

**Tulare Local Healthcare District
Board of Directors Meeting Minutes
Wednesday, April 24, 2019 6:30 PM**

In attendance:

Kevin Northcraft	President	Dan Heckathorne	Wipfli
Mike Jamaica	Vice President	Rich Giordano	Wipfli
Senovia Gutierrez	Secretary	Todd Wynkoop	Legal Counsel
Xavier Avila	Director	Jason Howard	Legal Counsel
Stephen Harrell	Treasurer	Riley Walter	Bankruptcy Counsel
		Randy Dodd	Adventist Health

1. Call to Order

Meeting was called to order at 6:35 pm

2. Public Comment:

No public comment

3. Announcements – Board

Todd Wynkoop introduced attorney Jason Howard who will be working with the District on routine matters such as the agenda.

Mike Jamaica announced that two bids have been received for lawn maintenance. They are both under the \$25,000 board approval limit. Sandra Ormonde will look at the bids next week.

a. Recruitment update for permanent staff positions

Kevin Northcraft reported that there are 28 applicants for the position of Executive Assistant. Sandra Ormonde will be making the selection. Recruitment for a Finance Director will begin after Sandra is on board.

b. Initiation of Litigation

Kevin Northcraft reported that the bankruptcy plan will be discussed in closed session. The Board hopes to announce the plan soon.

The Board voted 5-0 to initiate litigation on actions made by the former District counsel and former Tulare Local Healthcare District Board. Filing was submitted today and copies are available.

4. Consent Agenda:

a. 03/27/19 Meeting Minutes

b. 04/09/19 Meeting Minutes

c. 04/18/19 Meeting Minutes

Stephen Harrell made a correction to item 16 of the 3/27 meeting minutes. There are three properties in the medical plaza.

With that correction Stephen Harrell moved to accept the minutes of 3/27/19, 4/09/19, and 4/18/19. Senovia Gutierrez seconded the motion. Approved 5-0.

5. Public Hearing Pursuant to Section 147(F) of the Internal Revenue Code of 1986, as Amended, and Action on Resolution 867 to Approve Reissuance of General Obligation and Revenue Bonds

No public comment was received.

Stephen Harrell moved to approve the Resolution 867 to reissue the General Obligation and Revenue Bonds. Mike Jamaica seconded the motion. Approved 5-0.

6. Tulare Hospital Foundation Update

Jan Smith was not in attendance

7. Evolutions Wellness Center Update – Evolutions Oversight Committee and EVO Management Company

Derek Jackson, Chair of the Evolutions Oversight Committee, reported that the rent check to the District for March is \$20,692.73. This brings the total rent paid to \$257,326.59. Evolutions membership is up. 138 people have signed up for the Silver Sneakers program. Payment from Silver Sneakers to Evolutions runs two months behind. AARP and United Healthcare have programs similar to Silver Sneakers and those programs are being looked into. Evolutions has a new website: Evolutionsgym.com. New LED lights have been installed in the parking lot to increase safety and curb suspicious activity. Stephen Harrell asked how many members have converted to Silver Sneakers. Jayne Presnell, Evolutions manager, said she would have that information for the Board at the next meeting. 46 Silver Sneakers members did not come in their first month of membership. Silver Sneakers members must come in once a month.

8. Adventist Health and Staff Updates

a. Hospital Services update – Randy Dodd, President

Randy Dodd requested that the 3/27/19 Board minutes reflect that \$22 million is the total amount spent on equipment, not surgical equipment as reflected in the minutes.

Randy Dodd reported that 13,500 patients have been seen in the emergency room to date. The emergency room is averaging 72 patients per day. 139 surgeries have been performed to date, 41 in April. Two weeks ago, every senior executive of Adventist Health attended a summit to expand their mission presence. They discussed how to serve communities in a more meaningful way. \$1 billion will be spent by Adventist Health on community health to create healthier communities. On May 4th and 5th dental and vision screening will be performed at Adventist Health Tulare to the underserved community and those without health insurance. 300 people over a two-day period will perform general screening, blood pressure screening, lab work, etc.

Water shut offs will occur from 10 pm to 6 am on April 24th to install new shut off valves.

Requests have been made for strategic expenditures. \$1.3 million for OB services with a target for opening of July 15th. This will cover flooring, paint, equipment, security system, beds and baby warmers.

Imaging has requested \$2 million for a new RI, xray room, and portables.

Adventist Health is waiting for a phone call from the Central Applications board for approval of the change of ownership.

Public comment was received from Jerry Hunt regarding the lab.

Senovia Gutierrez suggested that presentations be made to clinics and doctors about available services.

Kevin Northcraft asked about the air conditioning equipment approved by the Board. Randy Dodd indicated the chiller will be installed next week.

9. Resolution 868 to Appoint Sandra Ormonde as CEO for the Tulare Local Healthcare District and to Authorize Banking and other Requisite Delegated Responsibilities

Xavier Avila moved to approve Resolution 868. Stephen Harrell seconded the motion. Motion approved 5-0.

10. Discussion and Action on definitive documents related to transaction with Adventist Health Systems West including:

- a. Amended Management Services Agreement by and between Tulare Local Healthcare District and Adventist Health Tulare.

This item was carried over from the last meeting.

Senovia Gutierrez moved to approve the Amended Management Services Agreement. Mike Jamaica seconded the motion. Approved 5-0.

11. Discussion and Action to Approve the following Capital Projects:

- a. Evolutions Paving Project – West Parking Lot

Mike Lane, EVO Management, reported that they received 2 bids. He is recommending awarding the project to the low bidder. Mike Jamaica asked if the bid included striping. Mike Lane indicated it did not. Stephen Harrell said another company may be needed for soil testing and painting. Mike Lane said also for compaction testing. He recommends a 10% contingency for additional costs. Stephen Harrell asked if the planter would be removed. Mike Lane indicated that is not included.

Xavier Avila moved to award the job to the lower bidder with a 10% contingency amount. Senovia Gutierrez seconded the motion. Motion passed 4-0-1 with Stephen Harrell abstaining.

12. District Operational and Activities Report

- a. Rich Gianello, Partner, Wipfli CPA's and Consultants

Rich Gianello said this would be his last board meeting due to his retirement. See attached power point presentation.

The Board members expressed their appreciation to Rich Gianello for his efforts on behalf of the District.

13. Chief Financial Officer Report:

Review and Recommend the following for Board Approval

- a. March, 2019 Internal Financial Statements (to be distributed)
March 2019 financial statements will be distributed when complete.
- b. TLHCD Information Technology (I/T) Transition Plans and Needs – **Update**
AH team and Wipfli will meet in early May for a plan
- c. Update re: Annual Renewal Process for District’s Insurance Coverages
Most programs expire the end of June. With the hospital closed and the lease commenced the hospital liability is \$811K this year. The numbers will be significantly lower next year. Worker’s Comp is \$439K. Estimate based on the percentage of salaries. Premiums will be adjusted when the salaries are less. Kevin Northcraft reported that he and Mike Jamaica spoke with Marsh and McLennan and they have been non-responsive. The district will be 95% smaller than last year. Kevin Northcraft said he will ask Sandra Ormonde to look for local insurance companies. Todd Wynkoop said there are two commercial brokers in Fresno. The Board agreed by consensus to proceed forward with looking at additional local brokers.
- d. Cash Report Update – TLHCD; City of Tulare Line of Credit Update (verbal)

14. Discussion and Action regarding truckparking on vacant lot next to Evolutions

Stephen Harrell moved to approve the District posting the property with signs prohibiting truck parking. Senovia Gutierrez seconded the motion. Motion approved 4-0-1 with Xavier Avila abstaining.

15. Update on rental and status of District real properties – Steve Harrell

- a. Update status of properties and related utilities
Stephen Harrell reported that the repairs for Dr. Liu, in the Women’s Pavilion at Evolutions, have not been resolved. He indicated that Evolutions agreed to do minor repairs in 10/18. Kevin Northcraft will follow up with Joseph Soares. Stephen Harrell reported someone is interested in three properties. Todd Wynkoop will assess the fair market value of the Foundation office and two offices on Gem. The construction trailer is leased.
Dan Heckathorne reported that Xavier Avila and Stephen Harrell are working with he and Wendy. See attached report.

16. Discussion and Action on Administrative policies for approval in accordance with the State Auditor’s recommendations

Kevin Northcraft and Stephen Harrell worked on remaining issues outlined in the State Audit: Conflict of interest filings, Contract management, Economic interest management.

Kevin Northcraft moved to approve the administrative policies in accordance with the State Auditor’s recommendations. Stephen Harrell seconded the motion. Approved 5-0.

17. Discussion and Action on Resolution 869 Declaring as Surplus Property Certain Equipment and Supplies Previously Purchased for Use in the Tulare Regional Medical Center.

- a. See attached listing of surplus property
Xavier Avila moved to approve Resolution 869. Mike Jamaica seconded the motion. Approved 5-0.

18. Suspend open session – recess to closed session

19. Closed session

- a. Discussion regarding future operation and possible disposition of Mineral King (Forensic/Toxicology) Lab (*pursuant to Govt. code § 54962*)
- 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 – To Consider Bankruptcy Alternatives*
- c. Instructions to designated representative, Kevin Northcraft, related to real property at 1425 E. Prosperity Avenue commonly known as Evolutions.
- d. Instructions to designated representative, Kevin Northcraft, related to real property at 398 South Street, Earlimart, CA 93218, commonly known as Earlimart Clinic Building and Earlimart property (ground) Lease.
- e. Instructions to designated representative, Kevin Northcraft, related to real property at 922 N. Cherry Street, Tulare, CA 93274, commonly known as Dr. Evans' former office
- f. End closed session

20. Reconvene Open Session – Public report of action taken in closed session (if necessary) pursuant to Government Code 54957.1

21. Adjournment - Next regular meeting scheduled for 6:30 PM on Wednesday May 22, 2019 at Allied Building Conference Room 2.