

Tulare Local Healthcare District
Board of Directors
Meeting Minutes
Wednesday, December 20, 2017
Board Convenes at 6:30 pm
City of Tulare Council Chambers

Board Members present: Kevin Northcraft
Mike Jamaica
Senovia Gutierrez
Xavier Avila
Stephen Harrell

Staff present: Larry Blitz Interim CEO
Dan Heckathorne Interim CFO
Nikki Cunningham Interim Legal Counsel
Sandy Haskens Consultant

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

- II. Citizen Requests/Public Comments
Comments were made by Joseph Soares on behalf of EVO Management. He reported some loss in membership, but not as many as expected. There are 5600 members of Evolutions, 26 employees, and 30 independent contractors.

Jan Smith and Angie Graziano spoke on behalf of the Tulare Hospital Foundation. On December 20, 2017 the Foundation Toy Drive was held and 700 toys were handed out to children of hospital employees. \$4000 was received to help purchase toys. Angie Graziano expressed the gratitude of the employees to the Foundation and the community that participated.

Barry Caplan
Alberto Aguilar

- III. Approval of Minutes of meetings of November 29, 2017, and December 6, 2017
Mike Jamaica moved the Board accept the minutes of November 29, 2017 and December 6, 2017 meetings. Senovia Gutierrez seconded the motion. Motion passed 5-0.

- IV. Consideration of California State Senator Jean Fuller's request for Tulare Regional Medical Center audit by the California Joint Legislative Audit Committee
Xavier Avila moved to support Senator Fuller's request for an audit of Tulare Regional Medical Center conducted by the California Joint Legislative Audit

Committee. Mike Jamaica seconded the motion. During discussion, Niki Cunningham, Interim legal counsel, advised the Board that results could impact the district and if the District were to have been found to mishandled funds they could be asked to repay the funds. Board Chair Kevin Northcraft responded that the public's right to know supersedes any fear of what may be found. A lengthy discussion amongst the Board, attorneys, and public in attendance ensued. Xavier Avila rescinded his motion for approval. Senovia Gutierrez moved to endorse the audit request made by Senator Fuller. Kevin Northcraft seconded. Motion passed 3-2 with Senovia Gutierrez, Kevin Northcraft, and Mike Jamaica approving and Xavier Avila and Stephen Harrell voting no.

- V. Consideration of offer to purchase real property APN 171-300-016 (vacant parcel adjacent to Evolutions)
 - The District received an offer to purchase the lot next to Evolutions for \$2.2 million purchase price with \$50,000.00 down. Chairman Northcraft indicated that the District had not declared the property surplus, nor how to market.

- VI. Update on plans to reopen Hospital, clinics, and financing options
 - Interim CEO Larry Blitz reported that they have identified three levels of staffing. 35 employees for a skeleton staff, and are staffed for opening, and are working on staffing for the ramp up as the census increases. The staff is working on a benefits and HR program and working with potential funders. Dan Heckathorne, Interim CFO, is working on budgets for now, reopening, and ramp up. There has been physician interest in the hospital and they are trying to attract as many as possible. There will be a community doctor meeting in January to share the vision of the District. Larry is in weekly communication with the California Department of Public Health. Consultant Sandy Haskens is reviewing and renegotiating 550 exiting contracts. There will be an employee Holiday Party on December 21, 2017 at noon. When funding is secured they will set a timeline for reopening. Chairman Northcraft asked about budget projections and Larry reported that the hospital will be profitable when the census reaches 40 patients, but that he feels 60-80 patients is not out of the question enabling the District to pay off bonds and debts.

- VII. Board Member items
 - Board members Jamaica, Gutierrez, and Avila expressed appreciation to the staff and community

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

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

(2) *TRMC Medical Staff v. Tulare Local Healthcare District, HCCA et al*; Tulare Case No. 264227

(b) Conference with Interim Legal Counsel — Initiation of Litigation (Gov. Code § 54956.9) – 2 matters

(c) Real Property Negotiations (Gov. Code § 54956.8)

IX. Adjourn closed session, reconvene open session (if necessary) – Public report of action taken in closed session, pursuant to Government Code 54957.1
No action was taken during closed session

X. Adjournment

Next regular meeting scheduled for 6:30 pm on Wednesday, January 24, 2018.