 24<sup>th</sup> day of November, 2015.

  
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City Council President

ATTEST:

  
\_\_\_\_\_  
Sarah B. Johnson, City Clerk



# **Memorial Health System Enterprise**

## **AMENDED & RESTATED BYLAWS OF MEMORIAL HEALTH SYSTEM ENTERPRISE**

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**Colorado Springs, Colorado**

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**AMENDED & RESTATED BYLAWS  
OF  
MEMORIAL HEALTH SYSTEM ENTERPRISE**

**ARTICLE I: PREAMBLE**

Memorial Health System Enterprise (“MHS Enterprise”), formerly referenced as “Memorial Hospital” and “Memorial Health System,” is an enterprise of the City of Colorado Springs, dedicated to ensuring the provision of quality care to the members of the community.

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**ARTICLE II: MHS ENTERPRISE BOARD OF TRUSTEES**

1. Section 1: Composition and Conduct.

- A. The Board of Trustees of MHS Enterprise, hereinafter referred to as "MHS Enterprise Board", shall consist of nine (9) voting members who may be any individuals deemed qualified by the City Council of the City of Colorado Springs. Each member of the MHS Enterprise Board shall be appointed by the City Council and shall be appointed for a term of three (3) years. The appointment of a member of the MHS Enterprise Board by the City Council shall become effective upon the date of such action by the City Council or at such other date as may be stipulated in the motion appointing said member.
- B. Any member may resign from the MHS Enterprise Board at any time by giving written notice to the Chair or Secretary of the MHS Enterprise Board, and the acceptance of such resignation shall not be necessary to make it effective.
- C. Members of the MHS Enterprise Board may be recommended for removal from the MHS Enterprise Board by majority vote of the MHS Enterprise Board. All such recommendations for removal will be made in writing to the City Council and will include all causes for recommended action.
- D. Members of the MHS Enterprise Board will be required annually to execute a Conflict of Interest Statement.
- E. Members of the Board serve without compensation for their services, but may be reimbursed for actual expenses as set forth in section F.
- F. Members are expected to participate in annual educational and training programs in order to gain experience in matters involving the health care industry. The Board Development Committee shall annually provide recommendations to the Board as to the expectations of annual participation by members. Expenses incurred by members for educational and training programs relating to their duties as members shall be reimbursed.
- G. Board members are subject to the provisions of the City of Colorado Springs Code of Ethics (City Code sections 1.3.101 *et. seq.*), and should employ independent judgment in providing policy advice and recommendations for MHS Enterprise.

2. Section 2: Authority

A. Duties and fiduciary responsibilities of the MHS Enterprise Board are as follows:

- (1) The MHS Enterprise Board generally shall be empowered and authorized to do all things not in conflict with the City Charter or the Ordinances of the City of Colorado Springs for the operation, maintenance and development of MHS Enterprise.
- (2) The MHS Enterprise Board shall, upon recommendation of the Finance Committee, review the annual operating budget and capital expenditures (if any), and evaluate and approve financial statements and all financial matters of MHS Enterprise.
- (3) The MHS Enterprise Board shall exercise control over the operation, expenditures, personnel and employee matters, betterments, improvements, repairs, equipment, fiscal and other policies of MHS Enterprise.
- (4) The MHS Enterprise Board shall advise the City Council of the amount of financial support from the City, if any, deemed necessary for MHS Enterprise for each ensuing fiscal year.
- (5) The MHS Enterprise Board shall review its own performance and fulfillment of its fiduciary responsibilities on an annual basis.

B. The MHS Enterprise Board shall select and appoint a competent and experienced Chief Executive Officer who shall be a direct representative in the management of MHS Enterprise. The MHS Enterprise Board shall, through the Chief Executive Officer, provide for the following:

- (1) Review of the Bylaws and all auxiliary organizations by the Board Development Committee on an annual basis.
- (2) Development of plans for the extended care of patients and other long-term services. This shall include arrangements for the provision of services by outside resources.
- (3) Education and training of MHS Enterprise personnel consistent with the needs of MHS Enterprise.
- (4) Review and act upon the reports of authorized agencies.
- (5) Maintenance of a Strategic Plan to be reviewed by the MHS Enterprise Board on an annual basis.

- C. Upon the recommendation and advice of the Medical Staff of MHS Enterprise, the MHS Enterprise Board shall appoint members of the Medical Staff and grant such privileges as may in their judgment be warranted by the experience and training of the applicant.

3. Section 3: Regular and Special Meetings of the MHS Enterprise Board

- A. Meetings of the MHS Enterprise Board shall be regular and special.
- B. The annual meeting of the MHS Enterprise Board shall be held in September of each year, or at such other time as designated by the MHS Enterprise Board, for the purpose of electing officers and for the transaction of such other business that may come before the meeting.
- C. The regular meetings of the MHS Enterprise Board shall normally be held at least quarterly as determined by the MHS Enterprise Board.
- D. Special meetings of the MHS Enterprise Board may be called by, or at the direction of, the Chair of the MHS Enterprise Board, or shall be called upon the written request of any three members of the MHS Enterprise Board, or upon the request of the Chief Executive Officer. Sufficient notice of any special meeting shall be made by written notice mailed and e-mailed at the request of individual MHS Enterprise Board members to each member of the MHS Enterprise Board at least five (5) days before the date of such special meeting. However, if a majority of the members of the MHS Enterprise Board waive the requirement for such written notice, a special meeting may be held at a time agreeable to a majority of the members of the MHS Enterprise Board.
- E. Members of the MHS Enterprise Board or any committee established by the MHS Enterprise Board may participate when necessary in a meeting of the MHS Enterprise Board or a committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting. Physical presence of the MHS Enterprise Board member at each meeting is preferred.
- F. Unless otherwise provided in these Bylaws, no binding action may be taken by the MHS Enterprise Board except at a regular or special meeting; provided, however, that any action taken by MHS Enterprise which requires MHS Enterprise Board approval shall be valid if ratified by the MHS Enterprise Board at a subsequent regular or special meeting, or in the alternative, if ratified by a majority of the members of the MHS Enterprise Board by means of a telephonic poll.
- G. All members of the MHS Enterprise Board shall attend meetings regularly. The failure of any MHS Enterprise Board member to meet the attendance



requirements consistent with the policies of the City Council may result in removal of that member from the MHS Enterprise Board. The MHS Enterprise Board adopts the City Code regarding Vacation of Offices set forth as follows:

**VACATION OF OFFICE:** Any member of any board or commission established by ordinance who is absent in any twelve (12) month period from twenty five percent (25%) or more of the regularly scheduled meetings of the board or commission, to which the member is appointed, shall automatically be dropped as a member of that board or commission for the remainder of the term and a new member shall be appointed forthwith by the City Council to fill the vacancy. No board or commission member shall be dropped who, in the opinion of the Council, has good cause for failing to be present at the meetings. (1968 Code § 1-150; Ord. 99-148; Ord. 01-42)

- H. The presence of a majority of the membership of the MHS Enterprise Board at any of its meetings shall constitute a quorum. No action except to adjourn can be taken at any meeting at which less than a quorum is present.
- I. Members of the MHS Enterprise Board shall follow the Rules and Procedures of City Council when conducting an Executive Session.

**AMENDED & RESTATED BYLAWS  
OF  
MEMORIAL HEALTH SYSTEM ENTERPRISE**

**ARTICLE III: OFFICERS**

1. Section 1: Officers; Election; Term. The officers of the MHS Enterprise Board shall be a Chair, Vice-Chair, Secretary, Assistant Secretary, and such other officers as may be determined by the MHS Enterprise Board. Officers of the MHS Enterprise Board shall hold office for a period of one (1) year or until their successors have been elected, and may serve any number of terms. The initial officers shall be as follows: **Merv Bennett (Chair); Jill Gaebler (Vice-Chair); Andy Pico (Secretary); and Kara Skinner (Assistant Secretary)**. Other than the initial officers, officers of the MHS Enterprise Board shall be elected at the annual meeting of the MHS Enterprise Board each year; provided that, vacancies may be filled at any time by action of the MHS Enterprise Board (and such appointees shall serve an initial term until the next annual meeting or until their successors have been elected).

2. Section 2: Chair; Duties. The Chair shall be a member of the MHS Enterprise Board and shall call and preside at all meetings of the MHS Enterprise Board and the Executive Committee. The Chair may sign with the Secretary or with any proper officer of MHS Enterprise authorized by the MHS Enterprise Board any deeds, mortgages, bonds, contracts or other instruments which the MHS Enterprise Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the MHS Enterprise Board or by these Bylaws or by statute to some other officer or agent of MHS Enterprise. The Chair shall perform the duties and have the powers which are ordinarily incident to this office, and others which the MHS Enterprise Board shall from time to time specifically designate.

3. Section 3: Vice-Chair; Duties. The Vice-Chair, who shall be a member of the MHS Enterprise Board, shall act as Chair in the absence of the Chair and when so acting shall have all the power and authority of the Chair. The Vice-Chair shall have such other powers and perform such other duties that from time to time might be prescribed for the Vice-Chair by the MHS Enterprise Board or these Bylaws.

4. Section 4: Secretary; Duties. The Secretary, who shall be a member of the MHS Enterprise Board, shall issue notices of all regular and special meetings on order from the Chair; shall receive and attend to all correspondence of the MHS Enterprise Board; shall have custody of all documents belonging to the MHS Enterprise Board; shall cause accurate minutes to be kept of all meetings of the MHS Enterprise Board; and shall perform such other duties as usually pertain to this office. Notwithstanding anything herein to the contrary, the MHS Enterprise Board may appoint an Assistant Secretary who need not be a member of the MHS Enterprise Board, and such Assistant Secretary may perform any of the duties of the Secretary as delegated by the Secretary.

5. Section 5: Resignation; Removal; Officers. Any officer may resign at any time by giving written notice to the Chair or the Secretary of the Board and unless otherwise specified therein

the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed by the MHS Enterprise Board whenever, in its judgment, the best interests of MHS Enterprise would be served thereby. If the removal of a member as an officer of the MHS Enterprise Board also includes the recommendation for removal from the MHS Enterprise Board, such recommendation must be forwarded in writing to the City Council in accordance with ARTICLE II, Section 1, paragraph C of these Bylaws.

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**ARTICLE IV: COMMITTEES**

1. Section 1: Committees; Powers

- A. Committees of the MHS Enterprise Board shall be standing and special. Standing Committees shall be an Executive Committee, a Board Development Committee, a Finance Committee, a Compensation Committee, an Audit Committee, a Hospital Quality and Safety Committee, a Children's Hospital Advisory Board, and such other standing committees as the MHS Enterprise Board may authorize.
- B. The Chair and all members of each committee, except as specified for the Executive Committee, shall be appointed by the Chair of the MHS Enterprise Board, in consultation with the Executive Committee, following the annual meeting. Members of each committee shall hold office for one (1) year or until their successors are appointed. The Chair may fill any vacancies that occur on committees for the remainder of the term.
- C. Standing committees shall have power to act only as stated in these Bylaws or as conferred by the MHS Enterprise Board in specific matters.
- D. Those committee members appointed by the Chair of the MHS Enterprise Board may include persons in an advisory or consulting capacity who are not members of the MHS Enterprise Board. In all committees, however, the chair of the committee shall be a member of the MHS Enterprise Board.
- E. Minutes shall be recorded for all committee meetings and filed with the Secretary of the MHS Enterprise Board for its review. The MHS Enterprise Board must ratify the actions of all committees.

2. Section 2: Executive Committee; Composition; Powers; Duties. The Executive Committee of the MHS Enterprise Board shall consist of the Chair of the MHS Enterprise Board, who shall be Chair of the Executive Committee, Vice-Chair, Secretary, and other members of the MHS Enterprise Board as appointed by the Chair. The Executive Committee shall have the power to transact all regular business of MHS Enterprise during the interim between meetings of the MHS Enterprise Board provided that any action that it may take shall not conflict with the policies and the expressed wishes of the MHS Enterprise Board, and it shall refer through the Chair all matters on which it has taken action to the MHS Enterprise Board for ratification at its next regular meeting. Any action taken by the Executive Committee shall have the full force and effect of the action by the entire MHS Enterprise Board unless, or until, the MHS Enterprise Board provides otherwise. Should any matter of extreme urgency arise between regular meetings of the MHS Enterprise Board, it shall be the duty of the Executive Committee to request the Chair to call a special meeting of the MHS Enterprise Board.

3. Section 3: Joint Conference of MHS Enterprise Board and Medical Staff. The Joint Conference shall include the officers of the MHS Enterprise Board, the Chief Executive Officer, Chief Medical Officer, Chief of the Medical Staff, Chief of the Medical Staff Elect, and the past Chief of the Medical Staff, with the Chair of the MHS Enterprise Board as Chair of the Joint Conference. The Joint Conference will be scheduled as needed. The purpose of the Joint Conference is to discuss matters of a medical-administrative nature that need to be brought to its attention, and to make such recommendations as it may deem in the best interest of MHS Enterprise. The Joint Conference is not empowered to make final decisions in matters brought before it in the name of the MHS Enterprise Board or the Medical Staff; its purpose is one of communication between these two bodies. Interested members of the MHS Enterprise Board and of the Executive Committee of the Medical Staff are invited to all quarterly Joint Conferences.

4. Section 4: Finance Committee; Composition; Powers; Duties

A. The Finance Committee shall consist of a Chair and at least two (2) members of the MHS Enterprise Board, appointed by the Chair of the MHS Enterprise Board following the annual election of the officers of the MHS Enterprise Board. The Finance Committee shall meet at least quarterly and shall perform the following functions:

- (1) Recommend to the MHS Enterprise Board corporate policies which will assist the Finance Committee in performing its responsibilities.
- (2) Participate in the preparation and periodic review of the annual operating and capital budgets and cash flow forecasts of MHS Enterprise and present the operating and capital budgets to the MHS Enterprise Board for review, approval and submission to City Council and to such other regulatory bodies as required by statute.
- (3) Evaluate and approve monthly financial statements of MHS Enterprise.
- (4) Evaluate and advise the MHS Enterprise Board in all financial matters of MHS Enterprise.
- (5) Follow and evaluate industry and payer trends and their potential impact on MHS Enterprise.
- (6) Educate MHS Enterprise Board and Committee members on financial matters that are impacting, or may impact, MHS Enterprise.

5. Section 5: Compensation Committee; Composition; Powers; Duties. The Compensation Committee shall consist of a Chair and at least two (2) members of the MHS Enterprise Board, appointed by the Chair of the MHS Enterprise Board following the annual election of the officers of the MHS Enterprise Board. The Human Resources Committee shall meet at least annually and will perform the following functions: review the performance of the Chief Executive Officer

annually and prepare a performance evaluation for consideration by the MHS Enterprise Board; and make recommendations to the MHS Enterprise Board as to the Chief Executive Officer's compensation for the following year, based on the compensation range for comparable Chief Executive Officer positions, as instituted by the MHS Enterprise Board.

6. Section 6: Audit Committee; Composition; Powers; Duties. The Audit Committee shall consist of a Chair and at least two (2) members of the MHS Enterprise Board, appointed by the Chair of the MHS Enterprise Board following the annual election of officers of the MHS Enterprise Board. The Audit Committee shall meet at least annually and shall perform the following functions:

- A. Engage the independent auditors to perform the annual audit of MHS Enterprise;
- B. Review the internal control letter and the comfort letters provided to MHS Enterprise by the independent auditors, and review and approve management response letters;
- C. Review any and all internal audits performed at MHS Enterprise, whether by the City Auditor or MHS Enterprise internal auditors;
- D. Initiate audits of various MHS Enterprise processes and procedures as directed by this Committee or the MHS Enterprise Board; and
- E. Recommend to the MHS Enterprise Board assignments to the Finance Committee and others for audit follow-up.

7. Section 7: Special Committees; Powers. Special Committees shall be appointed by the Chair of the MHS Enterprise Board from time to time as occasion demands. These committees shall limit their activities to the purpose for which they are appointed and they shall have no power to act unless such power is specifically conferred by action of the MHS Enterprise Board. All special committees shall have a date of termination of activities.

8. Section 8: Board Development Committee; Composition; Powers. The Board Development Committee shall consist of a Chair and at least two (2) MHS Enterprise Board members. The Board Development Committee shall perform the following functions:

- A. Participate in the annual review of the Bylaws of MHS Enterprise;
- B. Nominate and recommend MHS Enterprise Board members for officer positions, to fill vacant positions, and for annual elections;
- C. Develop and conduct Board orientations; and
- D. Recommend Professional Development Requirements for the Board.

9. Section 9: Hospital Quality and Safety Patient Committee; Powers; Duties. The Hospital Quality and Patient Safety Committee shall consist of a Chair and at least two (2) members of the MHS Enterprise Board, appointed by the Chair of the MHS Enterprise Board following the annual election of the officers of the MHS Enterprise Board. An additional committee member

shall be the Chief Executive Officer. The Hospital Quality and Patient Safety Committee shall meet at least quarterly and shall perform the following functions:

- A. Evaluate and report to the MHS Enterprise Board on available public information concerning MHS Enterprise and its Medical Staff;
- B. Review and report on performance improvement activities; and
- C. Review and report on patient safety parameters, performance improvement projects and outcomes at MHS Enterprise.

10. Section 10: Children's Hospital Advisory Board; Powers; Duties. To the extent that there is a separately licensed Children's Hospital among the MHS Enterprise facilities, the Children's Hospital Advisory Board shall consist of a Chair appointed by the Chair of the MHS Enterprise Board and at least two (2) members of the MHS Enterprise Board also appointed by the Chair of the MHS Enterprise Board. Appointments will be made following the annual election of the officers of the MHS Enterprise Board. Additional non-voting, ex-officio committee members shall be the Children's Hospital Medical Director, the Children's Hospital Administrative Director, and the Chief Executive Officer. The Children's Hospital Advisory Board shall meet quarterly and shall perform the following functions:

- A. Fund Development;
- B. Advocacy;
- C. Community Relations; and
- D. Management Resources.

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**ARTICLE V: THE CHIEF EXECUTIVE OFFICER**

The MHS Enterprise Board shall select and employ a competent and experienced Chief Executive Officer who shall be its direct representative in the management of MHS Enterprise. The Chief Executive Officer shall be given the necessary authority and held responsible for the administration of MHS Enterprise in all its departments, subject only to the policies enacted by the MHS Enterprise Board and to such orders as may be issued by the MHS Enterprise Board, or by any of its committees to which it has delegated power to act.

The Chief Executive Officer shall be employed by the MHS Enterprise Board and after receiving and reviewing the recommendations of the Compensation Committee, the Chief Executive Officer's compensation shall be determined by the MHS Enterprise Board annually in conjunction with the preparation of the annual MHS Enterprise budget.



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**ARTICLE VI: MEDICAL, DENTAL AND PODIATRIC STAFF**

1. Section 1: Organization. The physicians, dentists and podiatrists granted clinical privileges at MHS Enterprise shall be organized into a Medical, Dental and Podiatric Staff under Medical, Dental and Podiatric Staff Bylaws, Rules and Regulations. Proposed Bylaws, Rules and Regulations shall be recommended by the Medical, Dental and Podiatric Staff, shall be in conformity with the policies of the MHS Enterprise Board, and shall become effective upon approval by the MHS Enterprise Board.

2. Section 2: Quality of Medical Care and its Evaluation

- A. The MHS Enterprise Board shall delegate to the Medical, Dental and Podiatric Staff such responsibility for providing appropriate professional care to MHS Enterprise patients as the MHS Enterprise Board in its discretion deems appropriate, provided that there is hereby delegated to the Medical, Dental and Podiatric Staff the responsibility of medical functions and it shall be responsible for the quality of the medical care rendered to patients at MHS Enterprise.
- B. The Medical, Dental and Podiatric Staff shall conduct a continuing review and appraisal of the quality of professional care rendered at MHS Enterprise, and shall report such activities and their results to the MHS Enterprise Board.
- C. The Medical, Dental and Podiatric Staff shall make recommendations to the MHS Enterprise Board concerning: (1) appointments, reappointments, and changes in staff status; (2) granting of clinical privileges; (3) disciplinary actions; (4) all matters relating to professional competency; and (5) such specific matters as may be referred to it by the MHS Enterprise Board.
- D. The MHS Enterprise Board shall approve the Performance Improvement Plan of MHS Enterprise. The Organizational Performance Improvement Council (OPIC), which has been established in the Performance Improvement Plan, will annually evaluate the Performance Improvement Program based on the following criteria:
  - (1) Measurable improvements to meet established MHS Enterprise goals;
  - (2) Program comprehensiveness;
  - (3) Flexibility;
  - (4) Resource utilization;
  - (5) Program continuity; and

(6) Interdepartmental collaboration.

- E. The annual evaluation, along with recommendations to institute, alter, or delete any program components that are determined to be necessary, will be submitted to the MHS Enterprise Board and to the Medical Staff Executive Committee for consideration.

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**ARTICLE VII: AUXILIARY ORGANIZATIONS**

The MHS Enterprise Board may provide for the establishment of auxiliary organizations and special advisory boards. When established, such organizations shall develop and adopt Bylaws to delineate the purpose and function of the organization and establish a framework of self-regulation and a means of accountability to the MHS Enterprise Board. Such Bylaws shall be in conformity with the policies of the MHS Enterprise Board and shall become effective upon approval of the MHS Enterprise Board.

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**ARTICLE VIII: AMENDMENTS**

These Bylaws may be amended by a majority of the members present at the annual meeting or any regular or special meeting of the MHS Enterprise Board called for that purpose. Such proposed amendment shall be published in full in the calling of the meeting. Any such amendments adopted pursuant to this Article VIII shall be subject to City Council approval, and shall become effective as of the date of their approval by the City Council.

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**ARTICLE IX: RULES AND REGULATIONS**

The MHS Enterprise Board shall adopt such rules and regulations as may be necessary for the proper conduct of its work and the establishment of MHS Enterprise policy. Such rules and regulations shall be in conformity with the provisions of these Bylaws.

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**ARTICLE X:  
EFFECT OF THE MEMORIAL HEALTH SYSTEM AFFILIATION**

1. Section 1: Modifications to Bylaws During Duration of Memorial Health System Affiliation. During the duration of the Health System Operating Lease Agreement by and among the City of Colorado Springs, UCH-MHS and Poudre Valley Health Care, Inc., dated July 2, 2012, and the Integration and Affiliation Agreement by and among the City of Colorado Springs, University of Colorado Health, UCH-MHS and Poudre Valley Health Care, Inc., dated July 2, 2012 (collectively, the “Memorial Health System Affiliation”), the duties set forth in the following provisions of the Bylaws of MHS Enterprise shall be subject to the following modifications:
  - A. **Article II, Section 1(D):** The requirement to execute a Conflict of Interest Statement shall be permissive (but this shall not impair the requirement that members of the MHS Enterprise Board comply with the City of Colorado Springs Code of Ethics, including avoiding conflicts of interest pursuant to City Code Section 1.3.106).
  - B. **Article II, Section 1(F):** The requirement to participate in annual educational and training programs shall be permissive.
  - C. **Article II, Section 2(A)(2):** The MHS Enterprise Board need not obtain the recommendation of the Finance Committee, to the extent such committee has not been established.
  - D. **Article II, Section 2(B) and Article V:** The MHS Enterprise Board may elect to leave the Chief Executive Officer’s position vacant, in which case the Chair shall fulfill those duties applicable during the duration of the Memorial Health System Affiliation. In the event the MHS Enterprise Board appoints a Chief Executive Officer during the duration of the Memorial Health System Affiliation, the MHS Enterprise Board shall specify in writing which duties set forth in these Bylaws shall not apply (if any).
  - E. **Article II, Section 2(B)(1), (2), (3) and (5):** Such functions shall be permissive.
  - F. **Article II, Section 2(C)** shall not apply to the medical staff of any current or future operator of leased facilities under the Memorial Health System Affiliation, and shall only apply to the extent the MHS Enterprise Board establishes a

separate medical staff for the provision of health care at facilities beyond the scope of the Memorial Health System Affiliation.

- G. **Article II, Section 3(C):** Regular Board and Committee meetings shall be held at such frequency as determined by the MHS Enterprise Board.
  - H. **Article IV, Section 1(A):** Other than the Executive Committee, all other standing committees of the MHS Enterprise Board shall be permissive.
  - I. **Article IV, Section 3:** The Joint Conference of MHS Enterprise Board and Medical Staff shall be permissive.
  - J. **Article IV, Section 4:** The Finance Committee shall be permissive (but this shall not impair the City Council's right to approve the annual budget of, and annual appropriation for, MHS Enterprise, under City Code Section 13.1.104(C)).
  - K. **Article IV, Section 5:** The Compensation Committee shall be permissive.
  - L. **Article IV, Section 6:** The Audit Committee shall be permissive (but this shall not impair the audit rights of the City Auditor of the City of Colorado Springs under City Code Section 13.1.103(C)).
  - M. **Article IV, Section 8:** The Board Development Committee shall be permissive.
  - N. **Article IV, Section 9:** The Hospital Quality and Patient Safety Committee shall be permissive.
  - O. **Article IV, Section 10:** The Children's Hospital Advisory Board shall be permissive.
  - P. **Article VI** shall not apply to the medical staff of any current or future operator of leased facilities under the Memorial Health System Affiliation, and shall only apply to the extent the MHS Enterprise Board establishes a separate medical staff for the provision of health care at facilities beyond the scope of the Memorial Health System Affiliation.
  - Q. **Article IX:** The MHS Enterprise Board may, but need not, establish policies on behalf of MHS Enterprise.
2. Section 2: Summary of MHS Enterprise Board Duties and Responsibilities. For convenience of reference, Appendix 1 to this Article X summarizes the duties and responsibilities of the MHS Enterprise Board during the duration of the Memorial Health

System Affiliation. In the event of any conflict between Appendix 1 and these Bylaws, these Bylaws shall control.

3. Section 3: Effect of Termination of Memorial Health System Affiliation. Promptly upon receipt of notice of termination with respect to the Memorial Health System Affiliation, the MHS Enterprise Board, with the assistance of a special committee and/or task force as appropriate and in its discretion, shall undertake a thorough review of these Bylaws, the policies of the MHS Enterprise Board, and other governance materials of the MHS Enterprise Board, and shall make any necessary updates to such documents to reflect termination of the Memorial Health System Affiliation.



APPENDIX 1 TO ARTICLE X:  
OVERVIEW OF MHS ENTERPRISE BOARD OF TRUSTEES

The MHS Enterprise Board of Trustees (Board) is appointed by the City Council and, subject to the City Council's general supervision and control, exercises control over the operation, expenditures, personnel and employee matters, betterments, improvements, repairs, equipment, fiscal and other policies of the MHS Enterprise.<sup>1</sup> The Board is generally empowered and authorized to do all things, consistent with the City's Code of Ethics, the City Charter, and the Ordinances of the City of Colorado Springs for the operation, maintenance and development of the MHS Enterprise. It is ultimately responsible for the financial soundness and success of the MHS Enterprise, and for strategically planning its future.

**I. Core Functions**

**(1) Core Board Functions**

- Review the annual operating budget and capital expenditures (if any), and evaluate and approve the financial statements and all financial matters of the MHS Enterprise.
- Advise the City Council and Mayor of the amount of financial support, if any, deemed necessary for the MHS Enterprise for each ensuing fiscal year.
- Review and act upon the reports of authorized agencies.
- Keep City Council informed of important activities and trends involving the MHS Enterprise.
- Review its own performance and fulfillment of its fiduciary responsibilities annually.
- Elect MHS Enterprise officers at the annual meeting each year.
- Establish an appropriate orientation program for new Trustees.

**(2) Core Trustee Functions**

- Prepare for and attend Board meetings.
- Participate in Board discussions.
- Maintain confidentiality of information pertaining to the MHS Enterprise.
- Develop a working knowledge of the MHS Enterprise operations.
- Employ independent judgment in providing advice and recommendations, and comply with the City of Colorado Springs Code of Ethics, including avoiding conflicts of interest.

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<sup>1</sup> In the interest of clarity, the "MHS Enterprise" does not refer to any current or future operator of leased facilities under the Memorial Health System Affiliation.

## **II. Permissive Functions**

During the duration of the Memorial Health System Affiliation, various duties of the MHS Enterprise Board, such as the following, shall be permissive:

- Select and appoint a Chief Executive Officer to serve as a direct representative in the management of the MHS Enterprise.
- Establish any special or standing committees deemed necessary to the transaction of MHS Enterprise Board business.
- Maintain a Strategic Plan, to be reviewed on an annual basis.
- Identify the community's health needs and establish the MHS Enterprise's role in meeting those needs.