

MINUTES

July 27, 2022

Tulare Local Health Care District Board Members Present:

Kevin Northcraft	President	District 4
Xavier J. Avila	Secretary	District 5
Margaret Fidler	Treasurer	District 3
Brandon Taylor via Zoom	Director	District 1
Mike Jamaica	Director	District 2

1. Call to Order

President Northcraft called the meeting to order at 6:30 PM.

2. Public Comment

None.

3. Board Announcements

Marmie Fidler shared that she will meet with Tulare County mental health on Monday, August 8th, at Bravo Farms from 11-1 PM. Everyone is invited to attend this meeting. We will ask about options for public mental health.

4. Consent Agenda

Xavier Avila made the motion, seconded by Marmie Fidler, to approve the consent agenda as presented, with Mike Jamaica abstaining from voting regarding the minutes for 5/29/22 as he was not present at that meeting. Motion approved 4-1.

5. Hospital Tower Construction Committee – John Atilano & Nancy Overstreet

Nancy Overstreet briefly overviewed several projects, including awnings and generators. Tower Construction Committee Chair, John Atilano, commented on the committee's scope. A motion was made by Xavier Avila, seconded by Mike Jamaica, to approve the Tower Construction Committee Charter as presented. Approved 5-0

6. Tulare Hospital Foundation Update

No update was presented.

7. ICU Capability Review- Nancy Overstreet

Nancy Overstreet briefly reviewed the bed count for the new tower and the existing building. Further noting the need to upgrade to an NPC4 rating to expand capabilities for the lessee.

8. Nomination Procedures and Election Timeline, and Requests for Nominations, for November 8, 2022 Election for Three Seats on the TLHCD Board (Districts 1, District 3, and District 5)

Mr. Smith advised Districts 1, 3, and 5 are up for reelection; at this time, the current board members will be running for reelection.

9. Discussion and Action to Approve Proposed Insurance Coverages for TLHCD for FYE June 30, 2023 – Marsh & McLennan Agency

Mr. Smith advised Marsh & McLennan Agency provides property, liability, and other coverages for TLHCD. CEO sharing that there was a decrease in the overall expense. A motion was made by Marmie Fidler, seconded by Xavier Avila, to approve the Marsh & McLennan Agency insurance coverages for TLHCD. Approved 5-0.

10. Discussion and Action Relative to Energy Services Contract with ENGIE Services U.S. Inc.

ENGIE engagement would include the design, construction, and installation of energy-related improvements and maintenance services concerning the District's real property interest located at 1425 E. Prosperity Avenue, Tulare, CA 93274, commonly known as Evolutions Plaza. Mr. Jain commented it does add a positive to the net cash flow; we took out the AC and Parking lot construction, and the battery incentive is now gone, so it was not included. Mr. Jain advised the Board asked for a guarantee of the savings for up to five years; Mr. Jain noted they agreed that they would guarantee up to five years of savings; they also agreed to the manufacturers' warranty on behalf of the district and Mr. Jain agreed to that as well, and Mr. Jain would guarantee up to 20 years to the guarantee. We used all the assumptions on the interest rate. Mr. Nelson with Wulff & Hansen, Co. advised they evaluated ENGIE's most recent proposal. He put together a comparison between the May proposal and the current proposal presented today, which is in the board packet. It was noted the lease payments in the ENGIE proposal are understated. Mr. Nelson continued to review the Evolutions Energy presentation, including the options vs. benefits vs. risks. Mr. Nelson could move forward using all the savings, resulting in a \$2.8MM project. A fourth option would be to reach out to another ESCO.

Mr. Northcraft opened the public hearing at 7:35 PM. He shared that the Public Hearing is to receive public input regarding the energy services contract with ENGIE. With no public comments presented, the public hearing was closed at 7:37 PM.

Xavier Avila shared that he is not in favor of this project as it will require the district to front \$400k to get it financed. Mr. Northcraft commented he would like to reduce our footprint. Marmie Fidler has a concern that we were being misled on the savings. Mr. Nelson advised that the project would require significantly higher lease payments than what is presented by the ENGIE proposal. Mr. Northcraft made a motion to continue the regular meeting to August 3rd at 6:30 PM to present the changes and stipulations, seconded by Brandon Taylor. Approved 5-0

11. Chief Executive Officer Report

- a. Property Management Update
 - i. Potential Tenant Update: There is a potential interest in the surgical facility at Evolutions, and Tulare County may be interested in the Microcore building.
 - ii. 922 Cherry Street Project Update: Adventist PT building draft has been completed and routed to AH for approval.
- b. Follow up on State Audit: State auditors are requesting additional review and examination of financial statements in a second audit.
- c. IT Transition: Transitioning away from Adventist
- d. State of the City Address: Will be held on August 26th at 6:30 PM
- e. Evolutions Membership Update: Membership losses were due to Silver Sneakers losses.
- f. Budget Update: Preparing for the minimum wage increase.
- g. Marketing: Exploring getting .gov name for which the District is eligible.
- h. AH Update: Review outstanding items between Adventist and the district
- i. Follow up on Request for Ad Hoc Tower Finance Meeting: Follow up after quarterly meeting with Adventist.

12. Financial Report

Marmie Fidler made a motion, seconded by Brandon Taylor, to approve the Financial Statements for Evolutions and TLHCD as presented. Approved 5-0.

13. Suspend Open Session – Recess to Closed Session 8:32 PM

14. Closed Session 8:45 PM

- a. Potential Litigation (*pursuant to Ca. Govt. Code § 54956.9*)
- b. 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 Kern County Case No. BCV-19-103514*
- b. Instructions to designated representative 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 related to leases of real property located in Evolutions Plaza at 1425 E. Prosperity Avenue (*pursuant to Ca. Govt. Code § 54956.8*)
- d. Discussion and Potential Action regarding public employee evaluation of Chief Executive Officer (*pursuant to Govt. Code § 54957(b)(1)*)
- e. End closed session

16. Reconvene Open Session 9:26 PM – Public Report of Action Taken in Closed Session (If Necessary) pursuant to Government Code 54957.1.

Nothing to report.

17. **The continued regular meeting is scheduled for 6:30 PM Wednesday, August 03, 2022, at the Administrative Offices, Modular Building, Northeast corner of Terrace and Gem Street.**



Xavier Avila, Board Secretary