



TAHOE FOREST HOSPITAL DISTRICT

# Special Meeting of the Board of Directors

October 13, 2016, 2:00 pm

Eskridge Conference Room

# Meeting Book - Special Meeting of the Board of Directors 10/13/2016

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# SPECIAL MEETING OF THE TAHOE FOREST HOSPITAL DISTRICT BOARD OF DIRECTORS AGENDA

Thursday, October 13, 2016 at 2:00 p.m.

Eskridge Conference Room – Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA** ◆

4. **INPUT – AUDIENCE**

This is an opportunity for members of the public to address the Board on items which are or are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Board cannot take action on any item not on the agenda. The Board may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. **CLOSED SESSION**

**5.1. Report Involving Trade Secrets (Health & Safety Code § 32106)**

*Proposed New Program: One (1) item*

*Estimated date of public disclosure: October 2016*

6. **OPEN SESSION – CALL TO ORDER**

7. **REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

8. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

9. **OPEN SESSION**

**9.1. Bond Resolution 2016-09** ..... ATTACHMENT

*9.1.1. Resolution Authorizing The Commencement of Proceedings in Connection with the Evaluation and Issuance of Bonds to Refund the District’s Outstanding Variable Rate Demand Revenue Bonds, Series 2002, Retaining a Financial Advisor and Bond Counsel and Directing Certain Actions with Respect Thereto.* ◆

**9.2. Health Information Systems Restructure**..... ATTACHMENT

*9.2.1. Mercy EPIC contract; Approve contract with Mercy for an initial term of 6 years for EPIC software to replace the current electronic health records system* ◆

10. **CLOSED SESSION**

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**October 11, 2016 AGENDA – Continued**

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- 10.1. Public Employee Performance Evaluation (Government Code § 54957)**  
*Title: Chief Executive Officer*

**11. OPEN SESSION – CALL TO ORDER**

**12. REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

**13. BOARD MEMBERS REPORTS/CLOSING REMARKS**

- 14. MEETING EFFECTIVENESS ASSESSMENT..... ATTACHMENT**  
The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

**15. ADJOURN**

*The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is October 27, 2016 and will be held at Tahoe Truckee Unified School District, 11603 Donner Pass Road, Truckee, CA. A copy of the Board meeting agenda is posted on the District’s web site ([www.tfhd.com](http://www.tfhd.com)) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.*

\*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions. Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District’s public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

**TAHOE FOREST HOSPITAL DISTRICT  
RESOLUTION NO. 2016-09**

**RESOLUTION AUTHORIZING THE COMMENCEMENT OF  
PROCEEDINGS IN CONNECTION WITH THE EVALUATION AND  
ISSUANCE OF BONDS TO REFUND THE DISTRICT'S OUTSTANDING  
VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2002, RETAINING  
A FINANCIAL ADVISOR AND BOND COUNSEL AND DIRECTING  
CERTAIN ACTIONS WITH RESPECT THERETO**

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WHEREAS, TAHOE FOREST HOSPITAL DISTRICT ("District") is a hospital district duly organized and existing under the "Local Health Care District Law" of the State of California; and

RESOLVED, by the Board of Directors (the "Board") of Tahoe Forest Hospital District (the "District"), as follows:

WHEREAS, in 2002 the District issued its Tahoe Forest Hospital District (Placer and Nevada Counties, California) Variable Rate Demand Revenue Bonds, Series 2002 (the "2002 Bonds") to finance capital projects;

WHEREAS, the 2002 Bonds are secured by, and payable from, a direct pay letter of credit (the "Letter of Credit") issued by U.S. Bank National Association (the "Bank");

WHEREAS, the Bank has informed the District that, upon the next renewal of the Letter of Credit, the Bank intends to impose additional conditions upon the District and will significantly increase the cost of maintaining the Letter of Credit;

WHEREAS, the District has been advised that it may be possible to refund the 2002 Bonds through a private placement, at reduced cost and without the need for a new letter of credit or the renewal of the Letter of Credit;

WHEREAS, it is appropriate that the Board formally appoint a financial advisor and bond counsel in connection with the evaluation and preparation of the refunding bonds and related documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

*Section 1.* The Board authorizes the Chief Executive Officer of the District, the Chief Financial Officer of the District and other appropriate officers and officials of the District (the "Authorized Officers") to proceed with the preparation of the necessary documents in connection with an evaluation of the proposed refunding, the refunding bonds, subject to the final approval thereof by the Board at a subsequent meeting.

*Section 2.* G.L. Hicks Financial, LLC is hereby designated as financial advisor to the District in connection with the refunding bonds, the compensation for such services to be negotiated by an Authorized Officer.

*Section 3.* Quint & Thimmig LLP is hereby designated as bond counsel to the District in connection with the refunding bonds, the compensation for such services to be negotiated by an Authorized Officer.

*Section 4.* All actions of the officers, agents and employees of the District that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

*Section 5.* The Authorized Officers and other appropriate officers and officials of the District are hereby authorized and directed to take such action and to execute such documents as may be necessary or desirable to effectuate the intent of this Resolution.

*Section 6.* This Resolution shall be in full force and effect immediately upon its adoption.

\* \* \* \* \*

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the Tahoe Forest Hospital District held on the 11<sup>th</sup> day of October, 2016, by the following vote:

PASSED AND ADOPTED at the meeting of the Tahoe Forest Hospital District Board of Directors held on the \_\_\_ day of \_\_\_, 2016 by the following vote:

AYES: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

\_\_\_\_\_

NOES: \_\_\_\_\_, \_\_\_\_\_

ABSENT: \_\_\_\_\_, \_\_\_\_\_

ABSTAIN: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Charles Zipkin, M.D.  
President, Board of Directors  
Tahoe Forest Hospital District

ATTEST:

\_\_\_\_\_  
John Mohun  
Secretary, Board of Directors  
Tahoe Forest Hospital District

October 11, 2016

Ms. Crystal Betts, Chief Financial Officer  
Tahoe Forest Hospital District  
10121 Pine Avenue  
Truckee, CA 96160

**Re: Tahoe Forest Hospital District  
Letter of Agreement**

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Dear Ms. Betts:

G.L. Hicks Financial, LLC (“Hicks”) would be pleased to act as financial advisor to Tahoe Forest Hospital District (“Tahoe Forest”) to assist in the issuance of revenue bonds, the proceeds of which will be used to refinance Tahoe Forest’s 2002 Variable Rate Demand Bonds in the approximate amount of \$9,500,000 (the “Engagement”). Tahoe Forest, acting by and through its duly authorized representative, and Hicks, acting by and through its President, Gary Hicks, agree that Hicks shall furnish certain services to Tahoe Forest and Tahoe Forest agrees to accept said services and to make payment of fees and expenses regarding this Engagement, upon the terms and conditions herein set forth.

This document contains the entire agreement between both parties. All prior negotiations between Hicks and Tahoe Forest are merged in this agreement, and there are no understandings or agreements other than those incorporated or referred to herein. This agreement may not be modified except by an instrument in writing, dated and signed by the duly authorized representatives of both Hicks and Tahoe Forest.

- I. Hicks shall offer its professional services and facilities as financial advisor to Tahoe Forest in connection with this Engagement and, in that capacity, Hicks agrees to perform the following services and such other duties which in the exercise of its professional judgment may be necessary or advisable.
  - a. Provide pre-financing consulting services relating to the analysis of options available to accomplish Tahoe Forest’s objectives to refinance its outstanding debt and issue the proposed refunding debt (the “Bonds”).
  - b. Coordinate meetings with Tahoe Forest and other parties engaged by Tahoe Forest and arrange for the preparation and presentation of all necessary and required financial and disclosure information, as needed.
  - c. With Tahoe Forest’s input, prepare a timetable to indicate the steps and dates by which events should be completed. Discuss with Tahoe Forest representatives what steps are required to accomplish issuance of the Bonds.
  - d. Review and consult with Tahoe Forest regarding various structures and any financial implications relating to the issuance of the Bonds, in reviewing financing documents and in the selection of other financing participants.
  - e. Review with Tahoe Forest, its legal counsel and management team regarding the structure of the Bonds and the design and implementation of its financing plan. Meet with Tahoe Forest’s governing board and management team, as needed.
  - f. Prepare a closing memorandum detailing steps leading up to and including closing of the Bonds.

Hicks does not provide investment advisory, placement agent, broker or dealer related services. Hicks is a municipal advisor registered with the MSRB (ID # K0275) and the SEC (ID # 867-01010-00) and information regarding Hicks and its representatives can be found at [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html) using our CIK # 0001617606. Hicks will be compensated by a fee that will be contingent on the closing of the Bonds. Because our fee is contingent on closing of the Bonds, we hereby notify you that a potential conflict exists. While this form of compensation is customary in the municipal securities market, it presents a potential conflict since we may have an incentive to recommend to Tahoe Forest a transaction that is unnecessary. Hicks does not have any other known conflicts of interest in relation to this Engagement.

- II. In consideration of the foregoing services, it is agreed that fees and expenses of Hicks relating to this Engagement shall be paid by Tahoe Forest as follows:
- a. The fee to be paid to Hicks by Tahoe Forest at Closing will be equal to \$54,500. In addition, Tahoe Forest agrees to reimburse documented out-of-pocket expenses of Hicks incurred in relation to the proposed financing, provided that said out-of-pocket expenses shall not exceed three thousand dollars (\$3,000). If following execution of this agreement Tahoe Forest elects not to proceed with issuance of the Bonds or if the Bonds are not sold as a result of any failure of Tahoe Forest to perform services required by Tahoe Forest to complete this financing, or if the same occurs as a direct result of any other unexcused failure to act on the part of Tahoe Forest, then Tahoe Forest will compensate Hicks at \$345 per hour plus documented out-of-pocket expenses related to the financing, subject to the limits established above. If the Bonds are not sold due to events outside the control of Tahoe Forest, including insufficient savings, then Tahoe Forest only owes Hicks for its out-of-pocket expenses incurred on behalf of Tahoe Forest.
  - b. The District shall engage the services of an underwriter or placement agent, a trustee, bond counsel, district counsel, and shall commission other necessary services. Tahoe Forest shall be responsible for the payment of all expenses and costs incurred in connection therewith.
  - c. Fees and expenses described in paragraphs II.a. and II.b. above may be paid or reimbursed with Bond proceeds to the extent allowable by law. The aforementioned fees to Hicks shall become due and payable simultaneously with the delivery of the Bonds at Closing.

The term of this agreement shall be eighteen months from the date this agreement is executed by Tahoe Forest, unless extended in writing by mutual consent of the parties to this agreement. Tahoe Forest and Hicks shall have the ability to terminate this agreement, without cause, with 30 days written notice to the other party. If either party initiates any legal proceedings in connection with any breach or default by the other party under the terms of this agreement, then the party prevailing in said proceeding shall be entitled to recover reasonable attorney's fees, together with costs of suit, from the non-prevailing party.

This agreement shall bind the successors and assignees of the parties hereto. The rights, duties and obligations hereunder, however, shall not be assigned by either party without the prior written consent of the other party having been obtained. When accepted by Tahoe Forest, this agreement will constitute the entire agreement between Hicks and Tahoe Forest for the purpose and consideration herein specified. Tahoe Forest's acceptance will be indicated by proper signature of its authorized officer or representative on both copies of this agreement and the returning of one executed copy to the undersigned.

I appreciate this opportunity to again serve Tahoe Forest Hospital District as herein described, and look forward to the successful completion of this Engagement.

Sincerely,

Gary Hicks  
President

The undersigned has read this agreement as set forth above and understands it fully and hereby accepts said agreement and further agrees to the terms, amounts, conditions and schedules of payment of said agreement.

ACKNOWLEDGED AND ACCEPTED:

**Tahoe Forest Hospital District**

**SIGNATURE:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_



September 30, 2016

Mr. Gary L. Hicks  
President  
G.L. Hicks Financial LLC  
5033 Riverpark Way  
Provo, UT 84604

Re: Bond Counsel Proposal for Tahoe Forest Hospital District Refunding Revenue Bonds, Series 2016

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Dear Gary:

Thank you for asking Quint & Thimmig LLP to submit a proposal to act as bond counsel to the Tahoe Forest Hospital District (the "District") in connection with an approximately \$10,000,000 issue of variable rate revenue bonds (the "Bonds") to refund the District's outstanding Variable Rate Demand Revenue Bonds, Series 2002. I understand that it is likely that the Bonds will be privately placed.

For bond counsel services, we propose to charge a fee of \$40,000, inclusive of all out-of-pocket expenses.
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This fee proposal is based upon the following assumptions: (i) the principal amount of the Bonds will be approximately \$10,000,000, (ii) the financing will be completed by March 31, 2017, and (iii) G.L. Hicks Financial, as financial advisor, will have primary responsibility for coordination of the financing team's efforts. If any of the foregoing assumptions proves to be substantially incorrect, we reserve the right to adjust the above-quoted amount to a level mutually acceptable to the District and us.

We believe that our fee quotation should be extremely competitive. If, however, such fee quotation is not competitive, we would appreciate the opportunity to negotiate with the District so that we are not disqualified by reason of fee alone.

We believe that Quint & Thimmig LLP is the best qualified law firm to serve as bond counsel for this financing. We would provide the District with a depth of experience and expertise that is second to none, together with an unmatched level of service delivered in a timely and cost effective manner. We are prepared to meet any schedule set by the District.

If you have any questions or require any additional information, please call me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian". The signature is written in a cursive style with a horizontal line under the "i".

Brian D. Quint

BDQ:cbf

## **9.2 Contracts**

Contracts redacted.

Available for public viewing via a Public Records request.