

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

BOARD OF COMMISSIONERS

Regular Meeting
VHC Board Room
August 28, 2013

Commissioners Present	Bob Knowles, President J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner Deana Knutsen, Commissioner
Others Present	Carl Zapora, Superintendent George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Karen Goto, Executive Assistant Members of the community
Excused	Fred Langer, Commissioner
Call to Order	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:10 a.m. by President Knowles.
Approval of Minutes	<i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the regular meeting on July 24, 2013. <i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the special meeting on August 7, 2013.
Executive Committee	President Knowles reported that the Executive Committee met on August 23, 2013 to review the August 28, 2013 board meeting agenda.
Board Finance Committee	The committee met on August 23, 2013 to review the financial statements. Ms. King reported on the financials for July 2013 (E:45:13).
Authorization for Payment of Vouchers & Payroll	Warrant Numbers 10327 through 10365 for July 2013 for payment in the amount of \$102,675.52 were presented for approval (E:46:13). <i>Motion was made, seconded and passed unanimously to approve.</i>

Approve
Preliminary
Building Project
Budget

Commissioner Wilson presented the preliminary building project budget (E:47:13). Superintendent Zapora stated that the building with approximately 9,000 square feet would become the base of operations for Verdant including the office, space for classes & clinics for the community.
Motion was made, seconded and passed unanimously to approve the project budget.

Plan for Follow-
up from Needs
Assessment
Study Session

Mr. Kosovich presented the program planning process to date (E:48:13). A draft strategic plan will be completed at the board retreat in November 2013 after commissioners meet one-on-one with staff. The commissioners will have the chance to review a draft before the retreat.

Policies &
Process for
"Building
Healthy
Communities
Fund"

The Program Committee met with attorney Brad Berg and received clarification that Verdant cannot provide funds for infrastructure or construction but can fund to provide measurable health maintenance programs.
Motion was made, seconded and passed unanimously to approve the proposal (E:49:13)

Program
Investment
Scenarios

Per commissioner request, Mr. Kosovich provided three financial scenarios (E:50:13) relating to program investment planning.

Program
Oversight
Committee
Update

Commissioner Knutsen reported that the Program Oversight Committee met on August 16, 2013 and reviewed seven new program funding applications and two follow-up program applications (E:51:13). Commissioner Knutsen noted that she serves on the board of Washington Community Action Network (WACAN) but has recused herself from any discussion on their application with the Program Committee and did not engage in the proposal process with the board of WACAN. Commissioner Wilson will report on WACAN's application in this board meeting.
No other conflicts of interest were reported by the other commissioners.

New Program Applications for Funding:

Motion was made, seconded and passed unanimously to approve Holly House for Kids – Dental supplies in the amount of \$10,000 on a one-time basis.

Motion was made, seconded and passed unanimously to approve Swedish Medical Center Foundation – Imagine

Gala in the amount of \$25,000 on a one-time basis.
Motion was made, seconded and passed unanimously to approve the Mountlake Terrace Senior Center – Nutrition Program Update in the amount of \$60,000 on a one-time basis.

The following applications require additional information & follow-up:

Snohomish County Fire District 1 – Community Paramedic
Snohomish County Fire District 1 – Disaster Medicine Project
Edmonds School District & City of Edmonds Woodway
Campus Renovation – consider this project with other
“Building Healthy Community Fund” projects.

Follow-up Program Applications from July:
Seattle Visiting Nurse Association – Emergency Alert &
Response System was not recommended for funding.
City of Brier – Brier Park Walking Trail – Program Oversight
Committee is recommending considering this request with
other “Building Healthy Community Fund” projects.

New Program Applications for Funding:
Commissioner Knutsen turned over the discussion of the
WACAN application to commission Wilson who reported on
the Program Oversight Committee’s discussion on this
proposal. *Motion was made, seconded and passed
unanimously to approve* funding of \$180,000 for an
insurance outreach and enrollment program.

Marketing
Report

Ms. Piplic reported that the 6 Weeks to a Healthier You
reunion session will take place on Monday, November 4,
2013 and alumni of both the 2012 and 2013 sessions have
been invited.

Commissioner
Comments

None

Superintendent’s
Report

Superintendent Zapora acknowledged the Mountlake
Terrace Senior Center and former City Manager John
Caulfield for their work.
President Knowles commented that Verdant should have
visibility on projects that we fund.

Public
Comments:

Ms. Rowena Miller of the League of Women Voters thanked
Commissioner Knutsen for the article in the Seattle Times on
taxation.

Mr. Al Rutledge thanked the commission for the answer to his question on the City of Edmonds funding application. He would like clarification on the amount that Verdant funded the Edmonds Senior Center. Mr. Rutledge commented that there will be no future food drives at the Edmonds Senior Center. He also stated kidney patient's health programs and dental vans are areas of need.

Executive
Session

President Knowles recessed the regular meeting at 9:15 a.m. into Executive Session to discuss ongoing litigation and potential real estate acquisition matters. President Knowles stated that no action would be taken in this Executive Session and the board would reconvene in approximately 15 minutes.


Open Session

President Knowles reconvened into open session at 9:30 a.m. Commissioner Knutsen requested a copy of the current Strategic Collaboration Meeting minutes from Superintendent Zapora.

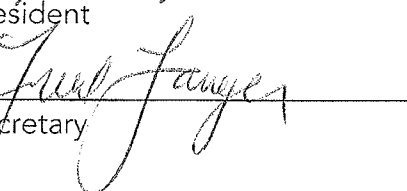
Adjourn

There being no further business to discuss, the meeting was adjourned at 9:32 a.m.

ATTEST BY:



President



Secretary

E:45.13
8.28.2013**Balance Sheet**

As of July 31, 2013

	A	B	C	D
	Dec 31, 2012	July 31, 2013	\$ Change	Comments:
1 ASSETS				
2 Current Assets				
3 Cash Balance	1,451,628	2,877,550	1,425,922	
4 Other Current Assets	42,012,053	43,226,918	1,214,865	Includes Investments
5 Total Current Assets	43,463,681	46,104,467	2,640,786	
6 Total Long-term & Fixed Assets	32,961,232	30,493,699	(2,467,533)	Depreciation
7 TOTAL ASSETS	<u>76,424,913</u>	<u>76,598,166</u>	<u>173,253</u>	
8 LIABILITIES & EQUITY				
9 Liabilities				
10 Current Liabilities	1,702,010	1,710,449	8,439	
11 Long-term Liabilities	6,107,870	6,107,870	-	2012 LTGO Bonds
12 Total Liabilities	7,809,880	7,818,319	8,439	
13 Total Equity	68,615,033	68,779,847	164,814	Annual Net Income
14 TOTAL LIABILITIES & EQUITY	<u>76,424,913</u>	<u>76,598,166</u>	<u>173,253</u>	

Profit & Loss

July 2013

	A	B	C	D	E	F
	July Actual	July Budget	Fav/(Unfav)	YTD Actual	YTD Budget	Fav/(Unfav)
1 INCOME						
2 Ordinary Income	836,787	835,488	1,298	5,856,655	5,866,418	(9,764)
3 EXPENSES						
4 Operating Expenses	131,820	122,512	(9,308)	781,973	876,542	94,569
5 Depreciation Expense	350,050	351,311	1,261	2,450,347	2,459,176	8,829
6 Program Expenses	180,816	525,000	344,184	1,418,825	3,675,000	2,256,175
7 Total Expenses	662,686	998,823	336,137	4,651,146	7,010,719	2,359,573
8 OTHER INCOME/(EXPENSE)						
9 Total Other Income/(Expense)	(106,899)	90,000	(196,899)	(1,040,695)	630,000	(1,670,695)
10 NET INCOME	<u>67,202</u>	<u>(73,335)</u>	<u>140,537</u>	<u>164,814</u>	<u>(514,300)</u>	<u>679,114</u>

Monthly Highlights

July 2013

Verdant received dividends payments of \$97,320 offset by an unrealized loss of \$209,384 on our investment portfolio in July. A total of \$646,235 in dividends has been received in 2013 for a ending market value of \$42,035,707. We hope to recover some of the unrealized loss in the months to come.

Annual program commitments total \$2,848,187 and \$2,554,990 for 2013 and 2014, respectively. Estimated board approved internal programs, including the Community Needs Assessment, total \$237,150 for 2013. \$3,214,663 remains available to spend in 2013, of which \$313,574 is earmarked as Superintendent Discretionary.

Verdant received a refund from the City of Edmonds in the amount of \$37,185 for un-utilized program funding. No unexpected expenses were incurred.

Public Hospital District #2 of Snohomish County
Summary of Cash Receipts and Disbursements
July 2013

	July 2013	
	Amount	
Receipts:		
Swedish/Edmonds Rental Income	636,540.00	
Other Rental Income	26,678.67	Value Village
Snohomish County Tax Levy	10,450.55	
Ground Lease Payments	4,166.67	Healthcare Reality
Misc. Reimbursements/Refunds	53,797.10	Reimbursement, Refunds & Interest Income
Total Receipts	<u>731,632.99</u>	
Disbursements:		
Professional Services:		
Legal Fees	12,094.80	Litigation and Professional Liability Legal Fees
Accounting Fees	4,165.00	Ash Consulting & Moss Adams
Professional Services	11,065.45	Benefit Solutions Administrator, IT Support, Aukuma
Purchased Services	727.14	Paychex, Bank Service Fees
Payroll	31,045.52	2 pay periods Plus Benefit Solutions & Employee Charitable Contributions
Payroll Taxes	10,763.76	2 pay periods & 2Q13 L&I
Employee Insurance	3,790.59	Regence Medical & Dental, Principal Life
Employee Retirement Contributions	3,881.90	Valic
Program Expenditures	227,135.03	Includes 6WHY & Community Needs Assessment
Workers Compensation	6,735.15	Eberle Vivian
Property Acquisition Costs	3,950.00	ALTA Land Survey
Other Miscellaneous Expenses	38,662.20	Supplies, Rent, Canon Lease, Dues, Interest Expense, Taxes
Total Disbursements	<u>354,016.54</u>	

Public Hospital District #2
Cash Activity

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10327	7/3/2013	Lynnwood Convention Center	638.02	Convention Center for Board Retreat
10328	7/3/2013	Lynnwood PFD	3,045.00	July Rent
10329	7/3/2013	Wells Fargo	1,357.67	Misc Credit Cards
10330	7/3/2013	Ace Internet Services, Inc.	503.95	IT Support
10331	7/3/2013	Comcast	330.24	Internet
10332	7/3/2013	Economic Alliance Snohomish County	395.00	Membership Dues
10333	7/3/2013	Shadow and Associates	2,000.00	Media/Public Speaking Training
10334	7/3/2013	WA Department of Revenue	9,107.25	2Q13 Leasehold Excise Tax
10335	7/3/2013	UNITED WAY	514.50	EE Charitable Contributions
10337	7/3/2013	OMF Cares	1,000.00	Superintendent Discretionary Program
10338	7/3/2013	University of Washington	100.00	LK attend CFO Forum
10339	7/3/2013	Ash Consulting	990.00	Accounting Consulting
10340	7/3/2013	Engenuity Advantage, LLC	87.00	Programs-6WHY Staff
10341	7/3/2013	Lynnwood Convention Center	13,135.73	Programs-6WHY Convention Space (4 sessions)
10342	7/10/2013	Benefit Solutions Inc	11.50	FSA Administrative Fee
10343	7/10/2013	Refugee & Immigrant Services NW	390.95	Translation Services for 6WHY & Website
10344	7/10/2013	Lynnwood PFD	160.00	Janitorial
10345	7/10/2013	Washington Employers	895.50	Dues 2Q13 & Salary Survey
10346	7/10/2013	Foster Pepper	4,124.80	Legal April 2013
10347	7/10/2013	California State Controller	516.14	CA Unclaimed Property
10348	7/10/2013	Aukema & Associates	10,550.00	Website Design
10349	7/15/2013	SightConnection	10,000.00	Programs
10350	7/24/2013	Canon Financial Services	301.13	Copy Machine Lease
10351	7/24/2013	Department of Labor and Industries	2,371.34	2Q13 Self Insured
10352	7/24/2013	Lynnwood PFD	3,045.00	August Rent
10353	7/24/2013	Regence Blueshield	3,167.55	Medical Insurance
10354	7/24/2013	Staples	168.36	Supplies
10355	7/24/2013	Pacific Geomatic Services, Inc.	3,950.00	Building Due Diligence - ALTA Land Survey
10356	7/24/2013	Principal Financial Group	623.04	Life Insurance
10357	7/24/2013	Wells Fargo	700.89	Misc
10358	7/24/2013	Washington Employers	198.00	LK & KG attend Project Management Class
10359	7/31/2013	Enduris	11,131.00	Insurance
10360	7/31/2013	Wells Fargo	973.64	Misc
10361	7/31/2013	Foster Pepper	7,970.00	Legal May 2013
10362	7/31/2013	Eberle Vivian	3,750.00	Workers Compensation Administration 3Q13
10363	7/31/2013	Comcast	330.45	Internet
10364	7/31/2013	Moss Adams - Cost Report	3,175.00	Accounting Cost Report
10365	7/31/2013	Pacific Art Press Inc	966.87	Programs - Community Needs Assessment Printing
Total Warrants			102,675.52	

Workers Compensation Claims Activity:		Date	Payee	Amount	Purpose
305039-305043	July 2013	Various Claimants/Vendors		2,985.15	Administered by Eberle Vivian
Wire/ACH Activity:					
	7/12/2013	Payroll		15,283.21	ACH payroll transfer
	7/12/2013	Department of Treasury		5,217.01	Payroll taxes for 7/6/13 pay period ending
	7/12/2013	Paychex		91.14	Fee for payroll processing
	7/12/2013	Valic		1,949.95	Payroll 401(a)/457 Deposit
	7/26/2013	Payroll		15,074.74	ACH payroll transfer
	7/26/2013	Department of Treasury		5,177.79	Payroll taxes for 7/20/13 pay period ending
	7/26/2013	Paychex		69.64	Fee for payroll processing
	7/26/2013	Valic		1,931.95	Payroll 401(a)/457 Deposit
	7/15/2013	Wells Fargo		49.72	Bank Service Fee
	7/15/2013	Wells Fargo		444.45	Bank Service Fee
	7/15/2013	Wells Fargo		52.36	Bank Service Fee
	7/15/2013	Bank of America - Fees		19.83	Bank Service Fee
	7/15/2013	American Diabetes Association		4,166.67	Program Payment
	7/15/2013	American Heart Association		800.00	Program Payment
	7/15/2013	Boys & Girls Club of Snohomish County		9,328.25	Program Payment
	7/15/2013	Cascade Bicycle Club Education Foundation		6,416.67	Program Payment
	7/15/2013	Center for Human Services		13,523.67	Program Payment
	7/15/2013	City of Lynnwood		6,455.67	Program Payment
	7/15/2013	Community Health Center of Snohomish Co		8,333.33	Program Payment
	7/15/2013	Domestic Violence Services Snohomish Co		1,621.08	Program Payment
	7/15/2013	Edmonds Community College		11,712.25	Program Payment
	7/15/2013	Edmonds School District No. 15		28,056.82	Program Payment
	7/15/2013	Edmonds Senior Center		5,764.50	Program Payment
	7/15/2013	Little Red Schoolhouse		22,000.00	Program Payment
	7/15/2013	Medical Teams International		4,000.00	Program Payment
	7/15/2013	Parent Trust for WA Children		2,083.33	Program Payment
	7/15/2013	Prescription Drug Assistance Foundation		4,166.67	Program Payment
	7/15/2013	Program for Early Parent Support		3,333.33	Program Payment
	7/15/2013	Project Access Northwest		6,666.67	Program Payment
	7/15/2013	Providence Hospice & Home Care Foundation		12,916.67	Program Payment
	7/15/2013	Puget Sound Christian Clinic		6,250.00	Program Payment
	7/15/2013	Senior Services of Snohomish County		11,208.33	Program Payment
	7/15/2013	YWCA of Seattle, King and Snohomish Co		4,166.66	Program Payment
	7/25/2013	Strategic Learning Resources, Inc.		28,583.91	Program Payment
	7/3/2013	Benefit Solutions Inc.		57.69	FSA Payments
	7/17/2013	Benefit Solutions Inc.		57.69	FSA Payments
	7/31/2013	Benefit Solutions Inc.		57.69	FSA Payments
	7/19/2013	Department of Labor and Industries		368.96	2Q13 State Fund
	7/29/2013	WA Department of Revenue		897.57	B&O tax for July 2013
Total Wires/ACH Transactions				248,355.87	
Total Disbursements				<u>\$ 354,016.54</u>	

Deposits:

Date	Payer	Amount	Purpose
7/1/2013	Value Village	26,678.67	
7/1/2013	Swedish/Edmonds	636,540.00	
7/1/2013	PFD - Copies	60.75	Copies
7/10/2013	Snohomish County	10,450.55	Tax Levy
7/24/2013	Healthcare Realty Services, Inc.	4,166.67	Monthly lease
7/18/2013	City of Edmonds Parks & Recreation	37,185.00	Refund for un-used Program Grant Funds
7/18/2013	Safety National Casualty Corporation	16,527.18	Refund for overpayment of P/L Claims
7/31/2013	Wells Fargo Interest Income	23.74	Interest income
7/31/2013	Sedgwick-Commerica	0.43	Interest income
Total Deposits		<u>\$ 731,632.99</u>	

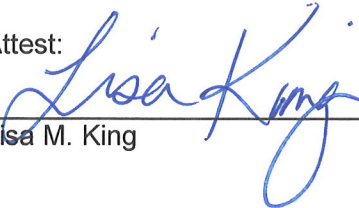
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8.28.2013

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 10327 through 10365 have been issued for payment in the amount of \$102,675.52. These warrants are hereby approved.

Attest:



Lisa M. King



Commissioner



Commissioner



Commissioner



Commissioner



Commissioner

Warrants Processed:	7-1-13 – 7-31-13	102,675.52
Work Comp Claims Pd:	7-1-13 – 7-31-13	2,985.15
Payroll:	6-23-13 – 7-6-13	15,283.21
	7-7-13 – 7-20-13	<u>15,074.74</u>
		30,357.95
Electronic Payments:	Payroll Taxes	10,763.76
	Paychex	160.78
	Valic Retirement	3,881.90
	Benefit Solutions	173.07
	Bank Fees	566.36
	WA State Dept Revenue	897.57
	Program Expenditures	<u>201,554.48</u>
		<u>217,997.92</u>
	Grand Total	<u>\$354,016.54</u>

E:47:13
8.28.2013

Preliminary Capital Project Budget
Prime Pacific Bank Purchase and Community Wellness Center Conversion

Building & Land Acquisition:	\$1,825,000
Project Management:	\$65,000
Architecture and Engineering Design:	\$190,000
Construction and Tenant Improvements:	\$765,000
Furniture, Fixtures & Equipment:	\$80,000
Contingency:	\$75,000
Total Capital Project Budget:	\$3,000,000

Notes from August 7 Study Session on Needs Assessment

Board Feedback on Potential Roles

1. **Gap filler:** Affordable Care Act leaves many access to healthcare issues. Some interest in defining our work as more than just gap filling. For example, how do we create a vision for improving access to healthcare for our community?
2. **Convener:** Interest in playing a 'sparkplug role' to take advantage of untapped cooperative problem solving. How do we inspire change and build collaborative structure?
3. **Door opener:** Should do convening first. There is an opportunity to focus on door opening for Access to Healthcare.
4. **Advocate:** Good connection because Verdant doesn't have unlimited resources. Stay away from political hot button issues.
5. **Community Builder:** Similar to advocate, interest in this because we don't have unlimited resources

Other Commissioner Comments:

- Some concern that the 'Five Potential Roles' too shallow
- What about bringing groups together on projects like Senior Services Center for Healthy Living?

Areas for Verdant Staff Follow-Up:

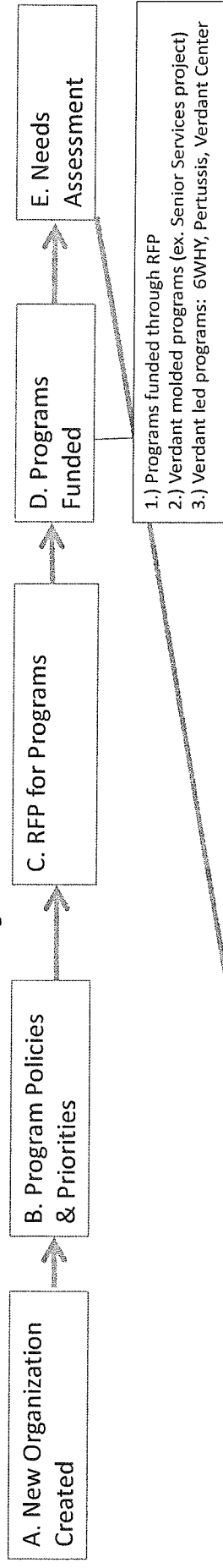
- 1.) Drill down into potential topics to identify clear needs and gaps. Ideas for 'drill down' include:
 - a. Youth Obesity/Activity
 - b. Preventative Mental Health
 - c. Caregiver support (including single parents, other groups)
 - d. Wellness Programming
- 2.) Engage the insurers to learn more about what they are doing, particularly on wellness issues.
- 3.) Identify ways to engage members of the community we are not reaching: for example small business owners or other types of community leaders beyond elected officials and company executives.

The board started brainstorming criteria for deciding further focus, including:

- Programs are locally based and address local issues
- Not a clinical focus
- Reach diverse groups (culturally, generationally, gender, etc.)
- Ability to leverage funds
- Partners are available
- Have the ability to be sustainable

Program Planning Process

Phase I Strategies



- 1.) Programs funded through RFP
 2.) Verdant molded programs (ex. Senior Services project)
 3.) Verdant led programs: 6WHY, Pertussis, Verdant Center

H. Phase II Strategies:

1. Existing: Grants, Verdant led programs, events
2. New initiatives, identified: Verdant Center, Building Healthy Communities Fund
3. Proposed additional initiatives:
 - a. Childhood activity/obesity
 - b. Caregiver support
 - c. Preventative mental health
 - d. Access to healthcare:
 - i. Dental
 - ii. Address financial barriers
 - iii. Quality of care for diverse communities

G. Revise Priorities & Strategies

We Are Here

F. Board Review & Feedback

- Criteria:
- Locally based
 - Not clinical
 - Reach diverse groups
 - Leverage funds
 - Partners available
 - Sustainable

I. 2014 Budget – Early Draft

1. Program grants \$3.5m to \$Xm
2. Verdant led programs: \$0.25m to \$Xm
3. Verdant Center: \$0.0m to \$Xm
4. One-time events: \$0.1m to \$Xm
5. Building Healthy Com. Fund: \$0.0m to \$Xm



Follow up to Discussion about Projects that Provide Opportunities for Physical Activity

On August 16, the program committee met with legal counsel (Bradley Berg of Foster Pepper) to review the possibility of investing in projects that increase opportunities for physical activity. The committee shared information about the two recent funding proposals: the City of Brier walking path, and the Edmonds School District/City of Edmonds proposal to fund a recreation complex at the old Woodway High school site. Mr. Berg's guidance included three key points:

1. Verdant can make a logical connection between increasing opportunities for physical activity and public hospital districts' charter to provide 'other health maintenance services.'
2. It is important to note that Verdant would not be contracting for the construction of park or recreation facilities. Instead, Verdant would be contracting with entities for health maintenance services for the benefit of district residents.
3. Given that Verdant would be contracting for services, there would need to be some means to measure whether recipients of funding are actually providing the services. For example, if Verdant funds are used to build recreation facilities, the recipient of funds should be able to describe the programs and activities that are provided as a result of funding.



Given this discussion, the program committee is recommending establishing the following criteria for a new 'Building Healthy Communities Fund.' After an open application process, the program committee will bring back funding recommendations based on these criteria.

General Description

The Verdant Building Healthy Communities Fund will support projects in South Snohomish County that increase opportunities for residents to live active and healthy lives. Successful projects will sustain long-term improvements that help residents to live healthy and active lives, and funds will be provided on a one time (rather than ongoing) basis.

Selection Criteria

Preference for projects that:

- Provide access to health and wellness opportunities in neighborhoods or communities that are not currently available.
- Can measure specific results and community health or wellness improvements as a result of the project. Verdant has a preference for projects that can demonstrate improvements in health or wellness, rather than just raw usage numbers.
- Include cooperation between multiple organizations or jurisdictions.
- Leverage other funding sources.
- Have a clear plan for ongoing maintenance and sustainability.

Other Verdant Funding Considerations

- Geographic balance within Verdant's district.
- Size of request and neighborhoods/areas served.
- Role and appropriateness of Verdant's funds along with an analysis of other funding sources (ex. federal, state, city budgets).

Eligible Entities

- Local governments
- Non-profit organizations
- School districts
- Service clubs and organizations

E:50:13
8.28.2013

Additional Program Investment Scenarios

At the July 24, 2013 board meeting, Verdant staff presented a long range program investment forecast that included organizational reserve levels. At the meeting, there was some interest in seeing additional scenarios with higher levels of program investment.

- **Scenario 1:** similar to scenario from last time with latest program spending and operating expense forecasts included. Would reach \$63 million in reserves by 2020.
- **Scenario 2:** increase program spending to \$7.15 million by 2016, \$10 million by 2020. Would reach \$54 million in reserves by 2020.
- **Scenario 3:** includes a faster ramp up to program spending: \$9 million in 2017 and \$10 million in 2018 and beyond. Would reach \$50.5 million in reserves by 2020.

Reach \$62.7M by 2020

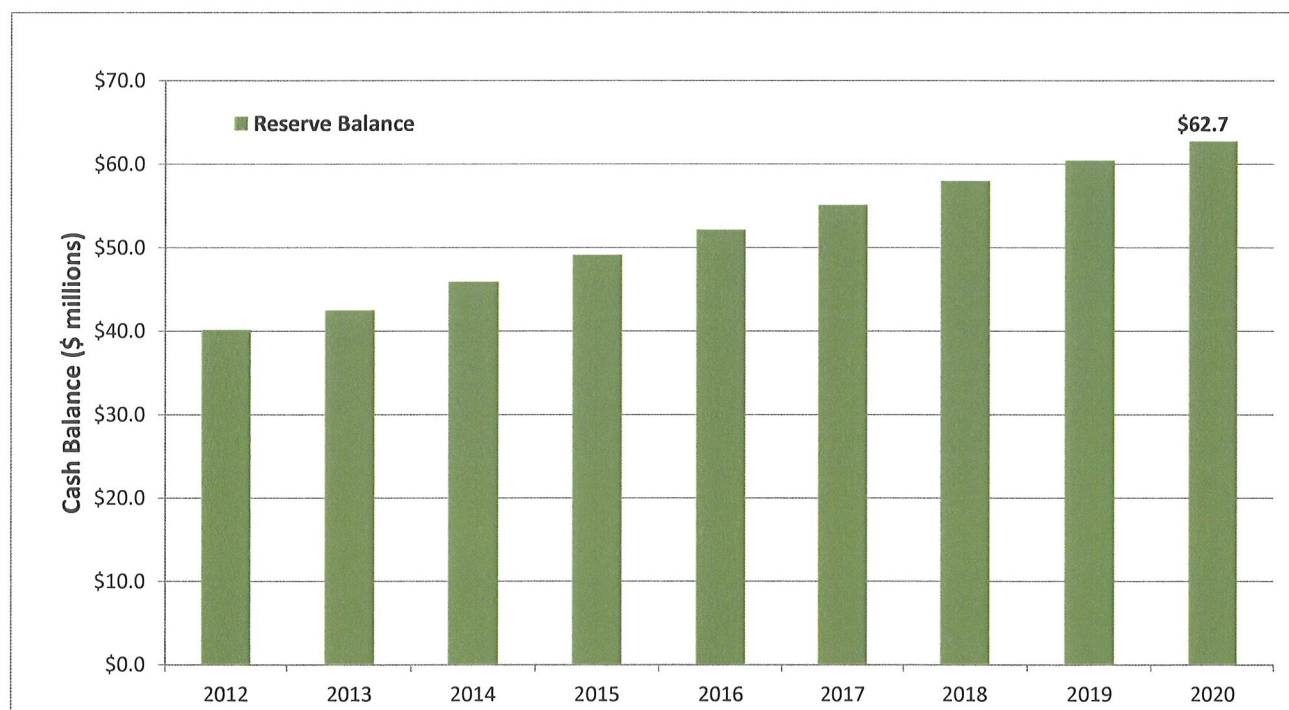
	A	B	C	D	E	F	G	H	I	J
1	\$ Millions	2012	2013	2014	2015	2016	2017	2018	2019	2020
2	Revenue									
3	Swedish Lease	\$7.49	\$7.71	\$7.95	\$8.18	\$8.43	\$8.68	\$8.94	\$9.21	\$9.49
4	Value Village Lease	\$0.28	\$0.28	\$0.26	\$0.26	\$0.27	\$0.28	\$0.29	\$0.00	\$0.00
5	Pavillion Ground Lease	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
6	Investment Earnings	\$1.12	\$0.80	\$0.85	\$0.92	\$0.98	\$1.04	\$1.10	\$1.16	\$1.21
7	Levy	\$2.04	\$2.05	\$2.05	\$2.06	\$2.06	\$2.07	\$2.07	\$2.07	\$2.08
8	Total Revenue	\$10.97	\$10.90	\$11.16	\$11.47	\$11.79	\$12.12	\$12.46	\$12.49	\$12.82
9	Expenses									
10	Regular Verdant Operating Expenses	\$1.04	\$1.08	\$1.19	\$1.23	\$1.28	\$1.33	\$1.39	\$1.44	\$1.50
11	Total Program Expenses	\$1.87	\$3.64	\$5.73	\$6.17	\$6.58	\$6.91	\$7.25	\$7.62	\$8.00
12	Hospital Legacy	\$0.13	\$0.12	\$0.10	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
13	Ongoing Hospital	\$0.09	\$0.09	\$0.08	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
14	Bond Principal Payments	\$1.81	\$0.72	\$0.75	\$0.77	\$0.81	\$0.84	\$0.88	\$0.92	\$0.96
15	Total Expenses	\$5.97	\$5.56	\$7.76	\$8.24	\$8.74	\$9.15	\$9.58	\$10.05	\$10.53
16	Cash Outlay for Building Purchase		\$3.00							
17	Net Operating Cash Flow	\$5.00	\$2.33	\$3.40	\$3.22	\$3.05	\$2.97	\$2.87	\$2.45	\$2.30
18	Beginning Cash Balance*	\$35.12	\$40.13	\$42.46	\$45.86	\$49.08	\$52.14	\$55.11	\$57.98	\$60.43
19	Net Cash Flow	\$5.00	\$2.33	\$3.40	\$3.22	\$3.05	\$2.97	\$2.87	\$2.45	\$2.30
20	Ending Cash Balance*	\$40.13	\$42.46	\$45.86	\$49.08	\$52.14	\$55.11	\$57.98	\$60.43	\$62.72

Assumptions	
Growth Rate on Swedish Lease Income	3%
Operating Expense Growth Rate	4%
Earnings on Investment Portfolio	2%

Notes:

Line 4 assumes 5 year contract renewal for Value Village

Line 10 assumes a one-time 10% increase in operating cost for 2014



Scenario 2: Reach \$54.2M by 2020

	A	B	C	D	E	F	G	H	I	J
1	\$ Millions	2012	2013	2014	2015	2016	2017	2018	2019	2020
2	<u>Revenue</u>									
3	Swedish Lease	\$7.49	\$7.71	\$7.95	\$8.18	\$8.43	\$8.68	\$8.94	\$9.21	\$9.49
4	Value Village Lease	\$0.28	\$0.28	\$0.26	\$0.26	\$0.27	\$0.28	\$0.29	\$0.00	\$0.00
5	Pavillion Ground Lease	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
6	Investment Earnings	\$1.12	\$0.80	\$0.85	\$0.90	\$0.95	\$1.00	\$1.04	\$1.07	\$1.08
7	Levy	\$2.04	\$2.05	\$2.05	\$2.06	\$2.06	\$2.07	\$2.07	\$2.07	\$2.08
8	Total Revenue	\$10.97	\$10.90	\$11.16	\$11.45	\$11.76	\$12.08	\$12.40	\$12.40	\$12.69
9	<u>Expenses</u>									
10	Regular Verdant Operating Expenses	\$1.04	\$1.08	\$1.19	\$1.23	\$1.28	\$1.33	\$1.39	\$1.44	\$1.50
11	Total Program Expenses	\$1.87	\$3.64	\$6.58	\$6.68	\$7.15	\$7.87	\$8.65	\$9.52	\$10.00
12	Hospital Legacy	\$0.13	\$0.12	\$0.10	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
13	Ongoing Hospital	\$0.09	\$0.09	\$0.08	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
14	Bond Principal Payments	\$1.81	\$0.72	\$0.75	\$0.77	\$0.81	\$0.84	\$0.88	\$0.92	\$0.96
15	Total Expenses	\$5.97	\$5.56	\$8.60	\$8.75	\$9.31	\$10.11	\$10.99	\$11.95	\$12.53
16	Cash Outlay for Building Purchase		\$3.00							
17	Net Operating Cash Flow	\$5.00	\$2.33	\$2.55	\$2.70	\$2.45	\$1.97	\$1.41	\$0.46	\$0.17
18	Beginning Cash Balance*	\$35.12	\$40.13	\$42.46	\$45.01	\$47.71	\$50.16	\$52.13	\$53.54	\$54.00
19	Net Cash Flow	\$5.00	\$2.33	\$2.55	\$2.70	\$2.45	\$1.97	\$1.41	\$0.46	\$0.17
20	Ending Cash Balance*	\$40.13	\$42.46	\$45.01	\$47.71	\$50.16	\$52.13	\$53.54	\$54.00	\$54.17

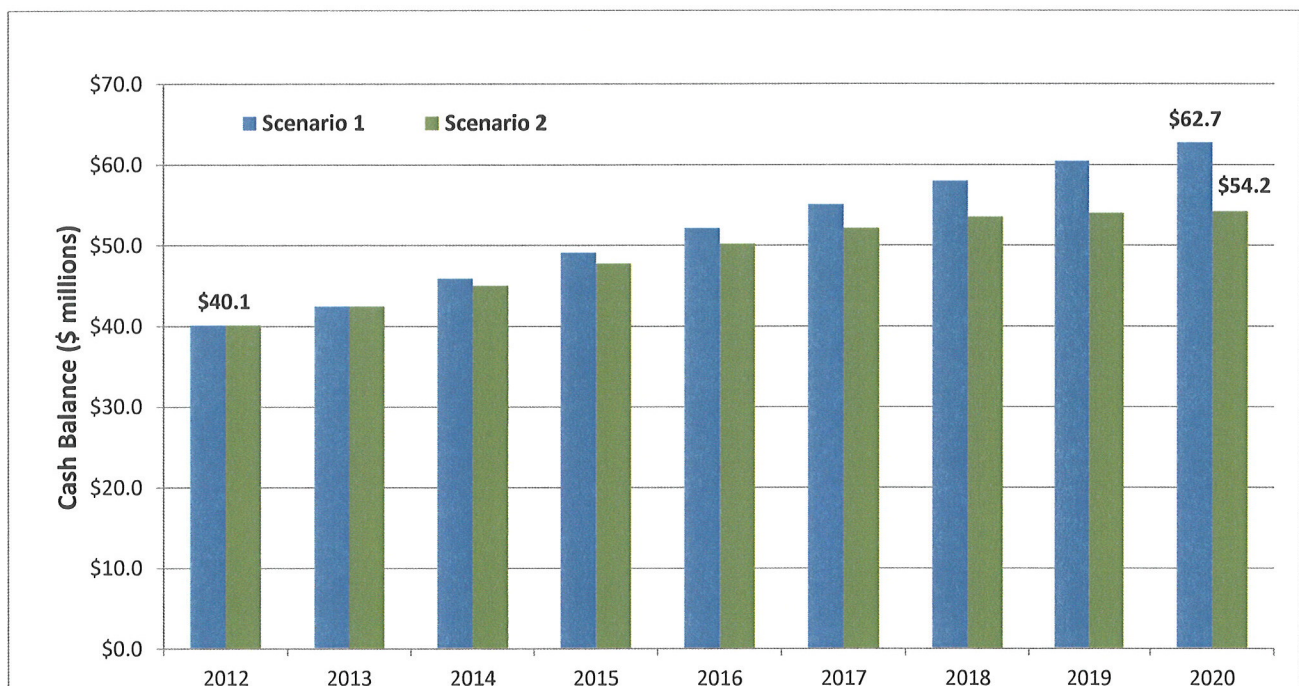
Assumptions	
Growth Rate on Swedish Lease Income	3%
Operating Expense Growth Rate	4%
Earnings on Investment Portfolio	2%

Notes:

Line 4 assumes 5 year contract renewal for Value Village

Line 11 assumes a 10% increase per year (2017-2020) leveling off at \$10m

Line 10 assumes a one-time 10% increase in operating cost for 2014



Scenario 3: Reach \$50.5M by 2020

	A	B	C	D	E	F	G	H	I	J
1	\$ Millions	2012	2013	2014	2015	2016	2017	2018	2019	2020
2	<u>Revenue</u>									
3	Swedish Lease	\$7.49	\$7.71	\$7.95	\$8.18	\$8.43	\$8.68	\$8.94	\$9.21	\$9.49
4	Value Village Lease	\$0.28	\$0.28	\$0.26	\$0.26	\$0.27	\$0.28	\$0.29	\$0.00	\$0.00
5	Pavillion Ground Lease	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
6	Investment Earnings	\$1.12	\$0.80	\$0.85	\$0.91	\$0.96	\$0.99	\$1.01	\$1.01	\$1.01
7	Levy	\$2.04	\$2.05	\$2.05	\$2.06	\$2.06	\$2.07	\$2.07	\$2.07	\$2.08
8	Total Revenue	\$10.97	\$10.90	\$11.16	\$11.46	\$11.77	\$12.07	\$12.36	\$12.34	\$12.62
9	<u>Expenses</u>									
10	Regular Verdant Operating Expenses	\$1.04	\$1.08	\$1.19	\$1.23	\$1.28	\$1.33	\$1.39	\$1.44	\$1.50
11	Total Program Expenses	\$1.87	\$3.64	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$10.00	\$10.00
12	Hospital Legacy	\$0.13	\$0.12	\$0.10	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
13	Ongoing Hospital	\$0.09	\$0.09	\$0.08	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
14	Bond Principal Payments	\$1.81	\$0.72	\$0.75	\$0.77	\$0.81	\$0.84	\$0.88	\$0.92	\$0.96
15	Total Expenses	\$5.97	\$5.56	\$8.03	\$9.07	\$10.16	\$11.24	\$12.33	\$12.43	\$12.53
16	Cash Outlay for Building Purchase		\$3.00							
17	Net Operating Cash Flow	\$5.00	\$2.33	\$3.13	\$2.39	\$1.61	\$0.83	\$0.03	-\$0.09	\$0.10
18	Beginning Cash Balance*	\$35.12	\$40.13	\$42.46	\$45.59	\$47.98	\$49.59	\$50.42	\$50.45	\$50.36
19	Net Cash Flow	\$5.00	\$2.33	\$3.13	\$2.39	\$1.61	\$0.83	\$0.03	-\$0.09	\$0.10
20	Ending Cash Balance*	\$40.13	\$42.46	\$45.59	\$47.98	\$49.59	\$50.42	\$50.45	\$50.36	\$50.46

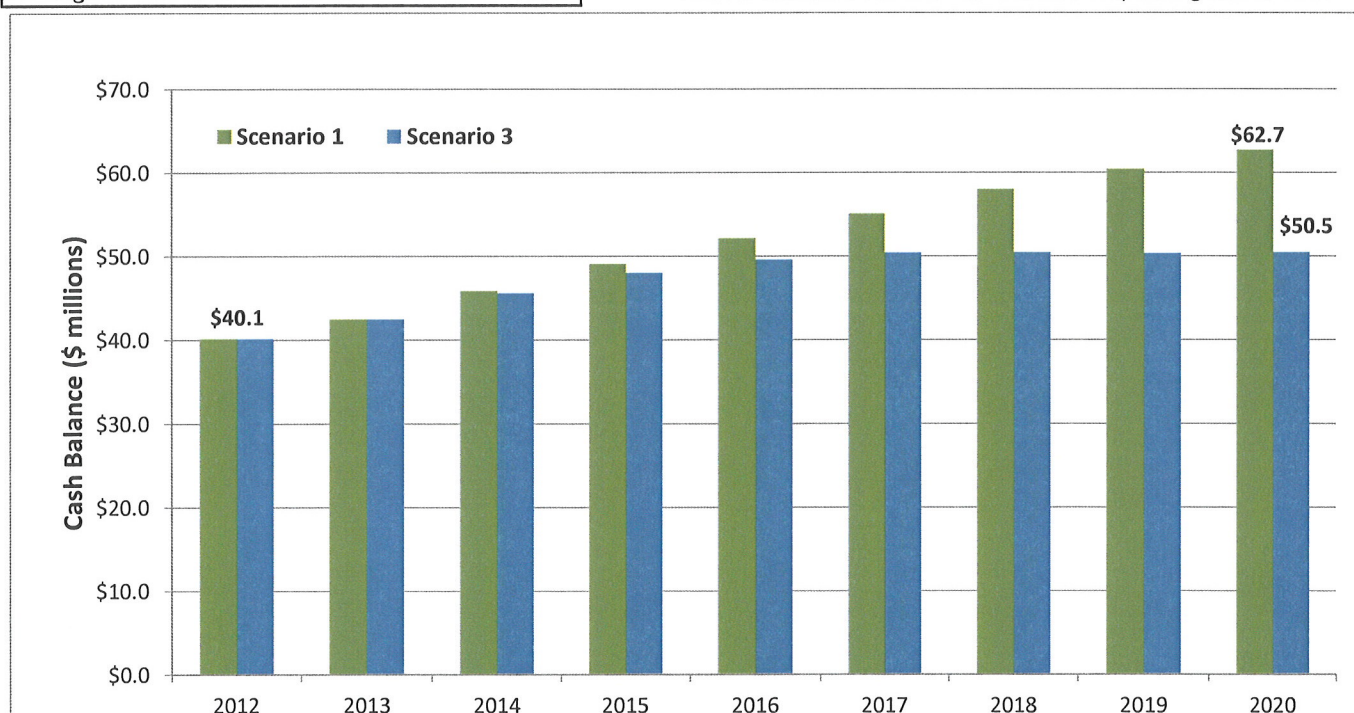
Assumptions	
Growth Rate on Swedish Lease Income	3%
Operating Expense Growth Rate	4%
Earnings on Investment Portfolio	2%

Notes:

Line 4 assumes 5 year contract renewal for Value Village

Line 11 assumes a \$1m increase per year, leveling off at \$10m

Line 10 assumes a one-time 10% increase in operating cost for 2014



August 2013 Program Summary

Summary of Programs for Discussion

- 7 new program funding applications
- 2 pending applications from July meeting

New Program Applications for Funding

Recommended for funding

- **Holly House For Kids - Dental Supplies:** a one-time request to provide dental supply kits (toothbrushes, floss, mouthwash) to 2,000 low-income children in the Edmonds School District. The dental supplies would be distributed during the holiday season. **The committee is recommending fully funding the request on a one-time basis for \$10,000.**
- **Swedish Medical Center Foundation - Imagine Gala in support of the Emergency Department and Campus Redevelopment:** a one-time request for support of \$25,000. In each of the past two years Verdant has provided \$10,000 for the event. **The committee is recommending fully funding the request on a one-time basis for \$25,000.**
- **Mountlake Terrace Senior Center - Nutrition Program Upgrades:** the Mountlake Terrace Senior Center is moving to a new city-owned facility on Lake Ballinger and the Senior Center is seeking one-time funding of \$60,000 to upgrade the kitchen to expand its ability to offer meal and nutrition programs for seniors. **The program committee is recommending fully funding the request at \$60,000 on a one-time basis.**

For Board Discussion

- **Washington Community Action Network- Insurance Enrollment Project:** a request to support a high-touch insurance outreach and enrollment program. The project would use door-to-door outreach, phone banking, and electronic communication to reach newly eligible enrollees. The program would target low-income and diverse neighborhoods and would be based out of the Las Americas Business Center in Lynnwood. Verdant funding of \$180,000 would be used to hire a full-time staff member and 10 part-time multi-lingual staff to conduct outreach. Commissioner Knutsen recused herself from the discussion of this program, so there is not a committee recommendation.

Need Additional Information & Follow-up

- **Snohomish County Fire District 1- Community Paramedic:** Fire District 1 is seeking funding to establish a community paramedic program. The community paramedic would review 911 call reports and referrals from other firefighters/paramedics and would follow-up to address patients' needs. As presented, the proposal seemed to be mostly internally focused within the Fire District, and the program committee would like to better understand how the program fits in with other community partners and supports. The committee would also like to touch base with the Lynnwood Fire Department to see if they might be interested on collaborating on a similar program.

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August 2013 Program Summary

Summary of Programs for Discussion

- 7 new program funding applications
- 2 pending applications from July meeting

New Program Applications for Funding

Recommended for funding

- **Holly House For Kids - Dental Supplies:** a one-time request to provide dental supply kits (toothbrushes, floss, mouthwash) to 2,000 low-income children in the Edmonds School District. The dental supplies would be distributed during the holiday season. **The committee is recommending fully funding the request on a one-time basis for \$10,000.**
- **Swedish Medical Center Foundation - Imagine Gala in support of the Emergency Department and Campus Redevelopment:** a one-time request for support of \$25,000. In each of the past two years Verdant has provided \$10,000 for the event. **The committee is recommending fully funding the request on a one-time basis for \$25,000.**
- **Mountlake Terrace Senior Center - Nutrition Program Upgrades:** the Mountlake Terrace Senior Center is moving to a new city-owned facility on Lake Ballinger and the Senior Center is seeking one-time funding of \$60,000 to upgrade the kitchen to expand its ability to offer meal and nutrition programs for seniors. **The program committee is recommending fully funding the request at \$60,000 on a one-time basis.**

For Board Discussion

- **Washington Community Action Network- Insurance Enrollment Project:** a request to support a high-touch insurance outreach and enrollment program. The project would use door-to-door outreach, phone banking, and electronic communication to reach newly eligible enrollees. The program would target low-income and diverse neighborhoods and would be based out of the Las Americas Business Center in Lynnwood. Verdant funding of \$180,000 would be used to hire a full-time staff member and 10 part-time multi-lingual staff to conduct outreach. Commissioner Knutsen recused herself from the discussion of this program, so there is not a committee recommendation.

Need Additional Information & Follow-up

- **Snohomish County Fire District 1- Community Paramedic:** Fire District 1 is seeking funding to establish a community paramedic program. The community paramedic would review 911 call reports and referrals from other firefighters/paramedics and would follow-up to address patients' needs. As presented, the proposal seemed to be mostly internally focused within the Fire District, and the program committee would like to better understand how the program fits in with other community partners and supports. The committee would also like to touch base with the Lynnwood Fire Department to see if they might be interested on collaborating on a similar program.

- **Snohomish County Fire District 1 - Disaster Medicine Project:** a multi-year funding request to create a community-based disaster readiness program. The project would recruit military veterans and volunteers, train hospital staff and first responders, and conduct disaster exercises. Funds would be used for staffing (3 positions + 2 provided in-kind), exercises, and equipment. **The program committee would like to bring the applicant in for a Q&A to better understand how this fits in with hospital activities.**
- **Edmonds School District & City of Edmonds Woodway Campus Renovation:** a one-time request of \$2.5 million to create a multi-use recreational space at the former Woodway High School. The site will include four full size turf fields and a walking path, tennis courts, and a community garden area. The goal is to build a regional destination promoting health and wellness. **The committee is recommending considering this request with other 'Building Healthy Community Fund' projects.**

Follow-up Program Applications

Previous Applications:

- **Seattle VNA - Emergency Alert & Response System:** after additional discussion, the program committee is **not recommending this proposal for funding.** The committee would be open to exploring a project with Seattle VNA that focused more on direct services to individuals and families, and dedicated fewer resources to a commercially available alert system.
- **City of Brier Walking Path:** a one-time request of \$90,345. **The committee is recommending considering this request with other 'Building Healthy Community Fund' projects.**

Verdant Health Commission Proposal Summary August 2013

A		B			C			D			E			F			G			H			I			J		
New Programs for August Review																												
		Description			Request for funding									Priority Area														
#		Name			Year 1			Year 2			Year 3			Education & Empowerment			Prevention			Access to Healthcare			Policy & Advocacy			Primary Population Served		
1		Holly House For Kids - Dental Supplies			\$10,000									X												Children		
2		Snohomish County Fire District 1 - Community Paramedic			\$144,426			\$144,426						X			X			X						Broad Community		
3		Swedish Medical Center Foundation			\$25,000												X									N/A		
4		Disaster Medicine Project - Fire District 1			\$288,580			\$144,290			\$86,574						X						X			Broad Community		

Verdant Health Commission Proposal Summary August 2013

#	Name	Description	Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy	Primary Population Served
5	Edmonds School District & City of Edmonds - Woodway Recreation Campus Renovation	This is a joint project with the Edmonds School District and the City of Edmonds to create a multi-use recreational space. The site will include four full size turf fields and a walking path, tennis courts, and a community garden area. The goal is to build a regional destination promoting health and wellness.	\$2,500,000				X			Broad Community
6	Mountlake Terrace Senior Center - Nutrition Program Kitchen Upgrades	The Mountlake Terrace Senior Center is relocating to a new city owned facility on Lake Ballinger. The Senior Center is seeking one-time funding to upgrade the kitchen to expand its ability to offer meal and nutrition programs. Funds would be used to upgrade the kitchen, food preparation, serving and dining areas, and to make the space ADA compatible.	\$60,000			X	X			Seniors
7	Washington Community Action Network Education & Research Fund -South Snohomish County Enrollment Project	The request would support a high touch health insurance outreach and enrollment program. The project would use door-to-door outreach, phone banking, and electronic communication to reach newly eligible enrollees. The program would target low-income and diverse neighborhoods and would be based out of the Las Americas Business Center in Lynnwood. Verdant funding would be used to hire a full time staff member and 10 part time multi-lingual staff to conduct outreach.	\$180,000					X		Low-income & Uninsured
Subtotal			\$3,208,006	\$288,716	\$86,574					

Verdant Health Commission Proposal Summary July 2013

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