All items on this agenda, including but not limited to any agenda item concerning the adoption of any ordinance, resolution, contract, agreement, or any other item of business, are subject to amendment, including additions and/or deletions. This rule will apply to every individual agenda item without exception, and without providing this same amendment language with respect to each individual agenda item. Such amendments should be rationally related to the topic of the agenda item, or the governing body will be advised to continue the item.

The governing body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the governing body may refer the matter to its City/Trust Manager, staff, attorney or to the recommending board, commission, or committee.

PUBLIC NOTICE OF A SPECIAL MEETING
OF THE CITY COUNCIL
THURSDAY, NOVEMBER 7, 2024 AT 6:30 PM
CLINTON CITY HALL

AGENDA

Source listing: 11/07/2024 SPECIAL
Original source: https://agendas.clintonok.gov/archive/2024/110724/launch.html

1. CALL TO ORDER

2. DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION REGARDING:

   A. Letter of Intent dated November 6, 2024, from Rural Hospital Solutions, Inc .

   B. Ordinance No. 1032 authorizing the sale of the real property, personal property, equipment, and receivables of the Clinton Regional Hospital, to Rural Hospital Solutions, Inc; Providing for the investment and use of the funds; and providing for this…

   C. Resolution No. 992 Authorizing the calling and Holding of a Special Election in the City of Clinton, County of Custer, State of Oklahoma, on Tuesday, January 14, 2025, for the purpose of submitting to the qualified electors of the City of Clinton,…

   D. An Election Proclamation for the approval or rejection of Ordinance No. 1032.

   E. ADJOURN

Filed this 5 TH day of November 2024, Posted on the bulletin board in the lobby of the Clinton City Hall November 5, 2024, at 5:30 p.m.

Ben Campbell, CEO
Rural Hospital Solutions, Inc.
1621 Central Ave
Cheyenne, WY 82001
512-799-4484
bcampbell5@gmail.com

November 6th, 2024

City of Clinton
Robert Johnson
City Manager
100 N. 30th St
Clinton, OK 73601-3117
580-335-1551
Robert.johnson@clintonok.gov

Letter of Intent to Manage/Purchase Clinton Regional Hospital

Rural Hospital Solutions, Inc. ("RHS") is pleased to present this Letter of Intent ("LOI") to the City of Clinton ("the City") for the management and potential purchase of Clinton Regional Hospital ("the Hospital"). This LOI outlines the preliminary terms under which RHS proposes to acquire the Hospital's real estate, plant, property, equipment, and receivables, subject to satisfactory completion of due diligence and finalizing a definitive purchase agreement.

1. Due Diligence Period

Upon execution of this LOI, a Due Diligence Period will commence, marked by the following actions and milestones:

- **Ratification**: The Hospital Board and City Council will ratify the LOI.
- **Commencement of Management**: RHS will begin management of the Clinton Regional Hospital on Monday, November 11th, 2024. Existing and available Line of Credit funds must be transferred on or before this date.
- **City Council Resolution**: The LOI will be entered as a "Resolution" at the November City Council Meeting to align with the upcoming Election Calendar on January 14th, 2025.

- **Duration**: The Due Diligence Period will last until 60 days post-election, contingent on a public vote to authorize the sale of the Hospital but will not exceed March 14th, 2025 (120 days post-LOI signing).
- **Scope of Review**: RHS will use this period to evaluate the Hospital's financial stability and future potential, including real estate, equipment, accounts receivable, service line projections, and other assets. Upon signing of the Management Agreement, the City will provide the Abstract for review and validation as a part of the Due Diligence.

2. Contract to Purchase

The proposed Contract Price for the Hospital is $6.000.000. Following the satisfactory completion of due diligence, RHS intends to submit a definitive Contract to Purchase within a 120-day period. This contract will encompass all necessary terms for the acquisition of the Hospital.

3. Assets and Liabilities

RHS will acquire the Hospital's real estate, property, equipment, and receivables, with all current liabilities associated with the Hospital transferring to RHS upon purchase.

4. Lawsuit Proceeds

The City will retain all proceeds from the existing lawsuit with Alliance/CHS; these funds are excluded from the transaction.

5. Default Provisions

In the event of an operational default by RHS, the Hospital's assets, including real estate, equipment, and outstanding revenue, shall revert to the City at no cost. This is secured by retaining current operational identifiers, including license numbers, NPI, and CNN, until the closing of the transaction.

6. Allocation of Funds

Upon ratification of this LOI, RHS will allocate funds through a third party to purchase a portion of the Hospital's accounts receivable (AR) and funding the final draw of $250,000 line of credit to the hospital. This funding aims to support the Hospital's operations through the 120-day closing period and beyond.

7. Exclusivity

Upon execution of this LOI, the City agrees to negotiate exclusively with RHS regarding the Hospital's sale for a 120-day period.

8. Confidentiality

This LOI and related negotiations shall remain confidential and will not be disclosed to any third party without mutual consent, except as required by law.

9. Non-Binding Nature

This LOI is intended to express RHS and the City's mutual interest in negotiating the proposed transaction and is not a binding commitment. A binding commitment will only arise upon execution of a definitive purchase agreement.

We look forward to working with you to finalize this transaction and ensure the continued success of Clinton Regional Hospital. Please indicate your acceptance of this LOI's terms by signing below.

Sincerely,

RHS
Ben Campbell
CEO
Rural Hospital Solutions, Inc.

Acknowledged and Accepted by:

_____

Name: Robert Johnson

_____

Title: City Manager
City of Clinton

Date: _____

Following are the Core Team Members of 3rd Avenue West who are participating in the support of this relationship and agreement:

Loren Brink - Advisor

- Successfully executed 4 major exits, including a NASDAQ listing
- Orchestrated 35 M&A transactions and secured over 100 funding deals
- 30-year veteran in Healthcare, driving innovation and growth
- 15 years of strategic experience across Asian markets
- Founder and CEO of a Healthcare Cognitive AI Company
- Collaborated with over 70 Fortune 500 companies, delivering substantial business value

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Paul Jones – Chief Technology Officer

- Achieved 2 successful exits in technology ventures
- Over 25 years of experience in Investment Banking Technology
- Recognized expert in AI and Cybersecurity
- Specialist in Enterprise System Architectures
- Held prestigious roles at IBM, Rothschild, Wells Fargo, and NASDAQ Europe
- Spearheaded the integration of AI technologies in healthcare, transforming operations and patient care through predictive analytics, AI-driven data integration, and remote monitoring solutions
- Deep expertise in healthcare AI applications, enhancing patient outcomes through innovative data management, AI-enabled workflows, and the strategic use of electronic patient record systems like EPIC and Cerner

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Lisa Tarufelli - Chief Financial Officer

- Accomplished CEO and CFO with over 30 years of experience in Finance, Healthcare Technology, Artificial Intelligence, Real Estate Development, and Strategic Consulting
- Proven track record in securing funding and strategic planning for both emerging startups and established companies
- Specializes in driving financial strategy to enhance stability and accelerate growth
- Expert in increasing shareholder value through operational and financial optimization
- Experienced in raising capital through debt and equity instruments
- Skilled in scaling businesses with comprehensive short- and long-term financial planning

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Eric Larson – Chief Operating Officer

- Over 25 years of consulting experience in Healthcare, Health Insurance, Population Health, Logistics, and Operations
- Began his career at a Big 4 Accounting Firm, specializing in financial and operational strategy
- Proven success in leading turnarounds for Fortune 100 companies
- Expertise in driving operational efficiency and streamlining processes
- Specializes in enhancing scalability and supporting long-term business growth

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John Lewis – Director of Strategic Initiates

- Founder of Healthcare Buyers Club, a mission-driven startup focused on building local, direct-pay healthcare delivery ecosystems
- Former Director of Strategic Initiatives for an Austin-based Fintech and Healthcare Technology company
- Involved in global M&A initiatives
- Led strategic planning initiatives and facilitated over $335M in Private Equity and Strategic investments

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Gary Faulkner – Chief Executive Officer

- Accomplished senior executive with over 40 years of experience in healthcare management, operations, and strategic consulting
- Successfully led diverse hospital development projects, including Florence Community Healthcare, achieving profitability within the first year
- Extensive expertise in financial, human resources, and restructuring, consistently driving operational excellence while enhancing patient satisfaction
- Previously served as CEO of Medical Management Strategy Group, providing consulting services to medical organizations
- Strong leadership background from both civilian and military roles, with a track record of creating community programs, managing large-scale projects, and fostering community relations

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Jennifer Sethre – Revenue Cycle & Marketing

- Successfully executed 3 exits, both in the US and Asia
- 20 years' experience in Asian manufacturing
- Sold to every major retailer in the Americas
- Ran two publicly held companies
- Major Linked-In influencer

ORDINANCE NO. 1032

AN ORDINANCE NO. 1032 AUTHORIZING THE SALE OF THE REAL PROPERTY, PERSONAL PROPERTY, EQUIPMENT, AND RECEIVABLES OF THE CLINTON REGIONAL HOSPITAL, TO RURAL HOSPITAL SOLUTIONS, INC; PROVIDING FOR THE INVESTMENT AND USE OF THE FUNDS; PROVISION FOR REVERSION OF ALL ASSETS, REAL AND PERSONAL, INCLUDING LICENSES, TO THE CITY OF CLINTON AND CLINTON HOSPITAL AUTHORITY IN THE EVENT THAT BUYER CEASES TO OPERATE AS A HOSPITAL AND PROVIDING FOR THIS ORDINANCE TO BE REFERRED TO A VOTE OF THE ELECTORS OF THE CITY.

BE IT ORDAINED, by the Clinton City Council of the City of Clinton, Oklahoma:

Section 1. The Mayor is hereby authorized to execute, on behalf of the City of Clinton, Oklahoma, a letter of intent, a copy of which is attached hereto and made a part hereof as if fully set forth herein, whereby the City of Clinton, Oklahoma, will sale to Rural Hospital Solutions for a purchase price of $6,000,000.00, certain city owned properties, more particularly described as follows:

> A tract of land consisting of the site of the Clinton Regional Hospital Facility, attached Doctors Building and other support facilities, including the parking lot located in the N2 SE4 Section 16, Township 12 North, Range 17 WIM.

Section 2. Said proceeds of the sale and other cash assets shall be invested in interest bearing accounts and said principal sum shall remain intact with a maximum of 80% of the interests available for specific projects as follows: 40% of the interest therefrom to be used for street, water and sewer improvements and 40% of the interest therefrom to be used for economic development and quality of life matters for the citizens of the City of Clinton, Oklahoma.

Section 3. That should Rural Hospital Solutions, Inc. cease to operate the Clinton Regional Hospital Facility as a hospital, as defined by 63 Okla. Stat §1-701 and in conformance with the licenses issued to the Clinton Hospital Authority, all assets, real and personal, including licenses, shall revert to the City of Clinton and Clinton Hospital Authority.

Section 4. This Ordinance shall become effective only after the approval of a majority of the registered voters of the City of Clinton, Oklahoma, voting on the same in the manner prescribed by law, which election shall be held on the 14th day of January, 2025.

PASSED, APPROVED and ADOPTED THIS _____ day of _____, 2024.

_____
David D. Berrong, MAYOR

_____
Amy E. Jones, CITY CLERK

RESOLUTION NO. 992

A RESOLUTION AUTHORIZING THE CALLING AND HOLDING OF A SPECIAL ELECTION IN THE CITY OF CLINTON, COUNTY OF CUSTER, STATE OF OKLAHOMA, ON TUESDAY THE 14TH DAY OF JANUARY, 2025, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF CLINTON, OKLAHOMA, THE QUESTION OF THE SALE OF THE REAL PROPERTY, PERSONAL PROPERTY, EQUIPMENT, AND RECEIVABLES OF THE CLINTON REGIONAL HOSPITAL, TO RURAL HOSPITAL SOLUTIONS, INC; PROVIDING FOR THE INVESTMENT AND USE OF THE FUNDS; PROVISION FOR REVERSION OF ALL ASSETS, REAL AND PERSONAL, INCLUDING LICENSES, TO THE CITY OF CLINTON AND CLINTON HOSPITAL AUTHORITY IN THE EVENT THAT BUYER CEASES TO OPERATE AS A HOSPITAL AND PROVIDING FOR THIS ORDINANCE TO BE REFERRED TO A VOTE OF THE ELECTORS OF THE CITY.

WHEREAS, the Council of the City of Clinton, Oklahoma, has heretofore on the 7th day of November, 2024, enacted Ordinance No. 1032, which authorizes the execution of a letter of intent, a copy of which is attached hereto and made a part hereof as if fully set forth herein, whereby the City of Clinton, Oklahoma, will sell to Rural Hospital Solutions for a purchase price of $6,000,000.00, certain city owned properties; provides for the investment and use of the funds; provides for reversion of all assets, real and personal, including licenses, to the City of Clinton and Clinton Hospital Authority in the event that buyer ceases to operate as a hospital, and

WHEREAS, the Council of the City of Clinton, Oklahoma, has determined that before said sell of the Clinton hospital buildings and facilities shall be effective, the same shall be approved by majority of the registered voters of the City of Clinton at an election called and held for such purpose;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLINTON, OKLAHOMA:

Section 1. The Mayor of the City of Clinton, Oklahoma, be and is hereby authorized and directed to call a Special Election to be held in the City of Clinton, Oklahoma, on Tuesday, the 14th day of January, 2025, for the purpose of submitting to the qualified electors of the City of Clinton, Oklahoma, for their approval or rejection of the following proposition:

PROPOSITION

Shall Ordinance No. 1032 Authorizing The Sale of The Real Property, Personal Property, Equipment, and Receivables of The Clinton Regional Hospital, to Rural Hospital Solutions, Inc; Providing for the Investment and Use of the Funds; Provision for Reversion of All Assets, Real and Personal, Including Licenses, to the City of Clinton and Clinton Hospital Authority in the event that Buyer ceases to Operate as a Hospital; be approved?

That the call for such special election shall be by proclamation, signed by the Mayor and attested by the City Clerk, setting forth the proposition to be voted upon, and the hours of opening and closing of the polls. The ballots for the qualified electors shall be set forth the proposition substantially as set out in Section 1 hereof, and the returns of such election shall be made to and canvassed by the Custer County Election Board.

PASSED AND APPROVED this _____ day of _____, 2024.

_____
Mayor, City of Clinton, Oklahoma

ATTEST:

_____
City Clerk, City of Clinton, Oklahoma

ELECTION PROCLAMATION

Pursuant to a Resolution duly adopted by the governing body of the City of Clinton, Oklahoma, the undersigned Mayor of said City hereby calls a special election to be held in said City on the 14th day of January 2025, for the purpose of submitting to all of the registered, qualified electors residing within said City the following proposition:

PROPOSITION

Shall Ordinance No. 1032 Authorizing The Sale of The Real Property, Personal Property, Equipment, and Receivables of The Clinton Regional Hospital, to Rural Hospital Solutions, Inc; Providing for the Investment and Use of the Funds; Provision for Reversion of All Assets, Real and Personal, Including Licenses, to the City of Clinton and Clinton Hospital Authority in the event that Buyer ceases to Operate as a Hospital

BE APPROVED?

The ballot used at said election shall set out the proposition as above set forth, and shall also contain the words: TO VOTE, COMPLETE THE ARROW POINTING TO YOUR CHOICE, LIKE THIS

FOR THE PROPOSITION	–	YES
AGAINST THE PROPOSITION	–	NO

If the voter desires to vote for the above proposition, he shall complete the arrow point to the choice “YES FOR THE PROPOSITION”. If he desires to vote against the above proposition, he shall complete the arrow pointing to the choice “NO AGAINST THE PROPOSITION”.

The polls shall be opened at 7:00 a.m. and remain open continuously and be closed at 7:00 p.m. on the day of the election.

The number and location of the polling places for said election shall be the same as the regular precinct polling places designated by the Custer County Election Board, which officers shall also act as counters.

Returns of said election will be canvassed by the County Election Board of Custer County and results will be certified by said Custer County Election Board to the City of Clinton through the City Clerk.

WITNESS my hand as Mayor of the City of Clinton, Oklahoma, this _____ day of _____, 2024.

_____
David Berrong, Mayor,
City of Clinton, Oklahoma

ATTEST:

_____
Amy Jones, City Clerk
City of Clinton, Oklahoma

(SEAL)