

Regular Board Meeting Minutes

**Tulare Local Health Care District
Board of Directors Meeting
Wednesday, September 23, 2020 6:30 PM
Evolutions Plaza Conference Room
1425 E. Prosperity Ave., Tulare, CA
(Use Prosperity Avenue entrance on north side of Plaza)**

Electronic participation will be available via link/phone number below.

Zoom Meeting link and call in information¹:

<https://zoom.us/j/2771572997>

You can also dial in using your phone

United States: [+1 253 215 8782](tel:+12532158782) Use Meeting ID: [277 157 2997](tel:2771572997)

Special notice to individuals with disabilities:

Please email sormonde@tulareregional.org or call [\(559\) 685-3465](tel:5596853465) in order to request any reasonable modification or accommodation as may be needed to observe or participate in this meeting telephonically/electronically.

Availability of Public Records.² All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the board members will be available for public inspection at TLHCD Administrative Offices, Annex Lab Building, 2nd Floor, 869 North Cherry Street, Tulare, California at the same time that the public records are distributed or made available to the board members.

¹ Pursuant to Executive Order N-29-20 dated March 17, 2020, in order to further combat the spread of the COVID-19 virus California Governor Gavin Newsom has temporarily suspended certain provisions of the Brown Act respecting notice, quorum and accessibility requirements applicable to meetings of local legislative bodies. In accordance with said Order—a copy of which will be made available upon request—and related recommendations by the CDC, a physical location for public participation will be provided on a limited occupancy basis for the August 26, 2020 regular meeting of the Board. To avoid unintentional transmission of COVID-19, interested members of the public are encouraged to observe and participate in this meeting telephonically or electronically using the information provided above. Any member of the public requiring assistance in accessing these offsite technologies should email Sandra Ormonde at sormonde@tulareregional.org or call [\(559\) 685-3465](tel:5596853465) at least three (3) hours prior to the scheduled commencement of this meeting.

² Due to present restrictions related to COVID-19, the District is operating under a modified schedule. Please call [\(559\) 685-3465](tel:5596853465) or email sormonde@tulareregional.org to arrange viewing access to documents.

AGENDA

Tulare Local Health Care District Board Members in Attendance:

Kevin Northcraft	President	District 4
Mike Jamaica	Vice President	District 2
Senovia Gutierrez	Secretary	District 3
Xavier J. Avila	Director	District 5
Steve Harrell	Treasurer	District 1

1. Call to Order

Kevin Northcraft called the meeting to order at 6:42 pm.

2. Public Comment:

Alberto Aguilar asked about resolving the EVO committee. It is currently on hold because of the closure and loss of the Chairman.

Alex Gutierrez expressed his disapproval about Devon Mathis being allowed to speak at the Board meeting.

Mary Sepeda mentioned she is one of the members of the Citizens for Hospital Accountability. Glad Jean Fuller agreed to help, might have been the kick Devon needed to come and start helping. The tower needs to get going. She's interested in what's happening with all the different properties. She thanked the Board for all their continued work.

3. Announcements – Board

Xavier Avila thanked Devon for coming and for all the help he's provided in the last few years. Told him he was instrumental in opening the hospital. The Board holds him in high regard and views him as a friend. Xavier told Kevin he was gracious for allowing Alex to speak his peace. The Board looks forward to working with Devon in the future.

Senovia Gutierrez thanked Devon Mathis for coming. Her question is "why is he always showing up late when he's asked to help the community". She wants to know how he plans to help in the future.

Steve Harrell said what's happened in the past is in the past. We need to move forward to get the tower completed and get the hospital up and running to where we want it to be for the community. It does no good to go backwards. Forward is the only way to go.

Mike Jamaica said the tower committee has reviewed the RFP's for tower fundraising strategy and has come to a consensus as whom they would like to recommend.

Kevin Northcraft mentioned the sale of the 4 acres for commercial property is proceeding. It may close in mid-October. He offered an apology to our assembly member. Devon is our sitting legislative representative and when he asked to come before the board to present a legislative update I was not going to turn him down.

Things will hopefully get back to normal soon.

Kevin reopened public comment.

4. Consent Agenda

- a. 8/25/2020 Special Board Meeting Minutes
- b. 8/26/2020 Regular Board Meeting Minutes

Consent Agenda with the correction noted by Senovia approved 5-0.

5. Legislation Update on Issues and Opportunities Related to Healthcare and Wellness – Representative Devon Mathis

Devin Mathis gave an update on the following legislation:

SB 803 (Beall) Mental health services: peer support specialist certification

AB 1976 (Eggman) Mental health services: assisted outpatient treatment

AB 2450 (Grayson) Air ambulance services

AB 3242 (Irwin) Mental health: involuntary commitment

SB 758 (Portantino) Hospitals: seismic safety

SB 977 (Monning) Health care system consolidation: Attorney General approval and enforcement

After Assemblyman Mathis's presentation there was a lengthy discussion regarding Covid-19, tower completion and what the Assemblyman will be able to do to assist the district going forward.

Steve would like to move item 12 forward.

12. Discussion and Action Related to Resuming Operational Control of Evolutions

Paul Atlas presented the financial state of Evolutions. The District has been covering the utility bills.

Xavier and Steve support covering the costs to get it open and get people back in. Other gyms are open and we need to open.

Kevin asked about opening the gym outside. Paul and Jayne explained why it was not a feasible option.

Paul would like to meet with two District Board members along with Sandra and EVO Management to discuss options. Kevin appointed Steve Harrell and Mike Jamaica.

6. Tulare Hospital Foundation Update – Jan Smith

Jan reported that the Foundation was really excited about the Annual Giving Program. They have new donors who are ~~donation~~ donating anywhere from \$20/month to \$100/month. The majority of the trustees are participating as well. She invited ~~to the~~ the hospital Board to sign up to help the effort. They had to cancel two of the major events and it has taken a toll. Any support is appreciated. Festival of Trees this year will be virtual. There will be a zoom live auction of the trees. They are inviting people to host their own with family and friends and watch the live auction together. They will be preselling two raffle trees like last year. Silent auction will be held through a phone and desktop app. The event will happen on November 17. Details will go out in the next couple of weeks. They will be getting a new donor software. She mentioned it was nice to talk about the tower. The Foundation is really looking forward to working on the capital campaign.

7. Adventist Health Tulare Update – Sheri Pereira, Site Administrator

Rapid care is open. Inpatient Clinic Primary Care and an endocrinologist *are in place*. Projects they are working on are Sleep Lab & GI Services. Rural Health Clinic is still on track to open in October. They are recruiting doctors for that clinic now. COVID numbers are going way down. Throughout the network they have less than 20 COVID patients.

Xavier asked how full the hospital was. They are running at approximately 20-25 patients on an average daily census. Med/Surg floor is full. They have the capability to open up more if they need to.

Kevin wanted to promote the lab services. He was in and out of the lab within 10 minutes. Our lab is a hidden blessing and we need to get the word out. Xavier said he also used the lab and was in and out quickly. Sheri would pass on the info to the lab manager.

8. Adventist Health Tulare – Capital Improvements

- a. NPC-2 Emergency Lighting Patch & Paint Services
- b. NPC-2 Exit Lighting
Most of (a) & (b) are complete. Still installing access panels. Estimate was just shy of \$1.5m including the extra work that needed to be done. About \$950k is billed and paid. Working with OSHPD for an exit route on (b).
- c. Tower Chillers
They are up and running. Total estimate was just about \$800k and we've paid \$722k. The remaining amount should be paid in October.
- d. IT Server Room AC Upgrade
We've paid \$131k of the \$165k estimate. \$10-\$15 will be coming back for AH to pay.
- e. Miscellaneous Projects
Archive project is ongoing.

9. Discussion and Action to Approve Rent Amount on Previously Approved Lease Extension for Property Located at 1050 N. Cherry Street, Commonly Known as VA Clinic.

Tabled.

10. Discussion and Action to Approve Installation of AC Unit in Veterans Administration Clinic Pharmacy Room.

Tabled.

11. Hospital Tower

- a. **Discussion and Action Related to Approval of Proposal to Provide Services for the Design, Development, Implementation and Support of a Fundraising Strategy and Related Efforts by the District to Support Its Completion of the District's Hospital Tower.**

Out of the 3 proposals that were submitted, the Tower Funds Committee selected GMA.

- b. **Discussion and Action Related to Dissolving the Tower Funds Committee**
- c. **Discussion and Action Related to Establishing the Tower Construction Committee**

No action taken. Tabled.

13. Update on District Real Properties Sales/Use/Development Opportunities – Randy Dodd, Dodd Consulting

Randy spoke with two different companies regarding tower financing. Brandon Decker from VFI and discovered that they are a direct lender/asset based financier, working mostly on the equipment side and only some on construction. They are a short term lender on a 2-5 target and in some cases bridge loans. Their wheel house is in the \$2-\$10 million arena. He does not believe this will fit what the tower requires. A gentleman named Max from NGKF put together a whole team to speak with him. This company can do projects upward of \$300 million using their own funds. The two concerns are that they lend on the strength of the assets and the tenants. What that means is they would look to encumber the District building, or the hospital which is not something the District can do. A lien cannot be taken out against the hospital. The second concern is they would have a long term lease with the tenant. They would not provide the loan unless they could take collateral out of the tower as well. Randy would like to set up a tour of the District properties.

14. Discussion and Action to Approve Employee Handbook

There are updates that need to take place before an action to approve can be made. The areas of concern include benefits, rights and obligations, vacation, contract employees, direct deposits, and current EVO policies.

15. Discussion and Action to Approve District Conflict of Interest Policy

There is a typo correction that needs to be made and then we can submit to the Board of Supervisors since we are a special district.

16. Discussion and Action to Approve McCormick Barstow as District General Counsel

Kevin Northcraft made a motion to approve McCormick Barstow as District General Counsel. Mike Jamaica seconded the motion. Approved 5-0.

17. Chief Executive Officer Report

- a. Property Management Update
 - i. Leases
Waiting on lease extension with on the VA facility and negotiation on final rent amount.
 - ii. Property Repairs
Working on repairs at Evolutions
 - iii. Security
Hiring former Evolutions employees to handle security.
- b. IT Update – no report
- c. Tower
Steve inquired about the location of the fence. Sandra responded that once we get permanent power, it can be moved further south. Kevin also advised that he has asked Sandra to set up a meeting with Adventist Health staff regarding tower options.
- d. Staff Update
Kathy Melendez was hired part time to help with administrative tasks.
- e. Office Relocation Sites Update – no report

18. Financial Report

Discussion and Action to Approve Financials:

- a. TLHCD Internal Financial Statements – August 2020
- b. Cash Report Update – September 18, 2020

Senovia Gutierrez made a motion to approve the financials. Mike Jamaica seconded the motion. Approved 5-0.

19. Suspend Open Session – Recess to Closed Session at 8:40 pm.

20. Closed Session

- 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 Tulare County Case No. 278333*
- c. Instructions to designated representative, Kevin Northcraft, related to the 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. Instructions to designated representative related to real property at 1425 E. Prosperity Avenue commonly known as Evolutions (*pursuant to Ca. Govt. Code § 54956.8*)
- e. 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*)
- f. End closed session

21. Reconvene Open Session – Public Report of Action Taken in Closed Session (If Necessary) pursuant to Government Code 54957.1

Additional 20% rent reduction for September and October 2020 for Fugazzi's.

22. Adjournment – Next regular meeting scheduled for 6:30 PM on Wednesday, October 28, 2020 at location to be determined.

Senovia Gutierrez
Board Secretary