

VERDANT HEALTH COMMISSION  
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON  
BOARD OF COMMISSIONERS  
Regular Meeting  
A G E N D A  
March 26, 2014  
8:00 a.m. to 9:45 a.m.

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	<u>ACTION</u>	<u>TIME</u>	<u>PAGE</u>
A. Call to Order			
a) Pledge of Allegiance	---	8:00	---
B. Approval of the Minutes			
a) February 26, 2014 Board Meeting	Action	8:01	1-6
C. Executive Committee Report	Information	8:04	---
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Information	8:10	7-10
b) Authorization for payment of vouchers and payroll	Action	8:14	11
c) Approve Resolution 2014:02 - Health & Wellness Center Construction Contract	Action	8:16	12-18
E. Program Committee Report & Recommendations			
a) Conflicts of interest	Action	8:18	---
b) Program investment recommendations	Action	8:19	19-23
F. Marketing Report	Information	8:30	---
G. Commissioner Comments	Information	8:40	---
H. Superintendent's Report	Information	8:45	---
I. Public Comments (please limit to three minutes per speaker)	---	8:50	---
J. Executive Session	---	8:55	---
a) Review ongoing litigation			
b) Discuss possible real estate acquisition			
c) Review Superintendent performance			
K. Open Session			
a) Approve Superintendent Performance Evaluation & Goals	Action	9:10	---
b) Approve Resolution 2014:03 - Superintendent Salary Adjustment	Action	9:12	24-27
L. Presentation on Puget Sound Kidney Center Proposal	---	9:15	28-29
M. Adjournment	---	9:45	---

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON  
VERDANT HEALTH COMMISSION

***BOARD OF COMMISSIONERS***

***Regular Meeting***

***VHC Board Room***

**February 26, 2014**

<b>Commissioners Present</b>	Bob Knowles, President J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner Deana Knutsen, Commissioner
<b>Commissioners Excused</b>	Fred Langer, Commissioner
<b>Others Present</b>	Carl Zapora, Superintendent George Kosovich, Program Director Jennifer Piplic, Marketing Director Lisa King, Finance Director Karen Goto, Executive Assistant Sarah Zabel, Swedish/Edmonds Iris Mireau, Swedish/Edmonds Jeff Macdoniels, Swedish/Edmonds Members of the community
<b>Call to Order</b>	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:00 a.m. by President Knowles.
<b>Approval of Minutes</b>	<b><i>Motion was made, seconded and passed unanimously to approve</i></b> the minutes of the regular meeting on January 22, 2014.  <b><i>Motion was made, seconded and passed unanimously to approve</i></b> the minutes of the special meeting on February 10, 2014.
<b>Executive Committee</b>	President Knowles reported that the Executive Committee met on February 19, 2014 to review the February 26, 2014 board meeting agenda. No action was taken.
<b>Board Finance</b>	Ms. King reviewed the cash activity for January 2014

**Committee**

(E:08:14). December 2013 is included in the balance sheet. Healthcare Realty was hired to manage the Kruger Clinic property and will provide monthly financial statements for the property. It was noted that the clinic is depreciating by approximately \$30,000 per month and has a 30 year useful life.

**Authorization  
for Payment of  
Vouchers &  
Payroll**

Warrant Numbers 10528 through 10574 for January 2014 for payment in the amount of \$211,317.71 were presented for approval (E:09:14). ***Motion was made, seconded and passed unanimously to approve.***

**Program  
Oversight  
Committee  
Update**

The Program Oversight Committee met on February 24, 2014 to review three new program funding applications, and follow-up on one previously submitted application (E:10:14).

No conflicts of interest were reported by the commissioners.

**New Funding Applications:**

***Motion was made, seconded and passed unanimously to approve*** the Swedish/Edmonds Java Music Club Program in the amount of \$2,755 on a one-time basis.

***Motion was made, seconded and passed unanimously to approve*** the Center for Advanced Recovery Solutions addiction training for mental health therapists in the amount of \$9,370 out of Verdant's internal programs budget.

Commissioner Williams asked Mr. Kosovich to look into where the tax money from legal marijuana will be used. Commissioner Knutsen mentioned the LEAD (Law Enforcement Assisted Diversion) Program in King County and that it may be done in Snohomish County as well. This program allows law enforcement to redirect low-level offenders engaged in drug use to community-based services instead of jail.

**Not Recommended for Funding at this time:**

Work Opportunities Social Skills Group's three-year request of \$15,979 per year to implement a support program for individuals with autism. Commissioners would be interest in Work Opportunities re-working their proposal to include a wider reach or a decrease in the per participant cost of the program.

**Previously Submitted Applications:**

Edmonds Lacrosse First Sport Grant one-time request of \$15,000 to offer lacrosse to students within the Edmonds School District. The program committee is not recommending the program for funding at this time but would like the commissioners to have a broader discussion on the topic of youth sports.

**Marketing  
Report**

Ms. Piplic reported the dates and topics for the 2014 "6 Weeks to a Healthier You" and reported on four upcoming community events (E:11:14):  
February 26, 2014 - Edmonds Community College Wellness Bash  
March 6, 2014 - Move 60's "March Mile" elementary run at Mountlake Terrace High School  
March 15, 2014 - WithinReach's Community Health Fair at Lynnwood Convention Center  
March 21, 2014 - Snohomish County Alzheimer's Family Caregiver Conference at Unity Church in Lynnwood

Commissioner Knowles inquired about the reach of Verdant's participation in community events. Ms. Piplic reported that Verdant supports the programs behind the event and provides information on Verdant and its programs when it participates in the actual event.

**Swedish/  
Edmonds  
Charity Care  
Policy**

Ms. Sarah Zabel, along with Iris Mireau and Jeff Macdoniels presented the updated Swedish/Edmonds Charity Care Policy (E:12:15).

The key revisions include:

1. Time period for charity care: change from six months to no mention of a time period by which charity care is approved. Each patient will be evaluated on a case-by-case basis depending on their medical condition.
2. Medically necessary services: revised policy clarifies that financial assistance is approved only for medically necessary services.
3. Sliding scale for discounted care: change from two sliding discount scales (one for insured patients and one for un-insured patients) to one scale that applies to both. All un-insured patients will automatically receive a 30% discount off of gross charges before any charity discounts are

applied.

Commissioner questions from the January 22, 2014 board meeting are addressed in Exhibit E:12:14.

Commissioner Williams commented that some of his patients are avoiding the ACA for political reasons but he is okay with the updated policy.

Commissioner Knutsen commented that we are still a public hospital district and that she does not support the changes to the time frame that patients receive care because there are still groups of people who do not qualify for the ACA. She also stated that the hospital should look at all programs and not minimize the care up front. She does support the sliding scale and prefers the current six month care policy.

Commissioner Wilson commented that she also has concerns with this policy and would like the hospital to provide updates and reports on the progress of the new policy.

Ms. Zabel mentioned that the hospital is lowering its costs on some items and the charity care is based on gross charges.

***Motion was made, seconded and passed by a vote of 3 to 1 to approve*** the Swedish/Edmonds Financial Assistance - Charity Care Administrative Policy dated 2014. Commissioners Wilson, Knowles & Williams in favor; Commissioner Knutsen opposed.

**Commissioner  
Comments**

Commissioner Williams commented on the latest report about the 40% drop in obesity rates in children ages two to five years old.

Commissioner Knowles commented that he requested information from Swedish/Edmonds on improvements to the quality of care at the hospital.

**Superintendent's  
Report**

Superintendent Zapora reported on two items:

1. \$5,000 from the superintendent's discretionary fund was awarded to the March of Dimes "March for Babies Walk" in Edmonds for prenatal care education.
2. A walk-through for general contractors was held at the building that will become the Verdant Community Wellness Center on February 25, 2014

and there were 23 contractors in attendance.  
Bids are due March 14, 2014.

**Public  
Comments:**

Ms. Sarah Zabel of Swedish/Edmonds commented that like any other hospital, Swedish/Edmonds has strengths in terms of quality in some areas and some areas that they are working hard to improve.

Mr. Al Rutledge commented that he has not been in attendance at recent commissioner meetings due to health issues. He is running for a District 32 house seat and requested information on Verdant's programs to help him as he campaigns.

Ms. Mary Hovander of the League of Women Voters asked for consistency in naming of the building on 196<sup>th</sup> Street. She stated that "Verdant Community Wellness Center" seems appropriate.

She also asked, for the sake of a paper trail, that a written rationale with the reasons the board elected to purchase the Kruger Clinic building be provided. Her final comment was that Verdant is not listed on page 16 of the Senior Focus newsletter for February/March 2014 as one of their sponsors.

Commissioner Williams responded to Ms. Hovander's comment regarding the Kruger Clinic and stated the 5.6 percent return on investment for purchasing the building was a driving force behind the board's decision.

**Executive  
Session**

President Knowles recessed the regular meeting at 8:47 a.m. into Executive Session to discuss ongoing litigation and review the Superintendent's performance.

President Knowles stated that the board would reconvene in approximately 20 minutes and no action would be taken.

**Open Session**

President Knowles reconvened into open session at 9:05 a.m.

**Adjourn**

There being no further business to discuss, the meeting was adjourned at 9:05 a.m.

**ATTEST BY:**

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President

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Secretary

**Balance Sheet**  
As of February 28, 2014

	A	B	C	D
	Dec 31, 2013	Feb 28, 2014	\$ Change	Comments:
<b>1 ASSETS</b>				
<b>2 Current Assets</b>				
<b>3 Cash Balance</b>	2,579,704	2,359,617	(220,087)	
<b>4 Other Current Assets</b>	30,374,687	31,656,246	1,281,559	Includes Investments
<b>5 Total Current Assets</b>	32,954,391	34,015,863	1,061,472	
<b>6 Total Long-term &amp; Fixed Assets</b>	46,262,507	45,692,212	(570,295)	Depreciation
<b>7 TOTAL ASSETS</b>	<b>79,216,897</b>	<b>79,708,075</b>	<b>491,178</b>	
<b>8 LIABILITIES &amp; EQUITY</b>				
<b>9 Liabilities</b>				
<b>10 Current Liabilities</b>	2,860,458	2,798,814	(61,644)	
<b>11 Long-term Liabilities</b>	5,689,038	5,678,699	(10,339)	2012 LTGO Bonds
<b>12 Total Liabilities</b>	8,549,496	8,477,513	(71,983)	
<b>13 Total Equity</b>	70,667,402	71,230,562	563,161	Annual Net Income
<b>14 TOTAL LIABILITIES &amp; EQUITY</b>	<b>79,216,897</b>	<b>79,708,075</b>	<b>491,178</b>	

**Profit & Loss**  
February 2014

	A	B	C	D	E	F
	Feb Actual	Feb Budget	Fav/(Unfav)	YTD Actual	YTD Budget	Fav/(Unfav)
<b>1 INCOME</b>						
<b>2 Ordinary Income</b>	766,970	681,177	85,793	1,533,556	1,362,354	171,202
<b>3 EXPENSES</b>						
<b>4 Operating Expenses</b>	117,873	113,058	(4,815)	249,044	237,117	(11,927)
<b>5 Depreciation Expense</b>	327,612	251,728	(75,884)	655,780	503,456	(152,324)
<b>6 Program Expenses</b>	399,869	389,584	(10,285)	720,957	779,167	58,210
<b>7 Total Expenses</b>	845,354	754,370	(90,984)	1,625,781	1,519,740	(106,041)
<b>8 OTHER INCOME/(EXPENSE)</b>						
<b>9 Total Other Income/(Expense)</b>	238,936	266,402	(27,466)	655,387	532,943	122,444
<b>10 NET INCOME</b>	<b>160,551</b>	<b>193,209</b>	<b>(32,657)</b>	<b>563,161</b>	<b>375,557</b>	<b>187,604</b>

**Monthly Highlights**  
February 2014

Verdant received dividends payments of \$42,424 and an unrealized gain of \$21,338 on our investment portfolio in February for an ending market value of \$29,577,224.

Annual program commitments total \$5,005,641 and \$3,659,509 for 2014 and 2015, respectively. \$744,359 remains available to spend in 2014, of which \$232,500 is earmarked as Superintendent Discretionary.

Additional income of \$85,409 and expenses of \$17,099 from the Kruger Clinic were incurred, netting to an additional operating income of \$68,310 in February.



**Public Hospital District #2**

<u>Warrant Number</u>	<u>Transaction Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
<b>Warrant Activity:</b>				
10575	02/05/2014	Camden Gardens, Inc.	1,231.88	Kruger Clinic - Horticulture Services
10576	02/05/2014	Falkin Associates, Inc.	7,612.50	January 2014 Project Management
10577	02/05/2014	Synergy Building Services, Inc.	3,812.01	Kruger Clinic - HVAC
10578	02/05/2014	Swedish/Edmonds	-	VOID
10579	02/05/2014	Swedish/Edmonds	-	VOID
10580	02/05/2014	Ash Consulting	4,867.50	Jan 2014 Consulting
10581	02/05/2014	Swedish/Edmonds	12,039.82	Refund for overpayment- Feb 2014 S/E Hospital Rent
10582	02/05/2014	Swedish/Edmonds	12,070.84	Refund for overpayment- Jan 2014 S/E Hospital Rent
10583	02/12/2014	Ankrom Moisan	34,257.71	Architecture Design
10584	02/12/2014	Frontier Communications	152.77	Kruger Clinic - Phone
10585	02/12/2014	Guardian Security Systems	29.50	Kruger Clinic - Fire Alarm Monitoring 3/1-3/31/14
10586	02/12/2014	Republic Services	1,194.37	Kruger Clinic - Waste Removal
10587	02/12/2014	Benefit Solutions Inc	34.50	FSA Administration
10588	02/12/2014	Institute for Fitness and Health	88.37	6WHY- Joe Piscatella - 1/27/14 Travel
10589	02/12/2014	Jason Becker Creative	540.00	Poster & Cards development & Design 6WHY
10590	02/12/2014	Pacific Art Press Inc	1,459.71	Printed promotional materials for 6WHY
10592	02/12/2014	Ace Internet Services, Inc.	304.00	Jan 2014 IT Support
10591	02/12/2014	Lynnwood PFD	173.98	Jan & Feb 2014 Janitorial Services and Supplies
10593	02/24/2014	Aardvark Sweeping	87.60	Kruger clinic - Feb 2014 Parking Lot Sweeping
10594	02/24/2014	Canon Financial Services	301.13	Copy Machine Lease
10595	02/24/2014	Staples	184.11	Supplies
10596	02/24/2014	State Auditor's	2,547.20	2012 State Audit
10597	02/24/2014	Carney Badley Spellman	201.00	Legal for Kruger Clinic
10598	02/24/2014	Principal Financial Group	623.04	Employee Life Insurance
10599	02/24/2014	The Daily Herald	582.40	Legal Notice
10600	02/28/2014	Assoc of WA PHD	2,980.00	Membership Dues
10601	02/28/2014	McKinstry Lockbox	4,510.31	Kruger Clinic - Jan 2014 HVAC Maintenance Contract
10602	02/28/2014	Moss Adams - Audit	2,772.75	Progress Billing for 2013 Financial Audit
10603	02/28/2014	Regence Blueshield	3,167.55	Employee Medical & Dental Insurance
10604	02/28/2014	Wells Fargo	5,028.39	Misc
10605	02/28/2014	Daily Journal of Commerce	718.20	Legal Notice
10606	02/28/2014	Consolidated Landscape Maintenance, Inc.	127.75	March 2014 Landscaping Maintenance
10607	02/28/2014	The Daily Herald	42.00	Legal Notice
		Total Warrants	<u>103,742.89</u>	

Warrant Number	Transaction Date	Payee	Amount	Purpose
<b>Wire/ACH Activity:</b>				
	2/7/2014	Payroll	14,681.83	ACH payroll transfer
	2/7/2014	Department of Treasury	6,116.53	Payroll taxes for 1/4/14 pay period ending
	2/7/2014	Paychex	67.22	Fee for payroll processing
	2/7/2014	Valic	1,962.19	Payroll 401(a)/457 Deposit
	2/21/2014	Payroll	14,110.96	ACH payroll transfer
	2/21/2014	Department of Treasury	5,966.40	Payroll taxes for 1/18/14 pay period ending
	2/21/2014	Paychex	65.08	Fee for payroll processing
	2/21/2014	Valic	1,947.04	Payroll 401(a)/457 Deposit
	2/10/2014	Wells Fargo	444.68	Bank Service Fee
	2/10/2014	Wells Fargo	73.86	Bank Service Fee
	2/10/2014	Wells Fargo	53.72	Bank Service Fee
	2/15/2014	Bank of America - Fees	19.83	Bank Service Fee
	2/15/2014	Alzheimer's Association Western & Central	7,209.17	Program Payment
	2/15/2014	American Diabetes Association	4,166.67	Program Payment
	2/15/2014	American Red Cross	2,500.00	Program Payment
	2/15/2014	Boys & Girls Club of Snohomish County	9,328.25	Program Payment
	2/15/2014	CampFire	4,166.67	Program Payment
	2/15/2014	Cascade Bicycle Club Education Foundation	4,750.00	Program Payment
	2/15/2014	Center for Human Services	13,523.67	Program Payment
	2/15/2014	ChildStrive	22,660.00	Program Payment
	2/15/2014	City of Edmonds Parks & Recreation	39,513.00	Program Payment
	2/15/2014	City of Lynnwood	14,085.67	Program Payment
	2/15/2014	Community Health Center of Snohomish Co	8,333.33	Program Payment
	2/15/2014	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
	2/15/2014	Edmonds Community College	11,712.25	Program Payment
	2/15/2014	Edmonds School District No. 15	65,315.50	Program Payment
	2/15/2014	Edmonds Senior Center	4,518.00	Program Payment
	2/15/2014	Free Range Health	1,767.42	Program Payment
	2/15/2014	Medical Teams International	4,000.00	Program Payment
	2/15/2014	Parent Trust for WA Children	2,083.33	Program Payment
	2/15/2014	Prescription Drug Assistance Foundation	4,166.67	Program Payment
	2/15/2014	Program for Early Parent Support	3,333.33	Program Payment
	2/15/2014	Project Access Northwest	6,666.67	Program Payment
	2/15/2014	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
	2/15/2014	Puget Sound Christian Clinic	8,750.00	Program Payment
	2/15/2014	Senior Services of Snohomish County	46,686.67	Program Payment
	2/15/2014	Smithwright Services	5,416.67	Program Payment
	2/15/2014	Snohomish County Fire District 1	12,035.50	Program Payment
	2/15/2014	Team Child	8,187.50	Program Payment
	2/15/2014	Washington CAN! Education & Research Fund	18,000.00	Program Payment
	2/15/2014	Wonderland Development Center	11,250.00	Program Payment
	2/15/2014	YMCA of Snohomish County	25,000.00	Program Payment
	2/15/2014	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment
	2/15/2014	First Baptist Church	10,000.00	Program Payment

Warrant Number	Transaction Date	Payee	Amount	Purpose
<b>Wire/ACH Activity:</b>				
	2/4/2014	Benefit Solutions Inc	194.98	FSA Payments
	2/4/2014	Benefit Solutions Inc	20.00	FSA Payments
	2/7/2014	Benefit Solutions Inc	25.37	FSA Payments
	2/11/2014	Benefit Solutions Inc	6.14	FSA Payments
	2/14/2014	Benefit Solutions Inc	206.89	FSA Payments
	2/20/2014	Benefit Solutions Inc	750.74	FSA Payments
	2/22/2014	Benefit Solutions Inc.	10.00	FSA Payments
	2/26/2014	Benefit Solutions Inc.	176.92	FSA Payments
	2/26/2014	Benefit Solutions Inc.	9.97	FSA Payments
	2/26/2014	WA Department of Revenue	789.07	B&O tax
		<b>Total Wires/ACH Transactions</b>	<b>445,529.77</b>	

**Workers Compensation Claims Activity:**

305110-305114	Feb 2014	Various Claimants/Vendors	1,918.05	Administered by Eberle Vivian
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**Professional Liability Activity:**

380000478	Feb 2014	Various Claimants/Vendors	971.09	Administered by Sedgwick
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**Total Disbursements** \$ 552,161.80

Date	Payer	Amount	Purpose
<b>Deposits:</b>			
2/3/2014	Raymond Liu, D.D.S.	3,109.05	Monthly lease Kruger Clinic
2/3/2014	John Headley MD PS	17,086.88	Monthly lease Kruger Clinic
2/3/2014	Value Village	24,428.45	Monthly lease
2/6/2014	Department of Labor and Industries	921.58	Refund for 4Q13 Self Insurance Fund
2/1/2014	Puget Sound Gastro	25,353.08	Reimbursement for attendance of S/E Gala
2/6/2014	Brian Tagaki, MD	225.00	Monthly storage fee Kruger Clinic
2/7/2014	Puget Sound Gastro	25,353.08	Monthly lease Kruger Clinic
2/10/2014	Snohomish County	7,207.69	Tax Levy
2/11/2014	John Headley MD PS	717.00	Monthly lease Kruger Clinic
2/11/2014	PFD - Copies	99.45	Copies
2/21/2014	Eventbrite	383.85	6WHY
2/24/2014	Healthcare Realty Services, Inc.	4,166.67	Monthly ground lease
2/28/2014	5781 · Investment Income - Op	18.64	Interest Income
2/28/2014	5781 · Investment Income - Op	0.41	Interest Income
	<b>Total Deposits</b>	<b>\$ 109,070.83</b>	

VERDANT HEALTH COMMISSION  
PUBLIC HOSPITAL DISTRICT #2  
SNOHOMISH COUNTY, WASHINGTON

WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 10575 through 10607 have been issued for payment in the amount of \$103,742.89. These warrants are hereby approved.

Attest:

\_\_\_\_\_  
Lisa M. King

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

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Commissioner

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Warrants Processed:	2-1-14 – 2-28-14		\$103,742.89
Work Comp Claims Pd:	2-1-14 – 2-28-14		1,918.05
Professional Liability Pd:	2-1-14 – 2-28-14		971.09
Payroll:	1-26-14 – 2-8-14	14,681.83	
	2-9-14 – 2-22-14	<u>14,110.96</u>	
			28,792.79
Electronic Payments:	Payroll Taxes	12,082.93	
	Paychex	132.30	
	Valic Retirement	3,909.23	
	Benefit Solutions	1,401.01	
	Bank Fees	592.09	
	WA State Dept Revenue	789.07	
	Program Expenditures	<u>397,830.35</u>	
			<u>416,736.98</u>
	Grand Total		<u>\$552,161.80</u>

PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2014-02

A RESOLUTION of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, doing business as Verdant Health Commission, authorizing the letting of a construction contract to the lowest responsible bidder with respect to the construction of improvements to property of the district known as the Community Wellness Center.

WHEREAS, Public Hospital District No. 2, Snohomish County, Washington, is a duly organized municipal corporation of the state of Washington and does business under the name Verdant Health Commission (the "District"); and

WHEREAS, the District owns property and a building located at 4710 196<sup>th</sup> Street SW, Lynnwood, Washington (the "Property"); and

WHEREAS, the District desires to make improvements to the Property pursuant to the plans and specifications on file in the District's offices (the "Plans"); and

WHEREAS, RCW 70.44.110 requires that whenever the board of a public hospital district deems it advisable that the district construct additions or betterments to district property, it shall provide therefor by resolution, which resolution shall specify and adopt the proposed plans and declare the estimated cost thereof; and

WHEREAS, pursuant to Resolution No. 2014-01 of the Board, adopted February 10, 2014, the Commission specified and adopted plans for, declared the estimated cost of, and authorized a call for bids for the construction of improvements to the Property (the "Project"); and

WHEREAS, RCW 70.44.140 requires that all materials purchased and work ordered, the estimated cost of which is in excess of \$75,000 shall be by contract; and

WHEREAS, RCW 70.44.140 further requires that, prior to awarding any such contract, the public hospital district publish notice at least thirteen days before the last date upon which bids will be received, inviting sealed bid proposals for such work; and

WHEREAS, the District published notice on February 14, 2014, for construction services in connection with the Project; and

WHEREAS, the District's notice requested that the bidders' proposals in response to the bid package be submitted with respect to the Project on or before March 14, 2014; and

WHEREAS, RCW 70.44.140 requires that the bids be publicly opened, read and canvassed and authorizes the District to let a contract to the lowest responsible bidders based on plans and specifications prepared by the District; and

WHEREAS, the District has received eight proposals for the Project, which it has publicly opened, read and canvassed, and now wishes to authorize the letting of the contract; and

WHEREAS, the terms of the documents in substantially the form to be executed in connection with the Project, which documents include contracts for construction services (the "Construction Contract"), have been presented to the Board; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF PUBLIC HOSPITAL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Board hereby finds that M. J. Takisaki, Inc., Contractor Number MJTAKI\*123CA (the "Contractor"), is the lowest responsible bidder with respect to the Project and hereby approves and accepts its bid proposal in the form described in Exhibit A attached hereto.

Section 2. The Board hereby approves the Construction Contract with the Contractor in substantially the form presented to the Board, subject to such changes as may be approved by the Superintendent of the District or the Chief Financial Officer of the District (each an "Authorized Officer" and together the "Authorized Officers") as contemplated in Section 3 of this resolution.

Section 3. The Authorized Officers and each of them acting alone are hereby granted the discretionary authority and are directed, on behalf of the District, to approve, execute and deliver to the appropriate parties the Construction Contract consistent with the bid package. The Authorized Officers and each of them acting alone are hereby further authorized to take any other action they deem necessary and advisable to accomplish the award of the bid, to consummate the Construction Contract and the transactions contemplated therein, to complete the Project and any matters related thereto and to give effect to these resolutions and the transactions contemplated herein.

Section 4. The Authorized Officers and each of them acting alone are hereby directed and granted the discretionary authority to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to these resolutions and to consummate the transactions contemplated herein.

Section 5. The Board further authorizes and directs the Authorized Officers, and all other proper officers, agents, attorneys and employees of the District to carry out, or cause to be carried out, all obligations of the District under the Construction Contract and to perform or cause to be performed such other acts as they shall consider necessary or advisable in connection with the completion of the Project or in order to give effect to these resolutions and the transactions contemplated herein.

ADOPTED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, at an open public meeting thereof this 26<sup>th</sup> day of March, 2014, the following Commissioners being present and voting:

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President and Commissioner

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Commissioner

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Commissioner

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Commissioner

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Secretary and Commissioner

I, J. BRUCE WILLIAMS, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, hereby certify that the attached copy of Resolution No. 2014-02 is a true and correct copy of the original resolution adopted on March 26, 2014, as that resolution appears on the Minute Book of the Public Hospital District No. 2, Snohomish County, Washington.

DATED this 26<sup>th</sup> day of March, 2014.

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J. BRUCE WILLIAMS, Secretary



EXHIBIT A

BID PROPOSAL

VERDANT COMMUNITY CENTER  
CONSTRUCTION DOCUMENTS  
JANUARY 24, 2014 - ADDENDUM #1; Mar 7, 2014

00 41 00  
BID FORM  
PAGE 1 of 3

SECTION 00 41 00

BID FORM

THE PROJECT AND THE PARTIES

1.01 TO:

- A. Owner
  - 1. Verdant Health Commission

1.02 FOR:

- A. VERDANT COMMUNITY CENTER

1.03 DATE: 3.14.14 (Bidder to enter date)

1.04 SUBMITTED BY: (Bidder to enter name and address)

- A. Bidder's Full Name M.J. TAKISAKI, INC.
  - 1. Address 1312 S. WELLES ST.
  - 2. City, State, Zip SEATTLE, WA 98144

1.05 OFFER

- A. Having examined the Place of The Work and all matters referred to in the Instructions to Bidders and the Contract Documents prepared by Ankrom Moisan Architects, Inc. for the above mentioned project, we, the undersigned, hereby offer to enter into a Contract to perform the Work for the Sum of:

- B. ONE MILLION FIVE HUNDRED SIXTY FIVE THOUSAND SEVEN HUNDRED  
dollars (\$ 1 565 700 ), in lawful money of the United States of America. Dollars

- C. We have included the required security deposit as required by the Instruction to Bidders.
- D. All applicable federal taxes are included and State of Washington taxes (Including Washington State Sales Tax WST) are included in the Bid Sum.

1.06 ACCEPTANCE

- A. This offer shall be open to acceptance and is irrevocable for sixty days from the bid closing date.
- B. If this bid is accepted by Owner within the time period stated above, we will:
  - 1. Execute the Agreement within seven days of receipt of Notice of Award.
  - 2. Furnish the required bonds within ten (10) days of receipt of acceptance of this bid.
  - 3. Commence work within seven days after written Notice to Proceed of this bid.
- C. If this bid is accepted within the time stated, and we fail to commence the Work or we fail to provide the required Bond(s), the security deposit shall be forfeited as damages to Owner by reason of our failure, limited in amount to the lesser of the face value of the security deposit or the difference between this bid and the bid upon which a Contract is signed.

EXHIBIT A

BID PROPOSAL

VERDANT COMMUNITY CENTER  
CONSTRUCTION DOCUMENTS  
JANUARY 24, 2014 - ADDENDUM #1; Mar 7, 2014

00 41 00  
BID FORM  
PAGE 2 of 3

- D. In the event our bid is not accepted within the time stated above, the required security deposit shall be returned to the undersigned, in accordance with the provisions of the Instructions to Bidders; unless a mutually satisfactory arrangement is made for its retention and validity for an extended period of time.

1.07 CONTRACT TIME

- A. We will complete the Work in 275 calendar days from Notice to Proceed. **(Bidder to enter contract time).**

1.08 SCHEDULE OF ALTERNATES

- A. Alternate No. 1 - Replace Existing Roof:
  - 1. Alternative Item: Section 07 52 16 - SBS Modified Bituminous Membrane Roofing including roof removal and new flashing.
  - 2. (Add) (Deduct) \$ 113,738<sup>00</sup>
- B. Alternate No. 2 - Replace Existing Rooftop Mechanical Units:
  - 1. Alternative Item: Replace the existing roof top mechanical units as indicated on the plans and specifications.
  - 2. (Add) (Deduct) \$ 99,358<sup>00</sup>
- C. Alternate No. 3 - New VAV System:
  - 1. Alternative Item: Replace the building HVAC system with a VAV system as indicated on the plans and specifications.
  - 2. (Add) (Deduct) \$ 129,606<sup>00</sup>

1.09 ADDENDA

- A. The following Addenda have been received. The modifications to the Bid Documents noted below have been considered and all costs are included in the Bid Sum.
  - 1. Addendum # 1 Dated 3.7.14.
  - 2. Addendum # \_\_\_\_\_ Dated \_\_\_\_\_.

1.10 LIST OF SUBCONTRACTORS

WORK SUBJECT.....SUBCONTRACTOR NAME

- A. MECHANICAL
  - 1. Fire Protection..... RELIANCE FIRE PROTECTION
  - 2. Plumbing..... ALOISIO PLUMBING
  - 3. HVAC..... PIN CHIEF MECHANICAL
  - 4. Controls..... PIN CHIEF MECHANICAL
- B. ELECTRICAL
  - 1. Electrical..... SYSTEM SOLUTIONS OF WA
  - 2. Security Access and Surveillance..... M.S. TAKISAKI
  - 3. Low Voltage..... SYSTEM SOLUTIONS OF WA

1.11 BID FORM SIGNATURE(S)

- A. The Corporate Seal of

**EXHIBIT A**

**BID PROPOSAL**

VERDANT COMMUNITY CENTER  
CONSTRUCTION DOCUMENTS  
JANUARY 24, 2014 - **ADDENDUM #1; Mar 7, 2014**

00 41 00  
BID FORM  
PAGE 3 of 3

B. M.J. TAKISAKI, INC.

C. (Bidder - print the full name of your firm)

D. was hereunto affixed in the presence of:

E. ROBERT J. POLWARTH, SECRETARY

F. (Authorized signing officer, Title)

G. (Seal)

H.  PRESIDENT

I. (Authorized signing officer, Title)

1.12 If the Bid is a joint venture or partnership, add additional forms of execution for each member of the joint venture in the appropriate form or forms as above.



**END OF BID FORM**

## March 2014 Program Summary

### Summary of Programs for Discussion

- Five new funding applications
- Puget Sound Kidney Centers scheduled for a presentation and Q&A at 9:15 a.m.

### **Recommended for Funding**

- **Community Health Center of Snohomish County – Dental Care Coordination and Direct Patient Services:** a multi-year request to provide dental services to uninsured adults. Part of the funding (\$25,000) would support a dental care coordinator to ensure care treatment plans are in place and that patients get appropriate follow-up care. The remaining grant (\$75,000) would fund direct patient care for CHC at the approved Medicaid rate CHC has with WA State. The program would expect to serve 200 patients and the goal would be to have 88% of patients receive follow-up/preventative care within 9 months of their visit. **The program committee is recommending fully funding the request at \$100,000 for one year with the option to renew for a second and/or third year depending on demand and performance of the program.**
- **Edmonds Community College – Celebration of Food:** a request to fund the 3rd annual Healthy Eating/Celebration of Food Event. The May 2014 event at the Lynnwood Convention Center includes cooking demonstrations and booths from local farmers and gardeners. In 2013 Verdant provided \$5,000 in funding and the event was attended by approximately 1,700 people. **The program committee is recommending fully funding the request at \$5,000 on a one-time basis.**
- **Sight Connection – Low Vision Expo:** a funding request for the annual 'Low Vision Expo' in May 2014 at the Lynnwood Convention Center. The purpose of the event is to raise low vision individuals' awareness about resources available. The event will include speakers, discussion, and an Assistive Technology Lab, with 300 attendees expected. In 2013, Verdant provided \$10,000 in funding for the event. **The program committee is recommending partially funding the request at \$11,000 on a one-time basis.**
- **Edmonds School District – Move 60:** a renewal request for an elementary activity program that gets children moving at least 60 minutes per day. The program is active in each of the Edmonds School District's schools, and the program tracks improvement in fitness and BMI. The program would expect to serve 2,200 children per year.

The school district requested a 19% increase in funding compared with current levels. Most of the requested increase would be used to change the staffing model from 1 teacher and 1 assistant to two teachers. The committee felt that the school district should explore other funding sources or internal resources to make the staffing change. **The program committee is recommending funding the request at a 4% increase from current levels: \$492,128 in the first year, \$511,813 in the second year, and \$532,286 in the third year.**

## **Not Recommended for Funding**

- **Rotary Club of Edmonds --Waterfront Festival:** a request to fund the annual Edmonds Waterfront Festival. Through sponsorship support, Verdant would be provided with a prominent presence and other means (program, print media, etc.) to share its programs and priorities. **The program committee is not recommending funding this request; although it is a large community event, the festival does not have a strong health and wellness connection.**

**Verdant Health Commission Proposal Summary March 2014**

A		B	C	D	E	F	G	H	I
New Funding Requests			Request for funding			Priority Area			
#	Name		Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy
1	Community Health Center of Snohomish County -- Dental Care Coordination and Direct Patient Services	A multi-year request to provide dental services to uninsured adults. Part of the funding (\$25,000) would support a dental care coordinator to ensure care treatment plans are in place and that patients get appropriate follow-up care. The remaining grant (\$75,000) would fund direct patient care for CHC at the approved Medicaid rate CHC has with WA State, currently around \$200 per visit. The program would expect to serve 200 patients and the goal would be to have 88% of patients receive follow-up/preventative care within 9 months of their initial visit.	\$100,000	\$100,000	\$100,000	X	X	X	
2	Edmonds Community College Celebration of Food Festival	Edmonds Community College/Food Revolution Snohomish County is seeking funding for a 3rd annual Healthy Eating/Celebration of Food Event. The May 2014 event at the Lynnwood Convention Center includes cooking demonstrations and booths from local farmers and gardeners. In 2013 Verdant provided \$5,000 in funding and the event was attended by approximately 1,700 people.	\$5,000			X	X		
3	Sight Connection (formerly Community Services for the Blind and Partially Sighted) - A Low Vision Expo	Sight Connection is seeking funding for its annual 'Low Vision Expo' in May 2014 at the Lynnwood Convention Center. The purpose of the event is to raise low vision individuals' awareness about resources available. The event will include speakers, discussion, and an Assistive Technology Lab. 300 attendees are expected. In 2013, Verdant provided \$10,000 in funding for the event.	\$15,000			X	X	X	
4	Edmonds School District -- Move 60!	A renewal request for the an elementary activity program that gets children moving at least 60 minutes per day. The program is active in each of the Edmonds School District's schools, and the program tracks improvement in fitness and BMI. The program would expect to serve 2,200 children per year.	\$563,200	\$585,200	\$608,200	X	x		

**Verdant Health Commission Proposal Summary March 2014**

#	Name		Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy
5	Rotary Club of Edmonds -- Waterfront Festival	A request to fund the annual Edmonds Waterfront Festival. Through sponsorship support, Verdant would be provided with a prominent presence and other means (program, print media, etc.) to share its programs and priorities.	\$7,500			X	X		

## **Follow-Up on Previous Applications**

### **For Additional Board Discussion:**

- **Puget Sound Kidney Center Foundation – Chronic Kidney Disease Education and Prevention Program:** a revised request for a new program focused on helping to reduce the progression of kidney disease. The request would fund 1.1 FTE positions for a program manager, social worker, dietician, and a nurse. The program would expect to serve 50 individuals per year out of the organization's Mountlake Terrace office, and outcomes would be focused on keeping patients off of dialysis and increasing use of home therapy options. The revised request (\$70k in year 1, \$50k in year 2, \$40k in year 3) was more consistent with the program committee member's thinking than the original request, but there were still some concerns about the education model and relatively narrow population served.

**The applicant was asked to provide a summary of the program and explain how it fits in with the organization's other programs and services as well as how it connects to other health education programs in the community.**



PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON  
RESOLUTION NO. 2014-03

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving the terms and conditions of an amendment to the employment agreement with the superintendent of the District; and authorizing the execution, delivery and performance of such amendment on behalf of the District.

WHEREAS, the Commission previously approved and adopted the goals and objectives for the Superintendent for calendar year 2013; and

WHEREAS, the Commission has reviewed the Superintendent's performance in 2013 and evaluated the extent to which he has met his goals; and

WHEREAS, the Commission wishes to recognize the Superintendent's performance by increasing his base compensation pursuant to the terms of the First Amendment to the 2013 Employment Agreement between the District and the Superintendent presented to the Commission (the "First Amendment"); NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, as follows:

Section 1. After due consideration, and being fully advised, the terms and conditions set forth in the First Amendment are found to be in the best interests of the District and in the public interest, and accordingly the same are hereby approved and accepted, and the President of the Commission is authorized and directed to properly execute and deliver the agreement to the Superintendent on behalf of the District in substantially the form presented to the Commission and on file in the District's offices.

Section 2. The President of the Commission of the District is further authorized and directed to do, or cause to be done, all things reasonable and necessary in order to fully and timely perform the agreement in accordance with its terms.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof, held this 26<sup>th</sup> day of March, 2014, the following commissioners being present and voting in favor of this resolution.

\_\_\_\_\_  
President and Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Secretary and Commissioner

I, J. BRUCE WILLIAMS, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution 2014-03 of the District is a true and correct copy of the original resolution adopted on March 26, 2014, as that resolution appears on the Minute Book of the District.

DATED this 26<sup>th</sup> day of March, 2014.

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J. BRUCE WILLIAMS, Secretary

**FIRST AMENDMENT TO  
2013 EMPLOYMENT AGREEMENT**

This First Amendment to Employment Agreement is dated and made effective as of the 26<sup>th</sup> day of March, 2014 (the "Effective Date"), between Public Hospital District No. 2, Snohomish County, Washington, a municipal corporation ("the District"), and Carl Zapora ("Employee").

WHEREAS, the District and Employee entered into an employment agreement dated as of April 28, 2013 (the "Original Agreement"); and

WHEREAS, the District and Employee desire to amend the Original Agreement to revise Employee's base compensation; NOW, THEREFORE,

THE PARTIES AGREE AS FOLLOWS:

Section 5(a) of the Original Agreement shall be amended to provide in its entirety as follows:

- a. Effective as of April 1, 2014, Employee's base salary shall be \$\_\_\_\_\_ per year, which shall be computed and paid in equal installments consistent with the District's normal payroll procedures and shall be reviewed by the Board on an annual basis.

IN WITNESS WHEREOF the parties hereto have executed this agreement to be effective and dated as of the day and year first written above.

PUBLIC HOSPITAL DISTRICT NO. 2,  
SNOHOMISH COUNTY, WASHINGTON

By \_\_\_\_\_  
Bob Knowles, President  
Board of Commissioners

\_\_\_\_\_  
Carl Zapora

Addendum

**Puget Sound Kidney Centers  
Chronic Kidney Disease (CKD) Education and Prevention Program**

**Proposed Bi-Weekly Class Schedule**

Class schedule would vary depending on participants' age, stage of CKD, comorbid conditions

**Healthy Living Options (with MSW and RN)**

Kidneys, how they work, how they fail, what you can do

Habits for healthy living with CKD (exercise, stress, smoking, ETOH, etc.)

Medication balance – diabetes, cardiac, blood pressure, etc.

Financial issues of CKD – working, insurance, retirement, vocational rehab, etc.

Family relation issues

Mentor groups

**Nutrition Options: (with RD)**

Overview of nutrition and how it affects kidney function

Low sodium cooking and eating

Maintaining health with adequate protein and calories

Mineral health: phosphorus, calcium, potassium

Healthy meal planning, making this all work

Balancing kidney disease with diabetes, cardiac disease, other conditions

Shopping field trips – how to shop for healthy eating

Cooking classes - the kidney healthy way

Navigating the restaurant menu

<b>Budget Projection - PSKCF CKD Education and Prevention Program</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>3 Year Total</b>
<b>STAFFING:</b>				
Program Management - .20 of \$70,000 FTE	\$ 14,000	\$ 14,000	\$ 14,000	\$ 42,000
Social Worker - .30 of \$60,000 FTE	\$ 18,000	\$ 18,000	\$ 18,000	\$ 54,000
Renal dietician experience in diabetes and dialysis - .30 of \$60,000 FTE	\$ 18,000	\$ 18,000	\$ 18,000	\$ 54,000
Registered nurse - .30 of \$65,000 FTE	\$ 19,500	\$ 19,500	\$ 19,500	\$ 58,500
<b>Program Staffing Subtotal:</b>	<b>\$ 69,500</b>	<b>\$ 69,500</b>	<b>\$ 69,500</b>	<b>\$ 208,500</b>
Benefits based on 33% of program staff salary costs (PSKC - In-kind)	\$ 22,935	\$ 22,935	\$ 22,935	\$ 68,805
<b>Subtotal:</b>	<b>\$ 92,435</b>	<b>\$ 92,435</b>	<b>\$ 92,435</b>	<b>\$ 277,305</b>
<b>FACILITIES:</b>				
Utilities (@ \$50 per month)	\$ 600	\$ 600	\$ 600	\$ 1,800
Facilities (@ \$200 per month )	\$ 2,400	\$ 2,400	\$ 2,400	7,200
Maintenance (@ \$100 per month)	\$ 1,200	\$ 1,200	\$ 1,200	3,600
Supplies: printing, paper, office supplies	\$ 2,500	\$ 2,500	\$ 2,500	7,500
Equipment: computers, copier, medical equipment, furniture	\$ 5,000	\$ 1,500	\$ 1,500	8,000
<b>Subtotal: (PSKC - In-Kind)</b>	<b>\$ 11,700</b>	<b>\$ 8,200</b>	<b>\$ 8,200</b>	<b>\$ 28,100</b>
<b>EDUCATION PROGRAM:</b>				
<b>NKDEP Materials:</b>				
NKDEP-50 Chronic Kidney Disease - What Does it Mean for Me? \$2.00 per pamphlet - limit 100	\$ 200	\$ 200	\$ 200	\$ 600
NKDEP-34 Family Reunion Health Guide: Make Kidney Health a Family Affair - 100 @ \$2.00 each	\$ 200	\$ 200	\$ 200	600
NKDEP-56 Eating Right for Kidney Health: Tips for People with Chronic Kidney Disease - \$2.00 per pamphlet limit 100	\$ 200	\$ 200	\$ 200	600
<b>Subtotal:</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 1,800</b>
<b>Educational Curriculum and Materials:</b>				
CKD Brochure: "Kidney Disease and You" PSKC creation - design	\$ 2,400	\$ -	\$ -	\$ 2,400
CKD Brochure: "Kidney Disease and You" PSKC Printing - 3,000	\$ 2,500	\$ 2,500		5,000
Education materials & curricula - content development	\$ 20,000	\$ 5,000	\$ 2,500	27,500
Teaching tools	\$ 5,000			5,000
<b>Subtotal:</b>	<b>\$ 29,900</b>	<b>\$ 7,500</b>	<b>\$ 2,500</b>	<b>\$ 39,900</b>
<b>Subtotal Education Program:</b>	<b>\$ 30,500</b>	<b>\$ 8,100</b>	<b>\$ 3,100</b>	<b>\$ 41,700</b>
<b>PATIENT SUPPORT:</b>				
Mentor training, stipends, meetings	\$ 1,500	\$ 1,500	\$ 1,500	\$ 4,500
Lifestyle support tools: recipes, tracking forms, patient updates	2,500	2,500	2,500	7,500
Nutritional supplements	10,000	10,000	10,000	30,000
<b>Subtotal:</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>\$ 42,000</b>
<b>MARKETING:</b>				
Program Flyers	\$ 2,000	\$ -	\$ 1,000	\$ 3,000
Mailings	1,500	1,000	1,000	3,500
<b>Subtotal:</b>	<b>\$ 3,500</b>	<b>\$ 1,000</b>	<b>\$ 2,000</b>	<b>\$ 6,500</b>
<b>TOTAL CKD Education and Prevention Costs:</b>	<b>\$ 152,135</b>	<b>\$ 123,735</b>	<b>\$ 119,735</b>	<b>\$ 395,605</b>