



health sciences & services authority of spokane county

HSSA BOARD OF DIRECTORS
Minutes of the January 6, 2010 Meeting
665 N. Riverpoint Boulevard, Spokane, WA

Members Present:

Earl F. “Marty” Martin, Vice Chair; Patricia Butterfield, Grant Subcommittee Chair; Dr. Jeff Collins, Kelsey Gray, Alethea McCann and Mike Wilson.

Members Absent:

Nancy Isserlis and Mari Thomas participated in part or in whole by conference phone call.

Staff Present:

Susan Ashe, Consultant/Acting Executive Director.

Providing Legal Counsel:

James Emacio

Guests:

Roy Koegen and Erik Lamb, Koegen Edwards LLP; and, by phone Susan Musselman, DashenMusselmam Inc.

1) Call to Order

Marty Martin called the meeting to order shortly after 3 PM.

2) Approval of Minutes

Alethea McCann moved to approve the minutes of the December 2, 2009, Board meeting, with a correction noted to add Mike Wilson as attending the December meeting, and two corrections under the Grant Subcommittee discussion to include a discussion about whether or not non-profit or for-profit was a restricting factor in grant-making and that a discussion was needed about a Board-approved Intellectual Property Policy. The motion was seconded by Patricia Butterfield. The motion as corrected was unanimously passed.

3) Board Action

- a) Kelsey Gray moved and Mike Wilson seconded the motion to allow discussion about the proposed Spokane County/HSSA Bond Anticipation Agreement. There was lengthy discussion on the Agreement prior to the Board’s unanimous approval to be followed immediately by a second motion documented in 3(b) below. The Agreement authorizes the County to issue bond anticipation notes in an amount equal to 75% of the principle and interest that can be raised between February 1, 2010 and January 1, 2023.
- b) Alethea McCann moved, and Mike Wilson seconded, a motion “to authorize the Chair or Vice Chair, with the consent of the Finance Committee, to direct the County’s Chief Executive Officer to borrow an amount that can get repaid from both principle and interest not to exceed 75% of the sales tax collections but in no event more than 100% of

the sales tax collections in any one year without the consent of the entire Board.” The motion also passed unanimously. The result of these two motions is to allow the HSSA Board to act quickly to have the County borrow funds on its behalf by working directly with HSSA counsel and bond counsel and without having to seek authorization again from the Board of County Commissioners.

In addition, the Board discussed the need for a strategic planning session about future distribution and allocation of funds, intellectual property policy and other matters. The Board determined it would extend its February meeting to have a more in-depth discussion on fund distribution and allocation.

4) Chair’s Report

The Vice Chair informed the Board that he had signed warrant numbers 1034-1039 dated January 6, 2010, \$8,844.27, and noted that Warrant 1038 is void. Mr. Martin also sought volunteers for an ad hoc committee to review draft Intellectual Property Policy proposals and make a recommendation to the full Board at its next meeting. Board Members Alethea McCann, Kelsey Gray and Mike Wilson volunteered to meet in the interim to conduct this effort. Both Susan Ashe and Jim Emacio were asked to participate.

5) Consultant/Interim Director Report

The Acting Executive Director reported that the December 21, 2009 contract signing ceremony at the WSU School of Nursing was quite successful, with good attendance and media coverage and met HSSA expectations. She also reported that the Board Chair has issued a holiday letter to community leaders and elected officials with an update about HSSA and thanking them for their support, a copy of which was e-mailed to the full Board. Finally, Ms. Ashe referred the Board to the Washington Higher Education Coordinating Board’s report entitled “Health Science and Services Authority Activities Report 2009” now posted on the HEC Board’s website and encourages Board members to review the report.

6) Board Committee Reports

a) **Finance Committee**

Alethea McCann, Finance Chair, issued the following report as of November 30, 2009.

- The County reports that \$133,601.94 is the September allocation to HSSA from county-wide sales and use tax.
- The County also reports that the HSSA ending balance as of November 30th is \$1,692,920.87.
- Administrative costs through November are \$71,597.89 or approximately 5.3% of the HSSA total revenue (county-wide sales and use tax at 0.02%) to date.
- There is nothing out of the ordinary to report, although at the end of November, the Higher Education Board reported in its December HSSA report to the legislature, that Spokane County retail sales were down 8.3% for the first half of 2009 compared to the first half of 2008.
- HSSA is in good financial shape.
- In addition, the Finance Committee has developed a draft 2010 Budget for the HSSA, of which you have a copy. We are conservative in our approach for income from sales tax

collections, which we estimate to be approximately \$1,492,389 and budgeted administrative expenses at \$105,927. Therefore, administrative costs are estimated to be about 7% of collections, well within the 10% limit. *(Note that the 7% is reflective of a full year of expenses, whereas the 5.3% in 2009 reflects a half year of expenses).*

- HSSA Grants awarded in 2009 totaled \$900,000, and expected to be awarded in 2010 at \$550,000, for a total of \$1,450,000 for four grant competitions in 2009-10.

Finally, Ms. McCann shared copy of a recap of the four grant expenditures plus the estimated 2010 administrative expenses of \$105,927 simply to indicate that the HSSA has enough funds collected through November 2009 to cover all of these expenses.

b) Grant Subcommittee

Patricia Butterfield, Grant Subcommittee Chair, reported that the HSSA had received two letters of intent (LOIs) in response to RFP #3, the Woodworth Collaborative Human Services Delivery Challenge Grant. She instructed the Acting Executive Director to set a telephone conference call for Grant Subcommittee members to further discuss the LOIs received, and to inform both proponents that the Board would be reviewing the LOIs and that the HSSA would have a response within a month. Dr. Butterfield then expressed her pleasure that the Board agreed that it needed a broader strategy discussion about how we will allocate revenues over the next 13 years.

- 7) Counsel Report. There was no Counsel report. Counsel did raise the matter of legislative changes the HSSA Board sought and Ms. Ashe was asked to forward a copy of the HSSA Legislative Agenda to the full Board.
- 8) Executive Session. There was no Executive Session meeting of the HSSA Board.
- 9) The meeting was adjourned at approximately 5 p.m.
- 10) **The next meeting of the HSSA Board will be Wed., February 3, 2010, at Sirti, 4th Floor Board Room, 665 N. Riverpoint**, beginning at 3 p.m. The Board considers this meeting a “mini-retreat” to have a strategic discussion about future fund distribution and allocation.