

**SPECIAL MEETING
BOARD OF DIRECTORS
BEACH CITIES HEALTH DISTRICT
October 11, 2010**

A Special Meeting of the Board of Directors of the Beach Cities Health District was called to order in the Beach Cities Room of the Beach Cities Health Center at 6:15 p.m.

Members Present: Dr. Noel Chun
Marie Corr
Joanne Edgerton
Dr. Robert Grossman
Vanessa I. Poster

Members Absent:

Staff Present: Susan Burden, CEO
Legal Counsel: Michael Hamilton, Hooper, Lundy & Bookman

AGENDA ITEM	DISCUSSION	ACTION OR FOLLOW-UP
Call to Order	Ms. Vanessa Poster opened the meeting and invited Ms. Susan Burden, Chief Executive Officer, to lead the salute to the flag.	
Public Discussion	Ms. Poster asked if any member of the public would like to address the Board on any issue not on the agenda. No one from the public was stepped forward.	
Discussion and Potential Action Item:	Ms. Poster invited Ms. Burden to speak.	
Approval of Collaborative Relationship Agreement with American Healthways Services, Inc. to Enhance Health and Wellness in the Three Beach Cities Through District Funding of up to \$1,800,000 For the Vitality City Project	<p>Ms. Susan Burden, Chief Executive Officer, Introduced Mr. Michael Hamilton, Legal Counsel. Ms. Burden stated that Mr. Hamilton is representing Hooper, Lundy & Bookman and has been working with her on the agreement for the past month.</p> <p>Ms. Burden presented and overview of the progression of the Vitality City agreement negotiations and reviewed some of the provisions that are favorable to the District and the three beach cities, e.g., access to the Gallup Poll well-being index; Healthways, Inc. must provide performance measurements indicating that they are improving community health through this project, if they do not, Beach Cities Health District will have the option of dropping out of the project, along with any accounting regularities that do not meet our standards.</p>	

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	<p>Ms. Poster stated that she wanted to make sure that this meeting was publicly noticed and that anyone who expressed a particular interest in this issue was given specific notice of this meeting.</p> <p>Ms. Burden confirmed that the meeting was publicly noticed in accordance with the Brown Act provisions for Special Meetings. A notice was sent to the City of Manhattan Beach for posting and a resident of Manhattan Beach who had previously spoken with Ms. Poster, was personally contacted and invited to attend tonight's meeting along with anyone she would like to accompany her.</p> <p>Ms. Poster invited Dr. Lisa Santora to the podium.</p> <p>Dr. Santora presented an overview of the Performance Goals that are based on targeting fifteen areas of the Well-Being Improvement and the three-year timeline for accomplishing those goals.</p> <p>The Board of Directors, led by Ms. Poster, conducted a page-by-page review of the draft of the terms and conditions of the Collaborative Relationship Agreement between American Healthways Services, Inc. and Beach Cities Health District and made changes as reflected in Dr. Chun's motion.</p> <p>Ms. Poster asked if any member of the public would like to address the Board on this matter.</p> <p>No one from the public stepped forward.</p> <p>Ms. Poster asked Mr. Jim Hannon and Mr. Ellis Song, members of the public, if they would like to address the Board.</p> <p>Mr. Hannon and Mr. Song stated that the discussion covered any questions they may have had.</p> <p>After review and discussion, Dr. Chun made a motion to approve the Collaborative Relationship Agreement with American Healthways Services, Inc. to enhance health and wellness in the three Beach Cities through</p>	<p>After review, it was Moved and Seconded (Chun/Grossman to approve the Collaborative Relationship Agreement</p>

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	<p>District funding of up to \$1,800,000 for the Vitality City project with the following amendments:</p> <p>Page 5. 3.7 Performance Goals Add: The failure to achieve these performance goals is grounds for BCHD to discontinue its funding of the Healthways Blue Zones Vitality City Project.</p> <p>Page 6. 3.9 <u>Healthways Commitment</u> Second Paragraph Add: (i) the salaries and benefits of Healthways and Blue Zones employees working full-time on the Healthways Blue Zones Vitality City Project, In Partnership With Beach Cities Health District, which salaries and benefits shall be reasonable and shall not exceed the fair market value of the services provided (ii) the proportionate salaries and benefits of Healthways and Blue Zones employees working part-time on the Project, which salaries and benefits shall be reasonable and shall not exceed the fair market value of the services provided;</p> <p>Add: In kind-contributions can only begin accruing as of the Effective Date and no work carried out by Healthways prior to the Effective Date may be counted towards the Healthways Commitment.</p> <p>Add: In-kind contributions shall be maintained by Healthways as an auditable record.</p> <p>Page 8. 3.12 <u>Quarterly Accounting</u> Within thirty (30) days of the end of each quarter during the Term, Healthways will provide to BCHD an accounting showing, for the previous quarter, (i) the use of the money from the Project Fund, which shall be a public document, and (ii) Healthways' contributions pursuant to Section 3.9 above, which shall remain confidential pursuant to the Public Records Act, provided that the total amount of such contributions shall be of public record. Add: If the accounting requirements in this Section 3.12 are not satisfied, BCHD shall have the right to discontinue funding under Section 3.10.</p>	<p>with American Healthways Services, Inc. to enhance health and wellness in the three Beach Cities through District funding of up to \$1,800,000 for the Vitality City as amended. Motion Carried Unanimously</p>

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	<p>Page 8 Add: 3.13 Audits. Term of the Agreement and for a period of two (2) years thereafter, Healthways agrees to allow BCHD and its designees access to Healthways facilities, personnel and books and records for purposes of conducting an audit to determine whether Healthways is in compliance with expenditures of BCHD funds under this Agreement. This provision does not entitle BCHD to a full audit or review of the consolidated corporate books or records of Healthways or any books or records related to services Healthways provides to other clients. Such audits will be conducted upon reasonable prior notice during normal business hours. Such audits will be conducted at BCHD's sole expense unless the results of an audit establish that Healthways expenditures of BCHD funds are not in compliance with its obligations under this Agreement, in which case Healthways shall promptly refund expenditures found to be in noncompliance, and shall reimburse BCHD for the costs of such audit.</p> <p>Page 11 Add: 6.4 Termination by BCHD. BCHD shall have the right to terminate this Agreement if (i) the performance goals outlined in Section 3.7 are not met, (ii) Healthways does not provide BCHD the quarterly accounting pursuant to Section 3.12 above, (iii) the quarterly accounting reveals any material inconsistency between the use of BCHD funds and the Budget approved by BCHD or reveals that Healthways has not made the contributions required under Section 3.9 above, or (iv) the audit carried out by BCHD pursuant to Section 3.13 above shows Healthways' expenditures of BCHD funds are not in compliance with its obligations under this Agreement</p> <p>Page 16 Miscellaneous Provisions 12.1 <u>Disputes</u> Clarification of Paragraph 12.1 that does not relate to contractual disputes but to problematic disputes with the oversight committee having</p>	

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<p data-bbox="155 575 456 638">Discussion and Potential Action Item:</p> <p data-bbox="155 676 480 772">Approval of Resolution 515 Related to the Vitality City Project</p> <p data-bbox="155 1276 456 1339">Discussion and Potential Action Item:</p> <p data-bbox="155 1377 464 1507">Approval of Funds for BCHD Staff Member Dedicated to the Vitality City Team</p>	<p data-bbox="513 178 781 205">the right to review it.</p> <p data-bbox="513 239 1057 302">Page 16 12.2 <u>Governing Law: Jurisdiction</u> Add:</p> <p data-bbox="513 308 1118 539">Agreement is deemed to have been entered into in the State of California, and its interpretation, construction, and the remedies for enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of California, except for choice of law principles.</p> <p data-bbox="513 676 1133 970">After review and discussion, Ms. Poster made a motion to approve Resolution 515 of the Beach Cities Health District approving the form of and authorizing the execution and delivery of a Collaborative Relationship Agreement between Beach Cities Health District and American Healthways Services, Inc.; and directing and authorizing certain other actions in connection therewith.</p> <p data-bbox="513 1377 1138 1671">After review and discussion, Dr. Chun made a motion to approve \$75,000.00 in funds from district reserves for the nine months remaining in the current fiscal for a full-time Beach Cities Health District staff member dedicated to the Vitality City team with the provision that gives the Chief Executive Officer the discretion to adapt and review the job description and the on-going necessity of maintaining the position.</p>	<p data-bbox="1167 676 1528 1272">After review, it was Moved and Seconded (Poster/Chun) to approve Resolution 515 of the Beach Cities Health District approving the form of and authorizing the execution and delivery of a Collaborative Relationship Agreement between Beach Cities Health District and American Healthways Services, Inc.; and directing and authorizing certain other actions in connection therewith. Motion Carried Unanimously</p> <p data-bbox="1167 1377 1520 1875">After review, it was Moved and Seconded (Chun /Corr) to approve \$75,000.00 in funds from district reserves for the nine months remaining in the current fiscal for a full-time Beach Cities Health District staff member dedicated to the Vitality City team with the provision giving the Chief Executive Officer the discretion to adapt and review the job description</p>

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		and the on-going necessity of maintaining the position. Motion Carried Unanimously
Adjournment	Ms. Poster moved to adjourn the meeting.	There being no further business, Ms. Poster Moved to adjourn the meeting. Meeting adjourned 9:00 p.m.

The next Regular Meeting of the Beach Cities Health District Board of Directors is scheduled for Wednesday, October 27, 2010 at 6:30 p.m. in the Beach Cities Room of the Beach Cities Health Center, located at 514 N. Prospect Avenue, Redondo Beach, California