

Tulare Local Health Care District

Evolutions Oversight Committee Meeting Minutes

Wednesday, January 17, 2018

Board Convened at 6:30 pm

Evolutions Fitness & Wellness Center

1425 E. Prosperity Ave., Tulare CA 93274

Members present: Derek Jackson Staff present: Ken Nunes EVO CPA
 Phil Smith Joseph Soares EVO legal counsel
 Courtney Waters Jane Presnell Evolutions manager
 Alberto Aguilar Mike Lane EVO VP
 Linda Crase
 Mike Jamaica Hospital Board Liaison

- I. Call to order
 Meeting called to order at 6:30 p.m.

- II. Citizen Requests/Public Comments
 Barbara Harrell
 Sally Boucher

- III. Update, review and discussion with EVO MANAGEMENT COMPANY, LLC on
 the financial condition of Evolution Fitness Center;

EVO legal counsel Joseph Soares provided the committee with background of the formation of EVO and the EVO Oversight Committee. Ken Nunes provided the committee with the financial statement for the months of November and December, 2017 (see attached).

Alberto Aguilar asked staff what the current membership and enrollment fees are, as well as the number of independent contractors. Manager Jane Presnell said as of January 15, 2018 the current membership is 2768 with 5674 total members. She indicated 1500 members were lost when Evolutions was closed. There is an enrollment special of \$25, normal enrollment is \$175. A letter will be going to those members that cancelled inviting them back. There are between 23-25 independent contractors.

Courtney Waters asked about maintenance and paid security. There is a full-time maintenance employee as well as a janitorial company that comes in after 10 p.m. There is no paid security.

Philip Smith asked about morale. Jane Presnell responded that morale is good but there are not insurance benefits for the employees.

Courtney Waters asked about if there was a pre-closure inventory list available. Jane Presnell responded that there was not, but the locks were changed immediately upon closure.

Philip Smith asked about the rate increase for independent contractors. Jane Presnell said it was under consideration before the closure.

Mike Lane, EVO VP, reported on future expenses. He said that American Mechanical from Visalia will do diagnostics on the dehumidifier. If it is not repairable it will be an expensive replacement. He also indicated that the parking lot will need to be a complete replacement and will also be very expensive. He recommended a reserve be created from cash flow for the dehumidifier. Jane Presnell said there is a lengthy list of deferred maintenance as no deferred maintenance was done under HCCA. She said at some point the pool and its equipment will also need to be replaced.

The reports were accepted by consensus and Chairman Jackson will report to the Tulare Local Healthcare District Board at their January 31, 2018 meeting.

IV. Adjournment

Meeting adjourned at 7:40 p.m.