

VERDANT HEALTH COMMISSION
 (formerly South Snohomish County Commission for Health)
 PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
 BOARD OF COMMISSIONERS
 Regular Meeting
 A G E N D A
 January 25, 2012
 8:00 AM to 9:30 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 30, 2011 regular Board meeting	Action	8:01	3-5
b) January 11, 2012 Study Session/Special Meeting	Action	8:02	6
C. Executive Committee Report			
a) Election of Officers	Action	8:03	--
b) 2012 Committees & Chairs	Information		
c) Adopt 2012 Board Meeting calendar with December exception	Action		
d) Board Study Sessions in 2012	Action		
e) Retreat in March 2012	Information		
f) Commissioner training	Information		
D. Commissioner Oath of Office	Action	8:20	
E. Board Finance Committee Report			
a) Review financial statement and cash activity	Action	8:20	7-17
b) Authorization for payment of vouchers and payroll	Action	8:25	18-19
c) Resolution 2012-01: Fixed Asset Surplus	Action	8:26	20-22
d) Resolution 2012-02: Approval & Adoption of McCary Agreement Amendment	Action	8:28	23-32
F. Program Oversight Committee Report & Recommendations			
a) Conflict of interests inquiry	Action	8:30	
b) Program investment recommendations	Action	8:32	33-34
G. Marketing Report	Information	8:40	
H. Commissioner Comments	Information	8:45	
I. Superintendent's Report	Information	8:50	
a) Summary of Community Leader Meetings	Information		
b) "Six Weeks to a Healthier You" event			
J. Public Comments (please limit to three minutes per speaker)	---	9:00	--
K. Executive Session			

a) Legal matters	---	9:10	--
b) 2012 goals & superintendent's performance planning			
c) Stephen McCary	--	9:15	--
L. Open Session			
a) Approve 2012 Goals	Action	9:20	--
M. Adjournment	---	9:30	--

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION
(Formerly SOUTH SNOHOMISH COUNTY COMMISSION FOR HEALTH)

BOARD OF COMMISSIONERS

Regular Meeting
November 30, 2011

Commissioners Present	Fred Langer, President Charles Day, Secretary Deana Knutsen, Commissioner J. Bruce Williams, M.D., Commissioner
Commissioners Excused	Bob Knowles, Commissioner
Others Present	Carl Zapora, Superintendent Howard Thomas, Consultant Karen Goto, Executive Assistant George Kosovich, Program Director Lisa King, Finance Director Jennifer Piplic, Marketing Director Karianna Wilson, Commissioner-elect Citizens from 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 8:01 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 26, 2011.
Board Finance Committee	Commissioner Knutsen reported that the Finance Committee met on November 16, 2011 to review the financial statements and other ongoing issues.
Profit & Loss Statement	Ms. King reported on the financials for September. (E:37:11).
Authorization for Payment of Vouchers & Payroll	Warrant Numbers 10372 through 10404 for October for payment in the amount of \$221,477.55 were presented for approval (E:38:11). <i>Motion was made, seconded and passed unanimously to approve.</i>

**Board Executive
Committee**

President Langer reported that the Executive Committee met on November 17, 2011 to review the agenda for the November 30, 2011 Board meeting. He also noted that there will not be a December Board meeting. President Langer congratulated Commissioners Knutsen & Knowles for their successful election results and welcomed Commissioner-elect Karianna Wilson.

**Program Oversight
Committee Report
&
Recommendations**

Mr. Kosovich reported that the Program Oversight Committee met on November 9, 2011 & November 29, 2011 to review three proposals (E:39:11). The committee did not recommend funding the City of Lynnwood Jail Medical Services and will review further the proposal from the Puget Sound Christian Clinic. There are some budget and patient follow-up and liability questions that need to be addressed. The Committee recommended funding the Edmonds Community College Celebration of Food Festival in May 2012 with objective feedback from either a commissioner or staff member who attends the event. ***Motion was made, seconded and passed unanimously to approve*** this funding of \$5,000 on a one-time basis. There was no conflict of interest by any of the commissioners. President Langer suggested that Superintendent Zapora consider scheduling a Board Study Session for the 2nd quarter of 2012 to address policies for the commission in the provision of direct services.

**Marketing
Report**

Superintendent Zapora welcomed Jennifer Piplic as the Director of Marketing. Ms. Piplic presented a written Marketing Report and current brochure (E:40:11). An annual report and new website are coming in early 2012. The commissioners are invited to register for attendance at one of the upcoming Community Leader meetings on December 2, 6 or 9; 8-9:30 AM.

**Commissioner
Comments**

Commissioner Williams suggested a possible commission funding to provide subsidies to low-income residents for participation in exercise classes. This item will be explored further in a study session in 2012 and will include a fitness center leader.

**Superintendent's
Report**

Superintendent Zapora reported on the upcoming Community Leader meetings with 52 in attendance to date and including a good mix of corporate and community leaders. He also reported on a possible community-wide Joe Piscatella event in Spring 2012 with the goal of 250 participants. This event will be a

discussion point at the Community Leader meetings.

**Recognition of
Retiring Board
Member Charles
Day**

President Langer recognized the services of board member Charles Day with a plaque and gift from the commissioners and superintendent. Commissioners Knutsen & Williams also thanked Commissioner Day for his service.

**Public
Comments:**

Mr. Al Rutledge commented on the possibility of the commission being involved in the Edmonds Methodist Church's food bank, the desire to have the commission expand from five to seven commissioners, and the need for funds to be given to in-patient home people because of the increased cost of health care and the budget concerns.

Ms. Marcy Shimada from the Edmonds Family Medical Center commented on the Puget Sound Christian Clinic's request for funding and had suggested that the clinic partner with Project Access.

Executive Session

President Langer recessed the regular meeting at 8:52 a.m. into Executive Session to discuss legal matters.

President Langer stated that the Commissioners would reconvene in approximately 25 minutes and no action would be taken in this Executive Session.

Open Session

President Langer reconvened into open session at 9:15 a.m.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:15 a.m.

ATTEST BY:

President

Secretary

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON

SPECIAL MEETING/STUDY SESSION
January 11, 2012
Verdant Health Commission Board Room

Commissioners Present	Fred Langer, President J. Bruce Williams, MD, Commissioner Deana Knutsen, Commissioner Bob Knowles, Commissioner Karianna Wilson, Commissioner
Staff	George Kosovich Lisa King Jennifer Piplic Karen Goto
Staff Excused	Carl Zapora
Guests	Brad Berg, Foster Pepper Vicci Hilty, Domestic Violence Services of Snohomish County Lisa Nicholson, DVS Lori Vanderburg, Compass Health Child Advocacy Program Gayle Ossenkop, Providence Intervention Center for Assault & Abuse Lisa Paul, Sexual Assault Unit, Prosecutor's Office
Call to Order	The Special Meeting/Study Session of the Board of Commissioners was called to order by President Langer at 8:02 a.m. and immediately the commission went into Executive Session to review grantee organization legal liability with Brad Berg.
Executive Session	President Langer tabled the agenda item 2b for another time. Brad Berg presented the Commissioners with the potential legal liability issues for the commission in the provision of direct medical services by a non-profit organization.
Study Session	Commissioners came out of Executive Session at 8:26 a.m. and went into a study session with the guests on the topic of domestic violence and child abuse in the community (E:01:12).
Adjourn	The meeting was adjourned at 9:14 a.m.
Attest By:	 _____ President _____ Secretary

Public Hospital District #2, Snohomish County
Balance Sheet

As of December 31, 2011

	<u>Dec 31, 2010</u>	<u>Dec 31, 2011</u>	<u>\$ Change</u>	<u>Comments:</u>
ASSETS				
Current Assets				
1 Total Cash Balance	1,744,208	1,534,575	(209,633)	
2 Total Accounts Receivable	17,088,177	62,988	(17,025,189)	Swedish Edmonds Settlement Payment
Other Current Assets				
3 Total Investments	11,647,481	35,074,285	23,426,804	
4 Total Limited Use Assets	1,580,358	1,410,253	(170,105)	
5 Total Other Miscellaneous Receivables	539,935	544,289	4,354	M&O Tax Levy Recv
6 Total Prepaid Expenses & Others	201,157	27,033	(174,124)	
7 Total Other Current Assets	<u>13,968,931</u>	<u>37,055,859</u>	<u>23,086,928</u>	
8 Total Current Assets	32,801,316	38,653,422	5,852,106	
9 Total Fixed Assets	37,011,601	31,228,601	(5,783,000)	Depreciation Expense
10 Total Financing & Lease Costs	391,074	371,981	(19,093)	
11 Total Other Assets	957,474	961,650	4,176	
TOTAL ASSETS	<u>71,161,464</u>	<u>71,215,654</u>	<u>54,190</u>	

Public Hospital District #2, Snohomish County
Balance Sheet

As of December 31, 2011

	<u>Dec 31, 2010</u>	<u>Dec 31, 2011</u>	<u>\$ Change</u>	<u>Comments:</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
11 Total Accounts Payable	158,831	188,512	29,681	
12 Total Credit Cards	195	277	82	
Other Current Liabilities			-	
13 Total Accrued Salary & Benefits	1,020,229	356,409	(663,820)	Decrease Work Comp \$40K per month
14 Total Estimated 3rd Party Settlements	752,000	752,000	-	
15 Total Interest & Orig Issue Premium	23,692	-	(23,692)	
16 Total Other Payables & Accruals	699,563	552,633	(146,930)	
17 Current Portion of L-T Debt	3,428,377	2,114,247	(1,314,130)	
18 Total Other Current Liabilities	<u>5,923,861</u>	<u>3,775,288</u>	<u>(2,148,573)</u>	
19 Total Current Liabilities	<u>6,082,887</u>	<u>3,964,077</u>	<u>(2,118,810)</u>	
Long-term Liabilities			-	
20 Total Long-term Debt - Operations	9,010,706	6,890,790	(2,119,916)	Banc of America Lease Payment & Bonds
21 Total Other Long-term Liabilities	4,041,973	3,113,398	(928,575)	Prof Liability Claims & Settlements
22 Total Long-term Liabilities	13,052,679	10,004,188	(3,048,491)	
23 Total Liabilities	<u>19,135,566</u>	<u>13,968,265</u>	<u>(5,167,301)</u>	
24 Total Equity	<u>52,025,900</u>	<u>57,247,389</u>	<u>5,221,489</u>	Net Income
TOTAL LIABILITIES & EQUITY	<u><u>71,161,464</u></u>	<u><u>71,215,654</u></u>	<u><u>54,190</u></u>	

Public Hospital District #2 of Snohomish County

Profit Loss

December 2011

	Nov 2011	Dec 2011	\$ Change	Comments:
Ordinary Income/Expense				
1 Total Income	812,991	813,577	586	
Expenses				
Operating Expenses				
2 Total Workers Comp	40,589	28,209	(12,380)	
3 Reserve LI Self Insurance	(40,000)	(40,000)	-	Release of workers comp reserve
4 Total Depreciation	482,155	482,155	-	
5 Total Insurance	2,193	2,193	-	
6 Total Interest Expense	20,263	18,582	(1,682)	
7 Total Other Amortization	1,317	1,317	-	
8 Total Other Expenses	2,872	37,622	34,750	
9 Total Professional Services	24,510	22,769	(1,741)	Includes Election Expense
10 Total Purchased Services	3,633	3,757	124	
11 Total Salaries & Benefits	43,520	44,997	1,477	Hired new marketing director Nov 7
12 Rent Expense	2,900	2,900	-	
13 Total Supplies	2,189	796	(1,393)	
14 Total Taxes	20	-	(20)	Business License Name Change
15 Total Utilities	1,054	1,024	(30)	
16 Total Operating Expenses	587,215	606,322	19,107	
Program Expenses				
17 Total Program Expenses	62,303	65,943	3,640	
18 Total Expense	649,517	672,265	22,748	
19 Net Ordinary Income	163,473	141,312	(22,161)	
Other Income/Expense				
Other Income				
20 Total General Obligation Bonds	100,165	109,057	8,892	
21 Total Non Operating Revenue	141,251	144,258	3,007	
22 Total Other Income	241,416	253,315	11,899	
Net Income	404,890	394,627	(10,263)	

Public Hospital District #2 of Snohomish County

Profit Loss Budget vs. Actual

January through December 2011

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	Annual Budget	YTD Actual	Remaining Forecast	% of Total FCST Used
Operating Revenues				
1 M&O Tax Levy	2,004,548	2,031,611	(27,063)	101.4%
2 Rental Income	7,553,510	7,542,846	10,664	99.9%
3 Pavilion Ground Lease Income	46,707	46,707	-	100.0%
* Recognition of Deferred Revenue-Pavilion	190,866	-		0.0%
4 Total Operating Revenues	9,795,631	9,621,164	174,467	98.2%
Operating Expenses				
5 Salaries	292,000	354,136	(62,136)	121.3%
6 Benefits (not including WC)	73,000	51,073	21,927	70.0%
7 Workers Comp	-	(163,324)	163,324	100.0%
8 Insurance	83,064	104,162	(21,098)	125.4%
9 Interest Expense	506,678	297,503	209,176	58.7%
10 Amortization	18,801	15,800	3,001	84.0%
11 Rent Expense	49,440	26,100	23,340	52.8%
12 Consulting	390,000	415,099	(25,099)	106.4%
13 Legal	24,480	46,208	(21,728)	188.8%
14 Accounting/Auditing	25,000	88,043	(63,043)	352.2%
15 Other Professional Services	20,000	41,838	(21,838)	209.2%
16 Purchased Services	71,720	59,932	11,788	83.6%
17 Supplies	6,120	10,433	(4,313)	170.5%
18 Taxes	-	899	(899)	100.0%
19 Utilities	12,240	7,259	4,981	59.3%
20 Miscellaneous Expenses	116,060	74,263	41,797	64.0%
21 Total Operating Expenses	1,688,603	1,429,423	259,180	84.7%
22 Community Program Investments	3,909,337	297,736	3,611,601	7.6%
23 Net Ordinary Income	4,197,691	7,894,004	(3,696,313)	188.1%
Other Income/(Expense)				
24 2003 GO Tax Levy	1,207,000	1,237,235	(30,235)	102.5%
25 2003 GO Bonds	(31,000)	(31,921)	921	103.0%
26 Investment Income	421,497	1,068,276	(646,779)	253.4%
27 Unrealized G/L on Investment	-	821,452	(821,452)	100.0%
28 Other Income (Expense)	-	18,171	(18,171)	100.0%
29 Total Other Income/(Expense)	1,597,497	3,113,213	(1,515,716)	194.9%
30 Net Income (Before Depreciation)	5,795,188	11,007,217	(5,212,029)	189.9%
31 Depreciation	5,778,000	5,785,728	(7,728)	100.1%
32 Net Income (After Depreciation)	17,188	5,221,489	(5,204,301)	30378.7%

**Public Hospital District #2 of Snohomish County
 Summary of Cash Receipts and Disbursements
 November 2011**

	<u>November 2011</u> <u>Amount</u>	
Receipts:		
Other Rental Income	25,468.54	Value Village
Swedish/Edmonds Rental Income	618,000.00	
Snohomish County Tax Levy	1,246,570.53	
Ground Lease Payments	4,166.67	
Fidelity	15,000.00	McCary Deferred Compensation
Misc Reimbursements/Refunds	2,167.20	Insurance Refund, Swedish Gala Reimbursement
Total Receipts - November 2011	<u>1,911,372.94</u>	
Disbursements:		
Debt Payment	114,171.30	November Banc of America
Unclaimed Property	18,733.60	Thru 8/31/2010
Professional Services:		
Legal Fees	17,234.60	Litigation and Professional Liability Legal Fees
Accounting Fees	3,617.38	Ash Consulting & Moss Adams
Consulting Fees	-	Howard Thomas has not billed yet
Professional Insurance	1,282.00	Enduris
Professional Services	15,414.55	Workers Comp Administrator, IT, Benefit Solutions Administrator, Branding
Purchased Services	1,954.29	Paychex, Brochure Design, Background Checks, HR, Copy Machine
Payroll	34,518.86	2 pay periods Plus FSA Payouts
Payroll Taxes	10,463.89	
Employee Insurance	3,062.70	Regence Medical & Principal Life
Program Expenditures	62,302.67	
Bank Fees and Charges	2,500.00	Annual Trust Fee
Other Miscellaneous Expenses	11,556.14	Supplies, Rent, Interest, Valic, Canon Lease, Legal Notices, Leasehold Excise Tax
Total Disbursements - November 2011	<u>296,811.98</u>	

Public Hospital District #2
Cash Activity

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10405	11/02/2011	VOID	0.00	Printer Failure
10406	11/02/2011	VOID	0.00	Printer Failure
10407	11/02/2011	VOID	0.00	Printer Failure
10408	11/02/2011	VOID	0.00	Printer Failure
10409	11/02/2011	VOID	0.00	Printer Failure
10410	11/02/2011	VOID	0.00	Printer Failure
10411	11/02/2011	VOID	0.00	Printer Failure
10412	11/02/2011	Aukema & Associates	14,500.00	Final Payment for Branding and Marketing Services
10413	11/02/2011	Awards Service Inc	19.22	Business Cards
10414	11/02/2011	Bank of America - Trust	2,500.00	
10415	11/02/2011	Benefit Solutions	11.50	Monthly service fee for FSA Account
10416	11/02/2011	Carney Badley Spellman	915.00	Legal
10417	11/02/2011	Enduris	1,282.00	Insurance
10418	11/02/2011	Lynnwood PFD	567.90	Janitorial Support 3 months
10419	11/02/2011	WA Department of Revenue	18,733.60	Unclaimed Property thru 8/31/10
10420	11/09/2011	Ash Consulting	2,550.00	Accounting Consulting
10421	11/09/2011	Background Investigation, Inc.	125.00	Background check on all staff
10422	11/09/2011	Berkley Risk Administrators Co	171.00	Workers Comp Administrator
10423	11/09/2011	Foster Pepper	1,952.50	Legal
10424	11/16/2011	Lynnwood PFD	2,900.00	Rent
10425	11/16/2011	Moss Adams - Audit	1,067.38	Accounting
10426	11/16/2011	Regence Blueshield	2,573.64	Medical Insurance
10427	11/16/2011	VOID	0.00	VOID
10428	11/23/2011	Banc of America Leasing	114,171.30	Monthly McKesson Lease Payment
10429	11/23/2011	Innovative Employee Solutions	391.50	HR Support
10430	11/23/2011	Canon Financial Services	301.13	Copy Machine Lease Payment
10431	11/23/2011	Awards Service Inc	208.27	Business Cards
10432	11/23/2011	Speedy Sign Center_1	890.07	New Verdant Signs
10433	11/23/2011	Gary Shinn Design	1,385.00	Verdant artwork
10434	11/30/2011	Advocate Telecom	340.55	Set up phone for Marketing Director
10435	11/30/2011	Carney Badley Spellman	457.50	Legal
10436	11/30/2011	Comcast	314.29	Internet

Warrant Number	Transaction Date	Payee	Amount	Purpose
10437	11/30/2011	Principal Financial Group	489.06	November life insurance
10438	11/30/2011	My Edmonds News	400.00	Superintendent Discretionary Fund - Supporting Fitness Program
10439	11/30/2011	VOID	0.00	VOID
Total Warrants			<u>169,217.41</u>	
Wire Activity:				
	11/1/2011	Comerica	13,909.60	Octagon Professional Liability (Sedgwick)
	11/1/2011	US Bank	3,425.88	1999 LTGO interest (LOC)
	11/4/2011	Payroll	16,995.47	ACH payroll transfer
	11/4/2011	Department of Treasury	5,217.01	Payroll taxes for 10/29/11 payroll period ending
	11/4/2011	Paychex	72.98	Fee for payroll processing
	11/18/2011	Payroll	16,809.50	ACH payroll transfer
	11/18/2011	Paychex	70.18	Fee for payroll processing
	11/18/2011	Department of Treasury	5,246.88	Payroll taxes for 11/12/11 payroll period ending
	11/07/2011	Benefit Solutions	673.89	FSA Payment
	11/15/2011	Benefit Solutions	40.00	FSA Payment
	11/17/2011	Valic	1,359.35	11/4 Payroll 401(a)/457 Deposit
	11/28/2011	Valic	1,471.16	11/18 Payroll 401(a)/457 Deposit
	11/15/2011	Boys & Girls Club of Snohomish County	8,161.00	Program Payment
	11/15/2011	Community Health Centers	8,333.33	Program Payment
	11/15/2011	Edmonds School District No. 15	25,475.00	Program Payment
	11/15/2011	Edmonds Senior Center	2,000.00	Program Payment
	11/15/2011	Project Access NW	6,666.67	Program Payment
	11/15/2011	Senior Services of Snohomish County	11,666.67	Program Payment
Total Wires/ACH Transactions			<u>127,594.57</u>	
Grand Total -Warrants and Electronic			<u>\$ 296,811.98</u>	

Transaction Date	Payee	Amount	Purpose
11/1/2011	Fidelity	15,000.00	McCary Deferred Comp Payment
11/1/2011	Value Village	25,468.54	Monthly rent
11/4/2011	Swedish	618,000.00	Monthly payment
11/10/2011	Snohomish County	1,246,570.53	Tax levy deposit
11/21/2011	Healthcare Realty Services, Inc.	4,166.67	Lease payment
11/7/2011	PFD	95.20	Copies
11/15/2011	Philadelphia Insurance	1,612.00	Refund for early cancellation
11/21/2011	George Kosovich	150.00	Katie Kosovich Attendance of Swedish Gala
11/21/2011	Carl Zapora	150.00	Cheryl Foster Attendance of Swedish Gala
11/21/2011	Lisa King	150.00	Brian Schleicher Attendance of Swedish Gala
11/21/2011	Bank of America ERROR	10.00	Incorrectly recorded deposit
Total Deposits		\$ 1,911,372.94	

Deposits:

Public Hospital District #2 of Snohomish County
 Summary of Cash Receipts and Disbursements
 December 2011

	<u>December 2011</u> <u>Amount</u>	
Receipts:		
Other Rental Income	25,468.54	Value Village
Swedish/Edmonds Rental Income	618,000.00	
Snohomish County Tax Levy	189,377.08	
Ground Lease Payments	4,166.67	
Fidelity	15,000.00	McCary Deferred Compensation
Misc Reimbursements/Refunds	266,982.68	Insurance Reimbursement, Bank Correction
 Total Receipts - December 2011	 <u>1,118,994.97</u>	
Disbursements:		
Debt Payment	114,171.30	December Banc of America
Professional Services:		
Legal Fees	977.72	Litigation and Professional Liability Legal Fees
Accounting Fees	2,100.00	Ash Consulting
Consulting Fees	40,160.65	November & December Retainer
Professional Services	1,020.40	Workers Comp Administrator, IT Support, Benefit Solutions Administrator
Purchased Services	624.57	Paychex, Copy Machine Maintenance
Payroll	55,799.74	3 pay periods
Payroll Taxes	17,397.18	3 pay periods
Employee Insurance	3,217.05	Regence Medical & Dental
Program Expenditures	65,942.67	
Bond Payments	2,184,965.72	Principal and Interest
Other Miscellaneous Expenses	16,756.58	Supplies, Rent, Pension Contributions, Canon Lease, Training, Janitorial
 Total Disbursements - December 2011	 <u>2,503,133.58</u>	

Public Hospital District #2

Cash Activity

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10440	12/7/2011	UNIVERSITY OF WASHINGTON	100.00	CFO Forum 2/3/12
10441	12/7/2011	Electronic Business Machines	400.33	Quarterly Maintenance B&W and Color Copies
10442	12/7/2011	Ash Consulting	2,100.00	November 2011 Consulting Services
10443	12/14/2011	Berkeley Risk Administrators Co	123.50	Claims Service Fee-Nov 2011
10444	12/14/2011	Comcast	314.29	Internet
10445	12/14/2011	Evergreen Print Solutions	1,323.64	Marketing Brochures
10446	12/14/2011	Lynnwood PFD	2,900.00	Rent
10447	12/14/2011	Regence Blueshield	3,217.05	Medical and Dental Insurance
10448	12/14/2011	The Boondocks Branding Co.	934.74	Marketing Verdant Pens
10449	12/14/2011	Bank of America Credit Card	5,014.45	Credit Card charges
10450	12/14/2011	Ace Internet Services, Inc.	885.40	IT Support
10451	12/21/2011	Awards Service Inc	28.81	Karianna Name Plate
10452	12/21/2011	Banc of America Leasing	114,171.30	Monthly McKesson Lease
10453	12/21/2011	Benefit Solutions	11.50	FSA Monthly billing
10454	12/21/2011	Thomas & Associates	40,160.65	Nov & Dec 2011 Retainer
10455	12/21/2011	Lynnwood PFD	1,018.61	Oct-Dec Janitorial and Outdoor Verdant Sign Install
10456	12/21/2011	Canon Financial Services	301.13	Copy Machine Lease Payment
10457	12/21/2011	Carney Badley Spellman	61.00	Legal - Nov 2011
Total Warrants			<u>173,066.40</u>	

Wire/ACH Activity:

12/1/2011	Comerica	916.72	Octagon Professional Liability (Sedgwick)
12/1/2011	Bank of New York Mellon	1,180,987.50	2003 UTGO bond interest & principal payment
12/1/2011	US Bank	1,003,978.22	1999 LTGO bond interest & Principal Payment (LOC)
12/2/2011	Payroll	18,800.03	ACH payroll transfer
12/2/2011	Department of Treasury	5,878.55	Payroll taxes for 11/26/11 pay period ending
12/2/2011	Paychex	74.83	Fee for payroll processing
12/12/2011	Valic	1,618.97	12/2 Payroll 401(a)/457 Deposit
12/16/2011	Payroll	19,218.17	ACH payroll transfer
12/16/2011	Department of Treasury	5,893.56	Payroll taxes for 12/10/11 pay period ending
12/16/2011	Paychex	79.63	Fee for payroll processing
12/20/2011	Valic	1,600.97	12/16 Payroll 401(a)/457 Deposit

Transaction Date	Payee	Amount	Purpose
Wire/ACH Activity (continued):			
12/30/2011	Payroll	17,781.54	ACH payroll transfer
12/30/2011	Department of Treasury	5,625.07	Payroll taxes for 12/24/11 pay period ending
12/30/2011	Paychex	69.78	Fee for payroll processing
12/30/2011	Valic	1,600.97	12/30 Payroll 401(a)/457 Deposit
12/15/2011	Boys & Girls Club of Snohomish County	8,161.00	Program Payment
12/15/2011	City of Lynnwood	2,450.00	Program Payment
12/15/2011	City of Mountlake Terrace	1,190.00	Program Payment
12/15/2011	Community Health Centers	8,333.33	Program Payment
12/15/2011	Edmonds School District No. 15	25,475.00	Program Payment
12/15/2011	Edmonds Senior Center	2,000.00	Program Payment
12/15/2011	Project Access NW	6,666.67	Program Payment
12/15/2011	Senior Services of Snohomish County	11,666.67	Program Payment
	Total Wires/ACH Transactions	<u>2,330,067.18</u>	
	Grand Total - Warrants and Electronic	<u>\$ 2,503,133.58</u>	
Deposits:			
12/1/2011	Fidelity	15,000.00	McCary Deferred Comp Payment
12/1/2011	Value Village	25,468.54	Monthly rent
12/1/2011	Bank of America	10.00	ERROR Correction
12/2/2011	Swedish	618,000.00	Monthly payment
12/9/2011	Snohomish County	189,377.08	Tax levy deposit
12/28/2011	Healthcare Realty Services, Inc.	4,166.67	Lease payment
12/12/2011	Safety National Casualty Corp	266,972.68	Insurance Coverage for Claims Paid
	Total Deposits	<u>\$ 1,118,994.97</u>	

SOUTH SNOHOMISH COUNTY COMMISSION FOR HEALTH
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 10405 through 10439 have been issued for payment in the amount of \$169,217.41. These warrants are hereby approved.

Attest:

Lisa M. King

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Payroll:	10-16-11 – 10-29-11	16,995.47	
	10-30-11 – 11-12-11	<u>16,809.50</u>	
			33,804.97
Warrants Processed:	11-01-11 – 11-30-11		169,217.41
Electronic Payments:	Payroll Taxes	10,463.89	
	Comerica Bank – Prof Liability	13,909.60	
	Paychex	143.16	
	Benefit Solutions FSA	713.89	
	Valic Retirement	2,830.51	
	Bond & Interest Payments	3,425.88	
	Program Expenditures	<u>62,302.67</u>	
			<u>93,789.60</u>
	Grand Total		<u>\$296,811.98</u>

SOUTH SNOHOMISH COUNTY COMMISSION FOR HEALTH
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 10440 through 10457 have been issued for payment in the amount of \$173,066.40. These warrants are hereby approved.

Attest:

Lisa M. King

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Payroll:	11-13-11 – 11-26-11	18,800.03	
	11-27-11 – 12-10-11	19,218.17	
	12-11-11 – 12-24-11	<u>17,781.54</u>	
			55,799.74
Warrants Processed:	12-01-11 – 12-31-11		173,066.40
Electronic Payments:	Payroll Taxes	17,397.18	
	Comerica Bank – Prof Liability	916.72	
	Paychex	224.24	
	Valic Retirement	4,820.91	
	Bond & Interest Payments	2,184,965.72	
	Program Expenditures	<u>65,942.67</u>	
			<u>2,274,267.44</u>
	Grand Total		<u>\$2,503,133.58</u>

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2012-01

A RESOLUTION of the Commission of Public Hospital District No. 2, Snohomish County, Washington, determining certain personal property to be surplus and no longer required for public hospital district purposes of the District and authorizing the Superintendent or his designee to sell all or any part of such property on a negotiated basis upon the most favorable terms and conditions obtainable or to otherwise dispose of such property, and ratifying prior actions.

WHEREAS, certain personal property of the District is no longer required for District purposes and the Commission wishes to dispose of such property in a lawful manner as promptly as reasonably possible; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. It is hereby found, determined and declared that all of the personal property identified on exhibit A hereto is no longer required for public hospital district purposes and such property therefore is surplus. It is further found and declared to be in the best interest of the District that such property (the "Surplus Property") be disposed of promptly as hereinafter provided.

Section 2. The Superintendent (CEO) or his designee is hereby authorized and directed to sell on a negotiated basis upon the most favorable terms and conditions obtainable all or any part of the Surplus Property as soon as reasonably possible. Any Surplus Property not thus sold shall be disposed of and removed from the premises of Stevens Hospital at the direction of the Superintendent (CEO) or his designee at the least possible cost to the District.

ADOPTED and APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof this 25th day of January 2012, the following Commissioners being present and voting.

President and Commissioner

Commissioner

Secretary and Commissioner

Commissioner

Commissioner

CERTIFICATE

I, _____, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, hereby certify that the attached copy of Resolution No.2012-01 is a true and correct copy of the original resolution adopted on January 25, 2012 as that resolution appears on the Minute Book of the Public Hospital District.

DATED this 25th day of January, 2012

Secretary

Exhibit A

CLASS	NUM	DEPT	DESCRIP	SERIALNUM	PO	QTY	ACQDT	LIFE	COST	NBV
04	0005328	6072	13 BAUM MODELS/MOUNTS			01	7/19/1971	10	594.00	0.00
04	0005329	6072	10 BAUM MODELS/MOUNTS			01	5/17/1971	10	457.00	0.00
04	0940169	7025	CUBICLE CURTAINS		C2239	01	5/8/1994	5	4072.58	0.00
04	0961021	6078	CUBICLE CURTAINS-ACCENT DE			01	7/15/1996	5	3438.59	0.00
04	0961022	6078	SHOWER CURTAINS-ACCENT DES		C2698	01	7/15/1996	5	1276.76	0.00
04	0963024	6072	CUBICLE CURTAINS/WINDOW CO	ACCENT DESIGN	C2465	01	7/1/1996	10	16622.70	0.00
04	0963025	7250	CUBICLE CURTAINS/WINDOW CO	ACCENT DESIGN	C2465	01	7/1/1996	10	11016.42	0.00
04	0963026	6082	CUBICLE CURTAINS/WINDOW CO	ACCENT DESIGN	C2465	01	7/1/1996	10	16622.70	0.00
04	0963027	6140	CUBICLE CURTAINS/WINDOW CO	ACCENT DESIGN	C2465	01	7/1/1996	10	1710.23	0.00
04	0963029	6072	SHOWER CURTAINS/RODS	ACCENT DESIGN	C2806	01	7/1/1996	10	5779.42	0.00
04	0963031	6082	SHOWER CURTAINS/RODS	ACCENT DESIGN	C2806	01	7/1/1996	10	5779.42	0.00
04	0963032	6140	SHOWER CURTAINS/RODS	ACCENT DESIGN	C2806	01	7/1/1996	10	594.62	0.00
04	0963034	6072	WINDOW COVERING/DUETTE	ACCENT DESIGN	C2465	01	7/1/1996	10	9056.17	0.00
04	0963036	6082	WINDOW COVERING/DUETTE	ACCENT DESIGN	C2465	01	7/1/1996	10	9056.17	0.00
04	0963037	6140	WINDOW COVERING/DUETTE	ACCENT DESIGN	C2465	01	7/1/1996	10	3291.44	0.00
04	0963041	6012	CUBICLE CURTAINS/TRACKS	ACCENT DESIGN	C2466	01	7/1/1996	10	9377.70	0.00
04	0963042	7230	CUBICLE CURTAINS/TRACKS	ACCENT DESIGN	C2636	01	7/1/1996	10	12382.82	0.00
05	2023907	7074	INCUBATOR NAPCO2 6101H-0	699050475	14669	01	2/1/2002	10	3978.91	431.06
05	4170001	6014	SC 7000 (E)	CIP 1540		09	1/1/2004	7	115150.75	0.00
05	4170003	6014	SC7000/8000 4-6 CHANNEL OP	CIP 1540		09	1/1/2004	7	19102.16	0.00
05	4170004	6014	SC9000 6-8 CHANNEL OPTION	CIP 1540		09	1/1/2004	7	20562.60	0.03
05	4170005	6014	SC7/8/9000XL ARRIIARIES/C	CIP 1540		09	1/1/2004	7	18277.86	0.02
05	4170006	6014	IBP ADAPTED ABBOTT HEMO	CIP 1540		10	1/1/2004	7	2130.42	0.00
05	4170008	6014	MULTIMED 5 POD ECG/SPO2/TE	CIP 1540		09	1/1/2004	7	2419.12	0.00
05	4170009	6014	DURASENSOR DS100A ADULT	CIP 1540		09	1/1/2004	7	2652.08	0.00
05	4170019	6014	IDS WITH POWER SUPPLY	CIP 1540		19	1/1/2004	7	32798.62	0.00
05	4170020	6014	MULTIVIEW WORKSTATN W/O DI	CIP 1540		03	1/1/2004	7	51787.29	0.03
05	4170021	6014	18" VIEWSONIC FLATESCREEN	CIP 1540		03	1/1/2004	7	5375.84	0.00
05	4170022	6014	DUAL DISCLOSURE DATABASE 1	CIP 1540		03	1/1/2004	7	10662.09	0.00
05	4170023	6014	DUAL DISCLOSURE DATABASE 5	CIP 1540		03	1/1/2004	7	9138.93	0.01
05	4170024	6014	UPG CRS 18.2 GB HARD DRIVE	CIP 1540		03	1/1/2004	7	8225.04	0.00
05	4170025	6014	MULTIVIEW WORKSTATION 5-8	CIP 1540		03	1/1/2004	7	16450.08	0.01
05	4170027	6014	INFINITY NETWORK DROP,PLEN	CIP 1540		26	1/1/2004	7	10871.15	0.01
05	4170028	6014	INF TELE RCVR+CPU UHF 608-	CIP 1540		03	1/1/2004	7	43409.94	0.00
05	4170029	6014	UHF608-614 MHZ INFINITY TR	CIP 1540		24	1/1/2004	7	47785.28	0.00
05	4170030	6014	6 LEAD GRABBER SET TRUST T	CIP 1540		24	1/1/2004	7	3583.89	0.03
05	4170031	6014	4 CH RECEIVER KIT UHF 400-	CIP 1540		03	1/1/2004	7	16754.71	0.00
05	4170032	6014	MICRO2+	CIP 1540		05	1/1/2004	7	6470.92	0.00
05	4170033	6014	TRANSMTR ANALOG OUTPUT CAB	CIP 1540		10	1/1/2004	7	3464.43	0.00
05	4170035	6014	PRINTER LASER 115V HP	CIP 1540		01	1/1/2004	7	3452.48	0.01
05	4170036	6014	RECORDER R50-N	CIP 1540		03	1/1/2004	7	9258.39	0.00
05	4170037	6014	PICK & GO EASI-ARM MONITOR	CIP 1540		04	1/1/2004	7	4631.19	0.00
05	4170039	6014	SIEMENS INSTALLATION	CIP 1540		01	1/1/2004	7	19374.94	0.00
05	4170040	6014	SIEMENS INSTALL ATENNA	CIP 1540		01	1/1/2004	7	8422.15	0.03
05	4170041	6014	ANTENNA SYSTEM N-PLENUM	CIP 1540		01	1/1/2004	7	9124.00	0.00
05	4170042	6014	18" VIEWSONIC USMICRO MONI	CIP 1540		08	1/1/2004	7	7398.40	0.03
05	7802601	6079	NEOPUFF INFANT RESUSCITATO	FISHER & PAYKEL	68864	01	5/1/2007	10	1034.05	654.88
05	7802602	6079	NEOPUFF INFANT RESUSCITATO	FISHER & PAYKEL	68864	01	5/1/2007	10	1034.05	654.88
05	8903301	8540	HP LAPTOP (MARK NUNES)	1PKC475UA	77365	01	3/1/2008	3	1271.37	0.00
05	8906801	7030	RECOVERY MONITOR	DATEX AS3 COMPACT	80550	01	7/1/2008	7	2373.96	1526.11
05	8906802	7030	RECOVERY MONITOR	DATEX AS3 COMPACT	80550	01	7/1/2008	7	2373.96	1526.11
05	8910801	6078	DAD'S SLEEPER CHAIR	L200801245	78406	01	7/1/2008	15	1715.86	1429.88
05	8910802	6078	DAD'S SLEEPER CHAIR	L200801246	78406	01	7/1/2008	15	1715.82	1429.85
05	8910803	6078	DAD'S SLEEPER CHAIR	L200801247	78406	01	7/1/2008	15	1715.82	1429.85
05	8910804	6078	DAD'S SLEEPER CHAIR	L200801248	78406	01	7/1/2008	15	1715.82	1429.85
									638,793.11	10,512.68

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 2012-02

A RESOLUTION of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the "District"), approving the terms of an amendment to the Employment Separation Agreement between the District and Stephen C. McCary; and authorizing the Superintendent and the Director of Finance of the District to finalize, execute and deliver the amendment on behalf of the District.

WHEREAS, the District entered into an Employment Separation Agreement with Stephen C. McCary dated January 29, 2004 (the "Separation Agreement"); and

WHEREAS, the Separation Agreement provides for distributions to be made to Mr. McCary on a monthly basis until March 1, 2016, out of a deferred compensation account that was funded by the District for Mr. McCary's benefit while he was employed by the District; and

WHEREAS, the Separation Agreement further provided for the District to release its security interest in Mr. McCary's life insurance policy issued by Northwestern Mutual Life Insurance Company on March 1, 2016, when all of the amounts on deposit in the deferred compensation account had been distributed to Mr. McCary; and

WHEREAS, the Commission has determined that, as a result of the reduced scope of the District's operations and the limited human resources function currently maintained by the District, the administrative burdens and economic costs of administering the existing terms of the Separation Agreement outweigh any benefits to the District; and

WHEREAS, the Commission has determined that it is in the District's best interest to amend the Separation Agreement to provide for the immediate distribution of the remaining amounts held in Mr. McCary's deferred compensation account and the release of the District's security interest in his life insurance policy pursuant to the terms of an amendment substantially in the form of the Amendment No. 1 to Employment Agreement attached hereto as Exhibit A (the "Amendment"); NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, as follows:

Section 1. The proposed terms of the Amendment are hereby approved and the Commission hereby delegates to the Superintendent and the Director of Finance of the District (each, an “Authorized Officer” and, together the “Authorized Officers”), and each of them acting alone, the discretionary authority to negotiate the final terms of the Amendment and to approve, execute and deliver the Amendment to Mr. McCary on behalf of the District.

Section 2. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof this 25th day of January, 2012, and the following Commissioners being present and voting in favor of the adoption of the resolution.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

I, _____, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington, hereby certify that the attached copy of Resolution No. 2012-01 is a true and correct copy of the original resolution adopted on January 25, 2012, as that resolution appears on the Minute Book of the District.

DATED this 25th day of January, 2012.

Secretary of the Commission

AMENDMENT NO. 1 TO EMPLOYMENT SEPARATION AGREEMENT

This is an amendment to the Employment Separation Agreement, dated January 29, 2004, (the "Separation Agreement") between you, Stephen C. McCary, and us, Public Hospital District No. 2, Snohomish County, Washington (referred to herein as "us," "we" or the "District"). This agreement is dated for reference purposes as of 1st day of February, 2012.

The parties agree as follows:

Section 4 of the of the Separation Agreement is amended in its entirety to provide as follows:

4. Nonqualified Deferred Compensation Agreement. The District and you agree to honor the Nonqualified Deferred Compensation Agreement ("Deferred Compensation Agreement") dated December 15, 1995, as amended, except that the amounts payable as the result of the termination of the Employment Agreement shall be payable as follows so long as you comply with the terms of Section 13 of this Separation Agreement: (a) the amount on deposit in the account established pursuant to paragraph 2 of the Deferred Compensation Agreement, together with any investment earnings or losses, shall be paid to you in monthly installments beginning March 1, 2011, equal to 1/60th of the amount on deposit in the account as of that date and continuing to the earlier of the date on which (i) the entire amount on deposit has been paid or (ii) March 1, 2012, on which date the entire remaining balance on deposit in the account shall be paid to you; and (b) the Secured Amount, as defined in the Deferred Compensation Agreement, shall be paid to you on March 1, 2012. Until the amount on deposit in the account established pursuant to paragraph 2 of the Deferred Compensation is distributed to you or your estate pursuant to this agreement it shall be invested pursuant to your direction in one or more of the investment options available under the District's qualified retirement plans.

Agreed to by Public Hospital District No. 2, Snohomish County, Washington:

Carl Zapora, Superintendent

I, the undersigned, having been advised to consult with an attorney, hereby agree to be bound by this agreement and confirm that I have read and understood each part of it.

Agreed to by Stephen C. McCary:

Stephen C. McCary

EMPLOYMENT SEPARATION AGREEMENT

This is an agreement between you, Stephen C. McCary, and us, Public Hospital District No. 2, Snohomish County, Washington (referred to herein as “us,” “we” or the “District”). This agreement is dated for reference purposes as of the 29th day of January, 2004, which is the date we delivered this agreement to you for your consideration.

1. **Termination of Employment.** The Employment Agreement between you and us dated December 15, 1993, as amended (the “Employment Agreement”), and your employment by us, are terminated effective February 29, 2004 (the “Separation Date”).

2. **Payments.** In exchange for your agreeing to (a) the termination of the Employment Agreement, including forfeiting the severance payments and incentive award provided thereunder, (b) the modification of the Deferred Compensation Agreement (as defined below), (c) the release of claims described in this agreement and (d) the other terms in this agreement, we will make one hundred eighty-two (182) bi-weekly payments to you in the amount of \$6489.50 each. We will pay this amount to you on regular payroll days pursuant to our normal payroll procedures and subject to normal payroll deductions. We will provide you a federal tax Form W-2 Wage and Tax Statement on an annual basis. We will start paying this severance pay to you March 19, 2004, if the agreement has become effective on or before that date. If the agreement has not become effective as of March 19, 2004, we will begin payment on the first payroll date following the effective date of this agreement. The effective date of this agreement is described below in Section 18 of this agreement.

3. **Continuation of Medical Coverage.** Beginning March 1, 2004, and continuing for a period of twenty-four months, the District will provide you, at its cost, health, dental, and optical benefits under the District’s group plan at the same level provided to full-time employees of Stevens Hospital. Thereafter, you will be entitled to the opportunity to continue, at your own expense, your coverage under the District’s group health, dental and optical insurance plan during the period beginning with the twenty-fifth month and continuing until such time as you are eligible to be covered by Medicare. You, or your dependents in the event of your death, also will be entitled to the opportunity to continue, at your or their expense, coverage for your dependents under the District’s group health, dental and optical insurance plan beginning on March 1 and continuing until you and your spouse are eligible to be covered by Medicare. Because the District is providing you and your dependents the opportunity for medical coverage in excess of what is required by federal law (COBRA), you and your dependents agree to waive any rights you may have under COBRA. You and your dependents further agree not to apply for coverage under COBRA and to indemnify and hold the District harmless from any claim by you or your dependents arising under COBRA.

4. **Nonqualified Deferred Compensation Agreement.** The District and you agree to honor the Nonqualified Deferred Compensation Agreement (“Deferred Compensation Agreement”) dated December 15, 1995, as amended, except that the amounts payable as the result of the termination of the Employment Agreement shall be payable as follows so long as you comply with the terms of Section 13 of this Separation Agreement: (a) the amount on

deposit in the account established pursuant to paragraph 2 of the Deferred Compensation Agreement, together with any investment earnings or losses, shall be paid to you in monthly installments beginning March 1, 2011, equal to 1/60th of the amount on deposit in the account as of that date and continuing to the earlier of the date on which (i) the entire amount on deposit has been paid or (ii) March 1, 2016, on which date the entire remaining balance on deposit in the account shall be paid to you; and (b) the Secured Amount, as defined in the Deferred Compensation Agreement, shall be paid to you on March 1, 2016. Until the amount on deposit in the account established pursuant to paragraph 2 of the Deferred Compensation is distributed to you or your estate pursuant to this agreement it shall be invested pursuant to your direction in one or more of the investment options available under the District's qualified retirement plans.

5. **Split-Dollar Agreement.** The District and you agree to honor the Split-Dollar Agreement dated December 15, 1995 (the "Split-Dollar Agreement"), but in doing so acknowledge that upon your termination, the Split-Dollar Agreement is also terminated. The District and you acknowledge that upon the termination of the Split-Dollar Agreement, the District will have no further responsibility to pay any policy premiums and that the District's security interest in the policy shall remain intact according to the terms of the Split-Dollar Agreement.

6. **Continuation of Payments upon Death.** If you die while payments remain due pursuant to Section 2, the payments will continue to be made to your estate. If you die while payments remain due pursuant to Section 4 or 5, the payments provided therein shall be made to your estate within 90 days of your death.

7. **Termination of Benefits.** Except as expressly referenced in this agreement, your participation in all other employee benefit plans and programs ended or will end either (a) on the Separation Date, or (b) on the last day of the month in which the Separation Date fell, if so provided in the applicable benefit plan or program. Your rights under any retirement benefit plans in which you may have participated will be determined in accordance with the written plan documents governing those plans.

8. **Unemployment Benefits.** We will not contest your claim for unemployment benefits. We will provide information to the Department of Employment Security to the extent we are legally required to do so, and the information we provide will be truthful.

9. **Final Paycheck.** On the next regular payday after the Separation Date, we will pay you your normal wages for the most recent pay period through the Separation Date.

10. **Payment of Vacation and Sick Leave.** On the Separation Date, we will also pay you for any accrued, but unused vacation and sick leave you have as of the Separation Date. The pay out of vacation and sick leave shall be determined by multiplying the number of accrued, but unused vacation and sick leave hours by your Total Compensation (as defined in the Employment Agreement) for 2003, divided by 2080.

11. **No Further Compensation or Obligations.** You acknowledge that the payments identified above, together with the payments you have already received, represent full payment

of all compensation of any kind (including wages, salary, vacation, sick leave, commissions, bonuses and incentive compensation) that you earned as a result of your employment by us, except as otherwise set forth in this agreement. We owe you, and shall owe you, no further compensation or benefits of any kind, except as described herein. We acknowledge that you have no further obligations to the District, except as set forth in this agreement.

12. **Cooperation.** If, during the period payments are being made under this Separation Agreement, any claim is asserted by or against the District as to which you have relevant knowledge, you will reasonably cooperate with the District in the prosecution or defense of that claim, including by providing truthful information and testimony as reasonably requested by the District. In order to facilitate such cooperation, the District shall provide you, at its expense, with access to a cell phone, a voice mail telephone number and limited secretarial assistance for a period of twenty-four months following the effective date of this agreement.

13. **Agreement Not to Compete; Nondisclosure; No Inteference.** During the period beginning on the Separation Date and ending on March 1, 2016, you agree not to engage in, be employed by, consult with, support, assist, or become interested in, directly or indirectly, on your own account or in the service of others, any business or enterprise similar to, or the nature of which is competitive with, all or part of the business of employer anywhere in Snohomish or King County, Washington. You further agree not to solicit, induce, persuade, support or assist any officer, employee, agent, representative, broker, distributor, supplier, or customer of the District to leave such office or employment or cease to deal with Employer for the profit or benefit of yourself or any other person, firm, corporation, or for any other reason not in the best interests of the District.

You acknowledge and agree that the restrictions in this Section are reasonable in time, area, and scope. Any intentional or knowing use of confidential information in violation of this agreement, or use of confidential information that you should have reasonably known was in violation of this agreement, on behalf of a competing institution or entity in Snohomish or King county would be difficult to verify and would result in harm to the District. You further acknowledge and agree that the District would not have entered into this agreement without the restrictions in this Section, among others.

You will keep confidential, and not use or disclose to any person, any information not generally known to the public related to the District or its business.

You will not, apart from good faith competition, interfere with the District's relationships with its customers, employees, vendors, bankers or others.

You acknowledge and agree that any material violation of the provisions of this Section will result in termination of the payments and benefits provided under this agreement.

14. **Release of Claims.** You hereby release (a) the District and its subsidiaries, affiliates and benefit plans, (b) each of their past and present commissioners, officers, directors, agents, employees, representatives, administrators, fiduciaries and attorneys, and (c) the predecessors, successors, transferees and assigns of each of the persons and entities described in

this sentence, from any and all claims of any kind, known or unknown, that arose on or before the date you signed this agreement.

The claims you are releasing include, without limitation, claims of wrongful termination, claims of constructive discharge, claims arising out of agreements, representations or policies related to your employment, claims arising under federal, state or local laws or ordinances prohibiting discrimination or harassment or requiring accommodation on the basis of age, race, color, national origin, religion, sex, disability, marital status, sexual orientation or any other status, claims of failure to accommodate a disability or religious practice, claims for violation of public policy, claims of retaliation, claims of failure to assist you in applying for future position openings, claims of failure to hire you for future position openings, claims for wages or compensation of any kind (including overtime claims), claims of tortious interference with contract or expectancy, claims of fraud or negligent misrepresentation, claims of breach of privacy, defamation claims, claims of intentional or negligent infliction of emotional distress, claims of unfair labor practices, claims for attorneys' fees or costs (except as provided in Section 16 below), and any other claims that are based on any legal obligations that arise out of or are related to your employment relationship with us.

You specifically waive any rights or claims that you may have under the Washington Law Against Discrimination (RCW 49.60), the Washington Prohibited Employment Practices Law (RCW 49.44), the Washington Minimum Wage Act (RCW 49.46), Washington's Little Norris-LaGuardia Act (RCW 49.32), the Civil Rights Act of 1964 (including Title VII of that Act), the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967 (ADEA), the Americans with Disabilities Act of 1990 (ADA), the Fair Labor Standards Act of 1938 (FLSA), the Family and Medical Leave Act of 1993 (FMLA), the Worker Adjustment and Retraining Notification Act (WARN), the Employee Retirement Income Security Act of 1974 (ERISA), the National Labor Relations Act (NLRA), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and all similar federal, state and local laws.

You agree not to seek any personal recovery (of money damages, injunctive relief or otherwise) for the claims you are releasing in this agreement, either through any complaint to any governmental agency or otherwise. You agree never to start any lawsuit or arbitration asserting any of the claims you are releasing in this agreement. You represent and warrant that you have not initiated any complaint, charge, lawsuit or arbitration involving any of the claims you are releasing in this agreement.

You represent and warrant that you have all necessary authority to enter into this agreement (including, if you are married, on behalf of your marital community) and that you have not transferred any interest in any claims to your spouse or to any third party.

This agreement does not affect your rights to receive pension plan benefits, medical plan benefits, unemployment compensation benefits or workers' compensation benefits. This agreement also does not affect your rights under agreements, bylaw provisions, insurance or otherwise, to be indemnified, defended or held harmless in connection with claims that may be asserted against you by third parties.

You understand that you are releasing potentially unknown claims, and that you have limited knowledge with respect to some of the claims being released. You acknowledge that there is a risk that, after signing this agreement, you may learn information that might have affected your decision to enter into this agreement. You assume this risk and all other risks of any mistake in entering into this agreement. You agree that this release is fairly and knowingly made.

15. **Reference Checks.** The District will respond to reference checks pursuant to its normal policy, that is, it will provide only dates of employment, position held and compensation level, and you hereby consent to the release of that information.

16. **Independent Legal Counsel and Advisors.** You are advised and encouraged to consult with an attorney before signing this agreement. You acknowledge that you have had an adequate opportunity to do so. The District will reimburse reasonable expenses incurred by you in 2004 for legal, accounting, tax preparation, outplacement and financial services, but in no event to exceed \$2000.

17. **Consideration Period.** You have 21 days from the date this agreement is given to you to consider this agreement before signing it. You may use as much or as little of this 21-day period as you wish before signing. If you do not sign and return this agreement within this 21-day period you will not be eligible to receive the benefits described in this agreement.

18. **Revocation Period and Effective Date.** You have seven (7) calendar days after signing this agreement to revoke it. To revoke this agreement after signing it you must deliver a written notice of revocation to our Human Resources Manager before the seven-day period expires. This agreement shall not become effective until the eighth (8th) calendar day after you sign it. If you revoke this agreement it will not become effective or enforceable and you will not receive the benefits described in this agreement.

19. **Governing Law.** This agreement is governed by the laws of the state of Washington that apply to contracts executed and to be performed entirely within the state of Washington.

20. **Headings Not Controlling.** The headings in this agreement are for convenience only and shall not affect the meaning of the terms as set out in the text.

21. **Attorneys' Fees.** To the extent permitted by applicable law, the District will pay to you all out of pocket expenses, including reasonable attorneys' fees, incurred by you in connection with any claim or any legal action or proceeding brought under or involving this agreement, whether brought by you or by or on behalf of the District or by another party, except in connection with any claim, action, or proceeding in which you and the District are adverse parties (except where they are caused to be adverse by reason of actions of any third party). In such an instance, should the District prevail in any matter adverse to you, then the District shall be entitled to its reasonable attorneys' fees, costs and disbursements from you.

22. **Final and Complete Agreement.** This agreement, along with the Deferred Compensation Agreement and the Split-Dollar Agreement, are the final and complete

expression of all agreements between us on all subjects and supersedes and replaces all prior discussions, representations, agreements, policies and practices. You acknowledge you are not signing this agreement relying on anything not set out here.

Agreed by Public Hospital District No. 2, Snohomish County, Washington:

Fred Langer, President of the Board of Commissioners,

I, the undersigned, having been advised to consult with an attorney, hereby agree to be bound by this agreement and confirm that I have read and understood each part of it.

Agreed by Stephen C. McCary:

Stephen C. McCary

Date

Verdant Health Commission Proposal Summary January 2012

A		B		C		D		E		F		G		H		I		J		K	
		Program Expenses		2012		2013		Request for funding		Priority Area		Policy & Advocacy		Primary Population Served		Funding Recommendation					
		Budget		\$4,100,000		TBD		Year 1		Year 2		Year 3		Education & Empowerment		Prevention		Access to Healthcare		X	
		Committed to date		\$1,504,419		\$1,232,282		Year 1		Year 2		Year 3		X		X		X		X	
		Program Budget Remaining		\$2,595,581		TBD		Year 1		Year 2		Year 3		X		X		X		X	
Programs for January Review		Description		Year 1		Year 2		Year 3		Education & Empowerment		Prevention		Access to Healthcare		Policy & Advocacy		Primary Population Served		Funding Recommendation	
1	Puget Sound Christian Clinic Mobile Medical Clinic in Edmonds	Puget Sound Christian Clinic (PSCC) is requesting funding for their new clinic at the Edmonds United Methodist Church. PSCC is seeking funding for staffing and administration, equipment, and operating costs.		\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	X	X				Individuals and Families	\$75,000 per year through Dec 2013						
2	Providence Hospice & Home Care Foundation	Providence Hospice is seeking funding for its comprehensive hospice programs, including care at home, in the hospital, pediatric care, and bereavement programs. Funds would be used for patient care costs and staffing; 21-31% of participants are district residents.		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	X	X				Individuals and Families	Rework proposal to focus on South County outreach and awareness						
3	Snohomish Health District Farm-to-School Pilot Project	The Farm-to-School program's goal is to establish healthy eating habits for children. Project staff at the Health District and WSU Extension would identify food policies at the Edmonds School District, Edmonds Community College, and other organizations and recommend changes. Program designed to increase fresh choices in schools and integrate nutrition education.		\$242,170	\$242,170	\$242,170	\$242,170	\$242,170	X	X	X		Children	Not Recommended for Funding							
4	Parent Trust Continuum of Family Support Services	Requesting funding for Families in Recovery, Great Starts, and Family Help Line Programs that provide parenting education and support. Trainings/Groups are offered in Lynnwood, Mountlake Terrace, and Edmonds, as well as Everett. They expect to serve 200 South County families.		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	X	X			Families	\$25,000 per year for two years							
5	American Red Cross Snohomish County Chapter CPR Saturday	Funding for CPR Saturday Event at Lynnwood Convention Center. The free community event would include CPR training in English and Spanish. The goal is to reach 150 residents with traditional CPR and 300+ with abbreviated compression only CPR training.		\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	X	X			Families	\$8,000 on a one-time basis							
6	Terrace Park PTA	The goal of this project is to construct a covered outdoor play area ("play shed") to benefit the 607 students at Terrace Park School, a local elementary school.		\$70,746	\$70,746	\$70,746	\$70,746	\$70,746	X	X			Children	Not Recommended for Funding							
Totals				\$535,916	\$457,170	\$432,170	\$432,170	\$432,170							\$108,000						

January 2012 Program Oversight Committee Summary

Summary of January Applications

- Follow up on previous proposal from Puget Sound Christian Clinic for their Mobile Medical Clinic
- 5 new applications from 5 different organizations
- Priority areas addressed (some address more than one):
 - 1 Access to Healthcare
 - 4 Prevention
 - 3 Education & Empowerment
 - 1 Policy & Advocacy

Programs Recommended for Funding

- **Puget Sound Christian Clinic for their Mobile Medical Clinic:** after completing a question and answer session with the clinic, the committee is recommending the program for partial funding at \$75,000 per year through the end of 2013. Funding would be contingent on Puget Sound Christian Clinic obtaining professional liability insurance.
- **Parent Trust Continuum of Family Support Services:** the program provides parenting education and support, including support for parents in chemical dependency recovery at Lynnwood, Edmonds, and Mountlake Terrace locations. The committee is recommending the program for funding at \$25,000 per year for two years.
- **American Red Cross Snohomish County Chapter CPR Saturday:** a free community event that provides CPR training in English & Spanish at the Lynnwood Convention Center. The committee is recommending funding at \$8,000 on a one-time basis.

Not Recommended for Funding at this time:

- **Providence Hospice & Home Care Foundation:** the committee would like Verdant staff to follow-up with Providence Hospice to structure a proposal around education and outreach for hospice services with the goal of increasing awareness and use of these services within our district.
- **Snohomish Health District Farm-to-School Project:** the committee is not recommending the proposal for funding at this time. The committee felt the expected results outlined in the proposal did not warrant the cost of \$241k per year for three years. The committee would have liked to see stronger commitment from the Edmonds School District/Edmonds Community College, and would like to address other food policy issues at schools such as snacks available for sale.
- **Terrace Park PTA:** the application was for funds to construct a covered outdoor play area at Terrace Park Elementary School. The committee is not recommending funding this project, as it could set a precedent for funding capital needs at other schools.

Commission for Health Priority Areas

- 1. Education & Empowerment:** We support programs that educate and empower residents to live healthy lives. These include programs that give people the tools to take ownership of their health, increase their knowledge of health issues and availability of resources, and provide motivation to improve their well-being.
- 2. Prevention:** We support prevention programs, including those that promote health and wellness and that provide early detection and treatment. Of particular interest are programs that increase healthy behaviors, support necessary health screenings, and prevent injuries.
- 3. Access to Healthcare Services:** Too many residents in our area go without needed healthcare services. We support programs that increase access to medical, dental, and behavioral healthcare services. Of particular interest are programs that serve pregnant or parenting mothers and fathers and the uninsured or underinsured community members.
- 4. Policy and Advocacy:** We support programs that employ advocacy and public policy improvements to health systems, communities, and organizations to better meet the health and wellness needs of our residents.