

Tulare Local Healthcare District
Board of Directors
Regular Meeting Minutes
Wednesday, November 29, 2017
Board Convenes at 6:30 pm
Evolutions Fitness & Wellness Center
1425 E. Prosperity, Tulare CA 93274

In attendance: Kevin Northcraft Larry Blitz, Interim CEO
Mike Jamaica Dan Heckathorne, Interim CFO
Senovia Gutierrez Niki Cunningham, Interim legal counsel
Xavier Avila Riley Walter, Bankruptcy counsel
Stephen Harrell

I. Call to order

II. Citizen Requests/Public Comments

Jan Smith, Executive Director of the Tulare Hospital Foundation, announced a toy drive for hospital employees. Toys may be dropped off at the Foundation Office, Evolutions, International AgriCenter, and Visalia Rawhide. Toys will be collected from 12/1-18 and distributed 12/20.

Ken Vaughn is a Master Gardener coordinating volunteers to assist with landscaping of the hospital areas along Cherry Avenue, Merritt, Auburn, and within the parking lot. He indicated over 50 people have expressed interest with assisting and supplies will be donated. A date will be announced as soon as the staff and attorneys give clearance for the project.

Jane Presnell, manager of Evolutions, expressed appreciation to the Board and citizen volunteers that have assisted with the reopening of Evolutions.

III. Consideration of Appointments to the Evolutions Oversight Committee

Kevin Northcraft indicated the Evolutions Oversight Committee is a short-term volunteer committee to provide financial oversight of EVO/Evolutions. Members of the committee nominated by the Board are as follows:

Ed Henry – Stephen Harrell
Derek Jackson – Xavier Avila
Alberto Aguilar – Senovia Gutierrez
Courtney Waters – Mike Jamaica
Phil Smith – Kevin Northcraft

Stephen Harrell moved the appointments be approved. Senovia Gutierrez seconded. Appointments approved 5-0

- IV. Consideration of Appointment of Representative to the Tulare Hospital Foundation
Stephen Harrell volunteered to be the Board representative to the Tulare Hospital Foundation Board. Senovia moved to approve the appointment. Mike Jamaica seconded. Approved 5-0.
- V. Recommendation to provide notice of cancellation of existing construction consulting services with Bob Lindeman and Gary Sunderlin, and authorize Larry Blitz to negotiate a new on call agreement with the same parties
Kevin Northcraft reported that the consulting services provided by Bob Lindeman and Gary Sunderlin to maintain the permit, inventory equipment, and provide equipment like the temporary chiller. It does not require a full-time staff so the recommendation is to cancel the current contract and change to an on call contract. Senovia Gutierrez made a motion to authorize Larry Blitz to cancel the current contract and negotiate an on call contract. Seconded by Mike Jamaica. Motion approved 5-0.
- VI. Expenditure approvals – authorize \$45,000 to go to Walter Wilhelm trust fund for required Chapter 9 noticing, as needed
Riley Walter said there is a multi-page mailing that must go out to 750 people. An additional mailer must go out to bond holders. The information must also be published three times in publications more than once. State law requires attorneys to provide a trust account to pay actual out of pocket expenses. Senovia Gutierrez made a motion to authorize the \$45,000 expenditure to Walter Wilhelm trust fund. Stephen Harrell seconded the motion.
Approved 5-0.
- VII. Update on plans to reopen Hospital and clinics
Larry Blitz reported sizable progress has been made. The application to the California Department of Public Health will be completed within 2 weeks. There are eight basic services that need to be ready and employees hired before the license will be approved. He is working to attract physicians and is interviewing for a Chief Medical Officer. Per California Health Department regulation's, the clinics will open with the hospital. The Board has indicated their desire to open the Emergency Room at the same time.
Financially, he now has access to records. Three budgets are being developed. On is a skeleton budget with minimum staff. Second is a budget to show the California Department of Public Health a budget for opening. The third is a "ramp up" budget as census is productive. Dan Heckathorne is looking for bank accounts. They are attempting to determine the accounts receivable and evaluating contracts for their collection. They are working on cost reports due November 30, 2017 and have received one extension. They are assembling financial reports and they indicate it will be an excellent financial hospital. They will provide monthly financial reports. They are identifying potential funders and

will be meeting with them next week. Funding will be the biggest challenge. Xavier Avila inquired about Medicare/Medical payments. Larry Blitz indicated they are following those payments as well as property tax payments. Stephen Harrell reported citizens that are concerned about owing for hospital services they have not been billed for. Larry Blitz indicated they are evaluating collection. The current contract is 10x too high. They should be providing a new contract to the Board within 24 hours. Xavier Avila inquired about the MEC. Larry Blitz indicated there will be a new, interim MEC. They have volunteers already. Xavier Avila inquired about Board procedures if there is dysfunction. Nike Cunningham said there are procedures, but will not be discussed in open session. Kevin Northcraft inquired about CMC/Sante. Niki Cunningham indicated there is a team of attorneys ready to work on an agreement, but cannot do so until there is a budget and an operational assessment has been made.

- VIII. Suspend open session – Recess to closed session (if necessary) Conference with Interim Legal Counsel – Existing litigation (Government Code 54956.9)

In re Tulare Local Healthcare District dba Tulare Regional Medical Center,
United States Bankruptcy Court Eastern District of California Case No.
17-13797

- IX. Adjourn closed session, reconvene open session (if necessary) – Public report of action taken in closed session, pursuant to Government Code 54957.1
- X. Adjournment