



PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
MINUTES
December 3, 2015, 6:30 p.m.
Snoqualmie City Hall, Council Chambers, Snoqualmie, WA

PRESENT:

Dariel Norris, President
David Speikers, Secretary
Joan Young, Vice President
Gene Pollard, Commissioner
Ryan Roberts, Commissioner

ALSO PRESENT:

Rodger McCollum
Jay Rodne, General Counsel
Ann Macfarlane, Parliamentarian

NOTE: These Minutes were created in their entirety using the audio recording.

CALL TO ORDER: The meeting was called to order at approximately 6:30 pm. by Pres. Norris. Pres. Norris welcomed everyone and introduced Ann Macfarlane, who will be serving in a parliamentarian role for the board. Roll call was done by Jay Rodne.

APPROVAL OF AGENDA – Pres. Young called for a motion to approve the agenda.

A motion was made and seconded to approve the agenda. M/Young,

Before a second was made to the above motion it was requested to amend the agenda to add an executive session at the end of the meeting to discuss a property matter. It was estimated to last 20 min.

A vote was called for to accept the amended agenda as requested and the vote was unanimous.

APPROVAL OF MINUTES

November 5, 2015 – Regular Meeting:

A motion was made and seconded to approve the minutes of November 5, 2015.

M/Speikers, S/Young

There was no further discussion and the motion unanimously passed.

November 12, 2015 – Annual Public Budget Hearing

It was requested an amendment be made to reflect that any future increases in property taxes should be used to pay off District debt as agreed to in the Finance Committee meeting. This amendment will be placed as the last sentence on Page 2.

There was no objection to the requested amendment and a motion was made and seconded to accept the minutes of November 12, 2015 as amended. M/Speikers, S/Pollard

There was no further discussion and the motion unanimously passed.

COMMUNICATIONS:

Pres. Norris read a letter thanking the District for the Dark Trail event held on the East Campus in October. The event was attended by over 800 people and raised over \$8,000 for the Snoqualmie Valley Food Bank.

A presentation was made to Comm. Ryan Roberts in appreciation for his service to the District while serving on the board.

COMMITTEE REPORTS

1. Finance Committee Report - Approval of warrants, payroll and payroll taxes – October 2015. Comm. David Speikers, Chairman of the Finance Committee, reported on the meeting that was held on December 1, 2015 wherein October 2015 financial reports were reviewed. This committee meeting was the first meeting to be a public meeting held at Snoqualmie City Hall. All future finance committee meetings will be public and will be noticed accordingly. Highlights were discussed and minutes from the meeting were provided. Discussion ensued regarding the Finance Committee report.

Approval of Warrants, payroll and payroll taxes – October, 2015.

A motion was made and seconded to approve total disbursements that include warrants, payroll and payroll taxes in the amount of \$2,832,896.15 for October 1 thru October 30, 2015. M/Speikers, S/Pollard

There was no further discussion and the motion passed by a vote of 4:1 with Comm. Pollard voting in opposition.

2. Medical Committee Report. The Medical Committee met on November 18, 2015 and Comm. Young reported on the various topics in all areas of the district that were discussed in the meeting. Points of interest were highlighted and discussed.

2(a) Physician Credentialing: There was no physician credentialing.

3. **Facilities Committee Report.** The committee meets on a quarterly basis and will next meet on January 18, 2016.

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>.

NEW BUSINESS

1. **Hospital Foundation Gift Shop.** Mary Corcoran presented the Foundation's proposal for installing and operating a gift shop in the new hospital. Mary discussed the scope and budget for the gift shop. There are several purposes to the gift shop such as obviously to sell items that would be useful to patients but also to provide connectivity that will support the healing process. There is also a convenience aspect for both patients and staff. Community involvement will be encouraged as well. There will be multiple phases of the gift shop with many ideas. For example:

- Laptop and kindle rentals for patients and visitors;
- The Healing Garden, a Foundation project in general, would be supported by selling bricks in the gift shop;
- Community art;
- Website orders for such things as flowers and/or gifts to be delivered within the hospital to patients
- Ideas are welcomed; contact Mary or Eric Kaltenbacher.

Following the conceptual presentation for the gift shop at a previous meeting, the board requested costs to be developed. Therefore, Mary presented the project scope, hard costs and operating projections for the project.

Project Scope: The three areas in the hospital that will display merchandise and awareness information about the gift are a lobby kiosk, café display and second floor cabinet. Because of limited space, the gift shop is a very compact design, convenient to the lobby, elevator and outpatient services as well as inpatients. It will be a cabinet based system to avoid going through another round of construction in the hospital. No additional water or air conditioning, heating, ventilation systems are required. The system will be easy to secure. All bids reflect these factors.

Hard Costs:

| | |
|---|----------|
| • Cabinets | \$10,133 |
| • Door (security) | 1,200 |
| • Glass cabinetry | 3,500 |
| • Misc. Construction Hardware, electrical | 4,800 |
| • Slot board for display purposes | 1,500 |
| • Accessories for slot board | 750 |
| • Signage | 500 |

| | | |
|----------------------------|-------|----------|
| • Delivery for above items | 1,500 | |
| Total | | \$23,883 |

Other Hard Costs:

| | | |
|-----------------|----------|-----------------|
| • Inventory | | |
| ○ Shelf | \$15,000 | |
| ○ Restock | 1,500 | |
| • Equipment | | |
| ○ POS | 1,200 | |
| ○ Installation | 250 | |
| ○ Cash | 100 | |
| • Miscellaneous | | |
| ○ Misc | 4,600 | |
| ○ Taxes | 1,770 | |
| ○ Accounting | 750 | |
| Total | | <u>\$25,170</u> |

Project Budget:

| | |
|--|-----------------|
| Furniture & Fixtures, Inventory, Equipment, Misc. | <u>\$49,053</u> |
|--|-----------------|

Operational Budget: (Annual Budget)

| | |
|-------------------------------|-----------------|
| • Revenues from retail sales | |
| • Consignment Art (50/50) | |
| • PC rentals | |
| Anticipated total revenues: | \$84,480 |
| • Expenses: | <u>\$54,180</u> |
| ○ Inventory | |
| ○ Commissions back to artists | |
| ○ Supplies - | |
| ○ Accounting, annual basis | |
| ○ Credit card fees | |
| ○ Misc | |
| Net: | <u>\$30,300</u> |

Discussion ensued with some of the following questions and comments. The resolution before the board is an expenditure in the amount of \$75,000 but Supt. McCollum stated that that could be reduced to \$50,000. There were six bids requested but only two were submitted. This was attributed to the project being too small for most general contractors. Andy Corbett, an employee of the District, has expertise to manage and construct this project. Staffing will be primarily by volunteers and the Foundation will be

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Initials


looking at ways to recruit volunteers for this purpose. Unfortunately, the Hospital Auxiliary has recently disbanded. Extensive discussion ensued.

2. **Resolution No. 490-1115 - Approving Revised Settlement Agreement regarding real estate commission.** The Board has previously adopted a resolution regarding this settlement. However, there have been some changes to the settlement in the District's favor that require a new resolution for board approval. The overall settlement amount is \$150,000; \$100,000 to be paid December 15 and \$50,000 paid by January 29, 2016. The change is to protect the District from any potential claims by the broker, the District required that monies be set aside in escrow to indemnify the District if we are again sued or ultimately held responsible for a commission claim by the broker. Brief discussion followed.
3. **Resolution No. 491-1115 - Approving contractual closeout with Absher Construction Company.** The District has one more outstanding interest payment to make to Absher Construction, roughly the amount of \$121,000. This payment to Absher was held until we were assured that all the punch list items on the hospital had been completed. They have now been completed with the exception of minor items. Absher worked with the District very well on these items and it's now time to make the final payment. However, the payment will actually be paid in 2016. The actual resolution document was inadvertently not included in the commissioner's packet. This will be circulated to the commissioners by staff to obtain signatures. The Board agreed that they were comfortable voting on this resolution at this meeting without the actual document. Brief discussion followed.
4. **Resolution No. 495-1215 - Approving appropriation of funds for hospital gift shop.** See above presentation.
5. **Resolution No. 496-1215 - Approving 2016 Regular Meeting Schedule.** As set forth in the District Bylaws, this resolution is to provide notice of the dates of all regular meetings. This schedule sets the dates and location for 2016.
6. **Resolution No. 497-1215 - Approving 2016 District Legal Holidays.** As with the previous resolution, this resolution sets forth the legal holidays for the District approved by the Board. For informational purposes, Comm. Speikers commented that he has been approached by some staff stating they would rather have a floating holiday instead of Veterans Day.
7. **Resolution No. 498-1215 - Designating Key Bank as new district depository bank.** This resolution was discussed in Finance Committee Meeting. In order to deposit public monies into a bank the board has to recognize that bank as a public depository. This resolution is to recognize Key Bank as a public depository. This is for the convenience of location for making deposits on a daily basis. Brief discussion followed.

PUBLIC COMMENT:

Jim Schaefer, President of Hospital Foundation Board

As a point of clarification on the gift shop, it was always the Foundation's intention to reimburse [the District] for the actual cost of the gift shop. As far as the money going back to the hospital district, when the foundation formed the board we had to come up with a name, there was a lot of debate what should we call ourselves, I'm a public servant, I'm not a great mind, well the Snoqualmie Valley Hospital is why we're here so it would be the Snoqualmie Valley Hospital Foundation and, therefore, the money and efforts are for the hospital. So we are, there is no slush fund, as it were, we are a 501(C)(3), our purpose in being here and as Comm. Roberts stated it's for the responsible, district-loving members of this community that really are donating their time, efforts and talents to further the healthcare of the Valley and that is the bottom line.


Initials

The healthcare of the Valley... (inaudible) the Snoqualmie Valley Hospital and this District and whatever we can do to get the public aware of, utilizing this area, this facility, is really what we're all about. We're kind of the arm that isn't out there giving shots and physicals and asking for incredible donations of kidneys and all this, we're just here to do a golf tournament, to do a banquet, to do a promotion of this District. Whatever we get, we have no other function other to support the hospital and in the past we've worked with the staff to find out - what do you need - what doesn't the hospital have money for that would be good to have, and with the new facility the Healing Garden came to mind and we went around and pretty much every facility out there has some type of healing garden and some type of gift shop also. You're right, my sister with 35 years at Children's, I have so many Christmas presents from the gift shop at Children's and birthday presents. It's a huge staff plus, it's a huge visitor plus, huge patient plus, so that's what we want to do. So I would recommend that, of course, encourage to vote yes when it comes time to that but just know that what we have, we don't just go with a bunch of money and what we're going to buy this year, it's what do you need this year and we work on staff on that. My two cents.

Andy Corbett, North Bend resident and Hospital Employee

Four years ago, I received a notice on my door stating that they opening a homeless shelter a block and half from my house. I live right by the movie theater in North Bend and I was envisioning a tent city right by the library and I marched down there to give them a piece of my mind and I ended up on the Board of Advisors for the homeless shelter. They had great answers to a lot of tough questions. It was a church who was going to take up their chairs and allow the homeless people to sleep on the floor of the congregation and I thought wow, I can get behind that. They had rules about no drugs and what time you had to be in and what time you had to be out and where you could go afterwards and I stayed involved with them and they do a great job. We have three churches hosting this year, the Lutheran Church in North Bend, the Methodist Church here in Snoqualmie, and one in Fall City which I can think of; (the Alliance Church in Fall City mentioned by Comm. Pollard), I believe that is correct. I just wanted to say thank you for the help that the hospital as donated in the past through employees helping with things like flu shots and medical needs as well as a lot of volunteers who provided meals, working at the hospital and just wanted to say I hope that the hospital continues its support.

Emma Herron

Wanted to echo Mr. Pollard's comment about the way, Comm. Pollard, that Comm. Speikers handled the opened finance meeting to the public. I think it's a great way to reach out to the community because one of the biggest issues right now for us is 1) to make sure that the public is involved in any financial transactions that the hospital is taking place and also I think the gift shop is another avenue for us to reach out to our community members but of course, we have to do diligence work before we decide on some of these issues. It's a nice segue to be able to give that opportunity for our members in the community.

Comm. Pollard requested to speak under public comment as a citizen. Pres. Norris ruled that as a commissioner he was not allowed to speak under public comment being already afforded ample time to speak as a commissioner of the board.

It was the opinion of the Parliamentarian that an elected official does not have the right to speak during public comment. However, the matter rests in the hands of this board. If Comm. Pollard wished to appeal the ruling and obtains a second to his appeal, then a vote can be taken by the full board.

Comm. Pollard did appeal this ruling. There being no second to the appeal, the appeal was denied.

NEW BUSINESS – Action Items as noted

1. **Resolution No. 490-1115 - Approving Revised Settlement Agreement regarding real estate commission.**

A motion was made and seconded to approve Resolution No. 490-1115 – Approving Revised Settlement Agreement as proposed. M/Speikers, S/Pollard

There was no further discussion and the motion unanimously carried.

2. **Resolution No. 491-1115 - Approving contractual closeout with Absher Construction Company.**

A motion was made and seconded to approve Resolution No. 491-1115 – Approving Contractual closeout with Absher Construction Company. M/Roberts, S/Speikers

There was no further discussion and the motion unanimously carried.

3. **Resolution No. 495-1215 - Approving appropriation of funds for hospital gift shop.**

As the resolution currently stands, it would allow up to, not to exceed, \$75,000 for the purpose of the gift shop project. As stated earlier, the \$75,000 figure was put in as a placeholder. This number can be revised downward based on now that the actual budget has been presented.

A motion was made and seconded to approve Resolution No. 495-1215 – Approving appropriation of funds for hospital gift shop. M/Young, S/Speikers

Comm. Speikers seconded contingent on a couple of conditions. Comm. Speikers thanked Pres. Jim Schaefer for his comments and information. With that information, Comm. Speikers is definitely in favor of the gift shop. The two conditions are: 1) that we have an adequate plan for staffing presented to the board before funds are issued; 2) that the maximum amount would be \$50,000 instead of \$75,000 at this time. It was requested the resolution be amended as stated.

Comm. Pollard stated the board should see the staffing plan and other answered questions before the commitment is made to approve this, not approve and then hope the board gets it. Comm. Pollard felt the resolution should be tabled until it has worked through more in regards to staffing and other questions.

Comm. Roberts seconded the amendment made by Comm. Speikers.

Discussion continued with a comment by Comm. Young that she felt the amendment is sound and a good idea but having been involved in some business situations, it's hard to know what adequate staffing is until you have the operation going. The board can be presented with a plan but that doesn't mean that that's going to be what it needs to be.

Comm. Roberts commented that with an eager group of highly competent people that spent their Thursday night to come to this meeting and tell us about the gift shop, he is totally confident that in the next 30 days they can figure out how to move this thing forward. Our lobby is empty and people are willing to get organized and go to work. So move forward.

Comm. Pollard stated that the law states that the hospital district and foundation be kept clearly separate which he feels we do not exactly follow. He further stated that for example, the superintendent is a voting member of the board. Other hospital districts make the superintendent ex officio. There are some questions there. Comm. Pollard feels that since Comm. Roberts is a member of the Foundation Board he should recuse himself from this vote. Secondly, he suggested it would be good to start with the cabinets and display of the handicrafts and artifacts, and then go to the staffing issue that will be surrounding the gift shop.

The parliamentarian mentioned, that while she is not an attorney, that she knew of a legal case stating clearly that a finding has been found in Washington state that service on a non-profit board, when it does not involve employment, is not a disqualifier and does not constitute a conflict of interest. General Counsel confirmed that this was correct. The parliamentarian suggested that a commissioner, or anyone who wishes to do something different, should speak in favor of defeating this in offering a new proposal.

The amendment to the resolution was reviewed as above and it was clarified that the staffing plan was to be presented before the funds were issued.

A vote to approve Resolution 495-1215 as amended was 4:1.

There was no further discussion and the motion passed by a vote of 4:1 with Comm. Pollard voting in opposition.

4. Resolution No. 496-1215 - Approving 2016 Regular Meeting Schedule.

A motion was made and seconded to approve Resolution No. 496-1215 – Approving 2016 Regular Meeting Schedule. M/Young, S/Roberts

There was no further discussion and the motion unanimously carried.

5. Resolution No. 497-1215 - Approving 2016 District Legal Holidays.

A motion was made and seconded to approve Resolution No. 497-1215 – Approving 2016 District Legal Holidays. M/Roberts, S/Young

There was no further discussion and the motion unanimously carried.

6. Resolution No. 498-1215 – Designating Key Bank as new district depository bank.

Following a quick review of the purpose of the resolution, a motion was made and seconded to approve Resolution No. 498-1215 – Approving Key Bank as new District Depository bank.

M/Speikers, S/Young

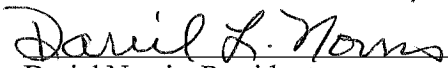
There was no further discussion and the motion unanimously carried.

Executive Session: Following a 5 min. recess, the board went into Executive Session to discuss a real estate matter. No decisions will be made during this executive session. The board will reconvene in approximately 20 min. to adjourn the public meeting.

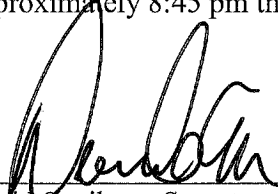
Please note that the audio recording of this meeting of the Board of Commissioners for PHD #4 can be accessed on the District's website, Governance Page or at:
<http://www.snoqualmiehospital.org/audio>.

NEXT SCHEDULED MEETING: Regular monthly business meeting will be held on Thursday, January 7, 2016, 6:30 pm, Snoqualmie City Hall, Council Chambers, 38624 SE River Street, Snoqualmie.

Following completion of the executive session at approximately 8:45 pm the meeting was adjourned.



Dariel Norris, President



David Speikers, Secretary