

VERDANT HEALTH COMMISSION  
PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON  
BOARD OF COMMISSIONERS  
Regular Meeting  
A G E N D A  
January 23, 2013  
8:00 AM to 9:35 AM

	<u>ACTION</u>	<u>TIME</u>	<u>PAGE</u>
A. Call to Order			
Pledge of Allegiance	---	8:00	
B. Approval of the Minutes			
a) November 28, 2012 Board Meeting	Action	8:02	2-5
b) November 30-December 1, 2012 Special Meeting	Action	8:02	6-7
C. Executive Committee Report			
a) Election of Officers	Action	8:05	
b) 2013 Board committees & chairs	Information	8:07	
c) Adopt 2013 Board meeting calendar	Action	8:10	8
d) Approve Committee charter updates	Action	8:12	
• Executive Committee			9
• Finance Committee			10
• Program Oversight Committee			11
• Strategic Collaboration Committee			12
e) Revised District ByLaws (information only; for action in February)	Information	8:15	13-38
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Action	8:20	39-47
b) Authorization for payment of vouchers and payroll	Action	8:25	48
E. Program Oversight Committee Report & Recommendations			
a) Conflicts of interest	Action		
b) Program investment recommendations	Action	8:30	49-51
F. Marketing Report			
a) "6 Weeks to a Healthier You" 2013	Information	8:35	52
b) Website update	Information	8:37	
G. Commissioner Comments	Information	8:40	
H. Superintendent's Report	Information	8:45	
I. Public Comments (please limit to three minutes per speaker)	---	8:50	---
J. Superintendent Position Compensation Analysis	Information	8:55	---
K. Executive Session	---	9:05	---
L. Open Session	Action	9:30	---
M. Adjournment	---	9:35	1---

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON  
VERDANT HEALTH COMMISSION

*BOARD OF COMMISSIONERS*

*Regular Meeting*  
*VHC Board Room*  
November 28, 2012

Commissioners Present	Fred Langer, President Deana Knutsen, Commissioner J. Bruce Williams, M.D., Commissioner Karianna Wilson, Commissioner (8:40 to 9:40 a.m.)
Commissioners Excused	Bob Knowles, Secretary
Others Present	Carl Zapora, Superintendent George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Karen Goto, Executive Assistant Kevin Kincade, Berkley Risk Administrators Members of the community
Call to Order	The Regular Meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:05 a.m. by President Langer.
Approval of Minutes	<i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the regular meeting on October 24, 2012. <i>Motion was made, seconded and passed unanimously to approve</i> the minutes of the special meeting on November 20, 2012.
Executive Committee	President Langer reported that the committee met on November 16 to review the November 28, 2012 board meeting agenda, to discuss the Superintendent evaluation process, and to do board retreat preparation.
Board Finance Committee	The committee met on November 15, 2012. Ms. King reported on the financials for October (E:54:12). Ms. King also reported that the district received an Aa3 rating by Moody's Investor Services.

**Authorization for  
Payment of  
Vouchers &  
Payroll**

Warrant Numbers 10101 through 10129 for October 2012 for payment in the amount of \$148,983.24 were presented for approval (E:55:12). ***Motion was made, seconded and passed unanimously to approve.***

**Program  
Oversight  
Committee  
Update**

Commissioner Knutsen reported that the Program Oversight Committee met on November 13, 2012 and reviewed three new proposals (E:56:12).

No conflict of interest was reported by any of the commissioners.

The Cascade Bicycle Club Education Foundation presented their Advanced Basics of Bicycling program and Policy & Advocacy project. The goal of both programs is to ride bikes more often as part of a healthy active lifestyle.

***Motion was made, seconded and passed unanimously to approve*** the American Diabetes Association of WA South Snohomish County Stop Diabetes program \$50,000 for three years, the Snohomish County Fall Prevention Coalition \$3,000 on a one-time basis, and the Center for Human Services Youth Counseling Program counselors (2) \$162,284 per year for three years.

***Motion was made, seconded and passed unanimously to approve*** funding of \$32,000 per year for three years to support the Advanced Basics of Bicycling program at six middle schools in the Edmonds School District and to approve funding of \$70,000 (\$45,000 in first year and \$25,000 in the second year) for the Policy & Advocacy project which includes conducting a bike assessment in each of the district's six jurisdictions, training municipal staff and elected officials on bike friendly transportation planning, encouraging and empowering businesses to become bike friendly workplaces, and training community advocates.

***Motion was made, seconded and passed unanimously to conceptually approve*** Option B for the Center for Healthy Living proposal by the Senior Services of Snohomish County. Under this option, Verdant staff will bring a contract back to the board for approval.

Superintendent Zapora reported that he approved \$3,000.00 from the Superintendent Discretionary Fund to support a feasibility study for a South Snohomish County sobering center.

**Marketing  
Report**

President Langer recessed the meeting for 5 minutes at 8:45 a.m.

The meeting reconvened at 8:50 a.m.

Ms. Piplic reported on three items (E:57:12) –

1. 6 Weeks to a Healthier You update  
*Motion was made, seconded and passed unanimously to approve* repeating the program in 2013. Commissioner Williams asked if the program could target residents with an HDL of 35 and below.
2. Verdant website update  
New website will include information about the programs currently being funded by Verdant
3. Pertussis update  
First edition of The Canopy (newsletter) was mailed to district residents in early November 2012 with a Pertussis emphasis

**Commissioner  
Comments**

Commissioner Williams commented that Swedish/Edmonds is having initial conversations about a proposed Ambulatory Center being built on top of the current building.

**Superintendent's  
Report**

Superintendent Zapora acknowledged the continued efforts of the commissioners and staff.

**Public  
Comments:**

Ms. Rowena Miller from the League of Women Voters requested a microphone for use by the commissioners at future board meetings and commended Superintendent Zapora for coming to the League of Women Voter's meeting on November 15, 2012 and speaking on the work of the Verdant Health Commission.

Mr. Peter Hallson from the Edmonds Bicycle Club thanked Verdant for their funding of the club's efforts to promote bicycling in the community.

**Executive  
Session**

President Langer recessed the regular meeting at 9:15 a.m. into Executive Session to discuss ongoing litigation and the Superintendent's 2013 goals & objectives.

President Langer stated that no action would be taken in this Executive Session and the board would reconvene in approximately 25 minutes. Mr. Kincade was invited to participate in the executive session to update the board on potential litigation settlements.

**Open Session**

President Langer reconvened into open session at 9:40 a.m.

**Adjourn**

There being no further business to discuss, the meeting was adjourned at 9:40 a.m.

**ATTEST BY:**

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON

BOARD SPECIAL MEETING  
November 30 to December 1, 2012  
Tulalip Resort

<b>Commissioners Present</b>	Fred Langer, President Karianna Wilson, Commissioner Deana Knutsen, Commissioner J. Bruce Williams, MD, Commissioner
<b>Commissioners Excused</b>	Bob Knowles, Commissioner
<b>Staff</b>	Carl Zapora George Kosovich Jennifer Piplic Karen Goto
<b>Staff Excused</b>	Lisa King
<b>Guests</b>	Margot Helphand, Facilitator Howard Thomas, Consultant
<b>Dinner/Reception</b>	A dinner and reception was held on Friday, November 30 from 5:30-8:00 p.m. No business was conducted.
<b>Call to Order</b>	On Saturday, December 1 the Special Meeting of the Board of Commissioners was called to order by President Langer at 8:10 a.m.
<b>Strategic Planning Discussion</b>	The board went into a strategic planning discussion. Topics included a governance discussion with board self-evaluation, board committee review, by-laws update, and leadership. Other topics include discussions on Swedish-Providence, Wellness Center, Blue Zones, and organizational goals and milestones. No action was taken at the meeting.
<b>Executive Session</b>	President Langer recessed the special meeting at 2:35 p.m. into Executive Session for 25 minutes to discuss a possible real estate acquisition and directed Superintendent Zapora to pursue a specific property.
<b>Open Session</b>	President Langer reconvened into open session at 3:00 p.m.
<b>Executive Session</b>	President Langer recessed the special meeting at 3:01 p.m. for 40 minutes to review the Superintendent's 2013 goals and employment contract. No action was taken.

Commissioners Meeting  
November 30 – December 1, 2012  
Page 2  
Open Session

President Langer reconvened into Open Session at 3:40 p.m.

Adjourn

There being no further business to discuss, the meeting was adjourned at 3:40 p.m.

Attest By:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary



**Tentative**

**2013 Monthly Board Meetings**

4<sup>th</sup> Wednesday of the month, 8 AM  
Verdant Health Commission

**2013 Retreats**

January 23

February 27

March 27

April 24

May 22

June 26

July 24

August 28

September 25

October 23

November 27

No December meeting

June 28, 12 to 5 PM (mini retreat)

November 1 to 2  
(Friday evening and all day Saturday)



## **PUBLIC HOSPITAL DISTRICT NO.2 OF SNOHOMISH COUNTY BOARD EXECUTIVE/GOVERNANCE COMMITTEE CHARTER**

**Role:** The role of the Executive/Governance Committee is to transact the business of the Board of Commissioners in the interim between meetings of the full Board to 1) recommend policies and processes to the Board, and to 2) monitor the results of these policies and processes to assure the self-management of the Board and effective governance of the District.

### **Responsibilities:**

1. Act on matters that cannot reasonably wait action by the full Board of Commissioners
2. Act on other matters delegated to the Executive Committee by the Board of Commissioners
3. Report actions at the next meeting of the Board of Commissioners for ratification
4. Function as an advisor to the ~~President/CEO~~ District Superintendent on sensitive topics
5. Provide input into the content and structuring of the Board meeting agenda
6. Develop a statement of the responsibilities of the Board, a Board member and the Board chair
7. Develop a process for identifying potential Board members
8. Develop a description of the skills and areas of knowledge needed on the Board
9. Develop an orientation program for new Commissioners
10. Identify and provide continuing education opportunities for the Board
11. Review and update Board policies and processes including By-Laws and core Board documents
12. Prepare and recommend annual Board goals and objectives for approval
13. Prepare and implement a process for an annual Board evaluation
14. Prepare and implement a process for the annual evaluation of the ~~CEO~~ District Superintendent

**Membership:** The Executive/Governance Committee shall consist of the officers of the Board. The ~~CEO~~ District Superintendent shall be an ex-officio member without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

**PUBLIC HOSPITAL DISTRICT NO 2 OF SNOHOMISH COUNTY  
BOARD FINANCE COMMITTEE  
CHARTER**

**Role:** The ~~Role-role~~ of the Finance Committee of the Board of Commissioners is 1) to recommend ~~financial policies-policy~~ plans to the Board of Commissioners, and 2) to monitor ~~financial~~ results in order to assure the long-term financial viability of the District.

**Responsibilities:**

1. Review and recommend financial policies, for example, approval levels for budgets and expenditures.
2. Establish the assumptions and parameters used to develop capital and expense budgets.
3. Annually recommend the capital, ~~and~~ revenue and expense budgets.
4. Monitor financial indicators and present analyses ~~and recommendations~~ to the Board when indicators cross thresholds or otherwise warrant attention and action.
5. Recommend Board action on budget changes in accordance with Board policy guidelines.
6. Recommend ~~financial~~ auditor appointment to the Board and annually review the scope of the audit.
- ~~7.—Receive and review financial annual~~ auditor’s report ~~annually as well as any Washington State Auditor’s office reports~~ and recommend action to the Board ~~as necessary~~.
- 7.
- ~~8.—Approve asset allocation for Snohomish Public Hospital District Investment Program at least annually.~~
- ~~9-8. Receive and R~~review ~~and monitor all District revenue and investments, including leases, rental properties and new acquisitions. Performance Reports on quarterly basis covering all Investment programs.~~
9. Review pensions and benefits and make recommendations to the Board as necessary.
10. Review and monitor District’s long range financial plan.

**Membership:** The Finance Committee shall consist of two board members and two community members. The CEO is an ex-officio member without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

**PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY  
BOARD PROGRAM OVERSIGHT COMMITTEE  
CHARTER**

**Role:** The role of the Program Oversight Committee of the Board of Commissioners is to 1) recommend policies, plans, and processes for program development and investments to the Board of Commissioners, and 2) to monitor the results of these policies, plans and processes to assure that they are generating positive outcomes and are aligned with the district’s mission and vision.

**Responsibilities:**

1. Review and recommend policies and plans for the development of health and wellness programs in the district.
2. Monitor the implementation of the policies and plans and review results.
3. Review and recommend proposals to the Board of Commissioners related to cooperative agreements, affiliations, or other types of partnerships. If an investment request reviewed by the Program Oversight Committee is more than \$250K in any given year or \$500K in total, it should be referred to the full board for discussion and approval. The Program Oversight Committee may refer additional investments decisions or discussions to the full board at its discretion.
4. Monitor and surface potential conflicts of interest as they relate to program development and investments.
5. Monitor and advise the Board on issues and trends in health that impact the mission and vision of the district and review periodic needs assessments.
6. Create and recommend a draft strategic community investment road map for program investments.

**Membership:** The program committee shall consist of two board members. The superintendent and director of programs and community investments are ex-officio members without vote. The chair of the Board appoints committee members annually, to coincide with the election of officers.

# Swedish/District Strategic Collaboration Committee

Committee Charter

Approved: 04/11/11

Updated: 01/17/2013

## Committee Purpose:

The purpose of the Strategic Collaboration Committee (the “Committee”) is to provide the District and Swedish with a formal venue to exchange ideas and discuss projects of common purpose. The agenda of the Committee will include, but not be limited to development and review of Swedish’s strategic plan and its operating and capital budgets for the Hospital and other Leased Assets. The Committee shall assist with strategic planning of the Hospital and other Leased Assets and shall not have a formal role in the governance of this Lease. The specific duties of the Committee will include, but not be limited to the following:

- ⇒ To proactively address any issues that may arise during the term of the Lease;
- ⇒ To review and provide input to Swedish’s strategic plans and annual operating and capital budgets relating to the Leased Assets; review reports of capital expenditures by Swedish pursuant to this Lease
- ⇒ To review and provide input to the District’s strategic plans and its annual operating and capital budgets; review reports of capital expenditures by District;
- ⇒ To advise regarding expenditure of the District Reinvestment Funds;
- ⇒ To advise regarding strategic investments in the Leased Assets and the Hospital Primary Service Area; and
- ⇒ To review and make recommendations regarding new services, programs and facilities for the Hospital Primary Service Area, as well as the termination of such services, programs and facilities.

## Membership and Structure:

- ⇒ **Members:** The Committee shall consist of representatives representing Swedish and representing the District, which representatives shall be appointed as determined by Swedish and the District each in their sole discretion.
  - Swedish: ~~Kevin Brown (Chief Strategic Officer), Mike Carter (Facility Sr. VP), David Jaffe (Chief Administrative Officer)~~, Sarah Zabel (VP, facility operations and strategy)
  - District: President, ~~Position 2-Board Member~~, Superintendent
- ⇒ **Chair:** The District Superintendent and the ~~facility Senior VP Chief Administrative Officer~~ shall be co-chairs.
- ⇒ **Authority:** The Committee has no legal authority to bind either entity. Any decisions shall be made by the entity properly entitled to act and in accordance with the provisions of the Lease Agreements. The District and Swedish shall each have one (1) vote on matters before the committee. In the event of a tie vote, the parties have agreed to proceed, or not to proceed, based upon the terms of the Lease Agreements.

## Meeting Frequency:

The Committee shall meet at least quarterly during the first three (3) years of the Lease Term, and shall thereafter meet at least annually. The first meeting of the Committee will take place no less than six (6) months following the Commencement Date.

AMENDED AND RESTATED BYLAWS  
OF  
PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

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AMENDED AND RESTATED BYLAWS

OF

PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

ARTICLE I      FORMATION AND PURPOSE

This public hospital district (the "District"), a municipal corporation, was created in 1962 to provide ~~hospital service~~health care services for the residents of the District and other persons. The activities of the District shall be conducted in conformity with the Constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect or hereafter amended. These Bylaws are adopted in furtherance of the lawful purposes of the District including the providing of ~~hospital and other health care facilities and services~~ appropriate to the needs of the population served ~~and to facilitate the governing of the District's Stevens Memorial Hospital (the "Hospital") which shall be operated in compliance with applicable law and regulations.~~

ARTICLE II      BOARD OF COMMISSIONERS

Section 1.      Qualification and Election. No person shall be eligible to be elected to the office of public hospital district commissioner unless he is a registered voter within the boundaries of the District ~~and within the commissioner district or at large district from which he is elected.~~ All District commissioners shall be elected and serve, ~~whether from a particular commissioner district or at large,~~ in the manner and for the term prescribed by law.

Section 2.      Organization and Officers of the Board of Commissioners. The five-member Board of Commissioners (the "Board" or the "Commission") shall at its first regular meeting in each calendar year organize by the election from its own members of a President and Secretary, such election to be by a majority vote of the commissioners in each case. The terms of both officers shall be for one year.

2.1      The President shall act as the presiding officer at meetings of the Board and shall execute on behalf of the District all contracts, agreements and other documents and papers duly authorized by the Board that may require his or her signature.

2.2      The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, shall sign the same and shall keep them in a proper book for that purpose. The Secretary shall have charge of the official seal of the District and shall affix or cause to be affixed such seal to any documents requiring it, attesting the same. In the absence of the President, the Secretary shall preside at Board meetings.

2.3 If a vacancy occurs in the office of either the President or the Secretary, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy. All members of the Board, whether elected or appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

2.4 A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

### Section 3. Meetings of the Board or Commission.

3.1 Regular meetings of the Board shall be held monthly on the fourth Wednesday of each month, at 8:00 o'clock A.M., ~~at the Hospital.~~ In the event a regular meeting falls on a holiday, such meeting shall be held on the next business day.

#### 3.2 Special meetings

a. A special meeting may be called at any time by the ~~President~~presiding officer of the Board or by a majority of the members of the Board by ~~delivering personally or by mail written notice~~written notice personally, by mail, by fax, or by electronic mail to each member of the Board; ~~and.~~ Written notice shall be deemed waived in the following circumstances: (1) a commissioner submits a written waiver of notice to the secretary of the Board at or prior to the time the meeting convenes, which may be given by telegram, fax, or electronic mail; or (2) a commissioner is actually present at the time the meeting convenes.

b. Notice of a special meeting called under subsection (a) of this section shall be: (1) delivered to each local newspaper of general circulation and to each local radio or television station which that has on file with the Board a written request to be notified of such special meeting or of all special meetings; (2) posted on the District's web site. The District shall not be required to post a special meeting notice on its web site if it (i) does not have a web site; (ii) employs fewer than ten full-time equivalent employees; or (iii) does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update the web site; and (3) prominently displayed at the main entrance of the District's principal location and the meeting site if it is not held at the agency's principal location. Such notice must be delivered ~~personally or by mail~~or posted, as applicable, at least twenty-four hours before the time of such ~~special~~ meeting as specified in the notice. ~~The call and notice~~

c. The call and notices required under subsections (a) and (b) of this section shall specify the time and place of the special meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings of the Board. Written notice may be dispensed with as to any commissioner who files with the Secretary written waiver of such notice or who is actually present at the meeting at the time it convenes.by the Board.



The notices provided ~~for herein otherwise~~ in this section may be dispensed with ~~only~~ in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the ~~immediate~~ likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

3.3 The order of business at meetings of the Commission shall be as follows:

a. Regular Meetings

- (i) Call to order
- (ii) Reading and approval of minutes of the last regular meeting and any intervening special meeting and approval of any other matters on the consent agenda
- (iii) Reports
- (iv) Consideration of items on the agenda or other matters properly before the Board and action thereon

(v) Adjournment

b. Special Meeting a Meetings

- (i) Call to order
- (ii) Reading of the notice calling the meeting
- (iii) Consideration of matters stated in the notice and action thereon
- (iv) Adjournment

Section 4. Action by the Board. As used herein, "action" means the transaction of the official business of the District by the Board including, but not limited to, ~~a collective decision made by a majority of the members of the Board, a collective commitment or promise by a majority of the members of the Board to make a receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions.~~ "Final action" means a collective positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body or entity, upon a motion, proposal, ~~motion~~ or resolution.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting to consider:

(i) ~~Advice of legal counsel concerning any matter subject to the attorney-client privilege including, but not limited to, pending or threatened litigation;~~To consider matters affecting national security;

(ii) ~~Selection~~To consider the selection of a site or the ~~purchase~~acquisition of real estate, ~~by lease or purchase~~ when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of increased price;

(iii) ~~Disposition of~~To consider the minimum price at which real estate ~~by~~will be offered for sale or lease or sale when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(iv) ~~Negotiations~~To review negotiations on the performance of publicly- bid contracts when ~~publicity~~public knowledge regarding such consideration would cause a likelihood of increased costs;

(v) ~~The appointment, employment or dismissal of an officer or employee of the District;~~To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(vi) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by the Board of salaries, wages, and other conditions of employment to be generally applied within the District shall occur in a meeting open to the public, and when the Board elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(vii) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(viii) To discuss with legal counsel representing the District matters relating to agency enforcement actions, or to discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District. This subsection (viii) does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this subsection (viii), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning;

(A) Litigation that has been specifically threatened to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the District reasonably believes may be commenced by or against the District agency, the Board, or a member of the Board acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the District has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the District;

(ix) ~~(vi) The~~To consider the granting, denial, reduction, termination or suspension of clinical privileges, or the medical staff membership of a physician or "other health care provider," as that term is defined in RCW 7.70.020, as now in effect or hereafter amended, if other health care providers in the discretion of the Board are determined eligible to be considered for such privileges or membership;

~~(vii) The hearing of complaints or charges brought against such an officer, employee, physician or other health care provider unless such person requests a public hearing;~~

~~(viii) Any other matter properly the subject of executive session under RCW 42.30.110, as now in effect or hereafter amended, or any other applicable law.~~

~~The Board also may exclude from any public meeting or executive session, during the examination of a witness on any such matter, any or all other witnesses in the matter being~~

~~investigated or under consideration. No action, as defined in this section, shall be taken in~~Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Section 5. Quorum. A majority of the persons holding the office of District commissioner shall constitute a quorum of the Board for the transaction of business, but no resolution shall be adopted or other final action taken without a majority vote of the whole Commission.

Section 6. Committees. The Board may from time to time act as a committee of the whole or appoint such other committees as it may deem necessary or advisable in the conduct of its affairs or for other purposes it may specify. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Chairpersons of such committees shall be appointed by the Board to serve for terms not to exceed one year, subject both to removal at the will of the Board and to reappointment in the sole discretion of the Board.

Section 7. Powers and Duties of the Board or Commission. The Board shall be the governing body ~~to which of the District and~~ the superintendent ~~(administrator) and other District employees, and the medical staff ultimately are responsible for all activities in the Hospital and the condition of the physical plant~~appointed by the Board as specified in Article III, Section 1, shall be responsible to the Board for the efficient administration of all affairs of the District. While the authority of the Board may be delegated to the superintendent ~~(administrator) and the medical staff~~ as specified in Article III, Section 1, and Article IV, respectively, or by resolution, any delegation of authority by the Board may be rescinded in its sole discretion.

All of the powers authorized in Chapter 70.44 RCW or other applicable statute may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

- (i) Determine the policies ~~of the District~~ and the purposes of the ~~Hospital~~District in proper relation to community needs;
- (ii) Provide services, facilities, equipment and personnel to meet the needs of ~~patients~~residents within the purposes of the ~~Hospital and such other health care facilities as may be provided~~District, and consistent with present and future community needs;
- (iii) Assure that an appropriate standard of professional care is maintained with due regard for quality of care and effective quality assurance mechanisms, ~~requiring the medical staff of the Hospital to be accountable to the Board and assuring that persons granted clinical privileges~~personnel possess appropriate current qualifications, and determining in its discretion which kinds of ~~health care providers~~programs shall be considered ~~for clinical privileges or medical staff membership~~;

(iv) Promote planning and coordinate ~~professional interests~~services with administrative, financial and community needs, the policies of the District, and the purposes of the ~~Hospital and such other health care facilities as may be provided~~District;

(v) Provide for the sound administration and application of public funds, adopting annual budgets for the District ~~and the Hospital~~ at the times and in the manner required by law;

(vi) Maintain accurate records of District finances and all related activities;

(vii) Exercise proper care and judgment in the selection of a qualified superintendent ~~(administrator)~~ who shall be responsible for implementing policies adopted by the Board; and

(viii) Evaluate its own performance.

Section 8. Avoidance of Conflicts of Interest. District commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict-of-interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable statute.

Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

(i) Be beneficially interested in or otherwise expect to profit from, directly or indirectly, any contract, sale, lease or purchase made by the District, except as specifically permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(ii) Accept, directly or indirectly, any compensation, gratuity, favor or award from any party seeking to do business with the District, or in connection with any contract made by the District, other than (a) compensation and reimbursement for expenses as provided by law, or (b) compensation in connection with contracts permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(iii) Employ, use or appropriate any District employee, money or property for his private benefit;

(iv) Hold any office, engage in any employment or occupy any position, public or private, which could create conflicts between the duties,

interests and opportunities inherent in such office, employment or position and the commissioner's public responsibilities as a member of the Board;

(v) Reveal or divulge to any other party, unless authorized by the Board, any confidential information received in the performance of his duties as a commissioner, nor use such information for personal gain.

Any commissioner, upon discovering or suspecting that he has or may have a conflict of interest contrary to the policies and standards set forth in this section, shall promptly report the same to the Board.

### ARTICLE III OTHER OFFICERS

#### Section 1. Superintendent-(Administrator).

1.1 Appointment. The Board shall select and appoint as superintendent ~~(administrator)~~ a competent and experienced ~~hospital administrator~~ chief executive officer who shall be its direct representative in the management of the ~~Hospital and the District~~. The superintendent ~~(administrator)~~ shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution. The appointment or removal of the superintendent ~~(administrator)~~ shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote.

1.2 Powers and Duties. The superintendent ~~(administrator)~~ shall be the chief executive and administrative officer of the ~~Hospital and of the District~~. ~~In direct charge with full authority to act, as~~ As representative of the Board, and subject to its policies, ~~he~~ the superintendent shall be responsible for the efficient administration of all affairs of the ~~Hospital and the District~~ and shall be in direct charge with full authority to act.

In the performance of his or her duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his authority, the superintendent ~~(administrator)~~ shall:

(i) Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of ~~the Hospital and the District~~, which shall be periodically reviewed;

(ii) Prepare annually a budget or budgets showing anticipated receipts and expenditures for the ensuing fiscal year which shall be submitted to the Board to allow timely filing and hearing thereon before adoption as required by law;

(iii) Select, employ, control and discharge all employees authorized by the applicable budget, assuring that they are competent to perform their duties and establishing appropriate quality assurance mechanisms;

(iv) Assure that all buildings, equipment and other facilities are maintained in good repair;

(v) Furnish periodic recommendations to the Board with respect to the acquisition, development and extension of desirable ~~health care~~ facilities, equipment and services;

(vi) Supervise through the treasurer and auditor all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts and purchase and issue of supplies;

(vii) Cooperate with ~~the medical~~ staff and secure like cooperation on the part of all those concerned with rendering professional services;

(viii) Submit regularly to the Board reports regarding the ~~health care~~ services and financial activities of the ~~Hospital and the District~~ along with any special reports that may be requested by the Board;

(ix) Prepare agenda for and attend all meetings of the Board at which he or she may participate in the discussion of matters being considered;

(x) Execute on behalf of the District all such contracts, agreements and other documents and papers as he or she may deem appropriate within the scope of his or her authority or be authorized by resolution of the Board to sign; and

(xi) Undertake on his or her own initiative the performance of such other duties, consistent with law and the policies of the Board, as may be in the best interest of ~~the Hospital and~~ the District.

Section 2. Auditor. The Board shall appoint as auditor of the District a person experienced in accounting and business practices.

The auditor shall report in the performance of his or her duties directly to the superintendent ~~(administrator)~~. The auditor shall draw, sign and issue all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by, the Commission; and shall perform such other duties relating to business affairs of the District including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies, as are assigned by the superintendent ~~(administrator)~~.

Section 3. Treasurer. The Commission by resolution shall appoint and designate a person having experience in financial and fiscal matters as treasurer, subject to the requirement of an adequate bond with an authorized surety company.

The treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the supervision of the superintendent-(administrator) and as directed by resolutions of the Board to the extent of its lawful discretion.

#### ARTICLE IV INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to, or is involved (including, without limitation, as a witness) in an actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a commissioner, officer, employee or agent of the District, or having been such a commissioner, officer, employee or agent, he or she is or was serving at the request of the District as a director, officer, employee, agent, trustee or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a commissioner, officer, employee, agent, trustee or any other capacity, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties in amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a commissioner, officer, employee or agent of the District and shall inure to the benefit of his or her heirs, and personal representatives.

Section 2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any commissioner, officer, employee, agent or trustee of the District or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss to the full extent permitted by applicable law.

#### ARTICLE V — MEDICAL STAFF

~~Section 1. Appointment and Organization. The members of the medical staff of the Hospital shall be appointed biennially by the Board after considering recommendations duly submitted in accordance with the medical staff bylaws; provided, that all initial appointments shall be provisional and that all appointments to the provisional medical staff shall be for a period of twelve months. Such bylaws, rules and regulations governing the appointment, organization and activities of the medical staff, including the procedures for the granting, denial, reduction or termination of staff privileges and the identification of the kinds of health care providers eligible to be considered for such privileges or medical staff membership, shall be subject to approval and revision or modification by the Board, and shall assure that the requirements of due process of law are observed.~~



~~Section 2. Powers and Duties. Mindful that each person admitted to the Hospital shall be under the care of a member of the medical staff possessing clinical privileges, such staff also shall have authority and responsibility in the manner prescribed by its bylaws, rules and regulations to:~~

~~(i) Evaluate the professional competence of medical staff members and applications for clinical privileges;~~

~~(ii) Make recommendations to the Board concerning initial medical staff appointments, reappointments and the granting, denial, reduction or termination of clinical privileges;~~

~~(iii) Establish procedures designed to promote the achievement and maintenance of an appropriate standard of ethical and professional practice, and the efficient use of District resources;~~

~~(iv) Participate and offer recommendations in the development of policies relative to the effective use of existing facilities, and provision for the improvement or extension thereof where appropriate, to assure adequate patient care, responsive to the needs of the population served, now and in the future.~~

~~(v) Supervise a medical education program in the Hospital and render such other services as the Board may consider desirable to enhance the standards of medical practice in the Hospital.~~

~~(vi) Be accountable to the Board for the proper discharge of the duties set forth in this section.~~

ARTICLE V      ~~ARTICLE VI~~ CONSTRUCTION, INTERPRETATION AND CONVENTIONS

Section 1. Gender and Number. As used in these Bylaws, personal pronouns shall be interpreted to refer to persons of either gender and relative words whenever applicable to more than one person shall be read as if written in the plural.

Section 2. Titles, Headings and Captions. The titles, headings and captions appearing in these Bylaws are used and intended for convenience of description or reference only and shall not be construed or interpreted to limit, restrict or define the scope or effect of any provision.

Section 3. Severability. If any provision of these Bylaws, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of these Bylaws, or the application of the provision to other persons or circumstances, shall not be affected.

ARTICLE VI     ~~ARTICLE VII~~ REVIEW AND AMENDMENT

These Bylaws shall be reviewed by the Board on an annual basis at its regular meeting in December. These Bylaws may be amended at any time by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting.

ADOPTED this ~~22<sup>nd</sup>~~ 27<sup>th</sup> day of ~~June, 2005~~ February, 2012.

\_\_\_\_\_  
President &and Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Secretary &and Commissioner

AMENDED AND RESTATED BYLAWS  
OF  
PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

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AMENDED AND RESTATED BYLAWS

OF

PUBLIC HOSPITAL DISTRICT NO. 2  
SNOHOMISH COUNTY, WASHINGTON

ARTICLE I      FORMATION AND PURPOSE

This public hospital district (the “District”), a municipal corporation, was created in 1962 to provide health care services for the residents of the District and other persons. The activities of the District shall be conducted in conformity with the Constitution and laws of the State of Washington, including Chapter 70.44 RCW, as now in effect or hereafter amended. These Bylaws are adopted in furtherance of the lawful purposes of the District including the providing of health care services appropriate to the needs of the population served.

ARTICLE II      BOARD OF COMMISSIONERS

Section 1.      Qualification and Election. No person shall be eligible to be elected to the office of public hospital district commissioner unless he is a registered voter within the boundaries of the District. All District commissioners shall be elected and serve in the manner and for the term prescribed by law.

Section 2.      Organization and Officers of the Board of Commissioners. The five-member Board of Commissioners (the “Board” or the “Commission”) shall at its first regular meeting in each calendar year organize by the election from its own members of a President and Secretary, such election to be by a majority vote of the commissioners in each case. The terms of both officers shall be for one year.

2.1      The President shall act as the presiding officer at meetings of the Board and shall execute on behalf of the District all contracts, agreements and other documents and papers duly authorized by the Board that may require his or her signature.

2.2      The Secretary shall prepare, or cause to be prepared, minutes of all regular and special meetings of the Board, shall sign the same and shall keep them in a proper book for that purpose. The Secretary shall have charge of the official seal of the District and shall affix or cause to be affixed such seal to any documents requiring it, attesting the same. In the absence of the President, the Secretary shall preside at Board meetings.

2.3      If a vacancy occurs in the office of either the President or the Secretary, an election of officers shall take place at the next regular meeting of the Board to fill the unexpired term created by the vacancy. All members of the Board, whether elected or

appointed, shall be required to take an oath of office in the form prescribed by the laws of the State of Washington relating to public officials.

2.4 A vacant commissioner position may be filled by the Board appointing a new member in the manner prescribed by law.

Section 3. Meetings of the Board or Commission.

3.1 Regular meetings of the Board shall be held monthly on the fourth Wednesday of each month, at 8:00 o'clock A.M. In the event a regular meeting falls on a holiday, such meeting shall be held on the next business day.

3.2 Special meetings

a. A special meeting may be called at any time by the presiding officer of the Board or by a majority of the members of the Board by delivering written notice personally, by mail, by fax, or by electronic mail to each member of the Board. Written notice shall be deemed waived in the following circumstances: (1) a commissioner submits a written waiver of notice to the secretary of the Board at or prior to the time the meeting convenes, which may be given by telegram, fax, or electronic mail; or (2) a commissioner is actually present at the time the meeting convenes.

b. Notice of a special meeting called under subsection (a) of this section shall be: (1) delivered to each local newspaper of general circulation and local radio or television station that has on file with the Board a written request to be notified of such special meeting or of all special meetings; (2) posted on the District's web site. The District shall not be required to post a special meeting notice on its web site if it (i) does not have a web site; (ii) employs fewer than ten full-time equivalent employees; or (iii) does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update the web site; and (3) prominently displayed at the main entrance of the District's principal location and the meeting site if it is not held at the agency's principal location. Such notice must be delivered or posted, as applicable, at least twenty-four hours before the time of such meeting as specified in the notice.

c. The call and notices required under subsections (a) and (b) of this section shall specify the time and place of the special meeting and the business to be transacted. Final disposition shall not be taken on any other matter at such meetings by the Board.

The notices provided in this section may be dispensed with in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

3.3 The order of business at meetings of the Commission shall be as follows:

a. Regular Meetings

- (i) Call to order
- (ii) Reading and approval of minutes of the last regular meeting and any intervening special meeting and approval of any other matters on the consent agenda
- (iii) Reports
- (iv) Consideration of items on the agenda or other matters properly before the Board and action thereon

(v) Adjournment

b. Special Meetings

- (i) Call to order
- (ii) Reading of the notice calling the meeting
- (iii) Consideration of matters stated in the notice and action thereon
- (iv) Adjournment

Section 4. Action by the Board. As used herein, “action” means the transaction of the official business of the District by the Board including but not limited to receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions. "Final action" means a collective positive or negative decision, or an actual vote by a majority of the members of the Board when sitting as a body or entity, upon a motion, proposal or resolution.

All final action taken by the Board shall be by motion or resolution recorded in a book or books kept for such purposes. Minutes of all regular and special meetings, except executive sessions thereof, shall be promptly recorded and shall be open to public inspection.

All meetings at which action is taken by the Board shall be open and public and all persons shall be permitted to attend any meeting of the Board, except as otherwise provided in this section or by law. The Board shall never adopt any motion or resolution, except in a meeting open to the public and then only at a regular meeting, duly convened at the prescribed time and place, or at a special meeting of which notice has been given according to the provisions of the foregoing section. Any action taken at meetings failing to comply with the provisions of this section shall be null and void.

Nothing in this section shall be construed to prevent the Board from holding executive sessions during a regular or special meeting to consider:

- (i) To consider matters affecting national security;
- (ii) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;
- (iii) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;
- (iv) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;
- (v) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;
- (vi) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by the Board of salaries, wages, and other conditions of employment to be generally applied within the District shall occur in a meeting open to the public, and when the Board elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;
- (vii) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;
- (viii) To discuss with legal counsel representing the District matters relating to agency enforcement actions, or to discuss with legal counsel representing the District litigation or potential litigation to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District. This subsection (viii) does not permit the Board to hold an executive session solely because an attorney representing the District is present. For purposes of this subsection (viii),



"potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(A) Litigation that has been specifically threatened to which the District, the Board, or a member of the Board acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the District reasonably believes may be commenced by or against the District agency, the Board, or a member of the Board acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the District has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the District;

(ix) To consider the granting, denial, reduction, termination or suspension of clinical privileges, or the medical staff membership of a physician or "other health care provider," as that term is defined in RCW 7.70.020, as now in effect or hereafter amended, if other health care providers in the discretion of the Board are determined eligible to be considered for such privileges or membership.

Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Section 5. Quorum. A majority of the persons holding the office of District commissioner shall constitute a quorum of the Board for the transaction of business, but no resolution shall be adopted or other final action taken without a majority vote of the whole Commission.

Section 6. Committees. The Board may from time to time act as a committee of the whole or appoint such other committees as it may deem necessary or advisable in the conduct of its affairs or for other purposes it may specify. The activities of any committees so appointed shall be conducted lawfully and be recorded in written minutes. Chairpersons of such committees shall be appointed by the Board to serve for terms not to exceed one year, subject both to removal at the will of the Board and to reappointment in the sole discretion of the Board.

Section 7. Powers and Duties of the Board or Commission. The Board shall be the governing body of the District and the superintendent appointed by the Board as specified in Article III, Section 1, shall be responsible to the Board for the efficient administration of all affairs of the District. While the authority of the Board may be delegated to the superintendent as specified in Article III, Section 1, and Article IV, respectively, or by resolution, any delegation of authority by the Board may be rescinded in its sole discretion.

All of the powers authorized in Chapter 70.44 RCW or other applicable statute may be exercised by the Board in the performance of its duties prescribed therein. Among other things, the Board shall strive to:

- (i) Determine the policies and the purposes of the District in proper relation to community needs;
- (ii) Provide services, facilities, equipment and personnel to meet the needs of residents within the purposes of the District, and consistent with present and future community needs;
- (iii) Assure that an appropriate standard of professional care is maintained with due regard for quality of care and effective quality assurance mechanisms, and assuring that personnel possess appropriate current qualifications, and determining in its discretion which kinds of programs shall be considered;
- (iv) Promote planning and coordinate services with administrative, financial and community needs, the policies of the District, and the purposes of the District;
- (v) Provide for the sound administration and application of public funds, adopting annual budgets for the District at the times and in the manner required by law;
- (vi) Maintain accurate records of District finances and all related activities;
- (vii) Exercise proper care and judgment in the selection of a qualified superintendent who shall be responsible for implementing policies adopted by the Board; and
- (viii) Evaluate its own performance.

Section 8. Avoidance of Conflicts of Interest. District commissioners, being aware of the fiduciary nature of their positions, shall avoid actions and relationships which could result in a conflict between their private financial interests and their public responsibilities. Commissioners shall not violate the conflict-of-interest provisions of these Bylaws, Chapters 42.20 and 42.23 RCW, or any other applicable statute.

Recognizing that even the appearance of impropriety should be avoided, no commissioner shall:

- (i) Be beneficially interested in or otherwise expect to profit from, directly or indirectly, any contract, sale, lease or purchase made by the

District, except as specifically permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(ii) Accept, directly or indirectly, any compensation, gratuity, favor or award from any party seeking to do business with the District, or in connection with any contract made by the District, other than (a) compensation and reimbursement for expenses as provided by law, or (b) compensation in connection with contracts permitted under RCW 42.23.030, as now in effect or hereafter amended, or under other applicable law;

(iii) Employ, use or appropriate any District employee, money or property for his private benefit;

(iv) Hold any office, engage in any employment or occupy any position, public or private, which could create conflicts between the duties, interests and opportunities inherent in such office, employment or position and the commissioner's public responsibilities as a member of the Board;

(v) Reveal or divulge to any other party, unless authorized by the Board, any confidential information received in the performance of his duties as a commissioner, nor use such information for personal gain.

Any commissioner, upon discovering or suspecting that he has or may have a conflict of interest contrary to the policies and standards set forth in this section, shall promptly report the same to the Board.

### ARTICLE III OTHER OFFICERS

#### Section 1. Superintendent.

1.1 Appointment. The Board shall select and appoint as superintendent a competent and experienced chief executive officer who shall be its direct representative in the management of the District. The superintendent shall be appointed for an indefinite term, removable at the will of the Board, and shall receive such compensation as the Board shall establish by resolution. The appointment or removal of the superintendent shall be by resolution of the Board, introduced at a regular meeting and adopted at a subsequent regular meeting by majority vote.

1.2 Powers and Duties. The superintendent shall be the chief executive and administrative officer of the District. As representative of the Board, and subject to its policies, the superintendent shall be responsible for the efficient administration of all affairs of the District and shall be in direct charge with full authority to act.

In the performance of his or her duties prescribed by law, all of which shall be faithfully discharged, and not by way of limitation of his authority, the superintendent shall:

(i) Perfect and submit to the Board for approval a plan of organization for the personnel concerned with the operation of the District, which shall be periodically reviewed;

(ii) Prepare annually a budget or budgets showing anticipated receipts and expenditures for the ensuing fiscal year which shall be submitted to the Board to allow timely filing and hearing thereon before adoption as required by law;

(iii) Select, employ, control and discharge all employees authorized by the applicable budget, assuring that they are competent to perform their duties and establishing appropriate quality assurance mechanisms;

(iv) Assure that all buildings, equipment and other facilities are maintained in good repair;

(v) Furnish periodic recommendations to the Board with respect to the acquisition, development and extension of desirable facilities, equipment and services;

(vi) Supervise through the treasurer and auditor all business affairs including the disbursement of funds, recording of financial transactions, collection of accounts and purchase and issue of supplies;

(vii) Cooperate with staff and secure like cooperation on the part of all those concerned with rendering professional services;

(viii) Submit regularly to the Board reports regarding the services and financial activities of the District along with any special reports that may be requested by the Board;

(ix) Prepare agenda for and attend all meetings of the Board at which he or she may participate in the discussion of matters being considered;

(x) Execute on behalf of the District all such contracts, agreements and other documents and papers as he or she may deem appropriate within the scope of his or her authority or be authorized by resolution of the Board to sign; and

(xi) Undertake on his or her own initiative the performance of such other duties, consistent with law and the policies of the Board, as may be in the best interest of the District.

Section 2. Auditor. The Board shall appoint as auditor of the District a person experienced in accounting and business practices.

The auditor shall report in the performance of his or her duties directly to the superintendent. The auditor shall draw, sign and issue all warrants for the disbursement of funds of the District upon the orders of, or vouchers approved by, the Commission; and shall perform such other duties relating to business affairs of the District including the recording of financial transactions, collection of accounts, and the routine purchase and issue of supplies, as are assigned by the superintendent.

Section 3. Treasurer. The Commission by resolution shall appoint and designate a person having experience in financial and fiscal matters as treasurer, subject to the requirement of an adequate bond with an authorized surety company.

The treasurer shall receive, deposit and disburse all funds of the District in the manner provided by law under the supervision of the superintendent and as directed by resolutions of the Board to the extent of its lawful discretion.

#### ARTICLE IV INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. The District shall indemnify and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to, or is involved (including, without limitation, as a witness) in an actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a commissioner, officer, employee or agent of the District, or having been such a commissioner, officer, employee or agent, he or she is or was serving at the request of the District as a director, officer, employee, agent, trustee or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a commissioner, officer, employee, agent, trustee or any other capacity, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties in amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a commissioner, officer, employee or agent of the District and shall inure to the benefit of his or her heirs, and personal representatives.

Section 2. Insurance. The District may purchase and maintain insurance, at its expense, to protect itself and any commissioner, officer, employee, agent or trustee of the District or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss to the full extent permitted by applicable law.

ARTICLE V CONSTRUCTION, INTERPRETATION AND CONVENTIONS

Section 1. Gender and Number. As used in these Bylaws, personal pronouns shall be interpreted to refer to persons of either gender and relative words whenever applicable to more than one person shall be read as if written in the plural.

Section 2. Titles, Headings and Captions. The titles, headings and captions appearing in these Bylaws are used and intended for convenience of description or reference only and shall not be construed or interpreted to limit, restrict or define the scope or effect of any provision.

Section 3. Severability. If any provision of these Bylaws, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of these Bylaws, or the application of the provision to other persons or circumstances, shall not be affected.

ARTICLE VI REVIEW AND AMENDMENT

These Bylaws shall be reviewed by the Board on an annual basis at its regular meeting in December. These Bylaws may be amended at any time by resolution of the Board introduced at a regular meeting and adopted at a subsequent regular meeting.

ADOPTED this 27<sup>th</sup> day of February, 2012.

\_\_\_\_\_  
President and Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Secretary and Commissioner

## Balance Sheet

As of December 31, 2012

	<u>Dec 31, 2011</u>	<u>Dec 31, 2012</u>	<u>\$ Change</u>	<u>Comments:</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
1	Total Cash Balance	1,527,547	1,451,627	(75,920)
2	Total Accounts Receivable	143	751,251	751,108
<b>Other Current Assets</b>				
3	Total Misc Current Assets	4,167	11,181	7,014 BofA Unamortized Financing Costs
4	Total Investments	36,416,633	40,128,375	3,711,742
5	Total Other Miscellaneous Receivables	580,358	567,584	(12,774) M&O Tax Levy Recv
6	Total Prepaid Expenses & Others	27,033	38,660	11,627
7	Total Other Current Assets	<u>37,028,190</u>	<u>40,745,800</u>	<u>3,717,610</u>
8	Total Current Assets	38,555,880	42,948,679	4,392,799
9	Total Fixed Assets	31,218,748	26,215,835	(5,002,913) Depreciation Expense
10	Total Financing & Lease Costs	367,814	408,772	40,958
11	Total Other Assets	<u>3,762,072</u>	<u>6,399,306</u>	<u>2,637,234</u>
<b>TOTAL ASSETS</b>	<b><u>73,904,514</u></b>	<b><u>75,972,593</u></b>	<b><u>2,068,079</u></b>	

## Balance Sheet

As of December 31, 2012

	<u>Dec 31, 2011</u>	<u>Dec 31, 2012</u>	<u>\$ Change</u>	<u>Comments:</u>	
<b>LIABILITIES &amp; EQUITY</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
12	Total Accounts Payable	93,706	88,581	(5,125)	
13	Total Credit Cards	277	90	(187)	
<b>Other Current Liabilities</b>					
14	Total Accrued Salary & Benefits	1,240,384	36,663	(1,203,721)	
15	Total Estimated 3rd Party Settlements	1,619,754	720,000	(899,754)	
16	Interest & Orig Issue Premium	-	511,237	511,237	2012 LTGO Bonds
17	Total Other Payables & Accruals	813,792	207,152	(606,640)	P/L & W/C Settlements & Net S/E Payable
18	Current Portion of L-T Debt	2,114,247	720,000	(1,394,247)	Annual Bond Payment due Dec 1
19	Total Other Current Liabilities	5,788,178	2,195,052	(3,593,126)	
20	Total Current Liabilities	5,882,161	2,283,723	(3,598,438)	
<b>Long-term Liabilities</b>					
21	Total Long-term Debt - Operations	6,890,790	5,905,000	(985,790)	2012 LTGO Bonds
22	Total Other Long-term Liabilities	565,649	566,147	498	P/L & W/C Reserve
23	Total Long-term Liabilities	7,456,439	6,471,147	(985,292)	
24	Total Liabilities	13,338,600	8,754,870	(4,583,730)	
25	Total Equity	60,565,915	67,217,722	6,651,807	Net Income
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>73,904,514</b>	<b>75,972,593</b>	<b>2,068,079</b>	



## Public Hospital District #2 of Snohomish County

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## Profit Loss

December 2012

	<u>Nov 2012</u>	<u>Dec 2012</u>	<u>\$ Change</u>	<u>Comments:</u>	
<b>Ordinary Income/Expense</b>					
1	Total Income	832,490	3,415,577	2,583,086	Dec includes Deferred S/E Revenue per schedule
<b>Expenses</b>					
<b>Operating Expenses</b>					
2	Total Salaries & Benefits	50,434	49,979	(455)	
3	Total Workers Comp	(1,646)	22,275	23,921	Nov Refund for BRAC Cancelation
4	Total Depreciation	416,909	416,909	-	
5	Total Insurance	1,234	1,234	0	
6	Total Interest Expense	11,342	29,491	18,149	
7	Total Other Amortization	900	-	-	
8	Total Professional Services	17,463	25,646	8,182	
9	Total Purchased Services	25,975	1,649	(24,326)	Nov Canapy Newsletter
10	Rent Expense	2,900	2,900	-	
11	Total Other Expenses	3,622	7,070	3,448	Board Retreat
12	Total Supplies	336	180	(156)	
13	Total Taxes	-	-	-	
14	Total Utilities	501	300	(202)	
15	<b>Total Operating Expenses</b>	<u>529,971</u>	<u>557,633</u>	<u>27,662</u>	
<b>Program Expenses</b>					
16	<b>Total Program Expenses</b>	<u>165,170</u>	<u>200,798</u>	<u>35,628</u>	
17	<b>Total Expense</b>	<u>695,142</u>	<u>758,431</u>	<u>63,289</u>	
18	<b>Net Ordinary Income</b>	<u>137,349</u>	<u>2,657,146</u>	<u>2,519,797</u>	
<b>Other Income/Expense</b>					
<b>Other Income</b>					
19	Total General Obligation Bonds	1,260	2,561	1,301	
20	<b>Total Non Operating Revenue</b>	<u>25,077</u>	<u>656,234</u>	<u>631,157</u>	Gain on Investment Nov / Loss on Investment Dec plus S/E settlement
22	<b>Total Other Income/Expense</b>	<u>26,337</u>	<u>658,795</u>	<u>632,458</u>	
	<b>Net Income</b>	<u><u>163,686</u></u>	<u><u>3,315,941</u></u>	<u><u>3,152,255</u></u>	

## Profit Loss Budget vs. Actual

January - December 2012

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
	<u>Jan-Dec 2012</u>	<u>Jan-Dec Budget</u>	<u>Over/(Under) Budget</u>	<u>% of Budget</u>	
<b>Operating Revenues</b>					
1	M&O Tax Levy	2,044,130	2,034,931	9,199	100.5%
2	Rental Income	10,351,290	7,761,004	2,590,286	133.4%
3	Pavilion Ground Lease Income	46,707	46,707	-	100.0%
4	Other Operating Income	17,493	-	17,493	100.0%
<b>5</b>	<b>Total Operating Revenues</b>	<b>12,459,620</b>	<b>9,842,642</b>	<b>2,616,978</b>	<b>126.6%</b>
<b>Operating Expenses</b>					
6	Salaries	560,622	569,870	(9,248)	98.4%
7	Benefits	85,395	132,693	(47,298)	64.4%
8	Workers Comp	70,398	53,251	17,147	132.2%
9	Insurance	21,097	28,041	(6,945)	75.2%
10	Interest Expense	192,470	228,048	(35,578)	84.4%
11	Amortization	14,067	15,800	(1,733)	89.0%
12	Rent Expense	34,800	34,800	-	100.0%
13	Consulting	185,912	175,000	10,912	106.2%
14	Legal	33,908	40,000	(6,092)	84.8%
15	Accounting/Auditing	41,963	70,000	(28,037)	59.9%
16	Other Professional Services	15,086	5,000	10,086	301.7%
17	Purchased Services	62,022	62,980	(958)	98.5%
18	Supplies	6,047	18,000	(11,953)	33.6%
19	License and Tax	340	500	(160)	68.0%
20	Utilities	7,052	5,380	1,672	131.1%
21	Miscellaneous Expenses	35,971	34,500	1,471	104.3%
<b>22</b>	<b>Total Operating Expenses</b>	<b>1,367,150</b>	<b>1,473,863</b>	<b>(106,714)</b>	<b>92.8%</b>
23	Community Program Investments	1,866,239	4,100,000	(2,233,761)	45.5%
<b>24</b>	<b>Net Ordinary Income</b>	<b>9,226,232</b>	<b>4,268,779</b>	<b>4,957,453</b>	<b>216.1%</b>
<b>Other Income/(Expense)</b>					
25	2003 GO Tax Levy	38,443	-	38,443	100.0%
26	Investment Income	1,676,783	1,080,000	596,783	155.3%
27	Unrealized G/L on Investment	(551,640)	-	(551,640)	100.0%
28	Other Income (Expense)	1,264,903	-	1,264,903	100.0%
<b>29</b>	<b>Total Other Income/(Expense)</b>	<b>2,428,489</b>	<b>1,080,000</b>	<b>1,348,489</b>	<b>224.9%</b>
<b>30</b>	<b>Net Income (Before Depreciation)</b>	<b>11,654,721</b>	<b>5,348,779</b>	<b>6,305,942</b>	<b>217.9%</b>
31	Depreciation	5,002,913	5,785,727	(782,814)	86.5%
<b>32</b>	<b>Net Income (After Depreciation)</b>	<b>6,651,808</b>	<b>(436,948)</b>	<b>7,088,756</b>	<b>-1522.3%</b>

**Public Hospital District #2 of Snohomish County  
Summary of Cash Receipts and Disbursements  
November & December 2012**

**Nov/Dec 2012  
Amount**

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**Receipts:**

Other Rental Income	52,445.84	Nov-Dec Value Village
Swedish/Edmonds Rental Income	1,273,080.00	Nov-Dec
Snohomish County Tax Levy	916,050.59	Nov-Dec
Ground Lease Payments	8,333.34	Nov-Dec
Misc. Reimbursements/Refunds	404,830.50	Reimbursements, Settlements and Interest Income
<b>Total Receipts</b>	<b>2,654,740.27</b>	

**Disbursements:**

<b>Professional Services:</b>		
Legal Fees	5,581.58	Litigation and Professional Liability Legal Fees
Accounting Fees	4,163.85	Ash Consulting, Moss Adams, WA State Auditors
Consulting Fees	24,000.00	Howard Thomas October & November 2012
Professional Services	2,319.30	Benefit Solutions Administrator, IT support, Website Development
<b>Purchased Services</b>	1,229.47	Paychex, Bank Service Fees
<b>Payroll</b>	71,294.50	5 pay periods Plus Benefit Solutions
<b>Payroll Taxes</b>	22,129.36	5 pay periods
<b>Employee Insurance</b>	7,451.14	Regence Medical & Dental, Principal Life
<b>Employee Retirement Contributions</b>	9,001.91	Valic
<b>Program Expenditures</b>	380,689.20	Includes Pertussis and 6WTHY
<b>Workers Compensation</b>	170,554.17	Payments Issued by BRAC & L&I Self Insurance Pension Reserve Payment
<b>1999 Bond Payment</b>	1,003,973.19	Includes Principal and Interest Expense
<b>Other Miscellaneous Expenses</b>	50,229.71	Supplies, Rent, Canon Lease, Dues, Interest Expense, Bond Fees
<b>Total Disbursements</b>	<b>1,752,617.38</b>	

**Public Hospital District #2  
Cash Activity**

<u>Warrant Number</u>	<u>Transaction Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
<b>Warrant Activity:</b>				
10130	11/7/2012	Snohomish Health District	-	Void
10131	11/7/2012	Swedish Medical Center	3,000.00	Programs - Superintendent Discretionary - Sobering Center Study
10132	11/7/2012	Tulalip Resort Casino	2,824.12	Board Retreat
10133	11/7/2012	Institute for Fitness and Health	84.24	Mileage
10134	11/7/2012	US Postal Service	11,666.89	Postage to mail Canopy
10135	11/7/2012	Lynnwood PFD	160.00	Janitorial
10136	11/7/2012	Snohomish Health District	5,624.00	Programs - TDAP Vaccination Clinic
10137	11/14/2012	Benefit Solutions Inc.	11.50	FSA Administration Monthly Fee
10138	11/14/2012	Gary Shinn Design	2,500.00	Marketing - Canopy Newsletter Design
10139	11/14/2012	Thomas & Associates	24,000.00	Oct & Nov 2012 Consulting
10140	11/14/2012	State Auditor's	509.25	WA State Audit Fees
10141	11/14/2012	Bank of America - Trust	2,500.00	Annual Letter of Credit Remarketing Fee
10142	11/14/2012	Lynnwood Convention Center	2,425.43	Programs - Final payment for 2012 6WTHY Conference Space
10143	11/28/2012	Ace Internet Services, Inc.	557.80	IT Support
10144	11/28/2012	Lynnwood PFD	2,900.00	Rent
10145	11/28/2012	Canon Financial Services	301.13	Copy Machine Lease Payment
10146	11/28/2012	Principal Financial Group	600.27	Employee Life Insurance
10147	11/28/2012	Regence BlueShield	3,125.30	Employee Medical/Dental Insurance
10148	11/28/2012	Staples	237.20	Office Supplies
10149	11/28/2012	Consolidated Press Printing Company, Inc.	10,734.16	Marketing - Canopy Newsletter
10150	11/28/2012	Wells Fargo	941.66	Miscellaneous
10151	11/28/2012	Wells Fargo	194.00	Miscellaneous
10152	11/28/2012	Moss Adams - Audit	1,429.20	Professional Services - Audit
10153	11/30/2012	Morgan Consulting Resources, Inc.	1,750.00	Professional Services - Superintendent Salary Survey
10154	12/12/2012	Ash Consulting	2,100.00	Oct 2012 Consulting
10155	12/12/2012	Comcast	317.79	Internet
10156	12/12/2012	Consumer Reports on Health	39.00	Subscription
10157	12/12/2012	Foster Pepper	1,495.00	Legal
10158	12/12/2012	Lynnwood PFD	176.05	Janitorial
10159	12/12/2012	Karen Y Goto	55.50	Reimbursement for Mileage
10160	12/12/2012	Margot Helphand	4,954.19	Facilitator for Board Retreat
10161	12/12/2012	The Lynnwood Chamber	150.00	Membership Dues
10162	12/19/2012	Institute for Fitness and Health	15,000.00	Programs - 2013 6 Weeks to a Healthier You deposit
10163	12/19/2012	Department of Labor and Industries	18,909.16	L&I Self Insured Work Comp Pension Reserve
10164	12/19/2012	Eliza Corporation	25,009.15	Programs - Pertussis Calls
10165	12/19/2012	State Auditor's	125.40	WA State Audit Fees
10166	12/26/2012	Canon Financial Services	301.13	Copy Machine Lease Payment
10167	12/26/2012	Lynnwood PFD	2,900.00	Rent
10168	12/26/2012	Principal Financial Group	600.27	Employee Life Insurance
10169	12/26/2012	Regence BlueShield	3,125.30	Employee Medical/Dental Insurance
10170	12/26/2012	Staples	181.96	Office Supplies
10171	12/26/2012	Puget Sound Business Journal	180.00	Subscription

Warrant Number	Transaction Date	Payee	Amount	Purpose
10172	12/26/2012	Wells Fargo	2,547.72	Miscellaneous
10173	12/26/2012	Wells Fargo	185.92	Miscellaneous
10174	12/26/2012	ImageMaster, LLC	2,879.26	2012 LTGO Bond Issue Printing Costs
10175	12/31/2012	Eliza Corporation	51,682.00	Programs - Pertussis Calls
10176	12/31/2012	Comcast	317.79	Internet
Total Warrants			<u>211,308.74</u>	

**Workers Compensation Claims Activity:**

300090-3000	Nov-Dec 2012	Various Claimants/Vendors	<u>151,645.01</u>	Administered by Berkley Risk
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**Professional Liability Claims Activity:**

380000453-0456	Nov-Dec 2012	Various Claimants/Vendors	<u>4,086.58</u>	Administered by Sedgwick
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**Wire/ACH Activity:**

11/1/2012	US Bank	2,269.65	1999 LTGO bond interest (LOC)
11/2/2012	Payroll	14,744.09	ACH payroll transfer
11/2/2012	Department of Treasury	4,486.58	Payroll taxes for 10/27/12 pay period ending
11/2/2012	Paychex	80.30	Fee for payroll processing
11/2/2012	Valic	1,804.87	Payroll 401(a)/457 Deposit
11/16/2012	Payroll	13,847.39	ACH payroll transfer
11/16/2012	Department of Treasury	4,322.54	Payroll taxes for 11/10/12 pay period ending
11/16/2012	Paychex	77.60	Fee for payroll processing
11/16/2012	Valic	1,786.87	Payroll 401(a)/457 Deposit
11/30/2012	Payroll	14,172.17	ACH payroll transfer
11/30/2012	Department of Treasury	4,402.23	Payroll taxes for 11/24/12 pay period ending
11/30/2012	Paychex	80.50	Fee for payroll processing
11/30/2012	Valic	1,786.87	Payroll 401(a)/457 Deposit
11/15/2012	Boys & Girls Club of Snohomish County	9,328.25	Program Payment
11/15/2012	Center for Human Services	5,200.00	Program Payment
11/15/2012	City of Lynnwood	6,455.67	Program Payment
11/15/2012	Community Health Center of Snohomish Co	8,333.33	Program Payment
11/15/2012	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
11/15/2012	Edmonds School District No. 15	28,056.82	Program Payment
11/15/2012	Edmonds Senior Center	2,025.00	Program Payment
11/15/2012	Little Red Schoolhouse	22,000.00	Program Payment
11/15/2012	Medical Teams International	4,000.00	Program Payment
11/15/2012	Parent Trust for WA Children	2,083.33	Program Payment
11/15/2012	Project Access Northwest	6,666.67	Program Payment
11/15/2012	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
11/15/2012	Puget Sound Christian Clinic	6,250.00	Program Payment
11/15/2012	Senior Services of Snohomish County	11,208.33	Program Payment
11/15/2012	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment
11/6/2012	Benefit Solutions Inc.	38.46	FSA Payments
11/20/2012	Benefit Solutions Inc.	38.46	FSA Payments

Wire/ACH Activity:	Date	Payee	Amount	Purpose
	11/13/2012	Wells Fargo	363.83	Bank Service Fee
	12/1/2012	US Bank	1,001,703.54	1999 LTGO bond interest and Annual Payment (LOC)
	12/14/2012	Payroll	14,204.33	ACH payroll transfer
	12/14/2012	Department of Treasury	4,483.43	Payroll taxes for 12/8/12 pay period ending
	12/14/2012	Paychex	77.60	Fee for payroll processing
	12/14/2012	Valic	1,826.56	Payroll 401(a)/457 Deposit
	12/28/2012	Payroll	14,172.68	ACH payroll transfer
	12/28/2012	Department of Treasury	4,434.58	Payroll taxes for 12/22/12 pay period ending
	12/28/2012	Paychex	74.90	Fee for payroll processing
	12/28/2012	Valic	1,796.74	Payroll 401(a)/457 Deposit
	12/15/2012	Boys & Girls Club of Snohomish County	9,328.25	Program Payment
	12/15/2012	Center for Human Services	5,200.00	Program Payment
	12/15/2012	City of Lynnwood	6,455.67	Program Payment
	12/15/2012	Community Health Center of Snohomish Co	8,333.33	Program Payment
	12/15/2012	Domestic Violence Services Snohomish Co	1,621.08	Program Payment
	12/15/2012	Edmonds School District No. 15	28,056.82	Program Payment
	12/15/2012	Edmonds Senior Center	2,025.00	Program Payment
	12/15/2012	Little Red Schoolhouse	22,000.00	Program Payment
	12/15/2012	Medical Teams International	4,000.00	Program Payment
	12/15/2012	Parent Trust for WA Children	2,083.33	Program Payment
	12/15/2012	Project Access Northwest	6,666.67	Program Payment
	12/15/2012	Providence Hospice & Home Care Foundation	12,916.67	Program Payment
	12/15/2012	Puget Sound Christian Clinic	6,250.00	Program Payment
	12/15/2012	Senior Services of Snohomish County	11,208.33	Program Payment
	12/15/2012	YWCA of Seattle, King and Snohomish Co	4,166.66	Program Payment
	12/15/2012	City of Edmonds Parks & Recreation	17,325.00	Program Payment
	12/4/2012	Benefit Solutions Inc.	38.46	FSA Payments
	12/18/2012	Benefit Solutions Inc.	38.46	FSA Payments
	12/14/2012	Wells Fargo	470.56	Bank Service Fee
	12/14/2012	Wells Fargo	4.18	Bank Service Fee
		Total Wires/ACH Transactions	<u>1,385,577.05</u>	
		<b>Total Disbursements</b>	<u><b>\$ 1,752,617.38</b></u>	

	<u>Date</u>	<u>Payer</u>	<u>Amount</u>	<u>Purpose</u>
Deposits:				
	11/1/2012	Swedish/Edmonds	636,540.00	Monthly lease
	11/1/2012	Value Village	26,222.92	Monthly lease
	11/10/2012	Snohomish County	801,893.62	Tax levy deposit
	11/24/2012	Healthcare Realty Services, Inc.	4,166.67	Lease payment
	11/6/2012	Berkley Risk Administrators Co	5,000.00	Refund for early cancellation of Work Comp Contract
	11/6/2012	NEW OPTIONS INC	149.70	Work Comp Refund
	11/15/2012	Foster Pepper	1,820.00	Refund for duplicate payment
	11/19/2012	Lynnwood Food Bank	1,200.00	Refund for un-used program funds
	11/27/2012	Ash Consulting	300.00	Ticket to Swedish Edmonds Gala
	11/30/2012	Wells Fargo-interest	20.67	Interest Income
	11/30/2012	Comerica Interest	0.43	Interest Income
	12/1/2012	Swedish/Edmonds	636,540.00	Monthly lease
	12/1/2012	Value Village	26,222.92	Monthly lease
	12/10/2012	Snohomish County	114,156.97	Tax levy deposit
	12/24/2012	Healthcare Realty Services, Inc.	4,166.67	Lease payment
	12/4/2012	LGIP	4.82	Rebate for previous balance
	12/5/2012	Piper Jaffray	15,986.20	2012 LTGO Bond - To pay expenses
	12/31/2012	Comerica Interest	0.44	Interest Income
	12/10/2012	Wells Fargo-interest	64.15	Interest Income
	12/10/2012	Wells Fargo-interest	0.38	Refund for overcharge
	12/10/2012	Wells Fargo-interest	317.07	Refund for overcharge
	12/14/2012	Wells Fargo-interest	174.83	Refund for overcharge
	12/17/2012	Wells Fargo-interest	8.00	Refund for overcharge
	12/17/2012	Wells Fargo-interest	27.48	Refund for overcharge
	12/31/2012	Wells Fargo-interest	11.69	Refund for overcharge
	12/10/2012	Lisa King	150.00	Ticket to Swedish Edmonds Gala
	12/10/2012	George Kosovich	150.00	Ticket to Swedish Edmonds Gala
	12/26/2012	Superintendent	30.00	United Way Breakfast Ticket for Cheryl Foster 2011
	12/26/2012	Superintendent	30.00	United Way Breakfast Ticket for Cheryl Foster 2012
	12/31/2012	Swedish/Edmonds	379,384.64	Misc. Receivables
		<b>Total Deposits</b>	<b>\$ 2,654,740.27</b>	

VERDANT HEALTH COMMISSION  
PUBLIC HOSPITAL DISTRICT #2  
SNOHOMISH COUNTY, WASHINGTON

WARRANT APPROVAL

We, the undersigned Board of Commissioners of Public Hospital District #2 of Snohomish County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that Warrant Numbers 10130 through 10176 have been issued for payment in the amount of \$1,752,617.38. These warrants are hereby approved.

Attest:

\_\_\_\_\_  
Lisa M. King

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

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Warrants Processed:	11-1-12 – 12-31-12		211,308.74
Work Comp Claims Pd:	11-1-12 – 12-31-12		151,645.01
Payroll:	10-14-12 – 10-27-12	14,744.09	
	10-28-12 – 11-10-12	13,847.39	
	11-11-12 – 11-24-12	14,172.17	
	11-25-12 – 12-08-12	14,204.33	
	12-09-12 – 12-22-12	<u>14,172.68</u>	
			71,140.66
Electronic Payments:	Comerica Bank – Prof Liability	4,086.58	
	Payroll Taxes	22,129.36	
	Paychex	390.90	
	Valic Retirement	9,001.91	
	Benefit Solutions	153.84	
	US Bank – Bond & Interest	1,003,973.19	
	Bank Fees	838.57	
	Program Expenditures	<u>277,948.62</u>	
			<u>1,318,522.97</u>
	Grand Total		<u>\$1,752,617.38</u>



## January 2013 Program Report

### Summary of Programs for Discussion

- Three new funding applications
- One existing program is seeking expanded funding

### New Funding Requests

#### Recommended for Funding:

- **Snohomish County Medical Reserve Corps – Health & Beauty Fair:** seeking funds for a one-day Health and Beauty Fair for women and girls of color. The March event at Edmonds Community College will feature free health screenings, HIV testing, interactive health forums, community health resources, healthy cooking demos, etc. The first event took place in Everett in 2012. **The committee is recommending fully funding the request at \$2,625 on a one time basis.**

#### For Board Discussion:

- **Cascade Bicycle Club Education Foundation - helmets for low-income students in the Edmonds School District:** seeking \$5,600 on a one time basis to provide 480 free bicycle helmets to low-income students and families in the Edmonds School District. The goal of the program is to ensure that all 3<sup>rd</sup>-8<sup>th</sup> grade students in the district have access to helmets and to increase the frequency with which students wear helmets. **There is a clear connection to safety and injury prevention, but the committee wanted to discuss the proposal with the board.**
- **Community Health Center of Snohomish County – Medicine for the Homeless:** Community Health Centers of Snohomish County (CHC) is seeking \$50,000 to support prescription medications for homeless individuals. CHC partners with homeless service providers to identify patients, and medication is provided at no cost. The request is for a countywide program, and approximately 25% of the participants would presently reside in Verdant's district. **The committee is recommending further discussion with CHC on this proposal.** Given that program would provide services throughout Snohomish County, the committee would like to explore the possibility of CHC raising match funding from other sources, rather than having Verdant fund a countywide program. The committee also would like more specific information on the types of prescription drugs dispensed through the program.

### Funding Expansion Requests

The Edmonds Senior Center is seeking increased funding for its Enhance Wellness program currently funded by Verdant. The program supports seniors who are dealing with chronic health issues. The original Verdant Grant was awarded for three years. Additional funds would be used to increase funding for the Social Worker and Nurse provided through the program, and to cover administrative costs. **The committee is recommending funding the request for an additional \$29,916 per year for the next two years.**

	Year 1	Year 2	Year 3
Original Award	\$36,000	\$24,300	\$24,300
Additional Request	\$0	\$29,916	\$29,916

**Verdant Health Commission Proposal Summary January 2013**

A		B		C		D		E		F		G		H		I		J		
Programs for January Review				Request for funding						Priority Area										
#	Name	Description		Year 1	Year 2	Year 3	Education & Empowerment	Prevention	Access to Healthcare	Policy & Advocacy	Primary Population Served									
1	Snohomish County Medical Reserve Corps- Healthy & Beauty Fair	Seeking funds for a one-day Health and Beauty Fair for Women and Girls of Color. The March event at EdCC features free health screenings, HIV testing, interactive health forums, community health resources, beauty makeovers, healthy cooking demos, etc. First event took place in Everett in 2012.		\$2,625			X	X	X											Women
2	Community Health Center of Snohomish County - Medicine for the Homeless	Community Health Centers of Snohomish County (CHC) is seeking funds to support prescription medications for homeless individuals. CHC partners with homeless service providers to identify patients, and medication is provided at no cost. The request is for a countywide program, and approximately 25% of the participants would presently reside in Verdant's district.		\$50,000						X										Homeless
3	Cascade Bicycle Club Education Foundation	Cascade is seeking funds to provide 480 free bicycle helmets to low-income students and families in the Edmonds School District.		\$5,600						X										Youth
<b>Total</b>				<b>\$58,225</b>	<b>\$0</b>	<b>\$0</b>														
<b>Requests for Additional Funding</b>																				
4	Edmonds Senior Center - Enhance Wellness	The Edmonds Senior Center is seeking increased funding for its Enhance Wellness program currently funded by Verdant. The original Verdant Grant was awarded for three years. Additional funds would be used to increase hours and wage levels for Social Worker and Nurse provided through the program, and the cover administrative costs.		\$36,000, including some start up costs	Request to increase from \$24,300 to \$54,216	Request to increase from \$24,300 to \$54,216	X	X	X											Seniors
<b>Total</b>				<b>Increase Requested</b>	<b>\$0</b>	<b>\$29,916</b>	<b>\$29,916</b>													

Public Hospital District 2, Snohomish County

Program Payout Schedule

Account	Actual 2012	Budget 2013	Budget 2014
<b>7100 . Grants</b>			
<b>Committed</b>			
Edmonds Senior Center Enhanced Wellness	\$ 24,075	\$ 24,300	\$ 18,225
Edmonds School District Move 60!	\$ 313,445	\$ 382,188	\$ 315,467
3rd Grade Swim Lessons	\$ 49,685	\$ 146,000	\$ 126,000
City of Edmonds Xfit Training Camp	\$ 69,300	\$ -	\$ -
Boys & Girls Club Healthy Habits	\$ 102,601	\$ 111,939	\$ 74,626
City of Lynnwood Move 60: Teens!	\$ 77,468	\$ 77,468	\$ 77,468
City of Lynnwood Get Movin'	\$ 52,250	\$ 52,250	\$ 52,250
Senior Services Care Coordination	\$ 138,625	\$ 100,875	\$ -
Little Red Nurse Family Partnership	\$ 264,000	\$ 264,000	\$ -
CHS Counseling Services	\$ 62,400	\$ -	\$ -
Project Access Northwest	\$ 80,000	\$ 80,000	\$ 66,667
CHC-S/E Emergency Room Diversion Project	\$ 100,000	\$ 100,000	\$ 83,333
Edmonds Mobile Medical Clinic	\$ 62,500	\$ 75,000	\$ -
Parent Trust Continuum of Family Support Services	\$ 20,834	\$ 25,000	\$ 4,166
Domestic Violence Services of Snoh Co	\$ 9,726	\$ 19,453	\$ 19,453
Providence Hospice & Home Care Foundation	\$ 90,417	\$ 155,000	\$ 155,000
YWCA Children's Domestic Violence	\$ 16,667	\$ 25,000	\$ 25,000
Mobile Dental Program	\$ 20,000	\$ 48,000	\$ 48,000
Lynnwood Fire Department	\$ 66,807	\$ 15,625	\$ -
PEPS	\$ -	\$ 40,000	\$ 40,000
Perscription Assistance*	\$ -	\$ 50,000	\$ 50,000
YWCA Mental Health Counseling	\$ 4,167	\$ 25,000	\$ 25,000
EdCC Student Health & Wellness Program*	\$ -	\$ 153,047	\$ 144,389
Center for Healthy Aging*	\$ -	\$ 524,615	\$ 524,615
Advanced Basics of Bicycling	\$ -	\$ 32,000	\$ 32,000
Cascade Bicycling Club Policy Proposal	\$ -	\$ 45,000	\$ 25,000
American Diabetes Association*	\$ -	\$ 50,000	\$ 50,000
Snohomish County Fall Prevention*	\$ -	\$ 3,000	\$ -
Center for Human Services Youth Counseling	\$ -	\$ 162,284	\$ 162,284
One-Time Commitments	\$ 31,500	\$ -	\$ -
<b>Total Committed</b>	<b>\$ 1,656,467</b>	<b>\$ 2,787,044</b>	<b>\$ 2,118,943</b>
<b>Not Committed (Available to Spend)</b>	<b>\$ 2,114,918</b>	<b>\$ 2,960,806</b>	<b>\$ 2,611,057</b>
<b>Total Grants</b>	<b>\$ 3,771,385</b>	<b>\$ 5,747,850</b>	<b>\$ 4,730,000</b>
<b>7300 . Internal Programs</b>			
<b>Board Approved</b>			
Whooping Cough	\$ 113,331	\$ 24,000	\$ -
6 Weeks to a Healthier You	\$ 10,285	\$ 80,000	unknown
<b>Total Board Approved</b>	<b>\$ 123,616</b>	<b>\$ 104,000</b>	<b>\$ -</b>
Potential Internal Programs			
Community Needs Assessment	\$ -	\$ 133,150	\$ -
<b>Total Potential</b>	<b>\$ -</b>	<b>\$ 133,150</b>	<b>\$ -</b>
<b>Total Internal Programs</b>	<b>\$ 123,616</b>	<b>\$ 237,150</b>	<b>\$ -</b>
<b>7200 . Discretionary</b>			
<b>Committed</b>			
Sobering Center Feasibility Study	\$ 3,000		
6 Weeks to a Healthier You	\$ 78,157	\$ -	\$ -
Whooping Cough Postcard Mailing	\$ 5,000	\$ -	\$ -
<b>Total Committed</b>	<b>\$ 86,157</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Not Committed (Available to Spend)</b>	<b>\$ 118,843</b>	<b>\$ 315,000</b>	<b>unknown</b>
<b>Total Discretionary Programs</b>	<b>\$ 205,000</b>	<b>\$ 315,000</b>	<b>\$ -</b>
<b>TOTAL</b>	<b>\$ 4,100,000</b>	<b>\$ 6,300,000</b>	<b>\$ 4,730,000</b>
*Pending agreement on grant agreement terms.			

# January 2013 Marketing Report

## Summary

- 6 Weeks to a Healthier You Update
- Website Update
- Other Program Events

## 6 Weeks to a Healthier You Update

### Dates Scheduled

All sessions are scheduled to run from 6:30-8:00 p.m. at the Lynnwood Convention Center.

- Monday, May 13
- Monday, May 20
- Tuesday, May 28
- Monday, June 3
- Monday, June 10
- Monday, June 17

## Website Update

- Current work: Writing content for the site and reviewing the initial design concepts
- Launch date: Targeting April 2013

## Other Program Events

- Go Red BetterU launch through the American Heart Association from 11 a.m. – 3 p.m. Feb. 2 at Alderwood Mall Center Court (near Macy's)