

**MINUTES**  
**TEHACHAPI VALLEY HEALTHCARE DISTRICT**  
**BOARD OF DIRECTORS MEETING**

February 25, 2020  
Tehachapi Valley Healthcare District Office  
305 S. Robinson St.  
Tehachapi, CA 93561  
4:30pm

**Board Present:** Mike Nixon, President; Sam Conklin, Vice-President; Duane Moats, Treasurer; Christine Sherrill, Secretary; William Steele, attending via teleconference from Memphis City (Hooks) Library Conference Center, 3030 Poplar Ave., Memphis, TN 424-645-9372

**Staff Present:** Lisa Hughes, Business Manager; Caroline Wasielewski, District Manager; Chet Beedle, CFO; Scott Nave, Counsel

**I. CALL TO ORDER**

President Mike Nixon called the meeting to order at 4:30 pm

**II. FLAG SALUTE**

**III. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**IV. CONSENT AGENDA**

**A. Approval of Minutes**

- a. Finance 1/15/2020, Receive and File
- b. Strategic Planning, 1/15/2020, Receive and File
- c. Board Meeting, 1/21/2020

Consent Agenda Approval, **MSA: MOATS/SHERRILL; ROLL CALL 5-0; APPROVED**

**V. REPORTS**

**A. Chief Financial Officer Report (Beedle)**

Mr. Beedle explained the Finance Committee reviewed the reports earlier this month. There were no questions from the Board. Mr. Beedle asked for pardons as the financials were completely redone and labeled incorrectly as five months of the fiscal year instead of the correct six. CFO Beedle continued to review each

page. Notable mentions were \$58 mil in bonds remaining. Salaries were below budget. Total expenses for the month were above budget at \$1.2 mil vs. \$1.0 mil. With the Net Operating Revenue, it become a net surplus of \$400,982. Mr. Beedle detailed all the assets and liabilities as well as the profit and loss for the month. He explained some of the new financial documents. Mr. Beedle continued on to the Statement of Cash Flows. Actual cash flow ended at \$229,000 vs. a budget of \$287,000.

a. Audit Update

Mr. Beedle updated the Board on auditor Rick Jackson. He is working on final numbers, waiting on WIPFLI to give him previous work numbers. Since the 2017 Financials are not complete there is a delay with the FY 18 and FY19. Mr. Jackson feels the draft 2018-2019 will be available at the meeting time in March.

B. District Manager Report

District Manager Caroline Wasielewski reported there were two broken windows in the building at 115 W E Street. They will be repaired.

**VI. NEW BUSINESS**

None

**VII. OLD BUSINESS**

RFP for Architectural/Engineering Services

Scott Nave spoke to the Board about the architect proposals received. The bid received from Studio is nonresponsive as it does not include engineering costs. The Board can reject all bids or reject and take another. Discussion ensued on whether the Board is interested in continuing to look for design and engineering or would it be interested in design build. Dr. Conklin expressed his concern at the estimated total cost of the project. He commented that depleting all of the districts funds in order to renovate the old building is not a favorable choice. Ms. Wasielewski reminded the Board that the \$2.5 million estimate is merely an estimate and would include all construction and professional fees. Chet Beedle commented that architectural fees could be up to \$250,000 alone for a project this size. The other proposal stated a fee of \$220,000. The first proposal had a fee based on a percentage of the construction cost. The topic of selling the hospital at 1100 Magellan Drive to Adventist Health was discussed. Mr. Nave commented that that building is the district's biggest asset. The Directors continued to discuss and reviewed the process that would have to take place in order to sell it to include re-engaging bond counsel, acquiring an appraiser, conducting public meetings and an election. Mike Nixon commented that the Board must look into the pros and cons of selling and finding out if Adventist is interested at this time. Dr. Conklin submitted that the District reject the first bid proposal and accept the second which includes construction management and engineering costs. He also suggested that the architect know what the District wants to spend. Parameters should be given. Mr. Moats agreed that the second proposal included what the RFP requested and would be a good choice given they stay within the Board suggested budget of \$1.5 million. It is crucial that the district get a return on the investment so the project should not be extravagant. Mr. Nave pointed out that since the second proposal

had a fee package of less than \$250,000, they see it as a small project. It does include all engineering and Mechanical, Electrical and Plumbing. Mr. Moats made a motion to authorize Scott Nave and Caroline Wasielewski to notify Studio that the bid they sent was deemed nonresponsive as it did not include engineering costs. Then to negotiate with J. Combs for a contract that includes a design cost estimate phase and a construction phase not to exceed \$2 million. The motion was seconded by Christine Sherrill. No further discussion took place. A roll call vote was taken and passed 5-0.

**MSA; MOATS/SHERRILL; ROLL CALL 5-0; APPROVED**

Board of Director Travel  
None

**VIII. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**IX. ADJOURNMENT**

Meeting adjourned at 5:23 pm

Respectfully,



Christine Sherrill  
Secretary