



PO BOX 213, Vashon WA 98070  
vashonhealthcare.org

## REGULAR MEETING MINUTES

Date: Oct 19, 2022

Time: 18:00

Place: Vashon Presbyterian Church, 17708 Vashon Hwy SW, Vashon ZOOM Meeting,  
<https://zoom.us/j/94707956113>

Present: Tom Langland, President, Position 1

Wendy Noble, Position 4

Alan Aman, Position 3

Eric Pryne, Position 2

Don Wolczko, Position 5

Eric Jensen, Superintendent

1. **Call to order** - Commissioner Langland called the meeting to order at 6:00 p.m.
2. **Approve/Amend Oct. 19, 2022 Agenda** - Commissioner Pryne moved to approve the agenda; seconded by Commissioner Wolczko; and unanimously approved.
3. **Approve/Correct Oct. 5, 2022 Regular Meeting minutes** - Commissioner Noble moved to approve the minutes; seconded by Commissioner Pryne; Four Commissioners voted to approve, with Commissioner Wolczko abstaining.
4. **Public Comment** - Commissioner Langland opened the first public comment period. No attendees offered comment.
5. **Superintendent Report** - Superintendent Jensen presented the budget documents and calendar following the updates after the Finance Committee meeting.
  - a. **2023 Budget Calendar Revised** – The proposed calendar is as follows:

|                          |  |
|--------------------------|--|
| Monday, October 17       | Budget Review by Finance Committee <b>COMPLETE</b>             |
| Wednesday, October 19    | Board Review of Draft Budget                                   |
| Wednesday, October 19-28 | Prepare 3rd Draft per Board Comments                           |
| Friday, October 28       | Send Hearing Notices to Beachcomber (publish on Nov 3 & 10)    |
| Monday, October 31       | File Budget with Commission & Post on District Website         |
| Monday, November 14      | Special Board Meeting – Budget/Levy Hearing (Deadline Nov. 15) |
| Wednesday, November 16   | Regular Board Meeting – Approve Budget Resolution              |

- b. **2023 Draft Budget, Budget Options and Recommendation** - Superintendent Jensen went through the various options for the 2023 budget with different assumptions regarding the levy rate, whether or not the District includes funding for a subsidy for a new care provider, and to meet five budget goals for the year.

The budget baseline, according to Superintendent Jensen, includes a lower levy rate of \$.39/1000 that generates the same annual levy dollars. It has higher Administrative Expenses in consulting, legal and contingency. It adds a District office line item. The baseline shows that there would be funding for setting up a \$500,000 restricted capital fund. The reason this budget includes almost \$2 million in levy dollars is because of the uncertainty regarding the potential need for a subsidy for a new provider and the desire of the Finance Committee to begin funding for a future capital project. A subsidy may be unlikely, so the baseline budget is the more conservative approach. The funding for a capital project is also tied to whether or not the District needs to fund a new clinic.

Some changes to the administrative/operating expenses include: higher hours for Administrative Assistant; the change in Superintendent; reduction in accounting costs; and inclusion of legal costs; consultant fees for planning were included in case needed, such as for a community survey; dues and subscription costs were updated, including file sharing program; website costs and IT support. Rent for a district office, including meeting space, may be desired. Overall, these costs are 14% higher than the previous year. The trickiest contingency is the possibility of pursuing a new provider and a possible subsidy.

After Superintendent Jensen described the various budget options, the Commissioners provided their initial feedback and inputs.

Commissioner Pryne asked if state auditor costs should be included in next year's budget as well as fees associated with the new property such as surface water management fees (a little less than \$6k). He pointed out that the budget assumes lease revenue through 2023, but may only be through June 30<sup>th</sup>. Commissioner Pryne also stated that if any Commissioner do not plan to waive per diem that should be known now to budget appropriately. He said one option that the District may want to explore is Sea Mar does primary care and the District pursues supplemental options. Commissioner Pryne stated that the Commissioners began two years ago talking about reducing the subsidy to reduce the levy and now we don't have a subsidy that we know of going into next year so we should follow through and reduce the levy. Some items in the budget are very unknown and nebulous such as the \$150k in program enhancement and \$500k in capital reserve for a building we don't know will be built. Also, the budget includes paying off debt all in one year but he would propose we do that over time and decrease the tax burden of the community. Commissioner Pryne

expressed that the District needs flexibility but needs to be able to tell taxpayers what they are getting for their taxes.

Commissioner Wolczko stated that if the District limits its budget, it limits its options. There are many unknowns regarding what will happen next year. For example, if we don't provide a subsidy for Sea Mar, there are many other needs for healthcare, such as care for elderly on Vashon and urgent care. Commissioner Wolczko also expressed a desire to eliminate the debt stating that taxpayers didn't pay taxes during the first year after the District was created and that we need to pay off those amounts, as well as enough to fund the capital project.

Commissioner Noble was most comfortable with holding the line where we are right now and agreed with Commissioner Pryne that it seems like a lot to keep in reserve should the other contingencies not come to fruition. Commissioner Noble said she would be surprised if the District had to provide a subsidy to another provider next year, so the District should look at other ways to help provide healthcare on the island.

Commissioner Langland said he lines up pretty near Commissioner Noble, holding the line at the levy amount for some of the same reasons. He agreed with Commissioner Pryne's motivations, but would prefer to make those adjustments in 2024 because the current provider situation is unknown and there are a lot of possibilities and that the District needs to be prepared for. Commissioner Langland agrees with the priority to reduce debt for the public but also to acquire equity in new property and said that the District can use the time it has through 2026, if it is required, to reduce the debt. If the unknowns of 2023 allow, the District can buy down the debt, but it is responsible for the time being for the community to start saving for the possibility that a new clinic is required.

Commissioner Aman expressed that the other comments show why it is difficult to budget for 2023, because there is so much uncertainty. He stated that, "by Board action, we are searching for a provider so we need to at least budget for a subsidy." The District needs to have a fund to negotiate with a new provider. Sea Mar's lack of need for a subsidy is unique to them. Commissioner Aman appreciates the commitment to the community regarding the levy rate although the District can't handicap itself if it has to respond quickly to a departure of Sea Mar, which would be a more serious concern than the level of the levy to the community.

. Commissioner Pryne stated that the most likely potential providers have access to many of the same revenue sources as Sea Mar, including 340-B, and almost certainly would not need a subsidy as large as the \$125,000/month the district has been providing to Sea Mar. He also agrees with Commissioner Wolczko that there are a lot of unmet needs such as physical therapy and acute and urgent care. He said that it would be great to set aside funds for 'just in case' in the unlikely event Sea Mar departs and agrees with paying off the debt but that it needs to be balanced with community commitments regarding the levy.

Following Commissioner comments, Superintendent Jensen reiterated the process and said that this was the last regular meeting prior to the budget hearing. Commissioner Langland summarized the inputs stating that one Commissioner favored lowering the levy, with two Commissioners favoring to hold the levy, with one Commissioner favoring a slight increase. Superintendent Jensen invited additional input from commissioners as a follow up to today. The budget will be filed by October 31 per the proposed calendar.

## 6. Unfinished Business

- a. **Vashon Clinic Transition Plan Update** - Superintendent Jensen presented the updated Acceptance Criteria Document regarding Sea Mar's plan. It was sent out on Wednesday, October 12. To date there had been no response from Sea Mar.

Commissioner Pryne asked if anything had been heard about the subsidy reduction this year and Superintendent Jensen said there was no update. Commissioners agreed that subsidy payment need not be sent. Commissioners Langland and Aman suggested sending a letter to them with that understanding.

- b. **Interim Superintendent Contract** - Superintendent Jensen prepared a draft contract for Interim Superintendent Johnson. Commissioner Langland reminded the group that Tim Johnson was hired at a special meeting on October 14th and the agreed upon compensation and time were documented in the draft contract. It also includes some of the priorities of the Board. A copy of the document was shared with Mr. Johnson, who was present at the meeting.

Commissioner Wolczko moved to approve the draft employment contract for Tim Johnson; seconded by Commissioner Aman; and unanimously approved.

## 7. Committee reports

- a. **Finance Committee – Jensen** - Superintendent Jensen presented and requested approval for the most recent payroll and payables. He explained that the District 3<sup>rd</sup> Quarter financials that were just sent out, the District was over budget, but this was due to the land purchase. Superintendent Jensen explained the payroll for the period of October 1-15 in the amount of \$5,052.90, and also accounts payable and debits, as well as the timeline for seeking board approval for these items. Commissioner Wolczko moved to approve these payments; seconded by Commissioner Aman; and it was unanimously approved.
- b. **Outreach Committee – Pryne, Noble** - Commissioner Pryne provided an overview of a busy couple of weeks of outreach from which they have compiled their experiences. They also met with an elected Representative who was skeptical of Sea Mar operating without a subsidy and offered her support when it was time to call on her. Community outreach sessions took place at Minglement, outside the Hardware Store on first

Friday, and outside the two grocery stores. It was very energizing, with lots of conversation and support of the District. There were only a couple negative comments but were focused on taxes and not using the Sea Mar services. They also presented to the Vashon Maury Community Council. There will be another session on Voice of Vashon on Tuesday, October 25th. Commissioner Noble provided an update on the new website and shared that the new site was now live.

- c. **Strategic Planning Task Force – Aman, Langland** - The Task force went over the criteria document that was submitted to Sea Mar and is awaiting their response. Attendees did not believe that Sea Mar would agree to provide a detailed plan responding to the criteria but that it was important to request it and learn from their response. The Task Force believed it might be time to more actively engage legislators. Commissioner Pryne offered to help engage legislators. According to Commissioner Aman, we want Sea Mar to initiate dialogue around this, in private conversation, and for them to engage with the community. If they decide not to engage or we can't find common ground, we will have this dilemma and have hard choices.

## 8. New Business

- a. **File Sharing Software Approval** - Superintendent Jensen notified the Board that staff will move forward with the purchase and implementation of a file sharing program. Google Drive was chosen based upon its price, functions, usability, and familiarity. Commissioners informally expressed agreement with the plan.
- b. **Annual Budgeting and Levy Setting Policy and Procedure** - Superintendent Jensen introduced a new policy and procedure document on the annual budget and levy setting process for the District. Included with the policy was a sample resolution, a sample King County ordinance, and King County's levy limit worksheet. Commissioner Aman moved to approve the policy document; seconded by Commissioner Wolczko; and unanimously approved.
- c. **Policy Updates** - Superintendent Jensen introduced three updated policy and procedure documents and requested approval for minor updates to the following:
  - Travel and Expense Reimbursement and Approval
  - VHCD Credit Card Policy
  - VHCD Commissioner Compensation and Waiver of CompensationCommissioner Aman moved to approve the updated documents; seconded by Commissioner Wolczko; and unanimously approved.

## 9. Public Comment

- Commissioner Langland opened the second round of public comment.

Debby Jackson *via* Zoom expressed appreciation for the Board's outreach efforts.

Tim Johnson, present in person, expressed excitement and gratitude for the opportunity

to serve as the Superintendent beginning Nov 1 and thanked the Board for collegially working through budget process; he agreed with them all sharing thoughts and having the full discussion next month; Mr. Johnson also suggested that not all contingencies need to be budgeted for next year because not all four will happen.

**10. Adjournment** - Commissioner Wolczko moved to adjourn the meeting; seconded by Commissioners Aman and Pryne; and was unanimously approved. The meeting was adjourned at 7:37 p.m.

The next Regular Meeting will be on Wednesday, November 2, 2022, at 18:00 on ZOOM, <https://zoom.us/j/94707956113>.