



September 13, 2019

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in an open Finance, Property, Services, and Acquisition Committee meeting at 9:00AM on Thursday September 19, 2019 in the Kaweah Delta Medical Center – Acequia Wing - Executive Office Conference Room {400 W. Mineral King, Visalia}.

The Board of Directors of the Kaweah Delta Health Care District will meet in a closed Finance, Property, Services & Acquisition Committee meeting immediately following the 9:00AM open meeting on Thursday September 19, 2019 in the Kaweah Delta Medical Center – Acequia Wing - Executive Office Conference Room {400 W. Mineral King, Visalia} pursuant to Health and Safety Code 32106.

The disclosable public records related to agendas are available for public inspection at Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA and on the Kaweah Delta Health Care District web page <http://www.kaweahdelta.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
Nevin House, Secretary/Treasurer

A handwritten signature in black ink that reads 'Cindy Moccio'.

Cindy Moccio
Board Clerk, Executive Assistant to CEO

DISTRIBUTION:
Governing Board
Legal Counsel
Executive Team
Chief of Staff
<http://www.kaweahdelta.org>

KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS FINANCE, PROPERTY, SERVICES & ACQUISITION COMMITTEE

Thursday September 19, 2019

Kaweah Delta Medical Center / 400 West Mineral King
Executive Office Conference Room (1st floor Acequia Wing)

ATTENDING: Directors: Lynn Havard Mirviss (chair) & David Francis; Gary Herbst, Chief Executive Officer; Malinda Tupper, VP & Chief Financial Officer; Dianne Cox, VP of Human Resources; Marc Mertz, VP of Strategic Planning and Business Development; Jennifer Stockton, Director of Finance; Julieta Moncada, Facilities Planning Director, Deborah Volosin, Director of Community Engagement, Cindy Moccio, Recording

OPEN MEETING – 9:00AM

CALL TO ORDER – *Lynn Havard Mirviss*

PUBLIC / MEDICAL STAFF PARTICIPATION – Members of the public wishing to address the Committee concerning items not on the agenda and within the subject matter jurisdiction of the Committee may step forward and are requested to identify themselves at this time. Members of the public or the medical staff may comment on agenda items after the item has been discussed by the Committee but before a Committee recommendation is decided. In either case, each speaker will be allowed five minutes.

1. FINANCIALS – Review of the most current fiscal year 2020 financial results.

Malinda Tupper, VP & Chief Financial Officer

2. [2015B REVENUE BOND STATUS REPORT](#) – Status report and next steps for projects.

Julieta Moncada, Facilities Planning Director

3. [JOINT VENTURE REPORTS](#) – Annual review of Quail Park Retirement Village, LLC, NW Senior Housing, LLC, and Laurel Court at Quail Park.

Marc Mertz, Vice President of Strategic Planning and Business Development

4. Approval of Closed Property, Services, and Acquisition Agenda: Closed Agenda – Executive Office Conference Room 1st floor Acequia Wing – immediately following the 2:30PM open meeting.

4.1. [Report involving trade secrets {Health and Safety Code 32106}](#) – Discussion will concern a proposed new services/programs – estimated date of disclosure is December 2019 – *Jon Knudsen, RN, FNP, Director of Renal, Oncology and Critical Care Services*

ADJOURN – *Lynn Havard Mirviss*

CLOSED MEETING

Call to order – *Lynn Havard Mirviss*

1. **Report involving trade secrets {Health and Safety Code 32106}** – Discussion will concern a proposed new services/programs – estimated date of disclosure is December 2019 – *Jon Knudsen, RN, FNP, Director of Renal, Oncology and Critical Care Services*

Adjourn open meeting – *Lynn Havard Mirviss*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

Thursday September 19, 2019 – Finance, Property, Services & Acquisition Committee

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*Herb Hawkins – Zone I *
Board Member*

*Lynn Havard Mirviss – Zone II *
President*

*John Hipskind, MD – Zone III *
Vice President*

*David Francis – Zone IV *
Board Member*

*Nevin House – Zone V
Secretary/Treasurer*

MISSION: Health is our Passion. Excellence is our Focus. Compassion is our Promise.

2015B Revenue Bond Projects
STATUS REPORT 9/10/2019

		Approved Budget			Budget Status		Schedule			
CIP	PROJECT	Revenue Bond 2015B Funding	Additional Funding*	TOTAL Combined Funding	Spent as of September 10, 2019	Remaining Budget	Current Status	Construction Start	Anticipated Construction Completion	Anticipated Occupancy *CDPH approval*
126	AW 5th Flr Med-Surg	\$ 22,000,000	\$ 1,100,000	\$ 23,100,000	\$ 14,974,871	\$ 8,125,129	Construction Phase	Dec 2017	end of November 2019	January 2020
	AW 6th Flr NICU						Construction Phase	Dec 2017	end of November 2019	January 2020
185	ED Expansion: Zone 4						Construction Phase	April 2018	end of November 2019	January 2020
	ED Expansion: Zone 5 24-Bed Addition	\$ 32,800,000	\$ 40,000	\$ 32,840,000	\$ 12,331,117	\$ 20,508,883	Construction Phase	July 2018	October 2020	December 2020
	ED Expansion: Fast Track & Lab Draw						COMPLETED	Sep 5, 2017	July 2019	August 2019
137	Exeter Campus Modular Clinic and Admin Bldgs.	\$ 6,100,000	\$ 400,000	\$ 6,500,000	\$ 6,445,697	\$ 54,303	COMPLETED	Feb 20, 2017	Completed May 2018	Occupied August 2018
167	Creek Parking Addition	\$ 450,000		\$ 450,000	\$ 338,465	\$ 111,535	COMPLETED	Feb 2016		May 2016
192	Acequia 2nd Floor OB C- Section	\$ 6,500,000		\$ 6,500,000	\$ 4,064,086	\$ 2,435,914	COMPLETED	April 10, 2017	Completed October 4 2018	December 2018
193	Northside Urgent Care Center	\$ 4,000,000		\$ 4,000,000	\$ 3,990,083	\$ 9,917	COMPLETED	June 5, 2017	Completed May 2018	Occupied August 2018
226	Cerner Implementation	\$ 28,150,000		\$ 28,150,000	\$ 28,150,000	\$ -	COMPLETED	N/A	Completed May 2018	May 2018
TOTALS		\$ 100,000,000	\$ 1,540,000	\$ 101,540,000	\$ 70,294,319	\$ 31,245,681				

Spent to date= 69%

Kaweah Delta Health Care District Annual Report to the Board of Directors

Quail Park

Marc Mertz
Vice President of Strategic Planning and Business Development

September 23, 2019

Summary Issue/Service Considered

Quail Park is a 127-unit senior retirement village owned 44 percent by Kaweah Delta Health Care District and 56 percent by Living Care Senior Housing. Denis Bryant from Living Care is the Managing Member. The 40 unit Memory Care Center is an Alzheimer's/Dementia facility located east of the Rehabilitation Hospital on Kaweah Delta's west campus. It has the same ownership percentage split as Quail Park. Denis Bryant is the manager of both entities. Lynn Havard Mirviss and Marc Mertz represent Kaweah Delta on the Quail Park and Memory Care Center Boards of Members. Cathy Boshaw and Elling Halverson represent Living Care Senior Housing on the two boards. Kaweah Delta and Living Care have equal voting rights on the boards.

Quality/Performance Improvement Data

Quail Park remains at, or near, capacity. This mirrors its occupancy levels for most of its 15 plus years of operation. Quail Park currently has a 28-unit waiting list. Some of these individuals may elect to move into Quail Park at Shannon Ranch when it opens.

Quail Park paid Kaweah Delta a \$198,000 profit distribution during calendar year 2019 (through July) based on Kaweah Delta's 44 percent ownership. Quail Park has paid Kaweah Delta profit distributions totaling \$8,046,000 through the second quarter of 2019 based on an original Kaweah Delta investment of \$1,589,000. The first profit distributions were made in 2003.

The Memory Care Center, which opened in July 2012, continues to operate at, or near, capacity. The Memory Care Center currently has a 13-unit waiting list. Some of these individuals may elect to move into Quail Park at Shannon Ranch when it opens.

The Memory Care Center paid Kaweah Delta a \$198,000 profit distribution during calendar year 2019 (through June). The Memory Care Center has paid Kaweah Delta a total of \$2,211,000 through the second quarter of 2019 based on an original Kaweah Delta investment of \$990,000. The first profit distributions were made in 2012.

Policy, Strategic or Tactical Issues

In 2016 Kaweah Delta approved construction of a new 120-unit independent, assisted, and memory care senior living project called Quail Park at Shannon Ranch near the intersection of Demaree and Flagstaff in northwest Visalia. The 139,000 square foot project is nearly completion on a 3.65 acre site next to the 6,100 square foot Urgent Care Center which Kaweah Delta opened on a 1.01 acre parcel on the east side of Demaree.

Kaweah Delta owns 33 and one third percent of the new project. Other partners are Shannon Senior Care, LLC, BTV Senior Housing, LLC, BEE, Inc., and Millennium Advisors. Shannon Senior care is owned by members of the Shannon family; BTV is owned by Bernard te Velde, Jr.; BEE is owned by Cathy Boshaw and Doug Eklund of the Seattle area; Millennium Advisors is owned primarily by Denis Bryant, the current managing partner of Quail Park and the Memory Care Center. Cathy Boshaw is a partner of Quail Park on Cypress and the Quail Park Memory Care Center.

The new approximately \$40 million project broke ground in March 2018. The memory care building is slated to be completed in October/November 2019 and ready for occupancy in November. 6 deposits have been received for the memory care building. Individuals on the Quail Park Memory Care Center at Cypress waiting list will be offered units at Shannon Ranch. Management expects the Shannon Ranch Memory Care Center to be full within 30 days of opening.

The main independent and assisted living building is scheduled to be complete in October/November 2019 and ready for occupancy in November. 18 deposits have been received for the main building. Management expects 50% occupancy within 90 days of opening.

All Kaweah Delta equity contributions to the project have originated from the Bettie Quilla Fund at Kaweah Delta Hospital Foundation. The Quilla Fund is restricted by the donor for support of a senior living project in collaboration with Kaweah Delta Health Care District. Kaweah Delta has made its total equity contribution of \$3,997,000.

Recommendations/Next Steps

Continue to operate Quail Park and the Memory Care facility as high level senior retirement centers with services ranging from independent living to assisted living to expanded dementia care.

Complete construction of Quail Park at Shannon Ranch and open it for occupancy.

Approvals/Conclusions

Quail Park is filling a significant health care need in our community and at the same time generating an income stream for Kaweah Delta. Quail Park at Shannon Ranch will do the same.