

**Tulare Local Health Care District
Board of Directors Meeting Minutes
Wednesday, September 25, 2019 6:30 PM
869 North Cherry Street, Tulare, CA 93274**

In attendance

Kevin Northcraft - President, District 4
Mike Jamaica - Vice President, District 2
Senovia Gutierrez - Secretary, District 3
Xavier Avila - Director, District 5
Stephen Harrell - Treasurer, District 1

Sandra Ormonde - CEO, TLHCD
Jason Howard - Legal Counsel
Riley Walter - Legal Counsel
Dan Heckathorne - Interim CFO (Remotely)
Derek Jackson – EVO Oversight Chair

1. Call to Order

Kevin called the meeting to order at 6:33 pm.

2. Public Comment

None.

3. Announcements - Board

- a. Jason Howard reported that the following settlement was finalized. Cabrera v. Tulare Regional Medical Center, et al., Superior Court for the State of California for Tulare County Case No. 268396.
- b. Jason reported the litigation status related to Tulare Local Health Care District v. Bruce Greene, et al., Superior Court for the State of California for Tulare County Case No. 278333 is in process. Mediation should help to resolve it faster.

4. Consent Agenda/Approval of Minutes/2019 Regular Meeting Schedule

- a. 8/27/19 Special Meeting Minutes
- b. 8/28/19 Regular Meeting Minutes
- c. 9/4/19 Special Meeting Minutes
- d. 9/11/19 Special Meeting Minutes

Steve made a motion to approve the Minutes of 8/27, 8/28, 9/4, and 9/11. Senovia seconded the motion. Approved 5-0.

5. Tulare Hospital Foundation Update - Jan Smith

None.

6. Evolutions Wellness Center Update - Evolutions Oversight Committee and EVO Management Company

Derek – Gross profit was \$148,448.72. Total expense of \$164,114.70. Net operating cost of -\$15,625.98. The three factors that contributed to the negative amount were the 3 pay period month, summer utilities, and supplies. Members are down by 183. Maintenance includes the tree trimming and the windows being cleaned. Silver Sneakers is still active. Kevin asked about

the trucks parking in the empty lot. Jayne informed the Board that they have told the trucks not to park there.

7. Adventist Health and Staff Updates - Randy Dodd, President

Randy – It took 100 days after Adventist was selected for the hospital doors to open. It took 190 days for ownership change to be final. They can now bill Medicare. The Board will no longer need to approve new medical staff. OB is open with 17 deliveries to date. Served over 25k in the ED. 2013-2017 TRMC was averaging 80 patients/day. July 2019-Present Adventist is averaging the same 80 patients/day. 500 surgeries have been performed since opening. They have experience about 6 million in operating losses so far. Effective March 15th they can back bill for Medicare.

8. Adventist Health Tulare - Capital Improvements

Miscellaneous Projects – Not quite ready to start the parking lot. NPC-2 has one potential change. OB infant security should be ready on Friday. OR electricity is in the works including additional power for the Davinci. A new Director for ED/ICU just started.

9. Discussion and Action on Medical Executive Committee recommendation to grant hospital privilege for physicians in accordance with the list of physicians provided – Abraham Betre, D.O.

Steve made a motion to approve the list of doctors recommended by the MEC. Senovia seconded the motion. Approved 5-0.

10. Discussion and Action to Approve Financial/Municipal Advisor Agreements related to Advisory Services concerning General Obligation Bonds and Revenue Bonds.

Bud Levine and Roy Nelson with Wulff Hansen attended to answer questions from the Board. They requested clarification on the fees not to exceed portion of the proposal. It is protection for the Board. The amount of work is unsure when working on a bankruptcy. They do not want to have to discuss adding fees after the process has started. There are timing concerns. 30/45/60 day timelines are typical in the marketplace. There are some conflicts. The audit will not be presented until November 20. Goal is to get started right away. Interviews need to be done before October Board meeting. Need to hire Bond Counsel right away. They recommended Brian Quint, fees are reasonable. Need a Request for Proposal for underwriters and placement agents. Fees and services will vary. Kevin asked about the risk of higher interest rates. They think the next 6-10 months will still have an attractive rate. January closure is the worst-case scenario. Work has already begun. Fees include travel, Regular Board meetings, and Special meetings. The motion was tabled until after closed session.

11. Discussion and Action to Approve Third Amendment to Agreement for Purchase and Sale of Assets (APA) related to Mineral King Toxicology Lab, 880 East Merritt Avenue, Tulare, CA.

Terms of the deal are a \$385k sale. \$85k will credit the LOC through the lease. The remaining \$300k will be a cash payment.

Steve made a motion to approve the Third Amendment to Agreement for Purchase and Sale of Assets. Senovia seconded the motion. Approved 5-0.

Steve made a motion to approve Amendment No. 3 to the Lease. Senovia seconded the motion. Approved 5-0.

12. Discussion and Action to Approve Budget for Purchase of IT Equipment for Evolutions.

See attached quote.

Senovia made a motion to approve the IT Budget for \$33,427.54. Steve seconded the motion. Approved 5-0.

13. Chief Executive Officer Report

- a. Property Management Updates – MicroCorre repairs and paint are completed. Joe from CenCal Landscaping will be cleaning up by MicroCorre, and excess weeds by the tower and the VA Clinic.
- b. Evolutions – AC repair is complete. Ge will make other repairs.
- c. Insurance Coverage – Will talk to Jim about flat canceling now that the CHOW is complete.
- d. Audit Presentation November Regular Board Meeting - Audit is on schedule.
- e. Staff – Hiring a new temporary staff member to help us streamline our accounting system and reporting.

14. Chief Financial Officer Report

- a. TLHCD Internal Financial Statements – August 2019 Balance Sheet and Statement of Revenue and Expenditures. See attached.
- b. Cash Report Update – September 20, 2019 Cash Receipts and Disbursements. See attached.
- c. FYE 2019 Financial Audit - Update (Verbal) – Audit is on schedule.
- d. Medicare Bad Debts Recovery - Update (Verbal) Tom Grove ran into problems retrieving data that the outside firm is requiring.

15. Update on Rental and Status of District Real Properties - Steve Harrell

- a. Nothing to report.

16. Suspend Open Session - Recess to closed session

Recess to closed session at 8:29pm.

17. Closed Session

- a. Conference with Interim Legal Counsel – Existing litigation (*pursuant to Ca. Govt. Code § 54956.9*):
 - i. *In re Tulare Local Healthcare District dba Tulare Regional Medical Center -- United States Bankruptcy Court Eastern District of California Case No. 17-13797*
 - ii. *Tulare Local Health Care District v. Bruce R. Greene, et al., Superior Court for the State of California for Tulare County Case No. 278333*
- b. Instructions to designated representative, Kevin Northcraft, related to real property at 1425 E. Prosperity Avenue commonly known as Evolutions (*pursuant to Ca. Govt. Code § 54956.8*).

- c. Instructions to designated representative, Kevin Northcraft, related to 4 acres real property contiguous to but not a part of the real property at 1425 E. Prosperity Avenue commonly known as Evolutions (*pursuant to Ca. Govt. Code § 54956.8*).
- d. Update and recommendation related to real property at 398 South Street, Earlimart, CA 93218, commonly known as Earlimart Clinic Building and Earlimart property (ground) Lease (*pursuant to Ca. Govt. Code § 54956.8*).
- e. Update and recommendation related to real property at 793, 795 and 799 N. Cherry Street, Tulare CA (*pursuant to Ca. Govt. Code § 54956.8*).
- f. Update and recommendations related to negotiation of real property lease for 935 and 937 Gem Street and 906 North Cherry Street, Tulare, Ca (*pursuant to Ca. Govt. Code § 54956.8*).
- g. Update and recommendations related to negotiation of real property lease for parking lot contiguous to but not a part of the real property at 935 - 945 Gem Street, Tulare, CA commonly known as Gem Street cottages (*pursuant to Ca. Govt. Code § 54956.8*).
- h. Staff
- i. Closed Session ended at 9:05pm.

19. Suspend Closed Session - Reconvene Open Session - Public Report of Action Taken in Closed Session (If necessary) Pursuant to Government Code 54957.1

Senovia Gutierrez made a motion to approve the Wulff Hansen Financial/Municipal Advisor Agreements related to Advisory Services concerning General Obligation Bonds and Revenue Bonds. Mike Jamaica seconded the motion. Approved 5-0.

20. Adjournment - Adjournment at 9:10pm. Next regular meeting scheduled for 6:30 PM on Wednesday, October 23, 2019 at the TLHCD Administrative Offices located in the Annex Lab Building, 2nd Floor - Conference Room 2.



Senovia Gutierrez, Secretary