



health sciences & services authority of spokane county

**HSSA BOARD OF DIRECTORS
Minutes of the March 2, 2011 Meeting
665 N. Riverpoint Boulevard, Spokane, WA**

Members Present:

Mike Wilson, Acting Chair; Patricia Butterfield, Kelsey Gray, Kevin Oldenburg and Jason Thackston. Marty Martin, Vice Chair, participation by phone.

Members Absent:

Nancy Isserlis, Board Chair, and Jeff Collins.

Staff Present:

Susan Ashe, Acting Executive Director.

Counsel Present:

James Emacio

Providing Financial Counsel:

Gaylene Lewin, Total Business Concepts

Guests:

Amy Johnson and Christi D'Agostino, Institute for Systems Medicine; Dr. Stephen Warren, Gonzaga University.

Call to Order

Mike Wilson welcomed everyone and called the meeting to order at approximately 3 p.m. A quorum was established. Board Chair Nancy Isserlis had been called to a meeting out of town.

1) Approval of Minutes

Kevin Oldenburg moved to approve the minutes of the February 2, 2011 Board meeting, and Kelsey Gray seconded the motion. The motion passed with one abstention by Patricia Butterfield.

2) Board Actions

- a) Kelsey Gray moved to accept the recommendation of the committee to issue RFP #4 (with consideration being given to any changes being given by any Board members between now and the date of issuance, and we will evaluate any changes to see if they are substantive), we will make said changes and issue the RFP. Marty Martin seconded the motion. The motion passed unanimously.

- b) Patricia Butterfield moved to approve the engagement of Jim Gore and Bonnie Berk & Associates up to and not to exceed \$30,000. Jason Thackston seconded the motion, which passed unanimously.
- c) Kelsey Gray moved to approve the Memorandum of Understanding between Empire Health Foundation and the Health Sciences & Services Authority as outlined in counsel's draft letter to Antony Chiang. Patricia Butterfield seconded the motion, which passed unanimously.

3) **Chair's Report**

A) **Authorization to Pay Warrants**

Mr. Wilson informed the Board that he had signed Warrant Nos. 1122 through 1126 amounting to \$64,610.46. He and Finance Chair Jason Thackston also signed the Warrant Certification to Spokane County, and they both signed Warrant No. 1125 to ISM, which was over the \$10,000 signing limit and requires two signatures.

3) **Acting Executive Director's Report**

A. **Legislative Affairs Report**

Ms. Ashe reported there was not much to report from Olympia relative to HSSA business. The legislature is waiting to hear the March economic forecast, after which we can expect more budget cuts. She did report that the Higher Education Coordinating (HEC) Board bill, SB 5484, relating to relieving itself from some duties related to HSSA, had passed the Senate and seemed to be moving through the legislative process toward approval without amendments.

B. **Emerging Trends in Health Care Technology**

Ashe reported that HSSA is working with a group of partners Launch Pad INW, University District, WSU-Spokane, Revita, Sirti, Greater Spokane Incorporated, INHS and Inland Imaging, and asked HSSA Board members to please note the dates of the evening of April 11th, and the afternoon of April 12th on their calendars to attend.

4) **Board Committee Reports**

A) **Finance Committee** – Jason Thackston, Finance Committee Chair, reported the following:

- In January, HSSA received \$116,338 from county-wide sales and use tax revenues.
- The County reports that HSSA's ending cash balance as of January 31, 2011 is \$13,335,370. Of this \$963,373 is restricted for bond debt.
- HSSA committed \$1,080,000 in three Grant Competitions. At the end of January 31, 2011 there was a \$471,644 grants payable outstanding.
- Administrative costs for January were \$121,331 or about 6% of total state sales tax and interest earnings.

- Mr. Thackston referred Board members to the last page of the Finance Committee report, which is the bond debt. This is included every month that we meet to remind us all of the commitments we made under the bonds that we've issued. The total bond payable is \$10,730,000. We have a series of calculations that takes into consideration the interest payment that is due in June, and then the interest and the principal payment that's due in December of this year, then compare that to the amounts that we've set aside to cover that bond service. The bottom line is that we are projecting at the end of this year that we will have a surplus of approximately \$71,000, so we are on the right side of the calculation. That's good news.

B) Grant Subcommittee

Mike Wilson, Grant Committee Chair, made the following report on two issues.

- The reissue of RFP #4 is the first issue. Project Access reported its final report as the first recipient of this grant which comes from the 15% of income that is dedicated to the increasing access to health care in Spokane County through innovative and collaborative health service delivery. Since then the Grants Committee has met and posed the question whether we should reissue this grant as RFP #4, a new grant competition. The Committee said that we should look at RFP #4, revise as necessary, with the option to award more than one recipient if the Board so chose, and the maximum of the grant would be \$200,000. That is the recommendation to the Board today. We have not completely reviewed the RFP and made modifications. Mr. Emacio recommended that the Board move to approve it in substantially the same format presented today, and in the event we get any comments in the next week or so that if there are any major changes the Acting Executive Director would notify the Board, otherwise we issue it as approved.

We will grant up to \$200,000 for two years. The recipient(s) will have to provide a budget and select whether the grant would be one or two years.

Kelsey Gray moved to accept the recommendation of the committee to issue RFP #4 with consideration being given to any changes being given by any Board members between now and the date of issuance, and we will evaluate any changes to see if they are substantive and if not, we will go ahead and make the changes and issue the RFP. Marty Martin seconded the motion. The motion passed unanimously. Patricia Butterfield volunteered to rewrite up to \$200,000 for a period of 24 months, and that it is very clear to the applicant what the duration and maximum award will be and provide this clarification to Ms. Ashe.

- EHF/HSSA Collaborative Strategic Planning is the second issue. The work group met and reviewed a revised proposal from consultants, which was for approximately \$60,000, and we're confident that the \$30,000 that we committed in January is adequate. We will monitor the expenditures. The work group concluded that Jim Gore and Berk & Associates were the best match for our need. Mr. Emacio provided a draft MOU between Empire Health Foundation (EHF) and the HSSA. EHF will enter into a contract with Berk & Associates and Jim Gore, and that contract will have in it certain provisions that would benefit HSSA, such as: terminable upon 30 days' notice for any reason but we pay for services completed prior to

that date; that they have to bill consistent with revised scope and budget, which has an hourly rate; that EHF will initially pay the consultants, then HSSA will reimburse based upon the certification that they have paid consistent with billings received, and other general matters. This document addresses legal concerns and adequately protects our interests; however it is all based on this revised scope of work and task outlined within.

Patricia Butterfield moved to approve the engagement of Jim Gore and Bonnie Berk & Associates up to and not to exceed \$30,000. Jason Thackston seconded the motion, which passed unanimously.

Kelsey Gray moved to approve the Memorandum of Understanding between Empire Health Foundation and the Health Sciences & Services Authority as outlined in counsel's draft letter to Antony Chiang. Patricia Butterfield seconded the motion, which passed unanimously.

C) Counsel's Report – James Emacio

D) Board Member Comments and Announcements

There were none.

E) Executive Session

There was no Executive Session.

Board Finance Committee Chair Wilson adjourned the meeting at approximately 3:20 p.m. The next HSSA Board meeting will be **May 4, 2011**, 3 p.m. at Sirti, 665 N. Riverpoint Boulevard, Fourth Floor Board Meeting Room. The HSSA Board will not meet in April.