

**Tulare Local Healthcare District  
Board of Directors Meeting Minutes  
Wednesday, December 19, 2018 6:30 PM  
City of Tulare Council Chambers  
475 M Street, Tulare, CA**

<b>In Attendance:</b>	<b>Kevin Northcraft</b>	<b>Dan Heckathorne</b>	<b>Interim CFO</b>
	<b>Mike Jamaica</b>	<b>Riley Walter</b>	<b>Bankruptcy Counsel</b>
	<b>Senovia Gutierrez</b>	<b>Ben Nicholson</b>	<b>Legal Counsel</b>
	<b>Xavier Avila</b>	<b>Randy Dodd</b>	<b>Adventist Health</b>
	<b>Stephen Harrell</b>		

**1. Call to Order**

Meeting called to order at 6:33 pm

**2. Public Comment:**

Rick Jackson, CPA JWT & Associates presented audit draft

**3. Announcements – Board**

Kevin Northcraft announced that this will be the last meeting in the Council Chambers. He thanked the City for the use of the room and said future board meetings will be held in the conference room of the Allied Building on the hospital campus.

Stephen Harrell reported he had received a note from a friend who appreciated their good care at Adventist Health Tulare. He reported that in 2018 the Board had 34 meetings, 21 special and 13 regular, for a total of 111 hours.

**4. Consent Agenda:**

a. 11/28/18- Meeting Minutes

b. 12/05/18- Meeting Minutes

Stephen Harrell asked for a correction to the December 5, 2018 minutes. With that correction noted Senovia Gutierrez moved that the minutes for 11/28/18 and 12/5/18 be approved with Xavier Avila seconding the motion. Approved 5-0.

**5. Election of District Board Officers in accordance with the Tulare Local Health Care District Bylaws, Article IV, Section 1.**

Senovia Gutierrez moved to keep Kevin Northcraft as President of the Board. Seconded by Xavier Avila. Approved 4-0 with 1 abstention. Kevin Northcraft moved to elect Mike

Jamaica as Vice President of the Board. Senovia Gutierrez seconded the motion. Approved 5-0. Xavier Avila moved to elect Stephen Harrell as Treasurer. Seconded by Mike Jamaica. Approved 5-0. Kevin Northcraft moved to elect Senovia Gutierrez Secretary of the Board. Seconded by Xavier Avila. Approved 5-0.

**6. Tulare Hospital Foundation Update**

Jan Smith said the Foundation will be sponsoring Love to Wear Red on February 2, 2019 and will include both men and women this year. Proud to Wear Pink and Real Men Wear Pink will be held in Summer, 2019. New Foundation officers were installed. A video highlighting the Foundation's activities in 2018 was shown.

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

Derek Jackson, Chair of the Evolutions Oversight Committee, presented the Board with a check for \$35,044.97 for the months of October and November. Prepaid rent has been paid. 47 new pieces of equipment have arrived. January 10, 2019 Evolutions will be hosting a Chamber Mixer and Open House. Current marketing campaign for Evolutions is zero enrollment fees. Balance sheets were given to Dan Heckathorne.

Kevin Northcraft reported an energy audit was sent to Joseph Soares, Derek Jackson, and the board. It reports \$2.2 million in savings over 30 years. Equipment on the roof would be replaced and awnings would be installed in the parking lot.

**8. Adventist Health and Staff Updates**

a. Hospital Services update

Randy Dodd reported that the hospital has been open for 65 days. 4000 patients have been seen in the ER. 135 patients admitted, and 26 emergency surgeries. A 3 ½ day CMS survey will be done January 7, 2019. Once completed Adventist Health can begin billing Medicare and Medicaid. On January 15, 2019 elective surgeries will begin.

b. Public Relations

400 families were adopted by the Central Valley Network this year for the holidays. Donations are collected by the employees. 25 families remained needing sponsorship and Dr. Gavini sponsored them. Adventist Health acknowledged the Tulare Local Hospital Board with plaques.

**9. Discussion Relating to Options for the District's Provision of Non-Hospital Health Related Services in the Future - Board**

Senovia Gutierrez and Xavier Avila led a discussion about mental health needs and services as a potential future project for the District.

**10. Discussion and action on Medical Executive Committee recommendations for granting of hospital privilege for physicians.**

Dr. Betre reported that there are a lot of physicians in the pipeline applying for privileges.

Senovia Gutierrez moved to accept the MEC recommendations. Mike Jamaica seconded the motion. Stephen Harrell asked to defer to closed session.

**11. Discussion and direction to staff on City of Tulare response to District's request for financial assistance.**

Kevin Northcraft reported that a \$5 million line of credit was requested from the City of Tulare at double the interest rate of their other investments. The City Council voted 3-0 to put the request on their January agenda.

**12. Discussion and action on Physician agreements recommended by hospital Manager and District staff**

- a. Amendment to General Surgery Call Agreement with Dr. Entabi
- b. Amendment to General Surgery Call Agreement with Dr. Ukatu
- c. Amendment to Anesthesia PSA with Paramount Anesthesia
- d. General Surgery Call Agreement with Dr. Sohail Mamdani Group
- e. General Surgery Call Agreement with Dr. Kesvaramanujam Group
- f. Call Agreement with Dr. Mohammad Khan

Item D was pulled and will be presented at the next meeting. Mike Jamaica moved approval of items a, b,c,e,f. Seconded by Stephen Harrell. Approved 5-0.

**13. Discussion and Action on Security Services Contract for Non-Hospital District Properties**

- a. Allied Universal Security Services

Xavier Avila reported the contract with Allied Universal Security Services. A contract has been prepared at the old rate with 2 shifts and 2 guards. In the winter months it will reduce to 1 and 1. He is waiting for bids from Giottos Alarm Tech for alarms. He is requesting a bid for a fence, but it is very expensive. Stephen Harrell mentioned that there has been discussion to cut electricity on the empty cottages. Stephen Harrell moved to accept the new contract with Allied Universal Security Services. Seconded by Xavier Avila. Approved 5-0.

**14. Discussion and Action on three year lease with Microcorre Pathology Laboratory at 890 Cherry, commencing January 1,2019**

Stephen Harrell reported that Dr. Walter has been at that location since 1984. The Lease expired in March 2018. Stephen Harrell is proposing extending the new lease to a three year term at \$2439.00 per month beginning 1/1/19. Senovia Gutierrez moved to approve the lease agreement. Mike Jamaica seconded the approval. Approved 5-0.

**15. Recommendation to approve the listing agreement with Craig Smith & Associates, Inc & Zeeb Commercial to see the following vacant properties know as Lot 24 (APN 170340-023), Lot 26 (170-340-040), Lot 35 (APN 170-340-035), located in Tulare California**

Xavier Avila moved to approve the listing for sale of the three vacant properties. Seconded by Senovia Gutierrez. Approved 5-0.

**16. Update on status of Amended Management Service Agreement and Adventist Health release of real property collateral resulting from Measure H approval.**

Ben Nicholson reported that both sides have exchanged the agreement with changes for approval in January, 2019.

**17. Chief Financial Officer Report:**

**Review and Recommend the following for Board Approval:**

- a. July and August, 2018 Draft Internal Financial Statements
- b. Hospital Operations, AH- Draft Internal Financial Statements for 17 Days Ended October 31, 2018 and November 30, 2018
- c. TLHCD Financial Audit Report Update/Presentation for FYE's June 30, 2018 and June 30, 2017 – Rick Jackson, C.P.A., JWT and Associates, LLP
- d. Updating/Adjusting Rates and Charges for Patient Services Effective January 1, 2019

Mike Jamaica moved to approve the rate and charges adjustments. Senovia Gutierrez seconded the motion. Approved 5-0.

- e. Accounts Payable Update - TLHCD
- f. Cash Report Update – TLHCD

See attached reports for items a,b,c,e,f

**18. Update on rental of District properties – Steve Harrell**

Stephen Harrell reported that Kingsview is interest in buying 795 and 799 Cherry.

**19. Suspend open session – recess to closed session**

Regular meeting adjourned at 8:00 pm in memory of Dick Johnson

**20. Closed session**

- a. 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 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. *Senovia*

*Gutierrez v. Tulare Local Healthcare District, et al*, Tulare Case No. 271265

v. *First Source Solutions USA LLC v. TRMC et. al*, United States District Court, Eastern District of California Case No. 1:15 –cv-01136 vi. *Specialty Laboratories, Inc. v. TRMC et al*, U.S. Bankruptcy Court Eastern District of California Adv. Proc. No. 18-01014 vii. *In re TLHD, Maxim Healthcare Services, Inc. v. HCCA*, United States Bankruptcy Court Eastern District of California Case No. 17-

13797 viii. *Zulim v. TRMC et al.*, Tulare Case No. 274358

ix. *Torres v. TRMC et al.*, Tulare Case 272978

x. *Anderson v. Gupta, et al*, Tulare Superior Case No. VCU 267737;

xi. *Brooks v. TRMC, et al.*, Tulare Superior Case No. VCU266862;

xii. *Cabrera v. TRMC, et. al.*, Tulare Superior Court Case No. VCU 268660; xiii. *Dominguez et al. v. TRMC et al*, Tulare Superior Court Case No.

VCU272496; xiv. *Griesbach v. TRMC et al*, Tulare Superior Court Case No.

VCU270010; xv. *Ibarra v. TRMC et. al.*, Tulare Superior Court Case No. VCU

270010; xvi. *Metcalf v. TRMC et al*, Tulare Superior Court Case No.

VCI252446; xvii. *Opper et al v. TRMC et al*, Tulare Superior Court Case No.

VCU263554; xviii. *Torrez II, et al. v.*

*TRMC et al.*, VCU268786

- b. Conference with designated negotiator Dan Heckathorne regarding the real properties commonly referred to as Evolutions and the Cottage Properties related to potential financing with Business Capital Finance (*pursuant to Govt. code § 54956.8*)
- c. Conference with designated negotiator Kevin Northcraft regarding the real properties commonly referred to as Evolutions and the Cottage Properties related to potential financing with the City of Tulare. (*pursuant to Govt. code § 54956.8*)
- d. Conference with designated negotiator Dan Heckathorne regarding leasing of real properties at 880 E. Merritt, Tulare, California, Suites 105, 106, 107, 108, and 109 (*pursuant to Govt. code § 54956.8*)
- e. Conference with Interim Legal Counsel – Initiation of Litigation (*pursuant to Ca. Govt. Code § 54956.9*).
- f. Consideration of applicants for public employee appointment as District Administrative Manager in lieu of Chief Executive Officer (*pursuant to Govt. code § 54957*)
- g. End closed session

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

Motion to approve MEC recommendations made by Xavier Avila and seconded by Stephen Harrell. Approved 5-0

**22. Adjournment** *Next regular meeting scheduled for 6:30 PM on Wednesday January 23, 2019 at Allied Building Conference Room 2.*