

Be it remembered that the Quarterly County Court of Loudon met on Monday, November 1, 1976 at 9:00 a.m. The Honorable William H. Russell, County Judge, presiding and Mrs. Addie Ruth Clarke, Deputy Clerk of Said Court was present; Whereupon, Chief Deputy Sheriff Luke Bright opened the Court, led the pledge of Allegiance to the Flag, and introduced the Reverend Bill Jackson, Pastor of the Eatonwood Church of God, who gave the invocation

The following Squires were present:

J. J. Blair	Roy Bledsoe
I. D. Conner	Curtis Williams
R. P. Hamilton	Boyd Duckworth
J. G. Hudson	Terry G. Vann
James Hartsook	

Mrs. Addie Ruth Clarke, Deputy Clerk of Said Court read the minutes of the October 4, 1976 meeting and upon motion of Squire Blair and second by Squire Williams the minutes were approved as read.

The Court recognized those people in the audience who wished to make statements to the Court.

The first person seeking recognition was Mrs. Pat Viars of the Loudon Women's Club. She invited the County Court and Judge Russell to ceremonies on November 6, 1976 at 10:00 a.m. at the Courthouse at which the Loudon Women's Club will dedicate a marker signifying the Loudon County Courthouse as a National Historic Landmark.

NATIONAL HISTORIC
LANDMARK DEDICATION

The Court then recognized Mr. Jim Yokum of Greenback Industries who requested information concerning property taxes assessed against Greenback Industries which had not been collected for the past years. Mr. Yokum cited several reasons as to why the tax would hurt Greenback Industries, including a lack of money to reinvest in the company. The Court called on Tax Assessor, Emmett Carter to explain the tax. Mr. Carter informed the Court that the State was now requiring the tax to be collected and that it was being done for all industries in the County.

DISCUSSION OF PERSONAL
PROPERTY, TAX ON
INDUSTRIES & BUSINESSES

Mr. Steve Campbell of the Tennessee State Planning Office was recognized to give the County Planning Commission report and it is attached heret as Exhibit H.

PLANNING COMMISSION REPORT

REZONING REQUEST

It was then moved the Squire Blair and seconded by Squire Duckworth that the rezoning request of a Portion of Parcel 6-0 and 6-1, Tax Map 42, from A-1 Agriculture to R-1, Suburban Residential; Property located on State Route 72 in the 4th Civil District and owned by J. B. Whaley be granted and the vote was unanimous to approve. *Resolution 24-76*

REZONING REQUEST

Squire Hamilton moved and was seconded by Squire Hudson that rezoning request for a portion of Parcel 6, Tax Map 3, from A-1 Agriculture to C-2 General Commercial; Property located on State Route 95 and Jones Road in the 5th Civil District and owned by Frank Halcomb be approved and the vote was unanimous to approve. *Resolution 25-76*

REZONING REQUEST

It was then moved by Squire Conner and seconded by Squire Vann that rezoning request for Parcel 7, Tax Map 18, from A-2, Rural Residential to C-2, General Commercial; Property located on Martel Road in the 2nd Civil District and owned by George Sarten be approved. Mr. Sarten was present to explain his request, after some discussion the vote was as follows:

AYE :

Blair
Conner
Vann
Hartsook

NAY:

Bledsoe
Duckworth
Williams
Hudson
Hamilton

HARBOR POINT ROAD
ACCETANCE REQUEST

Squire Hartsook moved and was seconded by Squire Blair to accept the roads in the Point Harbor Subdivision as public roads. The vote was all ayes with the exception of Squire Vann who passed. The roads were accepted.

BUILDING COMMISSIONER
REPORT

The Court then recognized Building Commissioner, Jack Henry who gave his monthly report. Mr. Henry collected \$1,168 for 24 new permits and added \$462,000 to the tax rolls.

HIGHWAY DEPARTMENT
REPORT

The Court then recognized Road Commissioner Irk Millsaps who discussed what has been done about the road in the Piney Community which the Court had requested action on in its October meeting. Mr. Millsaps stated that he and Squire Blair had looked at the road and determined that the road was in good enough condition for the bus to pass. Board of Education member, Ted Randolph then informed the Court that the problem had been resolved

PURCHASING COMMITTEE
REPORT

Squire R. P. Hamilton was recognized and gave the Purchasing Committee Report which is attached hereto as Exhibit B.

LOUDON COUNTY MEMORIAL
HOSPITAL REPORT

Squire Curtis Williams was then recognized to give the Loudon County Memorial Hospital Report. He informed the Court that the Hospital Board had elected officers, and then requested the adoption of the new hospital bylaws. It was moved by Squire Williams and seconded by Squire Blair to adopt the hospital bylaws with the changes as presented and the vote was unanimous for adoption. These bylaws are attached hereto as Exhibit C.

ELECTION OF BEE
INSPECTOR

Squire Hamilton was recognized by the Loudon County Court and nominated Mr. Dewey Range for Loudon County Bee Inspector. He then moved that Mr. Range be elected. Squire Vann seconded and the vote was unanimous for Mr. Range.

LOUDON COUNTY PART-
ICIPATION IN EMS CO-OP

It was then moved by Squire Blair and seconded by Squire Williams that Loudon County contribute \$1,000.00 to the Emergency Medical Systems CO-OP contingent upon a majority of the other 16 counties also contribute donating. The vote was unanimous.

ACCEPTANCE OF TASS
RESOLUTION

Squire Hudson moved and was seconded by Squire Williams to adopt the TASS resolutions allowing TASS to borrow money to cover expenses and other items until the grant money arrived. The vote was unanimous for approval of this resolution which is attached hereto as Resolution No. 26-76 Exhibit D.

DIXIE LEE UTILITY
DISTRICT FOR COOPERATION
GRANT

The Court then recognized Mr. Jack Buchanan representing the Dixie Lee Utilities District, requested that Loudon County cooperate with Dixie Lee Utilities District grant application by agreeing to be the grant applicant. He assured the Court that there was no financial assistant needed and that Dixie Lee Utilities would handle all the details. Squire Hartsook moved and was seconded by Squire Conner that Loudon County cooperate with the Dixie Lee Utilities District on their grant request. The vote was unanimous for this.

POINTMENT OF COUNTY
COURT CHAPLAIN

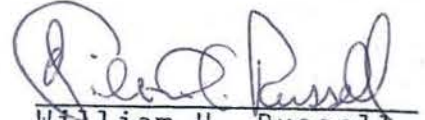
The County Judge then asked the Court to appoint a permanent County Court Chaplain who would serve regularly at County Court meeting and various functions. It was moved by Hamilton and seconded by Williams that the County Judge appoint a Chaplain. The vote was unanimous for appointment of a Chaplain.

ELECTION OF NOTARIES
PUBLIC

Squire Blair moved and was seconded by
Squire Hartsook to elect the following Notaries
Public: Mary O. Hartsell and Charles R. Wilson.

ADJOURNMENT

There being no further business, the Court
adjourned.


William H. Russell
COUNTY JUDGE


Edward Alexander
COUNTY COURT CLERK

TO: Judge William H. Russell and Members of the Loudon
County Quarterly Court

FROM: Steve Campbell, Staff Planner

DATE: November 1, 1976

SUBJECT: LOUDON COUNTY REGIONAL PLANNING COMMISSION- GENERAL
REPORT-OCTOBER MEETING

The planning commission met in regular session on
October 21, 1976, and considered the following items:

1. Recommended the rezoning of a portion of parcel 17-3, Tax Map 53 from R-1, Suburban Residential to C-2, General Commercial. The property is located on U.S. 11 near the SR72 intersection in the 1st Civil District and is owned by Tom Williams. A public hearing to consider this request has been called for the December county court meeting.
2. Recommended the rezoning of parcel 28, Tax Map 43, from A-2, Rural Residential to C-2, General Commercial. The property is located on SR72 in the 1st Civil District and is owned by Margie Stooksbury. A public hearing to consider this request has been called for the December county court meeting.
3. Recommended the rezoning of a portion of parcel 80, Tax Map 12, from R-1, Suburban Residential to M-1, General Industrial. The property is located on U.S. 70 along I-75 in the 5th Civil District and owned by John Cardwell. The proposed rezoning is consistent with the revised land use plan and the industrial development study currently being prepared. A public hearing to consider the request will be held at the December county court meeting.
4. Heard staff reports concerning the Industrial Development Study, TVA road adjustments, the Muddy Creek Road project and the issuance of building permits.

E. L. L. A

5. Voted unanimously to endorse an application by the Loudon County Soil Conservation District for Public Works Act monies for soil stabilization projects throughout the county and for the development of a park and nature study area at the old Air Force Rest Camp on Fort Loudoun Lake.
6. Discussed the possibility of an application for a sanitary landfill site by the City of Knoxville to be located in the 5th Civil District near the Knox-Loudon County line. It was noted that the site is being evaluated at present and that a feasibility report would be finished soon. If the report is positive and if Knoxville makes a request for approval of the site, then the planning commission might consider the request as early as November 18th. Under the Zoning Resolution the planning commission has the flexibility to approve or disapprove the proposed landfill operation.

SC/ks

RESOLUTION NO. 24-76

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-405 OF THE TENNESSEE CODE ANNOTATED, TO REZONE A PORTION OF PARCELS 6-0 AND 6-1, TAX MAP 42, FROM A-1, AGRICULTURE TO R-1, SUBURBAN RESIDENTIAL

WHEREAS, the Loudon County Quarterly Court, in accordance with Chapter Four, Section 13-405 of the Tennessee Code Annotated, may from time to time, amend the number, shape, boundary, area, or any regulation of or within any district or districts, or any other provision of any zoning resolution, and

WHEREAS, the Loudon County Regional Planning Commission has forwarded its recommendations regarding the amendment of the Zoning Map of Loudon County, Tennessee, and the necessary public hearing called for and held;

NOW THEREFORE, BE IT RESOLVED by the Loudon County Quarterly Court that the Zoning Map of Loudon County, Tennessee, be amended as follows:

- I. That a portion of parcels 6-0 and 6-1, Tax Map 42, said property located in the 4th Civil District on SR72, be rezoned from A-1, Agriculture to R-1, Suburban Residential.

BE IT FINALLY RESOLVED, that this resolution shall take effect immediately, the public welfare requiring it.

Date: November 1, 1976

[Signature]
Loudon County Judge

Attest: [Signature]

RESOLUTION NO. 25-76

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-405 OF THE TENNESSEE CODE ANNOTATED, TO REZONE A PORTION OF PARCEL 6, TAX MAP 3, FROM A-1, AGRICULTURE TO C-2, GENERAL COMMERCIAL

WHEREAS, the Loudon County Quarterly Court, in accordance with Chapter Four, Section 13-405 of the Tennessee Code Annotated, may from time to time, amend the number, shape, boundary, area, or any regulation of or within any district or districts, or any other provision of any zoning resolution, and

WHEREAS, the Loudon County Regional Planning Commission has forwarded its recommendations regarding the amendment of the Zoning Map of Loudon County, Tennessee, and the necessary public hearing called for and held;

NOW THEREFORE, BE IT RESOLVED by the Loudon County Quarterly Court that the Zoning Map of Loudon County, Tennessee, be amended as follows:

- I. That a portion of parcel 6, Tax Map 3, said property located on SR95 at Jones Road in the 5th Civil District, be rezoned from A-1, Agriculture to C-2, General Commercial.

BE IT FINALLY RESOLVED, that this resolution shall take effect immediately, the public welfare requiring it.

Date: November 1, 1976

Q. A. Russell
Loudon County Judge

Attest: Edward Alexander

MINUTES-- LOUDON COUNTY PURCHASING COMMITTEE October 1976

The Loudon County Purchasing Committee met October and October 26, 1976, in the office of the Purchasing Department to open and award the following bids:

DOOR AND WINDOWS for Building Trades Class, Bid awarded to Carter Lumber Company of Loudon.

Carter Lumber Company, Loudon	1,078.67
P. S. Scales Lumber Co., Maryville	1,073.90
J. W. Wilburn Hardware, Lenoir City	1,154.46
Pedigo Lumber Company	No Bid
Seiler Brothers, Inc.	No Bid
Lenoir Builders Supply	No Bid
Schaad Lumber Company	No Bid
Witt Lumber Company	No Bid

SHOWER STALL, PLUMBING & ELEC. SUPPLIES, Bldg. Trades Class.

Bid awarded to Modern Supply Company of Knoxville this being the only bid received.

Modern Supply Company	\$1,323.94
J. W. Wilburn Hdwe.	No Bid
Lenoir Builders Supply	No Bid
Carter Lumber Company	No Bid
Crane Supply	No Bid
Jerry's Wholesale	No Bid

TRUCK 2½ to 3 TON: Bid awarded to East Tennessee Trucks, of Knoxville.

East Tennessee Trucks,	7,740.24
Volunteer Ford,	11,350.58
Curtis-Tipton Ford	No Bid
Dean Simpson Olds	No Bid
Miller Motor Company	No Bid
Beaty Chevrolet Company	No Bid
Reeder Chevrolet, Inc.	No Bid
Hall Motor Company	No Bid
Jim White Chevrolet	No Bid

BRICK for Building Trades Class: Bid awarded to Carter Lumber Company of Loudon as low bidder.

Carter Lumber Company	\$1,215.87
J. W. Wilburn Hdwe.	1,858.80
General Shale	1,737.55
Knoxville Brick Company	1,235.65

Copy Sublet B

BYLAWS OF THE BOARD OF TRUSTEES
LOUDON COUNTY MEMORIAL HOSPITAL

WHEREAS, Loudon County Memorial Hospital is a non-profit governmental hospital organized by Loudon County under its authority as a political subdivision of the State of Tennessee; and

WHEREAS, the purpose of the hospital is to serve as a center for health care for the people of Loudon County, and to provide a means of providing good patient care, and for providing for medical education and research; and

WHEREAS, it is necessary to provide for the orderly and reasonable organization and operation of the hospital,

THEREFORE, THE Loudon County Quarterly Court has duly adopted these bylaws:

ARTICLE I

ESTABLISHMENT OF HOSPITAL BOARD

There is hereby created and established in Loudon County, Tennessee, a Board of Trustees to have full charge of the operation and maintenance of the Loudon County Memorial Hospital in Loudon County, Tennessee.

ARTICLE II

PURPOSES AND AUTHORITY OF BOARD

Section 1: The Board of Trustees shall have and be vested with full authority and responsibility for the operation, management, conduct and control of the business and affairs of the Loudon County Memorial Hospital (except as may be otherwise indicated herein or by applicable law) which shall include the following:

- a. Determine the policies of the hospital, with relation to the patients therein and to community needs.
- b. Provide equipment, facilities and personnel consistent with the needs of the patients of said hospital, and within the budget needs authorized by the Quarterly Court of Loudon County.

Date approved by Loudon County

Quarterly Court: _____

Exhibit C

- c. See that professional standards are maintained in the care of the sick.
- d. Provide adequate finances by sufficient income and by enforcing business-like control of expenditures.
- e. Provide for the safe administration of funds entrusted to said hospital.
- f. Keep adequate records of the hospital finances and activities.
- g. Surround the patients within said hospital with good, reasonable care and protection, thereby fulfilling the moral and legal responsibility of the hospital, to include the exercising of proper care and judgment in the selection of a qualified administrator and the medical, nursing, technical and other personnel and professional needs of said hospital.

Section 2: The authority and responsibility of the Board of Trustees shall include but not be limited to the establishment, promulgation and enforcement of rules, regulations and policies of the hospital, the upkeep, maintenance and protection of all property belonging to the hospital, and the administration of the fiscal and other necessary affairs of the hospital within the provisions of State law, and the execution of all contracts, agreements and other instruments unless otherwise specified or required by State and/or Federal laws and regulations.

ARTICLE III

APPOINTMENT AND ORGANIZATION OF BOARD

Section 1: Said Board of Trustees shall be composed of nine (9) in number, each elected or appointed by the Loudon County Quarterly Court who shall serve without compensation, except an expense allowance for each board meeting attended, not to exceed \$25.00 per meeting and shall be authorized any additional personal expenses as authorized by the Board for travel outside the County. No person who receives a full time regular salary from Loudon County or one of its departments may receive the "per meeting" expense allowance.

Section 2: The regular term of each elected member will be three years; and the election (or re-election) of new members shall be in Sept. of each year, the first year being Sept. 1, 1977, with the elected new members to take office October 1, the members of the board however, to serve until their successors are elected.

Section 3: Board members will be apportioned so that the residences of members are from the same districts and in the same proportion as the make-up of membership on the Quarterly Court unless agreed otherwise by the Justice of the Peace from a specific district.

Section 4 : The terms of the members are "staggered" in three panels, with a new panel of three to be elected each year. For the first election Panel I will only serve one year, Panel II will serve two years, and Panel III will serve three years, but members of all panels will subsequently serve three year terms.

<u>Panel I</u>	<u>Panel II</u>	<u>Panel III</u>
Roy Bledsoe District 1 (A)	B. Duckworth District 1 (B)	Va. Simpson District 5
Johnny Young District 2 (A)	Gene Hamby District 2 (C)	Bliss Kizer District 3
Mrs. Elan District 2 (B)	C. Williams District 2 (D)	R. Lee District 1

Section 5: It is specifically provided that no more than one third of the members may be Quarterly Court Members (Justices of the Peace) and no more than one-third may be physicians. Nominations of the members for election for the Board will come from the Justices from the appropriate section of the County. The term of any Justice of the Peace on the Board of Trustees is co-terminus with his office as Justice of the Peace.

Section 6: The County Judge and the Chief of Staff of the hospital are ex-officio members of the Board without vote.

Section 7: A trustee whose term has expired shall continue to serve until his successor shall have been elected in the manner herein provided. In the event of death or resignation of a board member prior to the expiration of his term, his successor shall be elected by the Quarterly Court of Loudon County, TN, for the unexpired term. Any incumbent trustee shall be eligible for re-election.

ARTICLE IV

OFFICERS

Section 1: At the first meeting of the Board of Trustees, the Board shall elect from its membership a chairman, vice-chairman, and a secretary, each of said officers to serve a one-year term and to be eligible for re-election. Any elected or appointed officer may be removed at any time by the Board. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

Section 2: DUTIES OF THE OFFICERS.

- a. Chairman: The chairman shall preside at all meetings of the board. He shall be an ex-officio member of all board and management committees, except the nominating committee, and ex-officio member without vote of all committees or organizations that are associated or affiliated with the hospital. He shall also perform all duties incident to the office of chairman and such other duties as may be prescribed by the board from time to time.
- b. Vice-Chairman: The vice-chairman may perform such duties as may be assigned to him by the board or the chairman. In the absence of the chairman or in the event of his event or disability, inability, or refusal to act the vice-chairman shall perform the duties of the chairman, with the full powers of, and subject to the restrictions upon the chairman.
- c. Secretary: The secretary shall provide for the keeping of minutes of all meetings of the board; may give or cause to be given appropriate notices in accordance with these bylaws or as required by law; and shall perform all duties incident to the office and such other duties as may be assigned from time to time by the chairman of the board.

Section 3: In the event of the absence or inability of the administrator to sign checks, the chairman of the Board of Trustees has the authority to do so in conjunction with the County Judge, or the Board may authorize the assistant administrator or other appropriate

ARTICLE V

MEETINGS OF THE BOARD

Section 1: The Board of Trustees shall hold regularly monthly meetings, the regular day and time to be set by resolution of the Board, which day may be changed from time to time by proper resolution. One such regular meeting shall be designated as the annual meeting.

Section 2: Special meetings of the Board may be called by the chairman, or by any three members, with five days' written notice to the remainder of the Board members.

Section 3: Voting.

a. A majority of the voting members of the Board shall constitute a quorum, and the affirmative vote of a majority of the membership shall be required for the Board to act.

b. The chairman votes only to break a tie vote or when such vote would make a clear majority.

Section 4: Due "public notice" of all meetings of the Board shall be given in accordance with State law.

ARTICLE VI

HOSPITAL ADMINISTRATION

Section 1: The Board of Trustees shall have authority to employ and appoint a chief executive officer or hospital administrator for said-hospital who shall hold office at the pleasure of the Board. The administrator shall not be a member of the Board of Trustees. He shall be a qualified person, and experienced in hospital administration, whose duties and responsibilities shall be as herein designated and as shall be determined and prescribed by the Board of Trustees.

Section 2: The administrator employed by the Board shall have the following duties.

a. Shall be the chief executive officer of the hospital, subject to the bylaws, rules and regulations adopted by the Board, and shall be under the control and direction of the Board of Trustees.

b. Shall, with the consent of the Board of Trustees, equip the hospital with all necessary furniture, appliances, fixtures, equipment and needed facilities for the care and treatment of patients and for the use of the officers and employees thereof.

c. Shall be the "purchasing agent" or general agent for the hospital as to all contracts, and shall work with the County purchasing agent in purchasing all necessary supplies and equipment, subject to all county purchasing rules, laws, and regulations.

d. Shall have general supervision and control of the records, accounts and bills of the hospital, and all internal affairs, and shall maintain discipline therein and shall enforce compliance with and all obedience to all rules, bylaws and regulations adopted by the Board of Trustees and/or required by Federal, State and local laws, for the government, discipline and management of said hospital, and the employees and patients thereof.

e. Shall make such further rules, regulations and orders as he may deem necessary, not inconsistent with law or the rules and regulations of the Board of Trustees.

f. Shall, under such rules and regulations and within the limits and in the manner prescribed by the Board of Trustees and with the advice and consent of said Trustees, employ such necessary personnel, including nurses aides, supervisors, technicians and such other technical and general employees as shall be necessary or proper for the efficient performance of the business of the hospital, describe their duties and discharge such employees at his discretion for good cause, in keeping with good efficient and honest administration.

g. Shall collect, or cause to be collected, and receive all monies due the hospital; and such monies, when collected, shall be deposited daily when possible, in the bank to the account of the County Trustee on receivable warrants in the same form as received; shall keep an accurate account of the same; shall pay the expenses of the operation of the hospital, from funds available, by County warrants drawn on the County trustee, with the exception that a special payroll banking account may be established, such warrants to be countersigned by the County Judge. A complete report of the operations of the hospital shall be presented by the administrator to the monthly meetings of the Board of Trustees.

h. Before entering upon the discharge of his duties, the administrator shall give a bond in such sum as the Board of Trustees may

determine to secure the faithful performance of his duties, the cost of the same to be included in the expense of the operation of the hospital.

i. Shall perform such other duties as the Board of Trustees may prescribe.

j. Provide liason among the Board, the medical staff, and the departments of the hospital.

k. Provide the hospital's professional staff with the administrative support and personnel reasonably required to carry out their review and evaluation activities.

l. Organize the administrative functions of the hospital, delegate duties, and establish formal means of accountability on the part of subordinates.

m. Be responsible, except as otherwise provided, for selecting, employing, controlling, and discharging employees, and for developing and maintaining personnel policies and practices.

n. Establish such hospital administrative departments as are necessary, provide for departmental and interdepartmental meetings, and attend or be represented at such meetings.

o. Be responsible for the maintenance and insurance of all physical properties.

p. Perform any other duty within the express or implicit terms of his duties that may be necessary for the best interest of the hospital,

ARTICLE VII

MEDICAL STAFF ORGANIZATION

Section 1: The Board shall cause to be created a medical staff organization, whose membership shall be comprised of all practitioners privileged to attend patients in the hospital. Membership in this medical staff organization shall be a prerequisite to the exercise of clinical privileges in the hospital, except as otherwise specifically provided in the medical staff bylaws.

Section 2: Delegation to the Medical Staff and Action by the Board.

a. The Board shall delegate to the medical staff the responsibility and authority to investigate and evaluate all matters relating to medical staff membership status, clinical privileges and corrective action, and shall require that the staff adopt and forward to it written recommendations thereon that will allow the board to take informed action.

b. Final action on all such matters shall be taken by the Board after considering the staff recommendations, provided that the Board shall act in any event if the staff fails to adopt and submit any such recommendation within the time periods required by the medical staff bylaws. Such Board action without a staff recommendation shall be based on the same kind of documented investigation and evaluation of current ability, judgment, and character as is required for staff recommendations.

Section 3: Terms and Conditions of Membership and Privileges.

a. The terms and conditions of membership status on the medical staff, and of the exercise of clinical privileges, shall be as specified in the medical staff bylaws.

b. The procedure to be followed by the medical staff and the Board in acting on matters of membership status, clinical privileges, and corrective action shall be specified in the medical staff bylaws.

Section 4: Allied Health Professions (Paramedical Personnel)

Allied Health Professionals means an individual, other than a licensed physician, dentist or podiatrist, whose patient care activities require that his authority to perform specified patient care services be processed through medical staff channels.

Section 5: Chief of Staff or Medical Director (or President of the Staff). The Board shall appoint, from among the qualified nominees submitted by the medical staff, a chief of staff to serve as the chief medical officer of the corporation. The medical staff shall have the

initial responsibility to recommend to the Board at least three qualified nominees for the position. Such responsibility shall be exercised in good faith and in a reasonable, timely and responsible manner, reflecting the interests of providing patient care of the generally recognized professional level of quality and efficiency. If the staff fails to so exercise this responsibility, and after written notice from the Board to such effect including a reasonable period of time for response, the Board may proceed on its own initiative to appoint a chief of staff. The chief executive officer shall also be consulted in the naming of a chief of staff.

Section 6: Removal from office of the chief of staff or any other medico-administrative officer shall be accomplished as specified in the medical staff bylaws, but the removal or suspension of the officer- clinical privileges of a member of the medical staff shall automatically remove the officer from office and a new officer will be appointed as soon as possible under the procedures set forth in Section 5 of this article.

Section 7: Medical Staff Adoption of Bylaws

a. Basic Content and Purpose. The medical staff organization shall propose and adopt bylaws, rules and regulations for its internal governance which shall be effective when approved by the Board. These bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the medical staff by the Board. The bylaws, rules and regulations shall state the purposes, functions and organization of the staff and shall set forth the policies by which the medical staff exercises and accounts for its delegated authority and responsibilities.

b. Procedure. The medical staff shall have the initial responsibility to formulate, adopt and recommend to the Board staff bylaws and amendments thereto which shall be effective when approved by the Board. If the staff fails to exercise this responsibility in good

faith and in a reasonable, timely and responsible manner, and after written notice from the Board to such effect including a responsible period of time for response, the Board may resort to its own initiative in formulating or amending medical staff bylaws. In such event, staff recommendations and views shall be carefully considered by the Board during its deliberations and in its actions.

Section 8: Professional Accountability to the Board. The medical staff and other health care professionals providing patient care services shall conduct and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in the hospital. These activities shall include:

- a. Delineation of clinical privileges for medical staff members commensurate with individual credentials and demonstrated ability and judgment and assignment of patient care responsibilities to other health care professionals consistent with individual qualification and demonstrated ability.
- b. Provision of continuing professional education, shaped primarily by the needs identified through the review and evaluation activities.
- c. Utilization review procedures based on patient-specific needs to provide for appropriate use of the hospital's resources.
- d. Monitoring of patient care practices through the defined functions of the medical staff, the other professional services, and the hospital administration.
- e. Retrospective review and evaluation of the quality of patient care through a valid and reliable patient care evaluation procedure.
- f. Such other measures as the Board may, after receiving and considering the advice of the medical staff, the other professional services and the hospital administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

g. Conduct specific review and evaluation activities to assess, preserve and improve the over-all quality and efficiency of patient care in the hospital. All such findings and recommendations of the medical staff shall be in writing, signed by the person responsible for conducting the review activities and supported and accompanied by documentation upon which the Board can take informed action.

ARTICLE VIII

STANDING BOARD COMMITTEES

Section 1: The Board may have the following standing committees: "Professional Relations", "Evaluation and Nominating", "Finance", and "Joint Conference and Accreditation".

Section 2: Additional Board Committees. The Board, by resolution adopted by a majority of the trustees, may create from among its own voting membership one or more additional Board committees. The resolution creating any such additional Board committee shall designate: the members of the Board who are to serve as its voting members; the chairman of the committee; the authority of the Board which the committee shall have when the Board is not in session and any limitations thereon; and the functions the committee shall discharge.

Section 3: Creation and Combination of Committees The creation of the Board committees named in these bylaws is discretionary with the Board. If the Board determines that any one of such committees should not exist, it shall assign the functions of such committee to a new or existing committee or to the Board acting as a committee of the whole.

Section 4: Tenure. Each member of a Board committee, except the Professional Relations Committee, shall hold office until the next annual election of trustees and until his successor as a member of such Board committee is elected, unless he shall sooner cease to be a trustee or shall resign or be removed from the committee.

Section 5: Meetings, Notice and Quorum. Meetings of a Board committee may be called by the chairman of the Board, the chairman of

the Board, the chairman of the committee, or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice may be given at any time and in any manner reasonably designed to inform the members of the time and place of the meeting. However, for all Board committees which have two or more Board members as a part of the committee, due "public notice" of such meetings shall be given in accordance with State law. A majority of the voting members of the Board committee shall constitute a quorum for the transaction of business at any meeting of such committee. Each Board committee shall keep minutes of its proceedings and shall report periodically to the Board.

Section 6: Manner of Acting. The act of a majority of the members of a Board committee present at a meeting at which a quorum is present shall be the act of the committee so meeting. No act taken at a meeting at which less than a quorum was present shall be valid unless approved in writing by the absent members. Action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the committee entitled to vote thereat.

Section 7: Evaluation and Nominating Committee.

a. Election and Composition. The Board, by resolution adopted by a majority of the trustees, may create from among its own voting membership an evaluation and nominating (E&M) committee. If created, the E&N committee shall be composed of the chairman of the Board and two or more additional trustees elected by the Board, one of whom shall be designated chairman of the committee.

b. Powers. The E&N committee shall have the authority to recommend to the Board with respect to the implementation of the functions assigned to it.

c. Function. The E&N committee shall:

- (1) Review the performance of the individual trustees and of the officers of the hospital.

- (2) Review the performance, compensation and terms of employment of the chief executive officer and the performance of the chief of staff, and make recommendations to the Board.
- (3) Review the composition and services of Board committees and of the advisory board, if elected.
- (4) Recommend to the Board nominees for election as officers, members of Board committees, and members of the advisory board.

Section 8: Finance Committee.

a. Organization and duties: The finance committee shall be chaired by the chairman of the Board and shall include at least one representative each from the Board, the administration, and the medical staff. This committee's duties shall be to:

- (1) Consider and recommend plans for securing capital and operating funds for the hospital.
- (2) Review the financial feasibility of hospital projects, acts and undertakings referred to it by the Board and make recommendations thereon to the Board.
- (3) Review the capital and annual operating budgets of the hospital.
- (4) Review the monthly financial statements and appraise the hospital's operating performance.
- (5) Make recommendations to the Board concerning the selection of a corporate auditor and concerning the general fiscal affairs of the hospital.
- (6) Arrange an annual audit of the hospital's financial operation and services by an independent firm experienced in the financial affairs of hospitals.
- (7) Receive, review and evaluate the findings and final reports of the auditors and, based thereon, make recommendations to the Board concerning the financial operation of, and services required by and provided by, the hospital.
- (8) Perform such other duties related to fiscal matters as may be assigned to it by the Board of the chairman.

Section 9: Joint Conference and Accreditation Committee.

a. Composition. The joint conference and accreditation committee shall include at least two members of the professional relations committee and an equal number of members of the active medical staff, including the medical director. Any remaining medical staff members shall be appointed by the chairman of the Board with the advice of the chief of staff. The chief executive officer shall be a member of the committee and its secretary. The chairmanship of the committee shall be held by the chairman of the Board, or some other member of the Board designated by him.

b. Duties. The duties of the joint conference committee shall be to:

- (1) Conduct itself as a forum for the discussion of administrative and medical policies and procedures requiring agreement among the board, medical staff and administration.
- (2) Oversee hospital compliance with the laws and regulations of federal, state and local governmental agencies and with the standards, rules and regulations of the various accrediting and approval agencies, including the Joint Commission on Accreditation of Hospitals.
- (3) Receive, review and respond to reports of disaster practice drills.
- (4) Consider, review, approve and periodically update plans for the hospitals, appropriate response to, and protection and care of patients and others at the time of internal and external disasters; and
- (5) Assist in coordinating the hospital's disaster plans with those of other health care facilities and other agencies in the community.

Section 10: Professional Relations Committee: a. The Board, by resolution adopted by a majority of the trustees, may create from among its own voting membership, a professional relations committee, consisting of at least three trustees, one of whom shall be designated as chairman of the committee. Each member of the committee shall serve as long as he remains a trustee, unless he sooner resigned or is removed from the committee.

b. Powers:: When the Board is not in session, the professional relations committee shall have the authority to take action on behalf of the Board with respect to the specific functions assigned to it, subject to any prior limitations imposed by statute or by the Board.

c. Functions The professional relations committee shall:

- (1) Receive from the medical staff written recommendations, and take action on staff applications for staff appointment, reappointment, staff category assignment, departmental affiliation, clinical privileges, and specified services and on corrective actions.
- (2) Cooperate with and assist the medical staff and other health care professionals providing patient care services in implementing systems of care delivered within the hospital and receive periodic reports on the general findings from the review and evaluation.
- (3) Review the results and effectiveness of the review and evaluation activities, evaluate changes that have been or should be made to improve the quality and efficiency of patient care within the hospital, and take action as warranted by its findings.
- (4) Receive medical staff recommendations, and recommend to the Board action on the adoption, amendment, or repeal of the bylaws, rules and regulations governing the medical staff.
- (5) Perform such other duties concerning professional staff matters as may be assigned to it by the Board.

ARTICLE IX

ADVISORY COUNCIL

Section 1: Creation of Advisory Council: The governing board may, at its option, create an advisory council to serve the hospital. If created, the members of this council shall be chosen and shall serve in the manner provided in these bylaws.

Section 2: Election, Composition and Purpose. The Board shall select the advisory council from among residents in the community served by the hospital and other individuals who have volunteered their particular expertise and services to the hospital. They shall be selected to provide:

- a. Direct liason with all major elements of the community served.
- b. Expertise in their specialty area, along with knowledge of the health care needs, attitudes, activities and interests in the community.
- c. Advice on recent trends in the health care field particularly as such trends may affect the operations of the hospital and its relationship to the community.

Section 3: Functions. The primary functions of members of the advisory council are to serve as potential members of management committees and as individual advisors to the hospital's officers and other exectuives. Service on the advisory council is also intended to familiarize community representatives and leaders with the functionings of the hospital and the field of health care.

ARTICLE X

CONFLICT OF INTEREST

Section 1: No trustee with vote shall or may be interested in any work or any contract of the hospital, or be indirectly interested in any such contract.

Section 2: Duality of Interest

a. Any officer, key employee, or committee member having an interest in a contract or other transaction presented to the Board of trustees or a committee thereof for authorization, approval, or ratification shall make a prompt, full, and frank disclosure of his interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts, known to such person, about the contract or transaction which might reasonably be construed to be adverse to the hospital's interest.

b. For the purposes of this Section, a person shall be deemed to have an "interest" in a contract or other transaction if he is the party (or one of the parties) contracting or dealing with the hospital, or is a director, trustee or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the hospital.

ARTICLE XI

AUDITS AND REPORTS

The Board of trustees shall annually present to the Quarterly County Court of Loudon County, Tennessee, at the October term of said Court, a report setting forth the operation of said hospital for the previous year, both financially and otherwise, and shall quarterly submit a financial summary of the operations of the hospital to the County Budget Committee.

ARTICLE XII

SUMMARY OF RESPONSIBILITY

The Board of Trustees shall have the general superintendence, management, and control of said hospital grounds, buildings, officers and employees thereof, of the patients therein and of all matters relating to the government, discipline, contracts and fiscal concerns thereof, and make such other bylaws, rules and regulations as may be deemed by said Board necessary for the efficient and proper management and operation of said hospital, and for the carrying out of the purposes for which said hospital was established, in accordance with, and not in conflict with, the responsibility delegated herein, it being understood that the final responsibility and jurisdiction for the operation of the hospital derives from the Loudon County Quarterly Court.

RESOLUTION AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$100,000.00 IN CAPITAL
OUTLAY NOTES OF LOUDON COUNTY, TENNESSEE,
PROVIDING THE DETAILS THEREOF AND
AUTHORIZING THE SALE THEREOF

26-76

WHEREAS, the Loudon County and Monroe County Quarterly Courts under the provisions of the local inter-governmental co-operation act each have formed boards of public utilities which have contracted together to form the Tellico Area Services System for the purpose of providing a public water system along the U. S. 411 "corridor" and surrounding areas in the two counties; and

WHEREAS, construction grants and loans have been obtained by said counties and by the Tellico Area Services System, and the construction of the system will be completed in several weeks, but the temporary borrowing of money for the purpose of paying necessary construction costs and expenses is necessary pending approval of the final payment of the grants already authorized Loudon and Monroe Counties; and

WHEREAS, after final approval of the project the necessary federal grants will be available to completely liquidate the notes provided for herein; and

WHEREAS, Tennessee Counties are authorized by Section 5-1031 of the Tennessee Code Annotated to issue notes, for a period not to exceed three years from the date of issuance, for the purposes of constructing water systems, upon the approval of said issuance of notes by the State Director of Local Finance; and

WHEREAS, it appears advantageous to Loudon County at this particular time to issue capital outlay notes to pay its part of the necessary construction costs and expenses in winding up said project, during the period of time the final payment of the aforementioned grants is pending, rather than to issue bonds; and

WHEREAS, Loudon County has no funds available in its treasury for said purposes, but authority exists under the provisions of Section 5-1031 to 5-1038 of the Tennessee Code Annotated, as amended, for the issuance and sale of notes to provide the necessary funds therefor;

Exhibit D

NOW, THEREFORE, be it resolved by the Quarterly County Court of Loudon County, Tennessee, as follows:

Section 1. For the purpose of providing funds in amounts not to exceed \$100,000.00, for the purpose herein stated, and pursuant to authority granted by Section 5-1031 of the Tennessee Code Annotated, as amended, there shall be issued the negotiable notes of said county in principal amounts not to exceed \$100,000.00. Said notes shall be designated "capital outlay notes", shall be dated from the date the notes are executed, and shall be in the denomination as shown on the face of each note, each to be numbered serially beginning with the number 1, and not to exceed \$100,000.00 in total. Said note shall bear interest from the date thereof until paid at a rate not exceeding 5.4875 per cent per annum, and payable within a period of 180 days. Both principal and interest on said notes shall be payable in lawful money of the United States of America, at Sweetwater Valley Bank, Vonore, Tennessee.

Section 2. Said note shall be signed by the County Judge, countersigned by the County Court Clerk, and sealed with the official seal of the County.

Section 3. Said note shall be in substantially the following form, the omissions to be approximately completed when the note is drawn or printed:

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF LOUDON
CAPITAL OUTLAY NOTE

Number _____ \$ _____

KNOW ALL MEN BY THESE PRESENTS: That the County of Loudon, in the State of Tennessee, hereby acknowledges itself to owe, and for value received hereby promises to pay to bearer the sum of _____ thousand dollars (\$ _____), on the _____ day of _____, 1977, with interest at the rate of _____ per cent (_____%) per annum from the date hereof until the principal amount shall have been fully paid, such interest being payable annually. Both principal hereof and interest

hereon are payable in lawful money of the United States of America at Vonore, Tennessee. For the prompt payment of this note, both principal and interest at maturity, and for the levy and collection of sufficient taxes for that purpose, the full faith, credit and resources of said County of Loudon are irrevocable pledged.

This note is one of an issue of notes not to exceed \$100,000.00 in total issued under authority of, and in full compliance with the Constitution and Statutes of Tennessee, including Section 5-1031 et seq. of the Tennessee Code Annotated, as amended, and under authority of a resolution duly adopted by the Quarterly Court of said county on November 1, 1976, for the purposes of providing funds for the purposes hereinabove stated. It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed, precedent to and in the issuance of this note in order to make this note a legal, valid and binding obligation of Loudon County have been done, exist and be performed in regular and due time, form and manner as required by law, and that this note and the issue of which it is a part does not exceed any constitutional or statutory limitation.

Section 5-1039 provides that neither the principal nor the interest of capital outlay notes issued pursuant to the provisions of Section 5-1031 to 5-1039, inclusive, of the Tennessee Code Annotated, as amended, shall be taxed by the State of Tennessee or by any county or municipality therein.

IN WITNESS WHEREOF, the County of Loudon, by its Quarterly Court, has caused this note to be signed by its County Judge, countersigned by its County Court Clerk and sealed with the official seal of the county, all as of the 1st day of November, 1976.

COUNTY JUDGE

Countersigned:

Edward A. [Signature]
County Court Clerk

Section 4. For the purpose of providing funds with which to pay interest accruing on said notes and the principal thereof at maturity, there shall be levied upon all taxable property in said Loudon County, in addition to all other taxes, a direct annual tax for each of the years while said note is outstanding, in amounts sufficient for that purpose. Principal or interest coming due at any time when there shall be insufficient funds on hand to pay the same shall be promptly paid when due from the general fund or other available funds of said Loudon County, and reimbursement shall be made to such fund or funds in the amount of the sums thus advanced when taxes provided for that purpose shall have been collected.

Section 5. Said notes shall be sold by the County Judge for not less than par and accrued interest, if any, to date of delivery. The action of the County Judge in consummating such sale and fixing the interest rate shall be conclusive and no further action shall be necessary on the part of this Court.

Section 6. The proceeds of said notes shall be turned over to the County Trustee of Loudon County and shall be paid out to, or for the benefit of, the Tellico Area Services System, for the purposes and distributed in the manner required by law and this resolution.

Section 7. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists, and this resolution shall become effective immediately upon its passage.

PASSED and approved this 1st day of November, 1976.

COUNTY JUDGE

Attest:

Edward Alexander
County Court Clerk