

Tulare Local Healthcare District
Board of Directors Meeting SPECIAL BOARD MEETING AGENDA
Tuesday, July 17, 2018 6:00 P.M.
TRMC Administrative Offices (Annex Lab Building, 2nd Floor)

869 North Cherry Street, Tulare. CA (Enter parking lot from Merritt Avenue)

AGENDA

Tulare Local Healthcare District Board Members:

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

1. Call to order
 - a. Roll Call
 - b. Welcome/Introductions
2. **Public Comment:** The public may comment on any item of public interest within the jurisdiction of the Tulare Local Healthcare District Board of Directors. In the interest of time and equal opportunity, speakers are requested to observe a 3-minute maximum time limit (subject to change at the Chair's direction). In accordance with the Brown Act, if a member of the public addresses an item not on the posted agenda, no response, or action on the item may occur during the meeting
3. Consideration of and action on Resolution calling for consolidation with Tulare County for the regular election of Board of Directors for Districts 1, 3, and 5, and addition of ballot measure to approve lease with Adventist Health.
4. Report on the terms of settlement of litigation in the matter of *TRMC Medical Staff v. Tulare Local Healthcare District, HCCA et al*; Tulare Case No. 264227
5. Consideration of and action on Resolution authorizing staff to secure interim borrowing of up to one million dollars (\$1,000,000) on terms set forth in the proposed promissory note
6. Discussion of negotiations related to Letter of Intent between Adventist Health and Tulare Local Healthcare District and timetable for proposed deal between Adventist Health and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and the purchase of associated assets.
7. Discussion of proposed definitive agreements between Adventist Health System West and Tulare Local Healthcare District related to the lease of Tulare Regional Medical Center and affiliated real properties and the purchase/sale of specified assets to include the following documents:
 - a. Lease between Tulare Local Healthcare District and Adventist Health System West affiliate whereby the affiliate would lease the real property commonly known as the Tulare Regional Medical Center and other properties operated under the license

associated with that hospital and operate the hospital as a general acute care hospital for a period of five years;

- b. Agreement for Purchase and Sale of Assets by and Among Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would sell and Adventist Health System/West would purchase assets associated with and affixed to the Tulare Regional Medical Center and other properties operated under the hospital license.
 - c. Debtor-in-Possession Credit Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would borrow and Adventist Health System/West would lend up to \$10,000,000 for Tulare Local Healthcare District to use to open the Tulare Regional Medical Center by October 28, 2018;
 - d. Security Agreement and Chattel Mortgage by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would pledge collateral in the form of title to the assets which are the subject of the Agreement for the Purchase and Sale of Assets between the parties and books and records of the Tulare Local Healthcare District;
 - e. Short Form Deed of Trust and Assignment of Rents by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Tulare Local Healthcare District would provide Adventist Health System/West a secured interest in the specified real property and assign the rents of such property to Adventist Health System/West;
 - f. Interim Management Services Agreement by and between Tulare Local Healthcare District and Adventist Health System West affiliate whereby Adventist Health System/West would provide Tulare Local Healthcare District management services related to the Tulare Regional Medical Center from the date that the Tulare Local Healthcare District reinstates the Tulare Regional Medical Center license to operate through the closing of the lease and related transactions.
- 8.** Consideration of and action on proposals to perform a market valuation of the hospital and associated furniture, fixtures, and equipment in order to determine fair market value of lease and purchase provisions, towards reopening of the hospital.(Power Point presented at the Board Meeting).
 - 9.** Consideration of and action on bids for construction improvements for the hospital facility in preparation for its reopening
 - 10.** Discussion of lease ballot measure for voter approval of Adventist Health lease of real property and sale of assets of Tulare Local Healthcare District.
 - 11.** Approval of financing of leased equipment previously approved for the upgrade of Evolutions Fitness facility
 - 12.** Consideration of and action on moving and/or adding board meetings as needed in July and August 2018

13. Consideration of an ad hoc committee to review and comment to the board on the terms of the lease being proposed with Adventist Health
14. Update on new lease and lease renewal discussions regarding District owned facilities now leased or proposed to be leased in the future
15. Discussion of options with the gift shop previously located in the hospital's first floor
16. Suspend open session – recess to closed session
17. Closed Session
 - a. Conference with Interim Legal Counsel – Existing litigation (Government 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. *HCCA v. Tulare Local Healthcare District, and Counterclaim*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 17-01095 – B
 - iii. *TRMC v. Celtic Leasing Corp*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01008
 - iv. *First Source Solutions USA LLC v. TRMC et. al*, United States District Court, Eastern District of California Case No. 1:15 –cv-01136
 - v. *Specialty Laboratories, Inc. v. TRMC et al*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01014
 - vi. *In re TLHD, Maxim Healthcare Services, Inc. v. HCCA*, United States Bankruptcy Court Eastern District of California Case No. 17-13797
 - vii. *Zulim v. TRMC et al.*, Tulare Case No. 274358
 - b. *Real property negotiations*
18. **Reconvene Open Session -- Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1**
19. **Adjournment** *Next regular meeting scheduled for 6:30 PM on Wednesday, July 25,2018 at the Tulare City Council Chambers*