



PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
June 2, 2016, 6:30 pm
MINUTES - *Corrected*
Snoqualmie City Hall, Council Chambers, Snoqualmie, WA

PRESENT:

Dariel Norris, President
Joan Young, Vice President
David Speikers, Secretary
Emma Herron, Commissioner
Gene Pollard, Commissioner

ALSO PRESENT:

Tom Parker, Interim CEO
Ann Macfarlane, Parliamentarian
Valerie Huffman, Recorder

ALSO PRESENT:

Steve Daniel, Chief Financial Officer
Kim Witkop, M.D., VP Medical Affairs
Bob Jeans, Mayor Pro Tem, City of Snoqualmie

CALL TO ORDER: The meeting was called to order by Pres. Norris at 6:33 pm with the Pledge of Allegiance followed by roll call.

APPROVAL OF AGENDA –

1. A request was made to have an executive session prior to discussing the appointment of superintendent and there being no objection, it was decided to break for an approximate 20 min. Executive Session prior to the start of Old Business. **Comm. Pollard moved to break for executive session for approximately 20 min. and Comm. Speikers seconded.** The motion unanimously carried.

2. Comm. Speikers also requested an agenda item be added under New Business to discuss the purchase of benchmarking services with action to be taken at a later time.

With no further changes, the agenda was accepted as amended by motion. M/Speikers, S/Pollard. The motion unanimously carried.

APPROVAL OF MINUTES – A request was made to change order of commissioner attendance to be alphabetical with respect to Commissioners Herron and Pollard.

It was also requested to add other staff members in attendance.

There were no objections to the above requested changes.

After additional clarifications to the minutes the discussion concluded.

COMMUNICATIONS:

Dariel Norris, President:

- Pres. Norris may be providing information in the future on an educational class for all commissioners.
- A reminder was given that the meetings are conducted under Roberts Rules of Order. Two guidelines to be aware of: 1) No one may speak a second time until everyone who wishes to speak has done so and 2) each commissioner has the right to speak twice under the discussion.
A question was raised by Comm. Pollard concerning more relaxed rules for small boards. Per Ann Macfarlane, Parliamentarian, the board would have to adopt those rules in a formal manner. Ann will confer separately with Comm. Pollard regarding this topic.

Tom Parker, Interim CEO:

- As previously mentioned, the Finance Committee has been working on a benchmarking project to select a tool that will be helpful in providing comparative data for operations. More information will be provided under the Finance Committee report. This would eventually replace the quarterly dashboard report.
- Two Strategic Planning sessions have been scheduled:
 - Session #1 - ~~June 20~~ July 20
 - Session #2 – August 29
 - Individual phone calls have been scheduled for commissioners with Andrew Ballard, the strategic planning facilitator
- Tom is working with Andrew Ballard on conducting a community input survey to support the strategic planning process.
- Tom Parker and Pres. Norris will be attending Evergreen Health’s work study session of their board to see how they are conducted. It is not a matter of if we hold work study sessions but how to conduct them.
- Therefore, Tom proposed a Board work study session be scheduled prior to the July meeting to discuss a couple of specific topics, i.e. Accountable Care Organization (ACO) and training on new email addresses that have been established for all commissioners.
- A new plan for remaining office moves from the district office will allow them to take place sooner and at considerably less cost of approximately \$10,000.
- In lieu of having a dinner for staff and commissioners at the upcoming Chelan conference, Tom encouraged commissioners to attend a dinner on Monday, 6/27 cohosted by Parker, Smith & Feek, insurance broker, and Hall Render Law Firm.
- At Comm. Pollard’s invitation, Tom, Steve Daniel and Scott Nohavec met him at Mt Si Golf Course to meet with an individual by the name of Terry Fein who provides horticulture design and management for areas around the clubhouse with an eye towards

how could we do something similar for the hospital. He is willing to do some design work for the district at a very reasonable rate.

COMMITTEE REPORTS

1. Finance Committee Report - Approval of warrants, payroll and payroll taxes – April 2016. The committee met in an open public meeting on May 31, 2016 to review the financial reports for April 2016. Comm. David Speikers, Committee Chair, reported the following:

- The Accountable Care Organization (ACO) proposal was discussed following a presentation by Dr. Kim Witkop. It was recommended that the whole board needs to study this carefully in a work session as suggested.
- Hospital volumes were somewhat down. For the second consecutive month there were high Medicaid days on the inpatient side. Steps have been taken for more assurance that there is a secondary insurance plan for patients upon admission. Questions and further discussion followed on this issue.

1(a). Approval of Warrants, Payroll and Payroll taxes – April 2016.

A motion was made and seconded to approve total disbursements that included warrants, payroll and payroll taxes in the amount of \$3,423,419.10 for April 1 thru April 30, 2016 as recommended by the Finance Committee. M/Speikers, S/Young

It was pointed out that this was a three-payroll month. There was no further discussion and the motion carried by a vote of 4:1, with Comm. Pollard voting no.

2. Medical Committee Report. The Medical Committee met on May 17, 2016 and Comm. Young reported on various topics as referenced in the written minutes.

When asked a question regarding the Xenex machine, Tom Parker reported that we just completed a comparison study wherein we looked at bacterial colonization of certain surfaces and found no discernible differences between what was done with the Xenex machine and that which was done by our Housekeeping staff, which is doing an outstanding job. Therefore, we have concluded that we can discontinue use of Xenex at this time and depend on our Housekeeping staff to keep us at a very low rate of infection. The technology may change enough in the future that we would want to revisit its use. Tom will be asking Xenex for an early withdrawal on the lease, which runs thru November 15, 2016 and would net an approximate savings of \$3500 per month.

Questions and further discussion ensued.

2(a). Physician Credentialing. The Medical Executive Committee met on May 18, 2016. Recommendation for approval of the providers listed below was made by the Medical Executive Committee and presented by Dr. Kim Witkop.

Courtesy Staff Recredentialing:

Patrick Cox, MD – Teleradiology

Dawn Hastreiter, MD – Teleradiology
Ross Ondersma, MD - Teleradiology

Resignations:

Arthur Castagno, MD
Vivek Manchanda, MD
William Marks, MD

A motion was made and seconded to approve the recommendations for physician credentialing as presented Dr. Kim Witkop on behalf of the Medical Executive Committee. M/Young, S/Pollard

There was no further discussion and the motion unanimously passed.

3. Facilities Committee Report. The Facilities Committee met on May 16, 2016 in an open public meeting. The public was referred to the written minutes but some of the agenda items discussed were highlighted:

- A new spot has been located for the flag pole. This site already has power so we will have the advantage of being able to spotlight the flag.
- Healing Garden: May consult Terry Fein from Mt Si Golf Course regarding the use of arborvitae as a screening wall.
- Tom Parker has sent a request to the Police Department regarding the use of speed strips on the southbound lanes on the Parkway but has not yet heard back.

NOTE: All written reports and/or presentations from each committee meeting are provided for the public and are part of the official record of the District. Additional copies are available upon written request. To hear the full discussion on each of the above committee reports, go to <http://www.snoqualmiehospital.org/audio>. A copy of the audio can also be requested by calling District Administration at 425.831.2362 or email to valerieh@snoqualmiehospital.org.

EXECUTIVE SESSION: The board went into Executive Session at 7:45 pm to discuss a personnel matter under RCW 42.30.110(g) and estimated to return in approximately 20 min. No action will be taken in the Executive Session.

The Board reconvened at 8:13 pm to conduct the following business:

OLD BUSINESS - Discussion:

1. Resolution 506-0616 – Approving Appointment of Permanent Superintendent/CEO. This resolution was introduced at the May 5 meeting. The resolution was read into the record in its entirety. There was no discussion.

NEW BUSINESS - Discussion:

1. Quality Improvement Update – 1st Quarter. Dr. Kim Witkop, M.D. provided an update for First Quarter 2016. This information comes directly out of the QI Steering Committee, of which Pres. Norris and Comm. Young are members. The PowerPoint slides are

available upon request.

2. **Resolution 507-0616 – Approving Superintendent CEO Employment.** It was noted that the compensation amount in the employment agreement attached to the resolution is blank. Therefore, it was proposed to discuss and vote on the salary as a first phase. Each commissioner was asked to give their recommendation for the salary they would like inserted. The amounts recommended were as follows:

- Comm. Pollard - \$196,000
- Comm. Herron - \$220,000
- Comm. Speikers - \$220,000
- Comm. Young - \$220,000
- Comm. Norris - \$220,000

Discussion ensued including reasons in support of the amounts given. It was clarified that the vote will be based on the amount that receives the majority. A vote on the highest amount was taken first which was 4:1 in favor of the amount of \$220,000, and therefore, there was no need to vote on the lower amount.

A motion was then made and seconded to amend the employment agreement, attached to Resolution 507-0616, to fill in the blank with an annual compensation amount of \$220,000. M/Speikers, S/Herron

The motion carried by a vote of 4:1 in favor of the above motion.

Discussion then continued on other amendments to the resolution or employment agreement as follows:

- There was mention of a typographical error in the Employment Agreement on Page 1, third paragraph, last sentence wherein Chief Executive Officer should be changed to Chief Operating Officer. There was no objection to this change.
- Comm. Pollard suggested a change in the Employment Agreement on Page 1, Section B, first sentence, to add the words: at any time during the pendency of this agreement. Since legal counsel was not present at this meeting, Comm. Speikers was not inclined to accept substantive amendments.

There was no second to the suggestion made by Comm. Pollard, therefore, the change was not made.

- There was a question raised as to the clarity of the next to last sentence on Page 5, Section 10, and Indemnification.

Comm. Herron noted that a special meeting for Executive Session had been held with legal counsel. Questions should have been raised at that meeting. There was also an opportunity to submit questions in writing. Jay Rodne, General Counsel for the District,

was out of town but did offer that he would be available by phone during the board meeting if a need arose.

There was continued discussion with additional amendments, however, the following motion was made:

A motion was made to close discussion having laboriously reviewed this topic and having had ample time for review and comments. M/Herron, S/Speikers

The motion passed by a vote of 4:1.

3. Resolution 508-0616 – Approving Use of District Property by Charitable

Organization. This resolution was read into the record by Tom Parker. Attached as Exhibit A to the resolution is a memorandum from staff that recommends Kiwanis be permitted to use East Campus for its 2016 Fourth of July fireworks sale but to discontinue such use and access beyond this year. Discussion ensued.

It was felt that this is a good compromise; however, the Board wants to continue to support service clubs and to build and maintain good relationships with not only Kiwanis, but within the community as a whole.

Comm. Herron moved to table Resolution 508-0616 for further discussion at an upcoming work study session.

It was pointed out that this is a time sensitive issue due to the pending holiday. Comm. Herron clarified that the motion was to discuss the future use and relationship with Kiwanis beyond 2016. With the intent of the motion clarified and a suggestion made that this issue be on the agenda for the July meeting, the motion was withdrawn.

4. Introduction of 2016 Bylaws Revision. A draft of the bylaws containing proposed revisions by the Bylaws Committee was presented for review only. Any further requests for changes should be sent to Jay Rodne no later than June 20th. The proposed revised bylaws will be discussed and voted on at the July meeting.

5. Benchmarking Tool. Comm. Speikers has talked with the vendor, Truven Analytics, and obtained a copy of the contract which will need legal review. We have looked at three different systems for comparison. The cost is approximately \$27,000 annually, plus potential out-of-pocket expenses. This will be on the agenda for the July meeting.

PUBLIC COMMENT:

Carlos De Imus, President, Snoqualmie Valley Kiwanis

- Thanked the District for the use of the property for this year and for the past;
- Because of this, they have been able to provide quite a few scholarships
- Works very closely with one of their members, who is the Fire Chief, to provide a lot of information and education to the public purchasing the fireworks. Very aware of the safety issues and completely understand the potential conflict between the hospital and the sale of fireworks.

- However, down the street there are fireworks sales that are actually deemed illegal in the State of Washington. Kiwanis only provides fireworks that comply with the City of Snoqualmie ordinance.
- One strategic issue as to Kiwanis locates on the hospital property is that they pull a lot of traffic off of I-90 for non-Snoqualmie and non-North Bend residents. This increases the sales compared to being at the King Street station.

Jim Simon, Snoqualmie

- Very pleased to give support to Tom Parker. He has done things in the last six weeks that had not been done under the previous leadership dating back to 2004, very impressive.
- Supports the salary of \$220,000.
- Under the prior leadership, benchmarking was not made a priority. Consequently wholeheartedly supports the Truven Analytics proposal. This is an urgent matter, increasing with each passing day and requires support of the board to approve this expenditure at the earliest convenience. Ongoing data measurement, assessment and evaluation of District performance and condition are a vital assessment. Utilizing comparative information will be an invaluable tool for management and the board to improve long term performance.

Charles Peterson, Snoqualmie

- Takes exception to something said - Kiwanis has a right to get permits wherever they want to sell. Understands the more permits they have for areas to sell the better cut they get on their fireworks.
- He and his wife have attended these meetings for years and everybody in this room knows why, trying to get the hospital district to run better, etc. Very happy there is an opening for a new superintendent. Mr. Parker [as COO], when called upon was always to the point, succinct. Had the privilege of watching him at the last City Council meeting giving a presentation on the hospital district and was very pleased. Presentation was excellent and set the hospital district in a good light for the City Council.
- Wishes to support him as superintendent. Salary is fair considering he is doing two jobs. He was busy before, he just has to work harder.
- Thanked the board for the opportunity to speak.

At this point, Comm. Pollard requested that someone keep the time for public comment.

Scott Scowcroft, West Seattle

- Former staff member, former Executive Director of the hospital foundation, former patient, grateful family member of a former patient, and a longtime supporter of the District.
- Began videotaping these commissioner meetings after a friend reported that she had just attended the most dysfunctional government meeting that she had ever seen in her entire life. Of course, she was referring to the behavior of the then newly elected Comm. Pollard. I figured if I videotaped these meetings, Comm. Pollard might well modify his behavior. Unfortunately, it's my observation and belief that through the years, Commissioner Pollard has only become more skillful, subtle and nuanced in his disruption. And it might very well be Comm. Pollard's behavior is the singular reason

why this board has devolved into one that is self admittedly unproductive if not downright inept.

- You have all been given a gift, a new hospital, but also the very same staff and team, sadly with one exception, that transformed a failed hospital into one of the best in the nation. Now how cool is that!
- Before you embark on planning for the next 15 years, I believe you must first find some way to overcome Comm. Pollard's undue, and I would say anti-democratic influence, over the work of this board. Maybe all that is necessary is for a little boy holding his mommy's hand to say publicly, "The emperor has no clothes"...

At this point, there was an objection by Comm. Pollard to ad hominem attacks. Discussion and disagreement ensued amongst the board whether to allow Mr. Scowcroft to continue. There was reference given to the instructions to the public on the back of the agenda wherein it states that complaints of a district employee must be submitted in writing. The parliamentarian intervened stating that the law is very clear in that this does not apply to commissioners. Commissioners or public elected officials may not censure or criticize citizens who are speaking. The parliamentarian strongly recommended that commissioners not respond to public comment.

Given the interruption, Mr. Scowcroft asked if he could start his comments over from the beginning but the board asked that he not. Therefore, he restated a few of his previous comments but the text written below starts at the point of interruption.

- Maybe there's no one else in this room except me who's in a position to be able to say this. If that's the case, then so be it. There's an old adage: If you keep doing the same thing over and over again and expect different results, well that's the definition of insanity. So my encouragement to you is to try something different.
- I would say be visionary and have courage, and with the right attitude, find ways that the District can thrive in a volatile environment during uncertain times. You already have a staff with a proven track record. Now all that remains is for you yourselves to become a highly functioning board.

NEW BUSINESS – Action items:

1. Resolution 506-0616 – Approving Appointment of Permanent Superintendent/CEO.

A motion as made and seconded to adopt Resolution 506-0616 Approving Appointment of Permanent Superintendent/CEO. M/Young, S/Herron

The motion passed by unanimous vote of 5 yes, 0 nay and no abstentions.

2. Resolution 507-0616 – Approving Superintendent CEO Employment.

A motion was made and seconded to adopt Resolution 507-0616 Approving Superintendent/CEO Employment Agreement as amended to include the salary of \$220,000 per year. M/Speikers, S/Young

The motion passed by a vote of 4 yes, 0 nays, and 1 abstention.

3. Resolution 508-0616 – Approving Use of District Property by Charitable Organization.

A motion as made and seconded to adopt Resolution 508-0616 Approving Use of District Property by Charitable Organization. M/Herron, S/Young

4. The motion passed by unanimous vote of 5 yes, 0 nays, and 0 abstentions.

Other.

- It was stated that there was no posting of the special meeting of the finance committee as required.
 - There was confirmation given that notices were posted in all public libraries and post offices within the District.
- There will be an effort to get a Work Study Session scheduled prior to the July meeting.

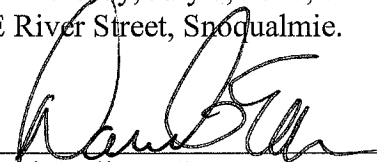
There being no other business, the meeting was adjourned at 9:58 by motion made and seconded.
M/Speikers, S/Pollard

NEXT SCHEDULED MEETING:

Regular Monthly Business Meeting - will be held on Thursday, July 7, 2016, 6:30 pm, Snoqualmie City Hall, Council Chambers, 38624 SE River Street, Snoqualmie.



Daniel Norris, President



David Speikers, Secretary