

**Orcas Island Health Care District**  
**Board of Commissioners - REGULAR Meeting Minutes**  
**Orcas Island Fire & Rescue – Eastsound Firehall**  
**Tuesday, August 6, 2019**  
**5:00 – 7:00 pm**

**Commissioners Present:**

Art Lange (remote)  
Diane Boteler  
Patricia Miller  
Pegi Groundwater  
Richard Fralick

**Staff:**

Superintendent Anne Presson

**Commissioners Absent:**

None

**I. Call to Order**

President Fralick called the meeting to order at 5:01 pm and noted that Commissioner Lange was participating by phone. President Fralick also noted two additions to the Agenda that will be placed in the Old Business section. These are: (1) Item Vd Small Works Roster rule changes and updates to the District Purchasing Policy; and (2) Item Ve Executive Session, as authorized by RCW 42.30.110 (1) (g), to wrap up the performance evaluation of the District's Superintendent.

**II. Public Comment**

Leif was hopeful comments he posted on a recent Orcas Issues article were helpful to the health care district.

**III. Consent Agenda**

The Consent Agenda contained 4 items: (1) AP Voucher Reports dated July 22<sup>nd</sup> in the amount of \$83,686.48 and July 30<sup>th</sup> in the amount of \$4,935.77; and (2) two sets of draft Minutes from the July 16<sup>th</sup> Regular Board meeting and July 9<sup>th</sup> Special Board meeting.

**MOVED by Commissioner Boteler, seconded by Commissioner Groundwater to approve the Consent Agenda as presented. VOTE 5:0:0. MOTION CARRIED.**

**IV. Committee and Work Group Reports**

- a. **Building Committee** – Commissioner Groundwater reporting on the meeting held with Clyde Duke of Duke Construction and Doug Poole of Sage Building Solutions. As was discussed at the last Board meeting, the purpose was to get their perspectives on possible approaches to the roof and HVAC projects. The Committee made it clear the meeting would have no bearing on future contracting decisions. Both contractors agreed to provide advice on a pro bono basis, to help figure out what to do to reduce the cost of the projects while minimizing disruption of UW Orcas Clinic operations.

The contractors had reviewed the suggestions from the Hargis Engineering report and they both felt there wasn't a need to incur the additional cost of hiring a Project Manager if the District hires a good General Contractor and/or the contractors chosen work well together and can handle the coordination between themselves.

As far as being able to do with the work without disruption to Clinic operations, the group talked about the possibility of working on weekends. Clyde suggested the roof be cut in order to proceed with the HVAC replacement. The roof could then be patched, and the work scheduled at a later date being that the HVAC didn't need to necessarily affect the re-roofing.

President Fralick talked about the efforts to ensure whatever direction is chosen addresses the pressure and thermal barriers and ends up improving the performance of the building. The Building Committee is also considering all available roofing materials to ensure that while minimizing cost the life of the roof is optimized.

On the HVAC side, the two choices continue to be replacing the existing system or going with a variable refrigerant flow (VRF) system. The VRF has the advantage of individual controls to improve the comfort level in the Clinic. The distribution units are fairly small and light weight, and the system allows for a lot more flexibility should any area of the Clinic be reconfigured down the road. In contrast, going with something similar to the existing HVAC system might be a little cheaper (although it remains to be seen how much) but it's not as flexible. The air handlers are much larger and heavier. In either approach, the current ducting will need to be replaced.

There was continued discussion around the fact that labor is the main driver of cost. The roofers are able to work on the weekends and not require overtime rates, assuming their overall weekly hours don't exceed 40 hours. That is not the case with several of the trades involved in the HVAC work. The Labor & Industry Prevailing Wage requirements are much stricter for trades involved in the HVAC replacement. Unlike roofers, these trades require time and a half or double time if work is done on the weekends. While details need to be sorted through, the Board might need to have UW consider closing the Clinic for a day or move to being open on a Saturday while the HVAC work is underway. Since it's likely the project won't happen until next Spring, there's time to work out the logistics.

Commissioner Miller asked if the Committee was reconsidering a metal roof in light of all of the details that are coming into play around labor and cost. President Fralick confirmed that's something the Committee is revisiting. He also expressed the Committee's appreciation to Clyde and Doug for sharing their time and expertise. Their input has been very helpful in thinking through such a complex project.

In closing, Commissioner Lange mentioned that during his research into Clinic structures he came across possible grant opportunities for health care facilities through the U.S. Department of Agriculture. **Commissioner Groundwater will look into these to determine if any programs might be available to support the projects. President Fralick also mentioned low cost loan programs and grants that the Committee will be exploring through OPALCO.**

- b. **Communications Committee** – Commissioner Groundwater shared the updated Board article on upcoming effort to understand the various structures such as Rural Health Clinics, Federally Qualified Health Centers, and Critical Access Hospitals. There was discussion and suggestions for a few final edits to the article. President Fralick suggested reference be made to the hiring a consultant who will help navigate these complex issues. Commissioner Boteler felt it's important to be specific as to what the consultant is being hired to do so the community knows the Board has a specific focus.

**There was consensus of the Board to have Commissioner Groundwater incorporate feedback discussed, finalize the article, and send it to the Superintendent so she can submit it for publishing.**

Related to the exploration of alternative structures, Commissioner Lange and the Superintendent discussed possible dates to host one or two Town Hall meetings to share the details with the community. While the Board initially was targeting September, there was consideration given to delaying until early October when more details of the consultant's work were known. There was also discussion around the need for more than one meeting. Commissioner Boteler asked if the intent was to have the same content discussed, or if there would be modifications made based on what was learned in the first meeting. **Based on travel and work schedules, the Board will consider hosting these meetings sometime during the period of October 4<sup>th</sup> through the 8<sup>th</sup>. Commissioner Lange will continue to work with the Superintendent to finalize details.**

- c. **Contract Negotiations Work Group** – Commissioner Miller reported that the Work Group is still waiting for final feedback from UWNC in order to wrap up their FY'20 budget. One of the items is UWNC's new provider compensation model. She is hoping to review that prior to meeting with OFHC, as she would like to understand UW's approach before meeting with Aimee and Dr. Shinstrom to address their budget request. In addition to salary, part of the disparity in compensation between the two clinics has to do with benefits. **Commissioner Miller will work on coordinating a meeting with the Work Group and OFHC.**
- d. **Finance Committee** - Commissioner Miller and the Superintendent are getting close to finalizing the monthly financial template and are identifying the changes we need to make in the modeling tool for the upcoming financial cycle. The Committee also expects to receive the March through June financial results from the clinics in the next week. These financials will close out UWNC's FY '19 since they run on a July 1<sup>st</sup> through June 30<sup>th</sup> fiscal year. OFHC's data will represent their Q'3 results since their fiscal year runs October 1<sup>st</sup> through September 30<sup>th</sup>.

## V. Old Business

- a. **Personnel Policy** – The Board reviewed the updated Personnel Policy document that has been under review for several meetings. Commissioner Groundwater indicated that she kept the benefits section open to allow for flexibility. The Board can decide to pay for an employee's insurance or go with PEBB if a future hire doesn't have insurance. Other clarifications had to do with how to apply various benefits to full-time versus part-time employees.

President Fralick confirmed the Board's intention to maintain flexibility as to when a salary adjustment is applied, rather than have it coincide with the District's fiscal year beginning January 1st.

**MOVED by Commissioner Miller, seconded by Commissioner Groundwater to approve adoption the OIHCD Personnel Policy. VOTE 5:0:0. MOTION CARRIED.**

- b. **Consultant Statement of Work (SOW)** – Commissioner Lange reported that the SOW was sent to four consultants. To-date, two responded and their information was included in the Board packet. He acknowledged that the timeframe to respond to the SOW was tight and would like to give the two remaining consultants an opportunity to respond.

There was consensus of the Board to wait until the next Regular meeting to decide on the hiring of a consultant. Commissioners were asked to send any initial questions from the two responses received to Commissioner Lange.

Commissioner Miller shared that she attended a recent Rotary Club meeting with Commissioner Boteler and Superintendent Presson and learned that one of the Rotary members sits on the Board of a Federally Qualified Health Center (FQHC) in the Tri Cities area. This got her thinking that there a lot of resources within the community and the Board will want to develop a thoughtful way to engage people.

Discussion continued around what information might be helpful to gather in advance of the next Regular meeting so the Board will be well positioned to decide on the consultant responses. **The Superintendent will ask one of the consultants if it's possible to get the list of data elements they would need to begin the work. She'll ask the other consultant to clarify his suggestion that he conduct a working session with the Commissioners since his response didn't include a cost element. Finally, Commissioner Groundwater will try to solicit information on references for all who respond.**

- c. **District Prospectus** – Superintendent Presson shared a very early draft of the Prospectus. This is, a document that will have a variety of uses. **Commissioners were asked to provide feedback to the Superintendent, and she'll continue to revise.**
- d. **Small Works Roster** – Commissioner Groundwater recently attended an MRSC Purchasing Workshop and learned about changes in State laws that will affect the District's Purchasing Policy. At this point, she was simply alerting the Board to the fact that she'll be updating the previously adopted policy. The Board will have to make some decisions on a variety of items. **There was consensus of the Board to have Commissioner Groundwater draft a document that the Board can react to. Commissioner Groundwater will plan to bring this back in September.**

## VI. New Business

- a. **FY '20 Compensation** – This discussion was postponed following the results of the Executive Session. It was decided the Executive Session would be held following the remaining Board items, including the final Public Comment period.
- b. **Community Advisory Work Group** – At the last Board meeting, President Fralick asked Commissioners to revisit the make-up of the Committees they participate on to see if any changes in make-up of the group might benefit the work ahead. The Superintendent shared an example of a Community Advisory Work Group that another public entity implemented that might address Commissioner Miller's comment at the last meeting around the possibility of having community engagement with the consultant's work.

**Commissioner Lange offered to work with the Superintendent to develop a process for seeking community volunteers. This will include developing and maintaining a list of individuals and their skill sets.** The Board agreed that it's important to clarify Work Groups are advisory in nature and not decision-making bodies. When recruiting members of the community it needs to be very clear that the Board will not be delegating authority. **Commissioners were asked to send recommendations to Commissioner Lange.**

#### **VII. Operations Report**

The Superintendent shared the Exit Conference document from the State Auditor. The District concluded its first Accountability Audit and the Auditor summarized by saying the results are the best we could hope. As a new entity, the District has already demonstrated strong internal controls and adherence to State requirement and internal policies. There are no findings or management letter, and a best practice recommendation was made specific to the safeguarding of assets. As discussed in a prior meeting, this is specific to access to the building and developing a Policy to outline the method of tracking and maintaining the equipment inventory.

The audit cost was estimated to be \$5,000 plus travel. Since the audit was coordinated with Lopez Island, the Auditor was able to reduce travel expenses to both islands. The Superintendent was timely in responding to questions and providing information, and that helped keep the actual audit cost closer to \$4,000. Finally, the next audit is scheduled for 2020 and it's expected the District will be able to move to every 2-3 years.

#### **VIII. Public Comment**

**Aimee Johnson** from OFHC shared information on two rural health conferences that she felt might be of interest to the Board.

#### **IX. Upcoming Meetings**

A list of upcoming meetings was included on the Agenda. President Fralick discussed the leadership meeting taking place with UWNC and the local UW Orcas Island Clinic leadership on August 7<sup>th</sup> to which he was invited to attend. Discussion was held and it was decided that Commissioner Groundwater will join that meeting. President Fralick also indicated that he'd be out of the County for the next meeting and is not sure if he will be able to dial in. Commissioner Miller will Chair the meeting. Finally, the Superintendent mentioned that the Resolution to move the meeting start time to 5 pm only runs through the next meeting. Commissioners all reported hearing favorable feedback from the community and are supportive of continuing the later start for a few more months. **The Superintendent will bring a Resolution to the next meeting to keep the meeting time at 5-7 pm through October.**

#### **X. Old Business – Executive Session (6:44 – 7:15 pm)**

As discussed at the start of the meeting, President Fralick reported the Board will go into Executive Session, per RCW 42.30.110 (1) (g), to wrap up the performance evaluation of the District's Superintendent. The session was scheduled for 15 minutes. At 7:00 the Board asked for Executive Session to be extended until 7:15 pm.

#### **XI. New Business (continued)**

The Board resumed Open Session at 7:15 pm and addressed the item specific to the FY '20 Compensation recommendation for the Superintendent. The Board acknowledged the additional work performed by the Superintendent in the first year of operation resulting in worked hours far in excess of the agreed upon 20/hrs. per week and felt some compensation was appropriate, they discussed the pros/cons of setting a permanent increase in compensation. Ultimately it was agreed that a one-time bonus was appropriate to recognize the significant time expended in addition to a 3% cost of living salary adjustment..

**MOVED by Commissioner Fralick, seconded by Commissioner Boteler to approve the Superintendent's salary be increased by a 3% cost of living adjustment effective January 1, 2020. VOTE 5:0:0. MOTION CARRIED.**

**MOVED by Commissioner Fralick, seconded by Commissioner Miller to approve a one-time bonus of \$3,800 to recognize the Superintendent's hard work over the past year. VOTE 5:0:0. MOTION CARRIED.**

The Commissioners were thankful for the Superintendent's efforts and support, and the Superintendent expressed her appreciation for the recognition. President Fralick also mentioned that as the structure evolves, the Board will continue to look at hours and workload to determine what makes sense.

## **XII. Meeting adjournment**

**MOVED by Commissioner Miller, seconded by Commissioner Groundwater to adjourn the meeting at 7:26 pm. VOTE 5:0:0. MOTION CARRIED.**

Minutes approved this \_\_\_\_ day of \_\_\_\_\_, 2019.

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**Attest: Patricia Miller, OIHCD Board Secretary**