

MINUTES OF THE MEETING OF
THE BOARD OF COMMISSIONERS
PUBLIC HOSPITAL DISTRICT NO. 1
OF KING COUNTY, WASHINGTON

Held on May 5, 2008

Attendance:

Commissioner G. Sue Bowman, Commissioner, Commissioner-at-large
Commissioner Anthony R. Hemstad, Commissioner, District No. 3
Commissioner Donald O. Jacobson, President, Commissioner, District No. 1
Commissioner Michael W. Miller, Vice President, Commissioner-at-large
Commissioner Carolyn V. Parnell, Secretary, Commissioner, District No. 2
Richard D. Roodman, Administrator/CEO – Superintendent
Paul S. Hayes, R.N., Executive Vice President
Kathryn D. Beattie, M.D., Senior Vice President - Chief Medical Officer
Michael I. Bernstein, Senior Vice President - Chief Financial Officer
Scott Alleman, R.N., Senior Vice President – Patient Care Services
Paul Larson, Senior Vice President – Clinic Network
Barbara Mitchell, Senior Vice President – HR and Marketing
David E. Smith – General Counsel
Michael Glenn, Senior Vice President – Business Development
Todd Thomas, Vice President – Facilities
Melinda Glass, Director - Rehab Services
Kari Tanta, Lead - Children's Therapy
Suzan Knowles, Manager – NICU
Sue Churchill, Director – Human Resources
Kris Tiernan, Assistant to CEO and Board of Commissioners
Carol Hamel, Executive Assistant

Consultants present for a portion of the meeting:

George Beal, Board Counsel, Perkins Coie

Citizens present for a portion of the meeting:

Carole Anderson, Citizen/Taxpayer
Carl Brown, Citizen/Taxpayer/Coalition to Preserve our Hospital District
Sylvia Cavazos, Taxpayer/Coalition to Preserve our Hospital District
Eric Easterbrook, Citizen/Taxpayer
Ruth Gibbs, Citizen/Taxpayer
John A. Hoyt, Citizen/Taxpayer
Kirk Newby, Citizen/Taxpayer
Orin Wells, Citizen/Taxpayer

Others Guests:

Bob Hasegawa, State Representative – 11th District
Cheryl Pflug, State Senator – 5th District

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Jacobson at 3:33 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of the meeting of April 21, 2008. Commissioner Hemstad requested that because some pages of the minutes were missing from the packet (duplication error) and he had not had an opportunity to review the minutes since receiving the full set earlier today, that approval of the minutes be tabled until the next meeting.

**Changed by subsequent motion. See minutes dated 5/19/08*

Motion was amended to table the minutes until the next meeting. Motion carried.

Community Affairs Ms. Mitchell reported on activities of the Marketing and Community Affairs Department as follows:

Two recent articles published in the *Renton Reporter* were noted, including a story on the new Operating Rooms and a feature on "Bring your Child to Work Day."

On April 29, members of the Cancer Services team attended the Cancer Lifeline Awards Luncheon. Dr. William Park was recognized with a caregiver at work honor.

On May 1, Valley hosted an informational seminar about Joint Replacement surgery featuring Dr. Bill Barrett. There were over 90 attendees.

The annual GoldenCare Senior Fair is scheduled for Friday, May 9, from 9 am to 1 pm in the Medical Arts Conference Center. There will be a booth for commissioners and all are invited to attend.

For the 7th year in a row, Valley Medical Center has made the list of CEO Magazine's "Best Places to Work in Washington State." Nominees are determined through an on-line survey. Winners will be announced at an awards banquet to be held in June. It was noted that this designation greatly assists VMC in recruitment and retention.

Children's Health and Services

Children's Therapy: Kari Tanta, PhD, OTRA, FAOTA, Children's Therapy Lead, presented an overview of the Children's Therapy component of Valley's Rehabilitation Services Department. Special designations include Early Children Development (ECDAW), Children with Special Healthcare Needs (CSHCN), Washington State Neurodevelopmental Center and the Washington State Designated Feeding Team. Volume has increased significantly over the past several years. Funding of the program includes donations, grants, proceeds from Valley's annual golf tournament, donation from the Starlight/Starbright Children's Foundation, private insurance, Medicaid and private payment. Payor case mix includes 51% Medicaid, 27% Blue Cross network, 13% commercial with HMO, 8% other large commercial and 1% self-pay. Children's Therapy serves children from birth, often beginning in the NICU, to age 12 or 13. Services include physical, speech, and occupational therapy. NICU Therapy Services and the NICU follow-up clinic were reviewed. Children's Therapy also includes an Autism Clinic which was established to meet the needs of south King County residents due to long waits at the University of Washington. The Bike Helmet Program is also a part of Children's Therapy. The program is staffed by volunteers and fits helmets from March through October on the first Monday of each month, as well as at community events such as Renton River Days and Newcastle Days. Slides were shown of the Children's Therapy main gym and playground structure, which are located at the Lind Avenue facility.

Outpatient Children's Services: Suzan Knowles, RNC, BSN, CCAP, Manager of the Neonatal Intensive Care Unit, next presented an overview of Valley's inpatient children's services. She gave a history of caring for premature infants over the past 100 years, including the first incubators. She related the dramatic change in treatment in the 1960's with the miracle of surfactant and the effect on ventilator care. Valley's care of premature infants has also changed dramatically in the past few years with the construction of the new Birth Center and Neonatal Intensive Care Unit (NICU). While the older NICU was noisy, brightly lit, and chaotically busy, the new NICU is sophisticated, incredibly quiet, orderly, and softly lit with covered isolettes. Ms. Knowles explained how the layout of the unit facilitates an

organized environment. There is a sophisticated electronic monitoring system. There is expedited admission for the sickest babies. Valley's Birth Center is unique with a pass-through from the C-section room to the neonatal exam room. Family-centered care is the heart of the unit with single room care. There is also exceptional teamwork. The average census of the NICU is ten or eleven babies. Mr. Roodman mentioned the explosion in growth from the time the new Birth Center opened in 2005 to present. Annual births have increased from 2600 to 3900 babies, which is a 50 percent increase. A neonatologist is on site 24/7 to lead the multidisciplinary team. A perinatologist is on site to deliver high-risk mothers.

The pediatric unit, which cares for patients from birth to age 17, is currently "under construction" with a "face lift" to facilitate a more friendly environment.

Children's Primary Care Services: Antonio Pedroza, MD, Director of the Family Medicine Residency Program, discussed primary care pediatric services offered at Valley Family Medicine, the Residency clinic. The clinic offers immunization and childhood disease care mainly by family medicine physicians. There are also two pediatricians, Geoffrey MacPherson, MD, who specializes in ADHD and general pediatrics and Drew Philipo, MD, who does pediatric consultations. The clinic participates in the Washington State Children's Profile Registry which records all immunizations each child has received anywhere in the state. The state provides all required vaccinations up to age 19.

Dr. Pedroza explained that Valley Family Medicine is part of the University of Washington Medical School Residency Network which covers a five-state region. VFM selects eight medical residents per year to begin their three-year program. VFM faculty includes nine family medicine physicians and one pediatrician, who have all taught in programs at the UW. The VFM clinic delivers approximately 200 babies per year as well as providing outpatient pediatric care to the community. VFM collaborates with the South King County Public Health Department in staffing the Kent Teen Clinic with a physician, a resident and a nurse practitioner. VFM's outpatient pediatric program receives partial funding from the Public Health Department and the Robert Wood Johnson Foundation to identify children with no health insurance, but qualify for Medicaid. This population has been found to have serious problems with pediatric dental caries that contribute to other health issues. Dentists in the area have been recruited to provide fluoride treatments three to four times per year. Approximately 40-50% of Valley Family Medicine's diverse patient population are Medicaid patients. Very few physicians, if any, outside of those employed by VMC accept Medicaid patients due to poor reimbursement.

2007 Annual Report on Human Resources

Sue Churchill presented an updated Report on Human Resources, which includes all of 2007. The report reflects the essential Human Resources focused actions to provide an adequate number of competent staff, orient, train and educate staff, and assess, maintain and continuously improve staff competence for Valley Medical Center to ensure attainment of the organization's mission to its community. She explained the method used to determine and test staffing effectiveness. Data was collected from the 3N Medical Unit and the 2W Surgical Unit for Falls Prevalence and Emergency Medical Response Codes and Skill Mix and Care Giver Experience. Data collected was analyzed by a multidisciplinary team. To date, no correlation has been found between the clinical/service indicators and the human resource indicator of skill mix. A correlation has been found between the clinical/services indicators and the human resource indicator of care giver experience. For 2008, the Staffing Effectiveness and PI Team have chosen to continue to measure Falls Prevalence and Skill Mix.

In 2007, VMC hired and oriented 460 new staff. The general New Employee Orientation procedure was explained. In addition, a multidisciplinary Patient Care Services Orientation is given to all staff with patient contact. Agency staff also receives orientation. A 90-Day Orientation program was added in 2006. Staff also receives ongoing education and training to maintain and improve competence. Heavy emphasis is placed on pillar goals, HealthStream (annual online safety modules) and National Patient Safety Goals.

Staff competency is evaluated prior to hiring and on an ongoing basis. Each manager also completes an annual competency assessment on their staff. Ms. Churchill explained the process for employees found to be not fully competent.

Turnover rates, vacancy rates and trends were also compared for the past eight years. The overall 2007 turnover rate of 13.3% (overall) and 10.3% for RNs is less than the Puget Sound turnover rate for medical centers as reported by Milliman USA.

Award of Contract – Linear Accelerator Replacement Project

Mr. Thomas reported that three bids were opened for the Linear Accelerator Replacement Project on May 1, 2008. He requested that the bid be awarded to PCL Construction, the lowest responsible bidder. PCL has completed the Cafeteria Remodel and the MRI Expansion projects at VMC and their work has been acceptable. Recent reference checks with other clients have been positive. The construction estimate for this project is \$292,000, including \$22,000 for controls under a separate contract.

MOTION

It was moved and seconded to award the Linear Accelerator Replacement Project to PCL Construction, the lowest responsible bidder, in the amount of \$319,000, including taxes and contingencies. Commissioner Hemstad asked if PCL Construction stayed within the contract on previous VMC jobs. Mr. Thomas stated the only change orders were requested by VMC. Motion carried unanimously.

Recess

President Jacobson called for a ten minute recess at 5:23 p.m.

Reconvened

The meeting reconvened at 5:34 p.m.

Medical Affairs

Quality Management Update

Dr. Beattie reported that the final report on the unannounced triennial survey has been received from The Joint Commission. Only three Requirements for Improvement (RFI's) were received, which represents an excellent survey result. An action plan to address these RFI's will be submitted to the Commission within the required 45 days.

Dr. Beattie also reported on Quality Improvement Council (QIC) meetings for March and April. They have been reviewing priorities and will focus on heart failure, smoking, preventative care, discontinuing antibiotics, patient flow, infections, disease specific measures and anticoagulation.

At the March meeting the review of medical records delinquency showed a 21% rate which compares favorably to the national average of 50%. Data was presented to demonstrate that an intensive effort to limit the spread of c. difficile in the hospital has been very successful. VMC's compliant referral rate for organ donations is at 98%, which means potential donors are contacted by the trained professionals first. VMC's overall conversion rate is now 75%, the highest in 4 years.

At the April Meeting, it was reported that the overall length of stay was 3.21 days, which was lower than expected. Risk adjusted mortality rates and the rate of readmission within 7 days were also lower than expected.

Responses to Comments - Code of Ethics

Mr. Smith stated that there are two remaining responses to the comment letters received with regard to the Code of Ethics. Mr. Beal noted that drafts of the two responses (to Michele Dimmett and William R. Maurer) have previously been reviewed and are now ready to be sent.

Mr. Beal also stated that a revised Code of Ethics, which addresses all concerns, should be ready for review before the May 19th Board meeting. Review of the Code within six months of approval (12/17/07) was part of the original timeline.

Final Report on District's Involvement with Recall Petition

Mr. Smith reported on the Final Hearing on the recall charges against Commissioner Don Jacobson which was held in Judge Michael Trickey's court on April 24, 2008. The final order was as reported by Mr. Burman at the last Board meeting and there were no changes to the ruling. Judge Trickey ruled that all of the allegations were either factually or legally insufficient to sustain a recall petition. He also ruled that Valley's management committee structure that has been in place for years is appropriate and not at odds in any way with the Open Public Meetings Act. Mr. Smith noted that \$130,000 has been spent in defending unfounded, politically motivated allegations against Commissioner Jacobson and Valley Medical Center.

Resolution No. 881 – Reaffirming Commissioner Participation in District Management Committees

Mr. Smith introduced Resolution No. 881, as requested by Commissioner Parnell during the last meeting. Mr. Smith stated that this resolution reaffirms commissioner participation in management committees and acknowledges that Commissioner Jacobson acted in good faith and without intent to violate the law, the District's Bylaws or any other duty; that he was unjustly singled out for criticism in the recall petition and that the Board acknowledges and commends Commissioner Jacobson for his years of public service and publicly expresses confidence in his service as President of the Board.

MOTION

It was moved and seconded to adopt Resolution No. 881. Motion carried unanimously.

Change in Meeting Time

President Jacobson stated that before any public comment, he would like to review the issue of changing the time of the Board meetings. He reviewed Resolution No. 878, which moves the Board meetings to 6:00 p.m. from the 3:30 p.m. start time they had been for 11 years. He noted that Commissioner Hemstad and some of his supporters had urged the Board to move the meetings times to the evening to permit greater public participation. When the meetings were moved to 6:00 p.m., the Board was accused of trying to force Commissioner Hemstad from the Board. One of Commissioner Hemstad's supporters has suggested that the sequence of items on the agenda be modified so that critical items are addressed early in the meetings. President Jacobson said that if this occurred someone could accuse the Board of manipulating the agenda to exclude Commissioner Hemstad from participating in discussing some issues he found to be critical. It has been reported in the press that Mayor Laure Iddings of Maple Valley has indicated

that Maple Valley City Council meetings are unlikely to change to accommodate Mr. Hemstad. President Jacobson said that he wanted to be clear that it was Commissioner Hemstad, not the Board or Hospital Administration, that has created this problem. He said that Commissioner Hemstad knew, or should have known, when he ran for public office that the Board has met on the first and third Mondays for years. He said it is wrong for Commissioner Hemstad to complain about the meeting schedule – or to accuse or suggest that other commissioners are being petty, are out to get him or are trying to force him out of office. He said the meeting time conflict already exists and it is clearly disruptive to conducting business when Commissioner Hemstad leaves early. Since January, the Board has held seven regular meetings. Due to his other commitments, Commissioner Hemstad has left four of the seven (57%) meetings before completion, and he has abstained seven times without explanation. President Jacobson said he believes that this is the worst attendance record in the 15 years he has served on the board. He added that it is ridiculous to suggest that the Board should modify the agenda to accommodate one commissioner's scheduling problems and that other commissioners should have to guess what matters to Commissioner Hemstad or be precluded from discussing "critical" issues after he leaves the meetings. President Jacobson said it is Commissioner Hemstad's obligation to resolve his scheduling conflict so that he can attend meetings from the beginning to the end, except for when unscheduled events develop, and when he leaves regular meetings early these should be considered an "unexcused" absence and so noted.

As a compromise, President Jacobson proposed to revert to starting the Board meetings on the first and third Mondays of each month at 3:30 p.m.; to commit to taking public comment at 6:00 p.m., irrespective of where the Board is on the agenda; if the other business is completed prior to 6:00 p.m., the meeting will be temporarily adjourned to 6:00 p.m.; and if other business is not completed prior to 6:00 p.m., the Board will continue with the other business following public comment. He requested a motion to rescind Resolution No. 878 in its entirety and continue with starting meetings at 3:30 p.m.

MOTION

It was so moved and seconded to rescind Resolution No. 878 and to continue starting Board of Commissioner meetings on the 1st and 3rd Mondays of each month at 3:30 p.m., and to commit to taking public comment at 6:00 p.m. in order to facilitate participation by the public. Commissioner Hemstad said he feels the commission made the right decision to move meetings to the evening to promote public access, but that moving the meetings to Monday evening, at a time he had an unavoidable conflict due to his job, exacerbates the issue. There was a call for the question, and the motion carried, rescinding Resolution No. 878.

Public Comment

Comments from the Public

President Jacobson said the Board would hear public comment at this time.

Representative Bob Hasagawa, 11th Legislative District, explained that he hadn't attended a Board meeting since December, and had apparently missed a lot. He didn't know about the recall petition. He appreciated the presentation on Valley Medical Center's work with children. He acknowledged Don Jacobson and the rest of the Board for their good work and said he is a supporter of the hospital district. He was pleased to see that the Board was working on a compromise and there was ongoing dialogue. Representative Hasagawa offered his office as a location to meet "in the middle." He encouraged the Board to keep up the good work.

Senator Cheryl Pflug, 5th Legislative District, stated that her first affiliation with Valley was as a Candy Striper in 1972. She later obtained her nursing degree. She said she is attending the meeting today based on the concern of a constituent. She said she

appreciates the effort to move the Board meetings to an evening time when more of the public can attend, but feels the Board ought to be able to find a time when all commissioners can be present without a conflict. She addressed Valley's recent PR issues with the ballot measure and the Public Disclosure Commission, acknowledging that building public trust needs to be ongoing. She has known Commissioner Hemstad for ten years and requests the Board to do everything possible to be open and accessible to the public. She, too, offered to help in any way possible.

Ruth Gibbs, resident and taxpayer, stated that she has lived in Renton since 1981. She read about the discussions of Board meeting times in the newspaper and was concerned. She serves on several committees and boards and meeting time is usually established to accommodate all the members. She said that three hours seems to be a long time for a meeting. Ms. Gibbs noted that all the city council meetings in the area are held on Monday nights. She recommends moving Board meetings to the evening so the public can attend, and possibly having public comment at both the beginning and the end of meetings as city councils do, to accommodate the public. It would be to the benefit of district residents to be able to participate.

Orin Wells, resident and taxpayer, complimented the Board on rescinding the Resolution to move the Board meeting time to a time when Commissioner Hemstad would be unable to attend. He stressed the need for commissioners to focus on hospital issues, not personal issues. He has had a major Emergency Department encounter here and found the care to be marvelous – no complaints. Mr. Wells said the Board needs to listen to each other. The public has put their trust in them. He urged the commissioners to do their best to work together.

Eric Easterbrook, resident and taxpayer, stated that this was his first Board meeting. He was happy the Board had rescinded the resolution moving the meeting time. He is a neighbor of Commissioner Hemstad and says he is a fine man and a good husband and father. He found Commissioner Miller engaging and Commissioner Bowman delightful. He feels the Board should all work together. Mr. Easterbrook had a positive experience as a Radiation Oncology patient here.

Kirk Newby, resident and taxpayer, said he believes the public is well served when Board meetings are held at a time when all commissioners can attend. He assumed there would be a review of meeting times following an election to determine meeting times. He thanked the commissioners for their service and asked that they consider reviewing dates/times to find a mutually convenient time to meet.

Sylvia Cavazos, resident, taxpayer and President of the Coalition to Preserve Our Hospital District, stated that she is tired of coming to the Board meetings in order to express her concerns regarding the same two issues which she feels are never addressed. The organization she represents, the Coalition to Preserve Our Hospital District, proposed introducing a resolution to censure Anthony Hemstad. She said she feels dismissed when she questions Commissioner Hemstad's motives in running for Commissioner and when she discusses Senator Pam Roach's interference. Ms. Cavazos stated that the Attorney General's informal opinions would seem to uphold filing Public Disclosure Commission charges against Commissioner Hemstad, and that agency has a duty to uphold the law.

Carl Brown, resident, taxpayer and Vice President of the Coalition to Preserve Our Hospital District, stated that his major concern and reason for joining the coalition was due to becoming aware of efforts to privatize Valley Medical Center and the major implications that would have on lower income citizens and people of color. He believes that Commissioner Hemstad is a part of this movement, mentioning a post-election meeting

where Senator Roach, Chris Clifford, Anthony Hemstad and Sue Bowman were present and the topic was the plan to privatize the hospital. Mr. Brown added that he doesn't care about meeting times as he has recently retired.

Carole Anderson, resident and taxpayer stated that the Joint Commission's findings were spectacular. She also congratulated the hospital on again being chosen as a finalist in *Washington CEO Magazine's* Best Places to Work in Washington. Residents of the community do not understand the magnitude of these events. She stated that she was on the Board because she could see the difference it made in the community. She hopes the commissioners settle their issues. Ms. Anderson also noted that she recently received a tax statement for a property she owns in another county. The tax for that county's hospital district is higher than in this district, and there is NO hospital! She encouraged touring and learning more about Valley Medical Center before coming to the Board with complaints.

John Hoyt, resident and taxpayer, said that he has been following media reports concerning the hospital Board. Both of his children were born at Valley. He does not know Commissioner Hemstad. He encouraged the board to work out an agreeable meeting schedule and set a fixed time for public comment.

Comments from Commissioners

Commissioner Hemstad asked Senator Pflug and Representative Hasagawa if members of boards and commissions they are familiar with try to accommodate the time schedules of all members. Representative Hasagawa stated that he did not feel it was appropriate to compare the Hospital District with the Legislature. Legislative rules are different and they are not bound by the Open Public Meetings Act. He said it is inappropriate to place legislators in the middle of this controversy. Senator Pflug stated that this is her tenth year in the Legislature and she has not experienced meeting time as a problem. Voting at committee meetings have been delayed for one vote when someone hasn't arrived yet. Senators have voted for the other side of an issue when someone was missing in order to avoid a special session. To limit debate and silence dissenting opinions weakens discussion and conflicts with the spirit of representative government. She also stated that the Board could not find a harder working or brighter person than Anthony Hemstad.

President Jacobson noted that this is a time for comments from the Commissioners, not a debate with members of the public.

Commissioner Hemstad stated that he would be happy to meet with Ms. Cavazos and her group to resolve issues.

In addressing those in support of Commissioner Hemstad, Commissioner Miller remarked that Mr. Hemstad has a long way to go to re-establish credibility with the rest of the Board. He has been on record as meeting with Senator Pam Roach and Chris Clifford intending to remove Rich Roodman as Superintendent. There have also been negative comments made to the press. There have been many comments made today about coordinating schedules of the five commissioners; there should also be consideration for the schedules of the leadership team.

Financial Affairs

Finance Update

Mr. Bernstein reported that there has not been a meeting of the Finance Committee since the last Board meeting. The hospital has been extremely busy with patient days up 6% and Labor and Delivery up 7% over same month last year. The Emergency Department is

also very busy. With these volumes there has been an increase in premium time, putting pressure on financial operations. Valley's charity care and bad debts are second only to Harborview in this area. Valley Medical Center is also second in the number of Medicaid patients admitted. It is extremely difficult for the medical center to achieve a breakeven position without relying on tax dollars.

Mr. Bernstein also noted that the Performance Audit Scope should be received this week.

A presentation on patient financial services, including cash collection services of the Perot Company was presented to the AWPHD last week. Three or four of the member hospitals are interested in pursuing shared business services. Valley Medical Center has already improved collections by over \$17 million during the past nine months since contracting with Perot.

Resolution No. 880 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 880 declaring certain equipment in the District's hospital as surplus to the needs of the District and directing the Superintendent of the District's hospital or his designee to effect proper disposal of such surplus property, as provided by statute. This surplus property consists of more than 200 television sets which will be partially funded by The GetWell Network. Because of the low cost of each television, they were not initially capitalized and therefore have no accumulated depreciation. Commissioner Hemstad asked if the hospital will try to sell the sets, since they can't be sent back to the manufacturer. Mr. Bernstein said the hospital will try to sell them and explained that hospital equipment rarely goes back to the manufacturers. It is usually donated to healthcare facilities in third world countries. The motion was approved unanimously.

Bills/Vouchers

MOTION

The Board, by motion, approved payments of the following bills and vouchers:

Lydig Construction, Inc.	\$3,017,782.71
(Emergency Tower – Application No. 5)	

	WARRANT NUMBERS	DATED	AMOUNT
	FROM	TO	
ACCOUNTS PAYABLE	25027	25172	4/22/2008 124,405.92
ACCOUNTS PAYABLE	2099027	2099277	4/17/2008 1,324,755.13
ACCOUNTS PAYABLE	2099278	2099278	4/17/2008 118,548.70
ACCOUNTS PAYABLE	2099425	2099661	4/22/2008 1,535,556.87
ACCOUNTS PAYABLE	2099662	2099825	4/24/2008 2,651,126.40
ACCOUNTS PAYABLE	2099826	2099827	4/24/2008 315,335.37
ACCOUNTS PAYABLE	2099828	2100067	4/26/2008 1,176,599.02
 TOTAL AP			 <u>7,246,327.41</u>
 WIRES OR EFT			 1,418,443.50
 GRAND TOTAL			 <u><u>\$11,682,553.62</u></u>

Reports

Reports from Administration

Operations Update

Mr. Hayes reported on the Master Plan noting that Phase II of the Surgery Project is progressing and support staff is moving into second floor offices this week. Utilization of the second floor surgery suites remains dependent on installation and certification of elevators for patient transfer. Upgrading of exterior signage is being completed on the campus perimeter. The Central Utility Plant upgrade, necessary to support new construction, is progressing. The chilled water plant will come online next month; the emergency power will come online in July; and medical air, nitrogen, oxygen and vacuum will be completed in June. Other construction news includes the Benson Plaza Urgent Care Clinic is out for bid and projected completion of the Lake Sawyer Clinic is mid-July.

With regarding to campus parking, Mr. Hayes noted that utilization of the parking garage by office building staff has improved. The top three levels of the garage are now often at capacity. Additional staff will be moved to the south campus lot in the near future. Paving of the recently demolished Eldercare site north of the main building is scheduled which will add additional parking spaces.

Mr. Hayes also stated that over the years, Valley has been a steward of the environment with recycling of paper products, utilization of hybrid vehicles, etc. A task force has been formed to explore additional efforts to further enhance Valley's imprint on the environment.

Patient Care Services

Mr. Alleman discussed the IT goals in clinic settings. The McKesson system was recommended last week as the first step in conversion to total electronic medical record. There is a one year plan to have all documentation in an electronic format.

Mr. Alleman also reported on the work of the Sg2 consultants who are here to assist with improving the ED throughput process. More and more often when VMC hits the 90% occupancy rate, there is greater difficulty with backlog in the Emergency Department. Sg2 began last week to look at the entire process.

The recruitment team is leaving next week for the Philippines to recruit and contract with RN's. Global Care will then take over the legal processes of bringing them to the US. It will probably take 18 months until the first group is in the US and another 18 months until orientation at Valley Medical Center. This will include a cultural transformation process during which they will be connected to the local Philippine community, but immersed in the culture of the US. After the initial process there will be a continuous flow of nurses.

Organizational Development

Ms. Mitchell reported that the annual "Wild Waves" event is scheduled for Sunday, June 1. This is a very popular family event for Valley employees. Two tickets are given to each employee and additional tickets are available for purchase. The event includes a full day at Wild Waves Theme Park, barbeque lunch and raffle. The event is usually attended by approximately 4,000 staff and family members. The cost of this event will not exceed \$140,000.

Resolution No. 879 – Employee Benefit

MOTION

It was moved and seconded to adopt Resolution No. 879, authorizing expenditure of district funds for an employee recognition event as an employee benefit. Motion carried.

Ms. Mitchell also reported on recent labor activities. Tentative agreement has been reached between SEIU, VMC, Swedish, Highline, Stevens and Northwest Hospitals to create a training trust to be used for continuing education for SEIU members within each participating organization. A press release will be issued soon. Local negotiations with SEIU 1199 NW begins on Wednesday. Contract expiration is June 30th. Ms. Mitchell said that an early agreement is unlikely.

Clinic Network

Mr. Larson stated that in the interest of time he would forego most of his report. It is very likely that a new ophthalmologist from this area will be hired to join Dr. Solomon. There will be more discussion after the contract is signed.

Mr. Larson requested time in closed session to discuss a real estate issue.

Business Development Update

Mr. Glenn reported on a recent semi-annual meeting of the IPV joint venture. MRI volumes continue high; CT and PET have decreased somewhat. Data is being assessed to determine missing volume. Mr. Roodman briefly explained the history and structure of Valley Radiologists and the IPV joint venture and growth over the past several years.

Mr. Glenn also reviewed the WNI (Washington Neuroscience Institute) and Cancer service lines which have been developed at Valley over the past few years. Valley is planning similar development of a cardiovascular service line.

Recess

President Jacobson acknowledged a request for a recess at 7:25 p.m. following which the Board convened in Executive Session for approximately ten minutes for the purpose of discussing specific real estate issues permitted by RCW.42.30.110(b) and (c).

Reconvened

The meeting reconvened at 7:38 p.m.

Adjournment

There being no further business, motion was made to adjourn this meeting at 7:39 p.m.