



**Snohomish Health District  
Board of Health Minutes  
Regular Meeting  
October 11, 2016**

Meeting was held at Snohomish Health District, 3020 Rucker Ave., first floor Auditorium.

**Members Present**

Mark Bond, Councilmember, Mill Creek  
Christine Cook, Councilmember, Mukilteo  
Hans Dunshee, County Councilmember  
Adrienne Fraley-Monillas, Councilmember, Edmonds – BOH Vice Chair  
Benjamin Goodwin, Councilmember, Lynnwood  
Kurt Hilt, Councilmember, Lake Stevens  
Ken Klein, County Councilmember  
Scott Murphy, Councilmember, Everett  
Dan Rankin, Mayor, Darrington  
Jeff Rasmussen, Councilmember, Monroe [via telephone]  
Terry Ryan, County Councilmember  
Brian Sullivan, County Councilmember – BOH Chair  
Donna Wright, Councilmember, Marysville  
Kyoko Matsumoto Wright, Councilmember, Mountlake Terrace  
Stephanie Wright, County Councilmember

**Members Absent**

None

**Call to Order**

The October meeting of the Board of Health was called to order at 3:11 p.m. by Board Chair Brian Sullivan in the auditorium of the Snohomish Health District Rucker Building.

**Special Business**

Oath of office was given by Grant Weed to new board member Kyoko Matsumoto Wright.

**Roll Call**

Roll call was taken by Linda Carl who reported there was a quorum present.

**Approval of Minutes**

It was moved by Ms. Stephanie Wright and seconded by Mr. Kurt Hilt to approve the minutes of the regular meetings held August 9, 2016, and September 13, 2016. The motion passed unanimously.



## Point of Order

Grant Weed, General Legal Counsel, noted that the Board has not as yet adopted protocols for absentee voting, such as for Board members who are connected via telephone. Board Chair Brian Sullivan and Mr. Jeff Rasmussen acknowledged that Mr. Rasmussen will serve in an ex-officio capacity at today's meeting.

## Consent Agenda

It was moved by Ms. Donna Wright and seconded by Mr. Scott Murphy to approve the following items on consent:

- Resolution 16-013 authorizing August 2016 public health expenditures and voucher check numbers 62847 through 63154 totaling \$1,433,088.97.
- Resolution 16-014 authorizing September 2016 public health expenditures and voucher check numbers 63155 through 63303 totaling \$1,273,269.60.
- Weed, Graafstra & Associates contract for General Legal Services.
- Rescind Resolution 13-09 and adopt Resolution 16-015 authorizing petty cash, revolving funds, and change funds in the amounts indicated.

The motion passed unanimously.

## Public Comment

There were no volunteers to speak during public comment. Chair Sullivan closed the public comment period.

## Standing Reports

Brant Wood, Public Health Advisory Council Chair, reported on the September PHAC meeting. Health District staff update the council on the ongoing heroin forums, the \$2 per capita presentations to cities, and the Ruckelshaus Center assessment report. Mr. Jeff Ketchel, Environmental Health Director, then discussed the topic of shared services, and Dr. Gary Goldbaum announced his retirement to the PHAC.

## Action Item

SR 16-056 – Intergovernmental Services Agreement with Snohomish County Public Works Solid Waste: Mr. Ketchel presented the contract renewal for 2017 with Snohomish County in the amount of \$754K for various solid waste services. This is a key funding source for complaint investigations and inspecting county facilities; the Health District has engaged in the agreement with the County since 1994. In response to a question by Mr. Murphy, Mr. Ketchel said that rates have changed for 2017 for several reasons. One reason the rates were increased by 2% is to reflect the anticipated COLA for collective bargaining agreements. Additionally, the Health District has negotiated an overhead rate of 25% with the County in line with the County's request and also in line with the overhead rate to be paid with the Health District's grants and contracts with the Dept. of Ecology.



Mr. Murphy moved and Ms. S. Wright seconded to approve the interlocal services agreement with Snohomish County for activities related to solid waste. The motion passed unanimously.

## **Briefings**

SR 16-059 – Environmental Health Fee Schedule:

Mr. Ketchel indicated that the proposed fee increase includes an across-the-board increase, similar to last year's increase, which reflects the CPI. However, the Health District is considering other increases and would like to have a public hearing in November to discuss the proposals. If the fee increases are approved with the 2017 budget, the increases can't go into effect until April, which misses potential revenue to fund programs. If a new fee schedule is passed in November, it can be implemented immediately and included with renewals scheduled to go out the day after the November Board meeting. Mr. Ketchel will provide more detailed information at the November Board meeting. He also noted that septic complaints could be funded by permit fees instead of from the general fund; however, permit fees would then be increased by 8.4%, which would cover staff time and legal services.

Mr. Ketchel responded to questions from the Board. He indicated that the Health District has responsibility for septic systems, including review and field work. Failing septic systems (sewage on the ground) is a typical complaint, which may require multiple field visits and consultation with legal counsel. We can go to court and get some relief of the charges; however, the amount does not cover actual costs.

Mr. Ken Klein stated that at the County, code enforcement is paid from the general fund and permitting is out of a different fund; he asked if legally the funds can merge to provide one funding source. Mr. Grant Weed responded that he's not aware of any restrictions. Mr. Ketchel added that other health jurisdictions in the State use fees from septic inspections to help fund their complaint system either in part or in whole. If, however, there's a drop in permits, it will hamstring our ability to investigate complaints.

Chair Sullivan suggested the Board take time to review the fee proposal and contact Mr. Ketchel if there are questions. Mr. Ketchel indicated that he plans to contact the building industry to get input on different fee-increase options. He added that the amount of the fee is a flat fee and not based on the value of the septic system.

Ms. S. Wright said that the budget ad hoc committee requested the options provided in the handout today, which include a graduated increase, so the Board can consider all options and come back in November to make a decision. Mr. Ketchel added that a year from now, after the data-management system has a year's worth of data, staff will propose a remanufactured fee schedule for the EH division that reflects the actual cost of services provided.

Mr. Pete Mayer added that this is a balancing act with a decreasing general fund; the budget ad hoc committee is challenged with delivering a balanced budget. This decision will help determine how much of the general fund is needed to subsidize enforcement activities.

Ms. S. Wright moved and Ms. Adrienne Fraley-Monillas seconded a motion to set a public hearing regarding the proposed fee schedule at the November 8 Board of Health meeting. The motion passed unanimously.



Rucker Building Capital Repair/Improvements (no staff report):

Ms. Heather Thomas began with a presentation that the budget ad hoc committee requested for the full Board. She provided a recap of the timeframe from December 2014 when work with McKinstry started. McKinstry provided a recommendation for capital improvement projects at a cost of about \$4M, which includes HVAC repair and work on the EOC. They also looked at maximizing space and leasability to other tenants (currently the only tenant is the IRS). There is vacant space on the first and third floors. McKinstry recommended consolidating staff to the first floor, then leasing the second floor; however, improvements would be needed.

The Board approved the budget last December, which included the full \$4M for capital improvements, with the understanding that there would be about a \$3M capital bond. Staff would also provide updates to the Board as information became available from McKinstry. However, the project was put on hold as the Board looked at funding issues and consolidating with the County.

Mr. Mayer added that capital financing was predicated on securing some kind of external financing for the improvements, likely from the County. The lease revenue from potential new tenants would pay back the cost over about a 10-year period. McKinstry estimated that if available space was fully leased out, it would generate about \$200K to \$300K per year in new revenue.

Another issue that was discussed with the budget ad hoc committee is that the Health District is currently underutilizing available space in the Lynnwood office. The existing lease is through mid-2018. Subleasing about 3,500 sq ft hasn't been successful so far; vacant, available space means lost income. However, the Health District isn't staffed to be property managers, which includes tenant improvements, O&M costs, and negotiating leases.

One option proposed to the budget ad hoc committee is to maintain ownership and invest a minimum of \$1.5M in capital improvements, including the HVAC system, GL system (about \$500K), and improvements to the EOC, then considering contracting out to a property-management firm to lease out vacant space.

Another option is to sell the Rucker Building; the estimated value is \$8.5M. If the building is sold, the Health District could then purchase a smaller building(s), lease smaller buildings/spaces, or retain some of the space here.

When these options were presented to the budget ad hoc committee, they requested this issue be brought to the full Board.

Mr. Mayer added that it's the intention of the budget ad hoc committee to continue to explore these options, particularly if we don't retain occupancy in the Rucker Building and perhaps look for another location(s). He requested feedback today from the Board for the budget ad hoc committee. Absent any objections, the committee will continue to explore these options, to evaluate the pros and cons, financial impacts, etc.

Chair Sullivan said he was present for the ribbon-cutting for this building. At the time, a deal was made with the cities and the County; cities (except Mukilteo) and the County have a stake in the building but aren't on the title. When the Health District started out, it was built on the idea that the organization would

grow into the space. However, with a smaller staff, it doesn't make sense to stay in a building if staff only utilizes about one-third of the space. He'd like to start meeting with the cities about this issue. He believes it would be helpful if cities gave up their position on the building as a gift of public health.

Mr. Mayer confirmed that cities provided funds on a per capita basis with two-year payments. The title issue remains unclear, as well as the Board's intention at the time of purchase. Staff is prepared to bring additional information back to the full Board after staff and the ad hoc committee sort through the information. There appears to be some interest that the participating cities and County have; it's a matter of sorting through those interests in the event the Board chooses to sell the building.

Ms. S. Wright stated that this building is too big and we're not property managers. There's a lot of value in this building that could be put back into public health instead of investing \$1.5M into a building that won't gain value. This is a good time to get out and look for something that's right-sized.

Ms. Fraley-Monillas relayed a discussion with the Edmonds mayor who agreed it was best to sell it. She believes it could be negotiated with the cities as some sort of donation to public health.

Mr. Klein stated that many cities probably didn't know they had an interest in this building until a few years ago. He said this building is an asset for public health in the county and a sale should not be considered a windfall for cities.

Chair Sullivan said the Health District charter and written agreements with the cities aren't the same, so we must continue to work through the issue.

Mr. Weed said there are over two pages in the charter that deal only with the issue of this building. Since the revision of the charter in 1997, several things have changed. There is complexity that needs to be unraveled. First, cities need to know what their interest is so they can make informed decisions going forward.

Ms. Fraley-Monillas said we need to have an understanding of what cities may want to do before we can even contemplate selling the building. Cities have to understand what promises were made and then what they want to do about it. The flip side is that the cities should also be responsible for the \$1.5M capital improvements if they wish to be partial owners of the building.

Ms. Thomas clarified that the \$8.5M evaluation was based on not doing the HVAC improvements. The budget ad hoc committee is looking for feedback today and if there any red flags from the Board before moving forward with exploring this option.

Mr. Hans Dunshee said there may be space efficiencies on the County campus, which could potentially be an option.

Chair Sullivan added that the Health District is the only entity on the deed. The ad hoc committee needs to come back to the full Board along with additional information and a recommendation.

Mr. Terry Ryan said there are steps that need to be taken in parallel with each other if we decide to go down this path, such as: obtain a written opinion of value, interview commercial realtors with proven track





records, conduct a needs assessment (how much square feet do we need and still allow for future growth), have the realtors do a market survey, and also talk to the cities to get a final determination as to what their percent of ownership is. He recommended putting together a subcommittee, which he volunteered to serve on because he was in commercial real estate.

Ms. Thomas responded that we've worked with a commercial broker who provided a market survey and should have a written evaluation for us today.

Mr. Mayer stated that part of McKinstry's work was to look at space utilization and how we could be most efficient and turn back as much leasable space as possible. They provided an extensive study, which in part recommends consolidating much of the customer-service functions on the main floor. There are exceptions to that due to ventilation issues on the second floor. We're looking at trying to right-size – what is really required to facilitate the work today and potentially tomorrow. He addressed Mr. Dunshee's statement and noted that it could delay a decision. He said the Health District has heard from the County that they're looking for space because the County campus space isn't sufficient to meet the current needs; we've been approached as a potential home for some of those services. We would like to make a prudent, efficient, cost-effective decision; however, he's concerned about any process that may draw this out another 18 months. The \$1.5M is not within our base balanced budget proposal, so that would need to be funded either through cuts or through unallocated fund balance. There are financial implications to delaying a decision.

Mr. Dunshee said the Great Recession significantly reduced Health District staffing, but space remains the same. He believes utilizing County campus space would create efficiencies for both entities.

Mr. Ryan followed up that getting an appraisal puts a cap on the offers, which is why he recommends a written opinion of value first. The appraisal could come later and is necessary for lenders. But the opinion of value is based on comparable sales in the area.

Ms. S. Wright asked if we should still explore moving forward with selling the building or if Board members want to talk to their councils and represented cities first.

Chair Sullivan added that we're happy to provide all the information we have, but it's a complex issue. Public health has been crippled statewide, and every dime counts. If we do move forward, he hopes everyone is onboard.

Mr. Hilt stated this is a millstone around staff's neck; if we keep the building it will require more money. There's a sense of urgency.

Dr. Gary Goldbaum reminded everyone that this is a one-time sale and one-time infusion of funds, whereas leasing is an ongoing cost.

Ruckelshaus Center Assessment Report (no staff report):

Mr. Kevin Harris, Ruckelshaus Center, summarized the situational assessment report presentation and facilitated discussion from last month's Board of Health meeting. He noted that the report is not a feasibility study or a consultant's report; its purpose was to look internally and externally at interviewees' opinions regarding organizational structure of the Health District, including governance, funding, and



communication. The report included conclusions and recommendations. The Center's recommendations are centered around establishing and formalizing a governance structure based on what was heard in the 73 interviews, including a more resilient structure and more collaborative leadership.

Chair Sullivan said the governance ad hoc committee consists of Ms. Chris Cook, Ms. Fraley-Monillas, Mr. Hilt, Ms. S. Wright, and Chair Sullivan. He said he mentioned at the last Board meeting the idea of a "bridge governance" to ensure that decisions are made in a timely fashion and provide stability for staff. An executive committee is already in the Health District's charter; that being the case, there's no decision that needs to be made.

Mr. Weed said the charter had foresight to know that for efficiency's sake and getting business done quickly in the event a Board meeting can't be called, or there's no quorum, or a special meeting can't be called, then the executive committee could be delegated certain authority that the full Board might otherwise have. The charter references three committees that at a minimum should be established: the executive committee, a public health program policy committee, and an administration committee. The Chair has the discretion to appoint members of the committee; the basic responsibilities of the committees are established by the Board. In 1998, the Board adopted Resolution 98-08 specifying the responsibilities of the executive committee. In essence, the resolution identifies what's delegated to the executive committee, including the authority to exercise the powers the full Board would have relative to bids, contracts, agreements, and grants, subject to certain limitations. The structure, therefore, is already in place to appoint an executive committee. The executive committee must act under the Open Public Meetings Act, with actions reported to the full Board. Chair Sullivan noted that the executive committee has not met for approximately 20 years.

Mr. Mayer said this Board has had up to five or six different committees in the past, including a nominating committee and facilities committee. In 1997, there was a process to look at consolidating all the committees into the three stipulated in the charter. Mr. Mayer is still researching the formal action of the Board at that time; ultimately the Board endorsed that action in the charter. Currently, the authority to form the executive committee comes from the charter; there is explicit delegation of authority expressed in Resolution 98-08. The current proposal is that matters related to governance, representation, and organizational leadership also be a part of the executive committee's responsibilities. The "bridge strategy" proposed by Chair Sullivan would allow a smaller group to convene to address these issues and in some cases take formal action (with a majority vote) and in other cases make recommendations to the full Board. The executive committee would be able to meet as a smaller group and address these issues. It's anticipated they'd meet at least monthly at the discretion of the Chair. The representation of the committee is at the discretion of the Chair, with staff support. Preliminary work tasks for October through December are outlined on the draft handout titled Snohomish Health District Board of Health Executive Committee. This provides additional definition to existing authority in light of the Ruckelshaus report and current issues, including: the Health Officer/Administrator model currently at the Health District, Dr. Goldbaum's impending retirement, and issues around how best to move forward relative to committee structures and relationship to the larger Board.

Chair Sullivan reiterated that this is already our current structure of governance but has changed through the years. Right now we're looking for a consensus of the Board that we want to return to the original form of government. This gets us to the "bridge strategy" where decisions can be made more quickly. Chair Sullivan said he's looking for volunteers committed to these committees.



Mr. Mark Bond noted that it's already difficult for Board members to attend one monthly meeting. Chair Sullivan responded that this structure is our current form of government, which has been ignored, and reinstating it is necessary to move forward and add stability for the budget and for employees.

Ms. D. Wright said previously the executive committee was in place the year Dr. Goldbaum was hired, and they met at least every other month. Ms. Fraley-Monillas said the key is to get volunteers who are able to commit. Ms. S. Wright said similar models work; issues can be vetted ahead of time, which will make full Board meetings more streamlined and conversations more meaningful. Ms. Cook sees a benefit to the full Board with smaller committees vetting items, so when they're brought to the full Board there's more opportunity for discussion.

Chair Sullivan thanked Mr. Murphy and Mr. Hilt for including the \$2 per capita in their cities' budgets, and he stated that staff made presentations to all the cities and the County. This is the time to roll up our sleeves and move this organization forward – which is the premise of the Ruckelshaus report – in order to make sure the organization is healthy and under good governance.

Mr. Mayer said it's the staff's intention to bring this topic back in November for action or resolution that may amend, rescind, or modify structures that are currently in place regarding the executive committee so that we're clear on what its limits of authority are and what the authority of the full board is relative to the executive committee. The date of the first executive committee meeting is Nov. 3 from 10 to 11:30; interested Board members should let Ms. Carl know. Relative to the Ruckelshaus report, it's not the appropriate time for the Health District to make the move to the County; instead, the report recommends addressing issues of governance and representation. In that spirit, we want to develop a mechanism to move forward on several items, which is the intent of the executive committee.

Mr. Harris agreed that in the interviews for the Ruckelshaus report, they heard a general lack of support for a move to the County, and instead, the suggestion was to focus on governance. He suggested it might be helpful to talk about "bridging" concepts at the November meeting. Ms. Amanda Murphy added that they heard a lot of support for building on current capacity.

Mr. Benjamin Goodwin stated that external committees will allow the Board to streamline their monthly meetings, which will be beneficial.

Ms. Fraley-Monillas suggested that we ask the Board if this is the right day, time, and place for the monthly Board meeting.

Mr. Mayer responded that staff intends to send out a survey that asks about day, time, duration, frequency, electronic packets, etc., to get the Board's feedback and to get a sense of what the Board needs in order to feel more connected and engaged with the issues. He believes the executive committee last met in 2006, and the other two committees were suspended in 2012 or 2013 because they commonly failed to get a quorum. So the decision at the time was to bring matters to the full Board. He suggests we get committed volunteers who are interested in the respective areas and "test-driving" the committee structure to see how it works, with greater delineation of roles and authority. If it's not successful, we can make a different decision.





Ms. S. Wright said that previous committees had committed members, but interest waned; additionally the meeting times were often inconvenient. But this new Board has had many ad hoc committees where everyone has shown up; this is an engaged Board. We need to determine what our interests are: policy, administrative, or executive committee. We have a form of government that we haven't used, we have an engaged Board, so let's try it. We'll have a system, and then we can determine what doesn't work for us and address that.

Mr. Mayer reiterated to let Chair Sullivan know through Ms. Carl if you're interested in coming to the Nov. 3 executive committee meeting. We're looking for five to seven members. If there are thoughts or reaction to this topic, please provide feedback regarding the handout so further adjustments can be made and brought forward to the Board in November, if necessary.

Dr. Goldbaum added that staff will survey the Board regarding best days and times for the full Board to meet.

### **Health Officer's Report**

Dr. Goldbaum congratulated Edmonds, Mountlake Terrace, and Marysville for having a Complete Streets policy and for being nominated by the Health District for the Complete Streets Award. Monetary reward for the winner is between \$250K and \$500K. Nominations go to the Department of Health, and then the top 10 are submitted to the State Transportation Improvement Board. The winner will be named in November.

Dr. Goldbaum reported that three opioid forums have taken place around the county, with the last one on Oct. 13 in Edmonds. The medical community has moved forward locally; a group of physicians is meeting to establish local standards of care – which is for physicians to monitor and place rules on themselves. A new addiction treatment office has opened in downtown Everett and substantially expands our capacity to medically assisted treatment. We're crafting the protocol for reporting overdoses, with funding from CDC through the Department of Health to support a public health nurse. Dr. Goldbaum, Chair Sullivan, and Mr. Dan Rankin participated in the Governor's announcement of his executive order to treat opioid addiction.

Dr. Goldbaum reported that the World Health Organization announced that no one has been infected with locally-acquired measles in the Americas for 12 months, which means that the virus is no longer endemic in North and South America. However, the virus has been brought in from outside the Americas and has been transmitted internally. The fact that there's no locally-acquired measles is attributable to vaccinations.

In tracking infectious disease data, we know that pertussis cases are down locally; however, there's a marked increase in campylobacter, chlamydia, gonorrhea, hepatitis C, and syphilis. This has stretched staff thin; for instance, we no longer investigate chlamydia cases. With campylobacter cases, we don't investigate, but we send out a letter saying we can provide information if the receiver contacts us. There are significant health consequences to these diseases. A single case of measles, E-coli, or tuberculosis, as we've seen in the recent past, requires significant staff time and effort. Further reductions to our Communicable Disease resources will place the community at risk for disease transmission that can and should be interrupted if we have adequate and timely intervention. It's a reminder that this is one of those critical responsibilities of public health, and a reason why we need to pay attention to ensuring we have the resources to follow-up on our responsibilities.

The Federal Center for Medicare and Medicaid Services has approved (pending final negotiations) Washington State's request for a waiver of Medicaid requirements. This means that just over \$1B in federal funds (spread over five years) will be made available in the state for a different approach to paying for Medicaid services, which frees up the State to experiment in new ways. It will be a challenge for the State to meet all its obligations that were incurred through this waiver. Most of the funding will target programs to improve clinical outcomes while reducing healthcare costs within two to three years. Long-term, it will be an insufficient strategy to reduce costs and find efficiencies because the costs of medicines, new technology, imaging, testing, procedures, etc. will continue to escalate. Efficiencies will never be enough to reduce or contain costs; we must reduce demand on the system. This requires upstream investments, which is where public health plays a very important role.

We are doing good work, which takes continued attention to the resources that public health needs. There is work at the State level to identify additional State resources. Dr. Goldbaum encourages everyone to assist in approaching the State as we proceed to request dedicated State funding for public health. This is a concerted and extraordinary effort, but there are also great demands on the State budget. Dr. Goldbaum looks to the Board for their support, and staff will be in touch with tools that will help in the effort.

Dr. Goldbaum indicated he'll provide the Board with Complete Streets information. Mr. Mayer added that he announced this topic at a Managers and Administrators Group, solicited interest from them, and let them know they could apply if their cities were eligible.

### **Informational Items**

Chair Sullivan asked the Board review upcoming meetings.

### **Executive Session**

Chair Sullivan announced that the executive session to discuss labor negotiations will last 15 minutes. Mr. Mayer cited RCW 42.30.140(4)(b), with the Board expected to reconvene at 5:05.

Mr. Mayer announced that the Board requested an additional five minutes for executive session.

The Board reconvened at 5:10.

Ms. Fraley-Monillas moved and Mr. Ryan seconded to approve the tentative agreement as presented by the labor team. The motion passed unanimously.

### **Adjournment**

The meeting was adjourned at 5:11 p.m.

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Brian Sullivan, Chair

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Gary Goldbaum, M.D., M.P.H., Secretary