

VERDANT HEALTH COMMISSION
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
BOARD OF COMMISSIONERS
Regular Meeting
A G E N D A
October 22, 2014
8:00 AM to 9:10 AM

	<u>ACTION</u>	<u>TIME</u>	<u>PAGE</u>
A. Call to Order			
Pledge of Allegiance	---	8:00	---
B. Approval of the Minutes			
a) September 24, 2014 Board Meeting	Action	8:01	1-5
b) October 14, 2014 Special Board Meeting	Action	8:02	6-7
C. Executive Committee Report	Information	8:03	---
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Action	8:05	8-11
b) Authorization for payment of vouchers and payroll	Action	8:07	12
c) Public hearing on 2015 budget & revenue	Hearing	8:08	---
d) Resolution 2014:07 adopting 2015 Property Tax Levy	Action	8:20	13-15
e) Resolution 2014:08 adopting the 2015 Budget	Action	8:25	16-19
E. Program Oversight Committee Report & Recommendations			
a) Conflicts of interest	Action	8:30	---
b) Program investment recommendations	Action	8:35	20-23
F. Marketing Report	Information	8:40	24
G. Commissioner Comments	Information	8:45	---
H. Superintendent's Report	Information	8:50	---
I. Public Comments (please limit to three minutes per speaker)	---	8:55	---
J. Executive Session			
a) Discuss potential litigation related to Swedish/Edmonds	---	9:00	---
K. Open Session	---	9:10	---
L. Adjournment	---	9:10	---

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

BOARD OF COMMISSIONERS

*Regular Meeting
VHC Board Room
October 22, 2014*

Commissioners Present	Bob Knowles, President Deana Knutsen, Commissioner J. Bruce Williams, M.D., Commissioner Fred Langer, Commissioner Karianna Wilson, Commissioner (via telephone)
Others Present	George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Sue Waldin, Community Wellness Program Manager Karen Goto, Executive Assistant Members of the community
Staff Excused	Carl Zapora, Superintendent
Guests	Beth Rodriguez, Interim Marketing Director
Call to Order	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:02 a.m. by President Knowles.
Approval of Minutes	<i>Motion was made, seconded and passed unanimously to approve the minutes of the regular meeting on September 24, 2014. Motion was made, seconded and passed unanimously to approve the minutes of the special board meeting on October 14, 2014.</i>
Executive Committee	President Knowles reported that the Executive Committee met on October 17, 2014 to review and approve the October 22, 2014 board meeting agenda. No action was taken.
Board Finance Committee	The committee met on October 14, 2014. Ms. King reviewed the financial statements and cash activity for September 2014 (E:59:14).

Authorization for
Payment of
Vouchers &
Payroll

Warrant Numbers 10811 through 10852 for September 2014 for payment in the amount of \$528,229.05 were presented for approval (E:60:14). *Motion was made, seconded and passed unanimously to approve.*

Public Hearing
on 2015 Budget
& Revenue

President Knowles opened the public hearing on the proposed 2015 budget and revenue at 8:10 a.m. Ms. Mary Hovander, a resident of the district asked for clarification on the property tax revenue anticipated in 2015. Ms. Hovander also asked if Exhibit A on page 19 of the board packet was the proposed budget. Ms. King handed out the two-page 2015 draft budget (E:61:14) and clarified that an estimated \$34,986.41 of levy revenue in 2015 will come from refunds and new construction.

Commissioner Langer commented that renewable energy tax income did not apply for the hospital district.

Ms. Rowena Miller, a resident of Edmonds expressed concern about the property tax increase of 2.155%, asked about the amount of bank capacity that the district has, and questioned the need given the recent \$50,000 grant to the Swedish/Edmonds Gala. She was also concerned about the appearance of a lack of transparency on the part of the district as there is only 10 minutes in today's agenda for the subject of the budget.

Commissioner Knutsen explained the budget process for the district in which a draft budget is prepared by the staff and brought to the Finance Committee for input and review. The Program Committee also reviews the draft budget.

District reserves are in place for 1. If the district needs to take over operations at Swedish/Edmonds, and 2. Quick access to money for emergency needs of the county such as an Ebola epidemic. There originally was a goal of \$60 million in reserves, but that amount has been lowered to \$40 million with the difference to be used in programs. The district assembles the budget in October of each year with an estimate of everything it will actually accomplish in the coming year. Commissioner Knutsen also noted that on October 14, 2014 the board held a special meeting to review the proposed 2015 budget.

Commissioner Langer reiterated that the district is mindful of the budget process as this had been an issue in the past, and that the programs the district provides are inclusive of all types of residents; senior citizens, children, disadvantaged, etc. The district follows Washington state law set forth by the legislature on transparency standards.

Commissioner Williams clarified that the increase in tax levy for 2015 amounts to roughly 20 cents per person per year and also echoed Commissioner Langer in that the district does indeed help the disadvantaged of the county with its programs.

Ms. Miller expressed appreciation for the commissioner responses.

President Knowles closed the budget hearing at 8:32 a.m.

Resolution
2014:07
Adopting 2015
Property Tax
Levy

Resolution 2014:07 approving the dollar amount and percentage increase in the District's regular property tax levy for calendar year 2015. *Motion was made, seconded and passed unanimously to approve Resolution 2014:07.*

Resolution
2014:08
Adopting the
2015 Budget

Motion was made, seconded and passed unanimously to approve Resolution 2014:08 approving and adopting the District's budget for calendar year 2015.

Program
Oversight
Committee
Update

The Program Oversight Committee met on October 13, 2014 to review four new program funding applications, follow up on one application, and review twelve requests received under the Behavioral Health RFP (E:62:14).

No conflicts of interest were reported by any of the commissioners.

New Funding Applications:

Motion was made, seconded and passed unanimously to approve the Cornerstone Medical Services Everyday Prevention & Benefits program in the amount of \$60,000 per year for three years.

The Superintendent approved the use of \$11,250 from the Superintendent Discretionary Fund on a one-time basis to the Holly House for Kids dental supplies programs which provides each child who qualifies with two tooth brushes, two tubes of toothpaste, a 1-minute timer, dental floss, and education information on oral health practices.

Not recommended for funding:

Snohomish Health District Growing Healthy Together \$350,000 annual request to support a program for pregnant and parenting women to reduce low-birth weight deliveries, increase breastfeeding and build on a social marketing

campaign called 5210.

Proposals for follow-up:

Omada Health Diabetes Prevention Program:

Commissioner Knowles explained that the program is tailored to a specific demographic of the district and tailored to prevention which is not usually covered by health insurance. The Program Committee will have further discussion on this program.

Snohomish County Health Leadership Coalition:

Request for additional funding for phase II and phase III of two initiatives: Youth Activity Initiative aimed at improving 5th grade activity levels, and Palliative Care Initiative which is a community-based, palliative care consumer and physician/ARNP education program. A presentation was given by Scott Forslund at the October 14, 2014 special board meeting. Commissioner Williams questioned if palliative care is part of the mission of the Public Hospital District and that youth physical activity is already provided by the hospital district to the Edmonds School District. Mr. Kosovich explained that the coalition is providing education to the consumer around end-of-life decisions as part of the palliative care initiative.

The Program Committee will take the concerns under consideration and provide the board with a recommendation at a future board meeting.

**Marketing
Report**

Ms. Piplic presented the report (E:63:14) which includes the fall/winter issue of The Canopy coming in mid-November 2014 and the 6 Weeks to a Healthier You reunion session on October 28, 2014. Ms. Piplic also presented a copy of a thank you letter from a district resident on the Snohomish County Fire District 1 community paramedic program and The Canopy (E:65:14).

**Commissioner
Comments**

None

**Superintendent's
Report**

Mr. Kosovich reported on three items:

1. Superintendent Zapora is away at a conference this week
2. Superintendent's Discretionary Fund will be used to fund a \$500 request for a 5K run to benefit the Lynnwood Food Bank.
3. Upcoming events for the board include the board retreat on November 7 to 8, 2014, the

Swedish/Edmonds Gala on November 14, 2014 and
the last board meeting for 2014 on Wednesday,
November 19, 2014.

Public
Comments

Ms. Rowena Miller of the League of Women Voters
Snohomish County thanked the board for providing
programs for district residents.
Ms. Mary Hovander of the League of Women Voters
commented that there is a nation-wide backlash on taxation
and that two Snohomish Health District clinics are being
considered for closure in Everett and in Lynnwood.

Executive
Session

President Knowles recessed the regular meeting at 9:05 a.m.
into Executive Session to discuss potential litigation related
to Swedish/Edmonds.
President Knowles stated that the board would reconvene at
9:15 a.m. and no action would be taken in Executive Session.

Open Session

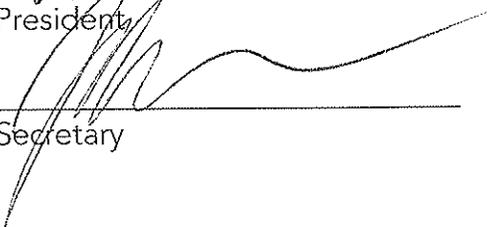
President Knowles adjourned the Executive Session at 9:25
a.m. into Open Session.

Adjourn

There being no further business to discuss, the meeting was
adjourned at 9:25 a.m.

ATTEST BY:



President


Secretary

E:59:114
10.22.14
DRAFT

Accrual Basis

Public Hospital District #2, Snohomish County

Balance Sheet

As of September 30, 2014

DRAFT

	A	B	C	D
	Dec 31, 2013	Sept 30, 2014	\$ Change	Comments:
1 ASSETS				
2 Current Assets				
3 Cash Balance	2,579,704	4,600,852	2,021,148	
4 Other Current Assets	30,029,953	30,547,948	517,995	Includes Investments
5 Total Current Assets	32,609,657	35,148,800	2,539,143	
6 Total Long-term & Fixed Assets	45,756,307	45,336,821	(419,485)	Depreciation
7 TOTAL ASSETS	<u>78,365,964</u>	<u>80,485,622</u>	<u>2,119,658</u>	
8 LIABILITIES & EQUITY				
9 Liabilities				
10 Current Liabilities	2,039,484	1,504,111	(535,372)	
11 Long-term Liabilities	5,689,038	5,642,515	(46,522)	2012 LTGO Bonds
12 Total Liabilities	7,728,521	7,146,627	(581,894)	
13 Total Equity	70,637,443	73,338,995	2,701,553	Annual Net Income
14 TOTAL LIABILITIES & EQUITY	<u>78,365,964</u>	<u>80,485,622</u>	<u>2,119,658</u>	

Profit & Loss

September 2014

	A	B	C	D	E	F
	Sept Actual	Sept Budget	Fav/(Unfav)	YTD Actual	YTD Budget	Fav/(Unfav)
1 INCOME						
2 Ordinary Income	811,012	811,197	(185)	7,119,425	7,115,554	3,870
3 EXPENSES						
4 Operating Expenses	132,119	192,483	60,365	1,244,497	1,422,914	178,417
5 Depreciation Expense	262,869	262,843	(26)	2,623,983	2,623,648	(335)
6 Program Expenses	282,299	562,500	280,200	3,237,495	5,062,500	1,825,005
7 Total Expenses	677,287	1,017,826	340,540	7,105,975	9,109,062	2,003,087
8 OTHER INCOME/(EXPENSE)						
9 Total Other income/(Expense)	111,926	221,566	(109,640)	2,688,103	1,991,575	696,528
10 NET INCOME	<u>245,651</u>	<u>14,937</u>	<u>230,714</u>	<u>2,701,553</u>	<u>(1,932)</u>	<u>2,703,485</u>

Monthly Highlights

September 2014

Verdant received dividends payments of \$28,770 and an unrealized loss of (\$93,609) on our investment portfolio in September for an ending market value of \$29,625,216.

Annual program commitments total \$5,550,313 and \$4,740,712 for 2014 and 2015, respectively. \$1,199,687 remains available to spend in 2014, of which \$177,513 is earmarked as Superintendent Discretionary.

Additional income of \$107,386 and expenses of \$28,898 from the Kruger Clinic were incurred, netting to an additional operating income of \$79,968 in September.

Public Hospital District #2

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10811	09/03/2014	Comprehensive Health Education Foundation	1,035.00	GK, JP, SW attend conference
10812	09/03/2014	Benefit Solutions Inc.	23.00	FSA Administration
10813	09/03/2014	City of Lynnwood - Utilities	249.11	Water, Sewer
10814	09/03/2014	Economic Alliance Snohomish County	395.00	Dues
10815	09/03/2014	Foster Pepper	4,078.10	Legal
10816	09/03/2014	Puget Sound Energy	38.50	Natural Gas
10817	09/03/2014	Sound Publishing, Inc.	42.00	Legal Notices
10818	09/03/2014	Comcast	359.58	Internet
10819	09/03/2014	Lynnwood Convention Center	340.00	Partner Roundtable
10820	09/03/2014	City of Edmonds Utilities	-	VOID
10821	09/03/2014	City of Lynnwood - Utilities	239.46	Water, Sewer
10822	09/03/2014	Ash Consulting	1,472.63	Accounting Consulting
10823	09/10/2014	Ankrom Moisan	8,372.99	VCWC Architecture
10824	09/10/2014	Falkin Associates, Inc.	4,247.50	VCWC Project Management
10825	09/10/2014	Moss Adams - Cost Report	400.00	Accounting Consulting
10826	09/10/2014	US Postal Service	116.00	Post office box
10827	09/10/2014	Eberle Vivian	3,843.75	4Q14 Workers Compensation Administration
10828	09/10/2014	Electronic Business Machines	513.04	3Q14 Copy machine maintenance
10829	09/10/2014	Healthcare Realty	3,194.38	Property Management at KC
10830	09/17/2014	Ace Internet Services, Inc.	477.25	IT Support
10831	09/17/2014	Archbright	199.00	KG to attend Managing Leave Laws class
10832	09/17/2014	Lowie Graham Jones PLLC	206.50	Legal Re: Trademark
10833	09/17/2014	Mayes Testing Engineers, Inc.	250.00	VCWC Inspection
10834	09/17/2014	Lynnwood PFD	101.26	Janitorial
10835	09/17/2014	Lynnwood Convention Center	230.61	Partner Roundtable
10836	09/24/2014	MJ Takisaki, Inc.	479,028.00	VCWC Construction
10837	09/24/2014	Premiera Blue Cross	3,782.54	EE Medical & Dental Insurance
10838	09/24/2014	Principal Financial Group	884.41	EE Life Insurance
10839	09/24/2014	Staples	88.90	Supplies
10840	09/24/2014	Wells Fargo	573.78	Misc.
10841	09/24/2014	Wells Fargo	1,286.69	Misc.
10842	09/24/2014	Lynnwood PFD	3,045.00	Rent
10843	09/30/2014	Canon Financial Services	328.64	Copy Machine Lease
10844	09/30/2014	Consolidated Landscape Maintenance, Inc.	217.91	Landscaping at VCWC
10845	09/30/2014	Sound Publishing, Inc.	42.00	Legal Notices
10846	09/30/2014	Ankrom Moisan	4,158.50	VCWC Architecture
10847	09/30/2014	Benefit Solutions Inc.	23.00	FSA Administration
10848	09/30/2014	Krames Staywell	3,000.00	4Q14 Website Content
10849	09/30/2014	Snohomish County PUD	197.39	Electricity
10850	09/30/2014	Aukema & Associates	211.50	Website consultation
10851	09/30/2014	Comcast	358.63	Internet
10852	09/30/2014	Fine Solutions	577.50	CRM Implementation Project
Total Warrants			528,229.05	

Number	Date	Payee	Amount	Purpose
Wire/ACH Activity:				
	9/5/2014	Payroll	16,993.81	ACH payroll transfer
	9/5/2014	Paychex	71.61	Fee for payroll processing
	9/5/2014	Department of Treasury	5,826.36	Payroll taxes for 8/30/14 pay period ending
	9/5/2014	Valic	2,570.18	Payroll 401(a)/457 Deposit
	9/19/2014	Payroll	16,808.58	ACH payroll transfer
	9/19/2014	Paychex	65.39	Fee for payroll processing
	9/19/2014	Department of Treasury	5,702.92	Payroll taxes for 9/13/14 pay period ending
	9/19/2014	Valic	2,544.18	Payroll 401(a)/457 Deposit
	9/10/2014	Wells Fargo	949.92	Bank Service Fee
	9/15/2014	Bank of America - Fees	19.83	Bank Service Fee
	9/15/2014	American Diabetes Association	4,166.67	Program Payment
	9/15/2014	CampFire	4,166.67	Program Payment
	9/15/2014	Cascade Bicycle Club Education Foundation	4,750.00	Program Payment
	9/15/2014	Center for Human Services	13,523.67	Program Payment
	9/15/2014	ChildStrive	22,660.00	Program Payment
	9/15/2014	City of Lynnwood	15,477.25	Program Payment
	9/15/2014	Community Health Center of Snohomish Co	10,416.66	Program Payment
	9/15/2014	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
	9/15/2014	Edmonds Community College	10,990.58	Program Payment
	9/15/2014	Edmonds Community College Foundation	4,396.33	Program Payment
	9/15/2014	Edmonds School District No. 15	66,892.84	Program Payment
	9/15/2014	Edmonds Senior Center	4,518.00	Program Payment
	9/15/2014	Medical Teams International	4,000.00	Program Payment
	9/15/2014	Prescription Drug Assistance Foundation	4,166.67	Program Payment
	9/15/2014	Program for Early Parent Support	3,333.33	Program Payment
	9/15/2014	Project Access Northwest	6,666.67	Program Payment
	9/15/2014	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
	9/15/2014	Puget Sound Christian Clinic	9,166.67	Program Payment
	9/15/2014	Senior Services of Snohomish County	57,936.67	Program Payment
	9/15/2014	Smithwright Services	5,416.67	Program Payment
	9/15/2014	Snohomish County Fire District 1	12,035.50	Program Payment
	9/15/2014	Town of Woodway	500.00	Program Payment
	9/15/2014	Wonderland Development Center	11,250.00	Program Payment
	9/15/2014	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment
	9/15/2014	City of Mountlake Terrace	2,940.00	Program Payment
	9/15/2014	City of Edmonds Parks & Recreation	1,356.00	Program Payment
	9/15/2014	City of Lynnwood	11,550.00	Program Payment
	9/14/2014	Benefit Solutions Inc.	10.00	FSA Payments
	9/12/2014	Benefit Solutions Inc.	181.92	FSA Payments
	9/24/2014	Benefit Solutions Inc.	148.92	FSA Payments
	9/25/2014	WA Department of Revenue	764.31	B&O tax
		Total Wires/ACH Transactions	363,639.19	

Warrant Number	Transaction Date	Payee	Amount	Purpose
Kruger Clinic Activity:				
112-130	Sept 2014	Various Claimants/Vendors	19,181.77	Administered by Healthcare Realty
Workers Compensation Claims Activity:				
305161-165	Sept 2014	Various Claimants/Vendors	5,878.20	Administered by Eberle Vivian
Total Disbursements			\$ 916,928.21	

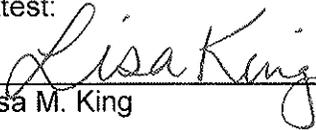
Transaction Date	Payer	Amount	Purpose
Deposits:			
9/1/2014	Swedish/Edmonds	42,640.57	Kruger Clinic monthly lease
9/1/2014	Swedish Edmonds Children's Clinic	18,467.31	Kruger Clinic monthly lease
9/1/2014	Swedish/Edmonds	675,305.35	Monthly lease
9/1/2014	City of Lynnwood	29,252.52	Refund for un-used program funds
9/1/2014	Raymond Liu, D.D.S.	3,282.74	Kruger Clinic monthly lease
9/1/2014	Brian Tagaki, MD	75.00	Kruger Clinic monthly storage lease
9/1/2014	John Headley MD PS	18,571.06	Kruger Clinic Monthly lease
9/1/2014	SJS Mechanical Services, Inc.	1,479.89	Refund
9/2/2014	Value Village	24,428.45	Monthly lease
9/3/2014	Puget Sound Gastro	28,352.11	Kruger Clinic monthly lease
9/4/2014	Swedish Edmonds Children's Clinic	6,347.56	Kruger Clinic monthly lease
9/4/2014	Swedish/Edmonds	6,680.74	Kruger Clinic monthly lease
9/10/2014	Snohomish County	9,845.29	Levy
9/18/2014	Best Auto	900.00	Sale of vehicles
9/24/2014	Healthcare Realty Services, Inc.	4,166.67	Monthly ground lease
9/17/2014	Puget Sound Gastro	132.22	Kruger Clinic monthly lease
9/30/2014	Comerica	0.44	Interest Income
9/30/2014	Wells Fargo	39.74	Interest Income
Total Deposits			\$ 869,967.66

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 10811 through 10852 have been issued for payment in the amount of \$528,229.05. These warrants are hereby approved.

Attest:



Lisa M. King



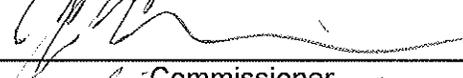
Commissioner



Commissioner



Commissioner



Commissioner



Commissioner

Warrants Processed:	9-1-14 – 9-30-14	\$528,229.05
Work Comp Claims Pd:	9-1-14 – 9-30-14	5,878.20
Kruger Clinic Processed:	9-1-14 – 9-30-14	19,181.77
Payroll:	8-17-14 – 8-30-14	16,993.81
	8-31-14 – 9-13-14	<u>16,808.58</u>
		33,802.39
Electronic Payments:	Payroll Taxes	11,529.28
	Paychex	137.00
	Valic Retirement	5,114.36
	Benefit Solutions	340.84
	Bank Fees	969.75
	WA State Dept Revenue	764.31
	Program Expenditures	<u>310,981.26</u>
		329,836.80
	Grand Total	<u>\$916,928.21</u>

E:61:14
10.22.14

EXHIBIT A
Public Hospital District No 2
of Snohomish County, Washington

Operating Revenue	\$ 11,686,051
Operating Expenses (excluding depreciation)	9,211,821
Maintenance and Operations Levy	2,185,157
Other Non-operating Revenue	360,000
Depreciation Expense	<u>2,670,001</u>
Net Income	<u>\$2,349,386</u>
Capital Outlay	<u>\$167,000</u>



Public Hospital District 2, Snohomish County
2015 Draft Budget

10/21/2014

	D 2015	F
	Budget	Notes
Income		
Operating Revenues		
1	5791 · Rental Income	9,708,814
2	5791 · S/E Hospital Rental Income	8.18m
3	5791 · Kruger Clinic Rental Income	1.23m
4	5791 · Value Village Rental Income	293k
5	5791 · Deferred Rental Income	1,927,530 Annual Adj for straight-line of Swedish Leases
6	5792 · Pavilion Ground Lease Income	46,707 Healthcare Realty
7	5793 · Other Operating Income	3,000 VCWC Programs
8	Total Operating Revenues	11,686,051
Expense		
Operating Expenses		
Salaries		
9	6010 · Salaries	642,265 +.5 FTEs, Succession Plan & 5% annual increase
10	6011 · Payroll Tax Expense	48,379
11	6020 · Commissioners Wages	54,720 Maximum eligible meetings
12	Total Salaries	745,364
Benefits		
13	6111 · Accrued Vacation/Sick Leave	15,000
14	6155 · Health Insurance	39,224 10% increase in July
15	6156 · Dental Insurance	6,288 10% increase in July
16	6160 · 401(a) Retirement Expense	36,916 6% of Full time Salaries
17	6190 · Other Employee Benefits	13,687 FSA, Car allowance, Life Ins (5% increase)
18	6130 · Workers Comp Self Insurance	12,000
19	6131 · Workers Comp Service Fee	15,836 3% increase
:	6137 · Workers Comp - State fund	1,500
21	Total Benefits	140,451
Professional Services		
22	6210 · Professional Fees	50,000 IT & AV Support
23	6220 · Kruger Clinic Property Management	37,446 Healthcare Realty
24	6230 · Consulting	90,000 Includes \$14,500 for Interim Marketing Director
25	6240 · Legal	75,000
26	6250 · Accounting/Audit	75,000 SAO two year audit & Moss Adams financial audit
27	Total Professional Services	327,446
Other Amortization		
28	8969 · Amortization - 12 LTGO Premium	(62,030)
29	6966 · TI Amortization (New)	50,620 Swedish TI Amortization
30	Total Other Amortization	(11,409)
Interest Expense		
31	6954 · 12 LTGO Interest Exp	152,875 Per schedule
32	Total Interest Expense	152,875
Purchased Services		
33	6650 · Purchased Services	50,000 Bank Fees/Landscaping/Janitorial/Windows/Parking Lot/Canon
34	6651 · Purchased Services Kruger Clinic	83,885 Kruger Clinic - Security/Janitorial
35	6675 · Marketing/Advertising	137,640 Includes S/E Gala, 2 Newsletters, Website, VCWC Launch
36	6697 · Network Hosting	12,736 Microsoft licenses for staff including \$901/mnth CRM
37	Total Purchased Services	284,261
Supplies		
38	6300 · Supplies	6,000
39	6460 · Postage	3,000
40	6480 · Books and Publications	1,000
41	Total Supplies	10,000
Repairs and Maintenance		
	6620 · Repairs	15,000
43	6621 · Maintenance Contracts	6,000 Elevator/Fire Sprinklers (move landscaping to 6650)
44	6622 · R&M Kruger Clinic	87,422 Per Healthcare Realty
45	Total Repairs and Maintenance	108,422
Insurance		
46	6910 · Professional Insurance	31,878 Enduris
47	6911 · Liability Claims Admin Fees	500 Sedgwick - Closing report filing only



Public Hospital District 2, Snohomish County
2015 Draft Budget

10/21/2014

D
2015

F

	Budget	Notes
48	Total Insurance	32,378
	Utilities	
49	6500 · Utilities Kruger Clinic	130,364 Per Healthcare Realty
50	6510 · Electricity	7,200
51	6540 · Water/Sewer	11,000
52	6550 · Garbage	2,400 Garbage/recycling/compost
53	6560 · Natural Gas	4,000
54	6570 · Telephone	6,720 Comcast VOIP & T-Mobile
55	6575 · Internet	2,960 Comcast
56	6580 · Security Monitoring	3,600
57	Total Utilities	168,243
	Taxes	
58	6820 · License and Tax	55 Refund received in 2014 for property tax on KC
59	6821 · Leasehold Taxes	83,423 Kruger Clinic & Value Village Leasehold Tax
60	6825 · B&O Tax	8,936 S/E Assets
61	Total Taxes	92,414
	Other Expenses	
62	6000 · Rent Expense	- None
63	6451 · Computer Expenses	5,000 Misc. computer
64	6829 · Meals and Entertainment	3,600
65	6830 · Dues and Subscriptions	10,000
66	6840 · Travel and Meetings	10,000
67	6841 · Commissioner Education	15,000
68	6842 · Conference Expenses	7,500
69	6990 · Miscellaneous Expense	5,000
70	6992 · Other Kruger Clinic	5,276 Per Healthcare Realty for Administration
71	Total Other Expenses	61,376
72	Total Operating Expense	2,111,821
	Programs	
73	7100 · Community Programs-External (Grants)	5,115,550 Includes \$500k Mental Health RFP
74	7200 · Superintendent Discretionary Fund	288,450 5% of program budget
75	7300 · Community Programs-Internal	290,000
76	7300.1 · Population Health Summit (NEW)	30k
77	7300.2 · Needs Assessment & Eval (NEW)	30k
78	7300.3 · 6WHY Reunion (NEW)	10k
79	7300.4 · VCWC Programming (NEW)	220k (Includes 211 FTE)
80	7400 · One-time Events	75,000
81	7500 · Building Healthy Communities Fund	1,331,000
82	Total Program Expense	7,100,000
83	Net Ordinary Income	2,474,230
	Non Operating Revenue (Expense)	
84	8030 · 2003 GO Tax Levy	- Per county receipts
85	5020 · M&O Tax Levy	2,185,157 1% automatic increase plus banked capacity
86	5030 · Unrealized G/L on Investment	-
87	5781 · Investment Income	360,000
88	4035 · MI/CPE Payment	-
89	5500 · Other Income (Expense)	-
90	Total Non Operating Revenue (Expense)	2,545,157
91	Earnings before Depreciation	5,019,387
	Depreciation	
92	6710 · Depr - Land Improvements	80,376
93	6720 · Depr - Building	1,656,577 Includes Estimate of Wellness Center
94	6730 · Depr - Fixed Equipment	379,538
95	6740 · Depr - Major Equipment	520,856 Major Assets fully depreciated in 2014
96	6750 · Depr - Minor Equipment	32,654 Includes Estimate of Wellness Center
97	Total Depreciation	2,670,001
98	Net Income - including depreciation	2,349,386

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2014-07

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving the dollar amount and percentage increase in the District's regular property tax levy for calendar year 2015.

WHEREAS, RCW 84.55.120 requires a taxing district, other than the state, that collects regular levies to hold a public hearing on revenue sources for the district's following year's current expense budget; and

WHEREAS, RCW 84.55.120 further requires the hearing to include consideration of possible increases in property tax revenues and requires that the hearing be held prior to the time the taxing district levies the taxes or makes the request to have the taxes levied; and

WHEREAS, RCW 84.55.120 authorizes the taxing district to hold a public hearing in conjunction with its annual budget hearing required by RCW 70.44.060(6); and

WHEREAS, a hearing in compliance with RCW 84.55.120 and RCW 70.44.060(6) was held on October 22, 2014; and

WHEREAS, the Board of Commissioners of the District, after hearing and duly considering all relevant evidence and testimony presented, determined that the District requires an increase in property tax revenue from the previous year, in addition to that resulting from the addition of new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the District; NOW, THEREFORE,

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

Section 1. The Board of Commissioners hereby determines that the District requires a regular levy in calendar year 2015 of \$2,165,000 which amount is exclusive of the additional tax revenue resulting from the addition of new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any refunds made, in order to discharge the expected expenses and obligations of the District.

Section 2. The Board of Commissioners hereby approves an increase in the District's regular property tax levy for calendar year 2015 in the amount of \$21,048, which is a percentage increase of 1% from calendar year 2014. This increase shall be in addition to the increase in tax revenue resulting from the addition of new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, improvements to property and any increase in the value of state-assessed property.

Section 3. The Superintendent is directed to certify to the County Assessor, no later than November 30, 2014, a copy of this Resolution showing its adoption; and to perform such other duties as are necessary or required by law to the end that the maximum levy capacity available to the District under chapter 84.55 RCW, as determined by the Washington State Supreme Court, is banked for use in future years.

ADOPTED AND APPROVED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, at an open public meeting thereof, this 22nd day of October, 2014, the following commissioners being present and voting in favor of the resolution.



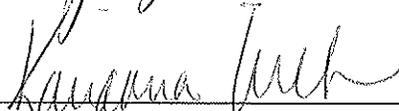
President and Commissioner



Commissioner



Commissioner



Commissioner



Secretary and Commissioner

I, J. Bruce Williams, Secretary to the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2014-07 is a true and correct copy of the original resolution adopted on October 22, 2014, as that resolution appears on the Minute Book of the District.

DATED this 22nd day of October, 2014.



J. Bruce Williams
Secretary to the Board of Commissioners

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2014-08

A resolution of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving and adopting the District's budget for calendar year 2015.

WHEREAS, RCW 70.44.060 requires the Superintendent of the District to prepare a proposed budget of the contemplated financial transactions of the District for the ensuing year and to file the budget in the records of the Commission on or before the first day in November; and

WHEREAS, RCW 70.44.060 further requires the District to publish public notice of the proposed budget and the date and place of a hearing on the budget, which is required to be held on or before the fifteenth day of November, for two consecutive weeks in a newspaper printed and of general circulation in Snohomish County; and

WHEREAS, in compliance with the requirements of RCW 70.44.060, the Superintendent has prepared, filed and provided notice of the District's proposed 2014 budget, which proposed budget is attached hereto as Exhibit A (the "2015 Budget"); and

WHEREAS, the Commission held a public hearing on the 2014 Budget on October 22, 2014, in compliance with the requirements of RCW 70.44.060 and RCW 84.55.120; and

WHEREAS, the Board of Commissioners of the District, in the course of considering the budget for calendar year 2015, reviewed all sources of revenues and examined all anticipated expenses and obligations; and

WHEREAS, the Board of commissioners of the District has met and considered its budget for the calendar year 2015; NOW, THEREFORE,

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

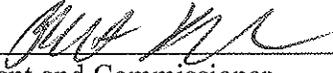
Section 1. The Commission hereby adopts the 2015 Budget as the budget for the District for calendar year 2015.

Section 2. The Superintendent is directed to certify to the County Assessor, no later than November 30, 2014, a copy of this Resolution showing its adoption.

EXHIBIT A
Public Hospital District No 2
of Snohomish County, Washington

Operating Revenue	\$ 11,686,051
Operating Expenses (excluding depreciation)	9,211,821
Maintenance and Operations Levy	2,185,157
Other Non-operating Revenue	360,000
Depreciation Expense	<u>2,670,001</u>
Net Income	<u>\$2,349,386</u>
Capital Outlay	<u>\$167,000</u>

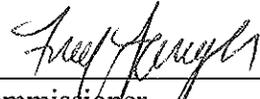
ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at an open public meeting thereof, held this 22nd day of October, 2014.



President and Commissioner



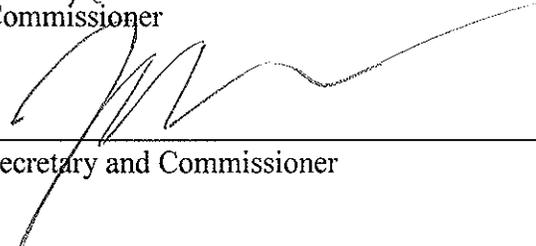
Commissioner



Commissioner



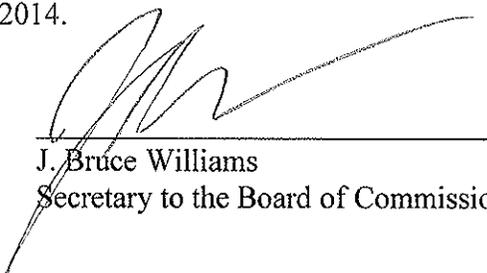
Commissioner



Secretary and Commissioner

I, J. BRUCE WILLIAMS, Secretary to the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, certify that the attached copy of Resolution No. 2014-08 is a true and correct copy of the original resolution adopted on October 22, 2014, as that resolution appears on the Minute Book of the District.

DATED this 22nd day of October, 2014.



J. Bruce Williams
Secretary to the Board of Commissioners

October 2014 Program Committee Summary

Program Summary

- Four new funding applications and one follow-up from Verdant's regular grant programs.
- Twelve program requests were received under Verdant's behavioral health request for proposal. The program committee took an initial review of these proposals and will be following up with several applicants before returning to the board with recommendations.

Programs Recommended for Funding

- **Cornerstone Medical Services – Everyday Prevention & Benefits** - a program focused on Asian American residents of South Snohomish County. The program would include education on health insurance, health literacy issues (ex. nutrition, cancer prevention, fall prevention), and preventative screenings. The goal of the program is to reach 600 participants per year and the program would track insurance enrollment, and measures like increased use of preventative screenings. Cornerstone is a non-profit organization that would deliver the program out of a Lynnwood office and has experience conducting education around stomach cancer and health insurance enrollment. **The program committee is recommending fully funding the program at \$60,000 per year for three years.**
- **Holly House For Kids - Dental Supplies:** an \$11,250 one-time request to purchase dental supplies for the Holly House program. Verdant funded the project last year at \$10,000 and funds were used to supply each child with 2 tooth brushes, 2 tubes of tooth paste, a 1 minute timer, dental floss, and education information on oral health practices. **The program committee forwarded the request to the Superintendent's discretionary fund, and the Superintendent has approved the request.**

Not Recommended for Funding

- **Snohomish Health District – Growing Healthy Together:** a \$350,000 annual request to support a program for pregnant and parenting women that would include nutrition and health counseling, food preparation training, breastfeeding support and other resources. Funds would be used to support a team including a public health nurse, dietician, and other support specialist. The goal of the program would be to reduce low-birth weight deliveries, increase breastfeeding, and build on a social marketing campaign called 5210.

The program committee is not recommending the program for funding given the large request size and because the direct service pieces of the program would only serve 180 residents.

Proposals for Additional Discussion

- **Omada Health – Diabetes Prevention Program:** a concept proposal from a for-profit company that offers a diabetes prevention program that places participants into small online groups led by a professional health coach, who guides them through a 16 week curriculum with digital tools to track improvements in diet, physical activity, and weight loss. Unique to this program, Verdant would pay Omada based on the results of the program. The fee would be \$150 to \$800 per participant, which would be driven by engagement and measures like weight loss.

The program committee had some questions about the fit of this type of program with Verdant’s priorities. Committee members saw value in diabetes prevention programs, but felt like these types of programs are being implemented as part of existing efforts by insurance companies. The committee members would be most interested in exploring a project that could reach individuals who do not have similar programs offered by their employer or insurance company.

- **Snohomish County Health Leadership Coalition** – a request for additional funding for phase II and phase III of two initiatives:
 - Youth Activity Initiative, which is aimed at improving 5th grade activity levels;
 - Palliative Care Initiative: a community-based, palliative care consumer and physician/ARNP-education program.

The board heard a presentation from the applicant at a study session on October 14 and will need to decide:

1. Should Verdant provide additional funding on the project?
2. If yes, at what level? The previous grant was \$125,000 and the grant request was for \$250,000 to support two additional years of programming.

Behavioral Health Request for Proposals

Twelve program requests were received under Verdant’s behavioral health request for proposal. The program committee plans to set up in-person discussions with several applicants to answer questions about the proposals and identify the top contenders for funding.

Applications Received

#	Name	Project Description	Funding Request
1	ChildStrive - Preventing Adverse Childhood Experiences	Focus on families in pregnancy or parents of young children, link parents to support programs like Promoting First Relationships, Parents as Teachers	\$272,354 per year 3 years
2	Sea Mar Community Health Center - Positive Parenting Program for Latino Families with Adolescents	Support program for Latino families using parenting program	\$241,000 year 1 \$138,500 year 2 \$138,500 year 3
3	Community Health Center of Snohomish County - Behavioral Health Integration Project	Integrating mental health supports at Community Health Center	\$339,385 year 1 \$342,985 year 2
4	Therapeutic Health Services (THS) - Integrated Cognitive Therapy Program	Substance abuse and behavioral health prevention for youth	\$250,000 per year 3 years
5	Open Door Theatre	Trainings to school staff and youth to recognize signs of abuse	\$8,000 per year 3 years
6	Guided Pathways - Support for Youth & Families	Parent peer support, teen and family events, wellness trainings	\$60,000 per year 1 year

#	Name	Project Description	Funding Request
7	Compass Health - Community Behavioral Health Educators	Train community members in Mental Health First Aid, other preventative concepts	\$236,450 per year 3 years
8	Cocoon House - Project Safe	Support families and youth that are at-risk or homeless	\$25,000 per year 3 years
9	Thrive City	Support program for disenfranchised youth	\$218,229 per year 3 years
10	Volunteers of America Western Washington - Care Crisis Chat	Online chat for individuals in distress	\$155,319 year 1 \$159,042 year 2 \$165,545 year 3
11	Cornerstone Medical Services - Everyday Smoking Prevention	Smoking cessation	\$30,000 per year 3 years
12	OMF Community Outreach (OMF Cares) - After the Hug Campaign & Ready to Serve Volunteer	Support for veterans to connect them up to resources, volunteer efforts	\$85,000 year 1 \$70,000 year 2 \$60,000 year 3

Verdant Health Commission Proposal Summary October 2014

A		B			C			D			E			F			G			H			I		
Funding Requests					Request for funding									Education & Empowerment			Prevention			Access to Healthcare			Policy & Advocacy		
#	Name				Year 1	Year 2	Year 3				Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy											
1	Snohomish Health District - Growing Healthy Together	A support program for pregnant and parenting women that would include nutrition and health counseling, food preparation training, breastfeeding support and other resources. Funds would be used to support a team including a public health nurse, dietitian, and other support specialist. The goal of the program would be to reduce low-birth weight deliveries, increase breastfeeding, and build on a social marketing campaign called 52:10. The program would serve 180 district residents.			\$350,663	\$350,663	\$350,663				X	X	X												
2	Cornerstone Medical Services - Everyday Prevention & Benefits	A program targeting Asian American residents of South Snohomish County. The program would include education on health insurance, health literacy issues (ex. nutrition, cancer prevention, fall prevention), and preventative screenings. The goal of the program is to reach 600 participants per year and the program would track insurance enrollment, and measures like increased use of preventative checkups.			\$60,000	\$60,000	\$60,000				X	X	X												
3	Omada - Prevent Diabetes Prevention Program	A concept proposal from a for-profit company that offers a diabetes prevention program that places participants into small online groups led by a professional health coach, who guides them through a 16 week curriculum with digital tools to track improvements in diet, physical activity, and weight loss. Unique to this program, Verdant would pay Omada based on the results of the program.			Max cost per participant based on outcomes is \$800 ea. Minimum is \$150 ea. at enrollment. Minimum for 500 enrollees \$75,000; max would be \$400,000.						X	X	X												
4	Holly House For Kids - Dental Supplies	Holly House is a program that provides holiday gifts for children in the Edmonds School District. Gifts typically include socks, underwear, hats, scarves, pajamas, blankets, toiletries, stockings, stuffed animal and toys. Holly House is requesting funding to provide dental supplies (toothbrushes, floss, mouthwash) for 2,000 low-income children and 250 homeless students in the Edmonds School District. Verdant provided a one-time grant in 2013 of \$10,000.			\$11,250									X											
5	YMCA of Snohomish County, Fiscal Sponsor for the Snohomish County Health Leadership Coalition	The Snohomish County Health Leadership Coalition is seeking additional funding for phase II and phase III of two initiatives: 1.) Youth Activity initiative, which is aimed at improving 5th grade activity levels. 2.) Palliative Care initiative: an integrated, community-based, palliative care consumer- and physician/ARNP-education program.			\$250,000 for phase II & III						X	X	X												

October 2014 Marketing Report

The Canopy

The fall/winter edition of The Canopy will be mailed to homes mid-November. This newsletter will feature:

- Adult dental access,
- Opening of the Verdant Community Wellness Center,
- Washington Healthplanfinder open enrollment resources and information,
- Calendar of classes and events,
- Additional program highlights and more.

6 Weeks to a Healthier You Reunion

The 6 Weeks to a Healthier You reunion programming has begun.

- **Biometrics** took place Friday, Oct. 17 and Saturday, Oct. 18. Open to anyone who had previously participated in the 6 Weeks program, 138 registered for biometrics.
- **Session with Joe Piscatella** and guest speakers Megan Ellison, RD from Swedish/Edmonds and Terry Huffer, fitness instructor with the YMCA of Snohomish County, is taking place Tuesday, Oct. 28 from 6:30-8:00 p.m. at the Lynnwood Convention Center. To date, 133 people have registered.

E: 64:14
10.22.14

OCT 17 2014

Jennifer Piplic
PO Box 2606
Lynnwood, Wa 98036

10/15/2014

Hello:

Just a note to say how impressed my husband and I were with the community paramedic program tied to Verdant. Shane Cooper and Karl Fitterer were excellent representatives of the program and were greatly appreciated by us with the help they gave us in order to make it safer for my husband to get into and out of bed. 911 was called several times as he slipped off the mattress and onto the floor because of limited mobility with hip replacements.

A transfer pole by the bedside was installed and helps him navigate in and out of bed with something to hold onto. Much appreciated!!!!

Along another line, we enjoy reading the Canopy and look forward to the next issue. Am going to sign up for the monthly e-newsletter as a resource for help etc.

Thank you Verdant.

Jim & Luella Novel
Luella5373@aol.com