

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
 February 22, 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) January 25, 2012 regular Board meeting	Action	8:01	2-5
b) February 8, 2012 Study Session/Special Meeting	Action	8:02	6
C. Executive Committee Report			
a) Retreat	Information	8:05	
D. Board Finance Committee Report			
a) Review financial statement and cash activity	Action	8:10	7-13
b) Authorization for payment of vouchers and payroll	Action	8:15	14
c) Resolution No. 2012-03 authorizing certain officers of the district to execute documentation to Union Bank, NA	Action	8:20	15-17
E. Program Oversight Committee Report & Recommendations			
a) Conflict of interests policy	Action	8:25	18-19
b) Program investment recommendations	Action	8:30	20-21
c) Check in on existing programs funded to date	Action	8:35	22-23
F. Marketing Report	Information	8:40	
G. Commissioner Comments	Information	8:45	
H. Superintendent's Report			
a) "Six Weeks to a Healthier You" event	Information	8:50	
I. Public Comments (please limit to three minutes per speaker)	---	9:00	--
J. Executive Session			
a) Legal matters – review worker's comp and liability claims	---	9:10	--
K. Open Session			
L. Adjournment	---	9:30	--

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

BOARD OF COMMISSIONERS

*Regular Meeting
VHC Board Room
January 25, 2012*

**Commissioners
Present**

Fred Langer, President
Bob Knowles, Secretary
Deana Knutsen, Commissioner
J. Bruce Williams, M.D., Commissioner
Karianna Wilson, Commissioner

Others Present

Carl Zapora, Superintendent
Karen Goto, Executive Assistant
George Kosovich, Program Director
Lisa King, Finance Director
Jennifer Piplic, Marketing Director
Erica Ash, Consultant

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.

**Commissioner
Oath of Office**

President Langer administered the oath of office to elected Commissioners Knutsen, Knowles and Wilson and all were congratulated and welcomed to the Commission.

**Election of
Officers &
Committees**

Nomination was made for Commissioner Langer to serve as President and Commissioner Knowles to serve as Secretary. ***Motion was made, seconded and passed unanimously to approve*** Commissioner Langer as President. ***Motion was made, seconded and passed unanimously to approve*** Commissioner Knowles as Secretary. Committee appointments were presented for ratification: Finance – Commissioners Knowles (Chair) & Wilson
Program Oversight – Commissioners Knutsen (Chair) & Williams
Strategic Collaboration – Commissioners Langer (Chair) & Williams
Executive – Commissioners Langer (Chair) & Knowles
Motion was made, seconded and passed unanimously to ratify the committee appointments.

2012 Board Meeting Calendar

Commissioners adopted the 2012 board meeting calendar as the 4th Wednesday of each month with the exception of no meeting in December.

Approval of Minutes

Motion was made, seconded and passed unanimously to approve the minutes of the Regular meeting on November 30, 2011.

Motion was made, seconded and passed unanimously to approve the minutes of the Special Meeting/Study Session on January 11, 2012.

Board Finance Committee

Commissioner Knutsen reported that the Finance Committee met on January 23, 2012 to review the financial statements and other ongoing issues.

Profit & Loss Statement

Ms. King reported on the financials for November & December 2011 (E:02:12)

Authorization for Payment of Vouchers & Payroll

Warrant Numbers 10405 through 10439 for November 2011 for payment in the amount of \$169,217.41 were presented for approval (E:03:12). *Motion was made, seconded and passed unanimously to approve.*

Warrant Numbers 10440 through 10457 for December 2011 in the amount of \$173,066.40 were presented for approval (E:04:12). *Motion was made, seconded and passed unanimously to approve.*

Resolution 2012-01: Fixed Asset Surplus

Motion was made, seconded and passed unanimously to approve Resolution 2012-01 determining certain personal property to be surplus and no longer required for public hospital district purposes.

Resolution 2012-02: Approval & Adoption of McCary Agreement Amendment

Motion was made, seconded and passed unanimously to approve Resolution 2012-02 approving the terms of an amendment to the Employment Separation Agreement between the District and Stephen C. McCary.

Program Oversight Committee Report & Recommendations

Mr. Kosovich reported that the Program Oversight Committee met on January 24, 2012 to review six proposals (E:05:12). The committee did not recommend funding the Snohomish Health District Farm-to-School Project and the Terrace Park PTA request for funding for an outdoor play area. The committee will follow up with the Providence Hospice

& Home Care Foundation proposal around education and outreach for hospice services. The Committee recommended funding the Puget Sound Christian Clinic Mobile Medical Clinic, the Parent Trust Continuum of Family Support Services and the American Red Cross Snohomish County Chapter CPR Saturday programs. **Motion was made, seconded and passed unanimously to approve** funding of \$75,000 per year through the end of 2013 for the Puget Sound Christian Clinic Mobile Medical Clinic program. **Motion was made, seconded and passed unanimously to approve** funding \$25,000 per year for 2 years for the Parent Trust Continuum of Family Support Services program. **Motion was made, seconded and passed unanimously to approve** funding \$8,000 on a one-time basis for the American Red Cross Snohomish County Chapter CPR Saturday program.

Marketing Report

Ms. Piplic reported that the Commission will be involved in some upcoming community events – Edmonds School District Fair on January 28, 2012; Move 60 event in April 2012; and a Celebration of Food Fair in May 2012. Business Cards and other VHC stationery are coming soon.

Commissioner Comments

Commissioner Knowles asked if the commissioners could be informed of the upcoming community events as they occur.

Superintendent's Report

Superintendent Zapora thanked all the commissioners for their service. He also reported on The Herald's article on Valley General Hospital, the Community Leader meetings follow-up, and the "6 Weeks to a Healthier You" event. President Langer asked Superintendent Zapora to schedule Brad Berg for February 2012 Board Meeting Executive Session to discuss the proper handling of the Superintendent Discretionary Fund.

Public Comments:

None

Executive Session

President Langer recessed the regular meeting at 9:10 a.m. into Executive Session to review ongoing litigation & Superintendent performance objectives. President Langer stated that no action would be taken in this Executive Session.

Open Session

President Langer reconvened into open session at 9:20 a.m. ***Motion was made, seconded and passed unanimously to approve*** Superintendent Zapora joining the Board of Directors for Molina Healthcare with the requirement to notify the commission of any conflicts of interest should they arise.

Adjourn

There being no further business to discuss, the meeting was adjourned at 9:25 a.m.

ATTEST BY:

President

Secretary

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON

SPECIAL MEETING/STUDY SESSION
February 8, 2012
Verdant Health Commission Board Room

Commissioners Present	J. Bruce Williams, MD, Commissioner Deana Knutsen, Commissioner Karianna Wilson, Commissioner
Commissioners Excused	Fred Langer, President Bob Knowles, Commissioner
Staff	Carl Zapora George Kosovich Lisa King Jennifer Piplic Karen Goto
Guests	Bob Quirk, Senior Services of Snohomish County Mary Anne Grafton, Lynnwood Senior Center Janet Zielaski, Northshore Senior Center
Call to Order	The Special Meeting/Study Session of the Board of Commissioners was called to order by Commissioner Williams at 8:05 a.m.
Study Session	Commissioners conducted a study session with the guests on the topic of health and wellness issues for Seniors and older adults. (E:06:12). Senior Services of Snohomish County, the Lynnwood Senior Center, and the Northshore Senior Center described what services they provide and their greatest areas of need.
Adjourn	The meeting was adjourned at 9:20 a.m.
Attest By:	 <hr/> President <hr/> Secretary

Balance Sheet

As of January 31, 2012

	<u>Dec 31, 2011</u>	<u>Jan 31, 2012</u>	<u>\$ Change</u>	<u>Comments:</u>	
ASSETS					
Current Assets					
1	Total Cash Balance	1,527,547	1,849,008	321,461	
2	Total Accounts Receivable	143	754	611	
Other Current Assets					
3	Total Current Assets	4,167	3,750	(417)	
4	Total Investments	35,120,537	35,187,655	67,118	
5	Total Limited Use Assets	1,296,096	1,397,093	100,997	
6	Total Other Miscellaneous Receivables	544,944	702,041	157,098	M&O Tax Levy Recv
7	Total Prepaid Expenses & Others	27,033	40,998	13,965	Qtrly 1999 Interest/Commission
8	Total Other Current Assets	<u>36,988,610</u>	<u>37,331,537</u>	<u>342,928</u>	
9	Total Current Assets	38,520,466	39,181,300	660,834	
10	Total Fixed Assets	31,218,748	30,801,839	(416,909)	Depreciation Expense
11	Total Financing & Lease Costs	367,814	366,640	(1,174)	
12	Total Other Assets	<u>3,762,072</u>	<u>3,762,072</u>	<u>-</u>	
TOTAL ASSETS	<u>73,869,100</u>	<u>74,111,851</u>	<u>242,750</u>		

Balance Sheet

As of January 31, 2012

		<u>Dec 31, 2011</u>	<u>Jan 31, 2012</u>	<u>\$ Change</u>	<u>Comments:</u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
13	Total Accounts Payable	176,499	221,015	44,516	
14	Total Credit Cards	277	880	604	
Other Current Liabilities					
15	Total Accrued Salary & Benefits	1,740,384	1,754,782	14,398	
16	Total Estimated 3rd Party Settlements	720,000	720,000	-	
17	Total Other Payables & Accruals	248,144	222,434	(25,710)	
18	Current Portion of L-T Debt	2,114,247	2,114,247	-	
19	Total Other Current Liabilities	4,822,776	4,811,463	(11,313)	
20	Total Current Liabilities	4,999,551	5,033,359	33,807	
Long-term Liabilities					
21	Total Long-term Debt - Operations	6,890,790	6,781,093		
22	Total Other Long-term Liabilities	1,000,000	993,858	(6,142)	Prof Liability Claims & Settlements
23	Total Long-term Liabilities	7,890,790	7,774,951	(115,839)	
24	Total Liabilities	12,890,341	12,808,310	(82,031)	
Total Equity		60,978,759	61,303,541	324,782	Net Income
TOTAL LIABILITIES & EQUITY		73,869,100	74,111,851	242,750	

Public Hospital District #2 of Snohomish County

DRAFT

Profit Loss

January 2012

	<u>Dec 2011</u>	<u>Jan 2012</u>	<u>\$ Change</u>	<u>Comments:</u>	
Ordinary Income/Expense					
1	Total Income	3,613,999	815,202	(2,798,796)	
	Expenses				
	Operating Expenses				
2	Total Salaries & Benefits	46,989	52,548	5,559	
3	Total Workers Comp	(539,805)	385	540,190	Incl W/C Reserve Write Down Dec 31, 2011
4	Total Depreciation	482,749	416,909	(65,840)	
5	Total Insurance	(197,631)	2,193	199,824	Prof Liab Ins Write Down Dec 31, 2011
6	Total Interest Expense	18,582	16,301	(2,281)	
7	Total Other Amortization	1,317	1,317	0	
8	Total Professional Services	20,392	29,681	9,289	
9	Total Purchased Services	4,728	2,382	(2,345)	
10	Rent Expense	2,900	2,900	-	
11	Total Other Expenses	349,528	2,084	(347,444)	Dec Includes Patient Account True Up (Stevens)
12	Total Supplies	1,919	1,548	(371)	
13	Total Taxes	-	-	-	
14	Total Utilities	1,024	489	(535)	
15	Total Operating Expenses	<u>192,692</u>	<u>528,737</u>	<u>336,045</u>	
	Program Expenses				
16	Total Program Expenses	<u>65,943</u>	<u>119,159</u>	<u>53,217</u>	
17	Total Expense	258,635	647,897	389,262	
18	Net Ordinary Income	3,355,363	167,305	(3,188,058)	
	Other Income/Expense				
	Other Income				
19	Total General Obligation Bonds	670	6,174	5,504	
20	Total Non Operating Revenue	178,459	151,303	(27,156)	
21	Total Non Operating Expenses	(591,507)	-	591,507	Dec includes MI/CPE Payments (Stevens)
22	Total Other Income/Expense	<u>770,636</u>	<u>157,476</u>	<u>(613,160)</u>	
	Net Income	<u><u>4,125,999</u></u>	<u><u>324,782</u></u>	<u><u>(3,801,218)</u></u>	

**Public Hospital District #2 of Snohomish County
Profit Loss Budget vs. Actual**

January 2012

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	<u>Jan 2012</u>	<u>Budget</u>	<u>Over/(Under) Budget</u>	<u>% of Budget</u>
Operating Revenues				
1 M&O Tax Levy	170,071	169,578	493	100.3%
2 Rental Income	641,239	640,570	669	100.1%
3 Pavilion Ground Lease Income	3,892	3,892	0	100.0%
4 Total Operating Revenues	815,202	814,040	1,162	100.1%
Operating Expenses				
				0.0%
5 Salaries	43,217	44,160	(943)	97.9%
6 Benefits	9,331	10,891	(1,560)	85.7%
7 Workers Comp	385	4,438	(4,053)	8.7%
8 Insurance	2,193	2,321	(128)	94.5%
9 Interest Expense	16,301	21,603	(5,302)	75.5%
10 Amortization	1,317	1,317	-	100.0%
11 Rent Expense	2,900	2,900	-	100.0%
12 Consulting	24,633	25,000	(367)	98.5%
13 Legal	3,288	3,333	(45)	98.6%
14 Accounting/Auditing	1,760	10,000	(8,240)	17.6%
15 Other Professional Services	-	417	(417)	0.0%
16 Purchased Services	2,382	3,998	(1,616)	59.6%
17 Supplies	1,548	1,500	48	103.2%
18 Taxes	-	500	(500)	0.0%
19 Utilities	489	482	7	101.5%
20 Miscellaneous Expenses	2,084	2,392	(307)	87.2%
21 Total Operating Expenses	111,828	135,251	(23,423)	82.7%
22 Community Program Investments	119,159	341,667	(222,507)	34.9%
23 Net Ordinary Income	584,215	337,122	247,093	173.3%
Other Income/(Expense)				
				0.0%
24 2003 GO Tax Levy	6,174	-	6,174	100.0%
25 Investment Income	75,757	90,000	(14,243)	84.2%
26 Unrealized G/L on Investment	75,464	-	75,464	100.0%
27 Other Income (Expense)	82	-	82	100.0%
28 Total Other Income/(Expense)	157,476	90,000	67,476	175.0%
29 Net Income (Before Depreciation)	741,691	427,122	314,569	173.6%
30 Depreciation	416,909	416,909	0	100.0%
31 Net Income (After Depreciation)	324,782	10,213	314,569	3180.1%

**Public Hospital District #2 of Snohomish County
 Summary of Cash Receipts and Disbursements
 January 2012**

**January 2012
 Amount**

Receipts:

Other Rental Income	25,468.54	Value Village
Swedish/Edmonds Rental Income	618,000.00	
Snohomish County Tax Levy	18,191.69	
Ground Lease Payments	4,166.67	
Fidelity	10,000.00	McCary Deferred Compensation
Misc Reimbursements/Refunds	4,509.83	Reimbursements & Refunds
Total Receipts	680,336.73	

Disbursements:

Debt Payment	114,171.30	January Banc of America
Professional Services:		
Legal Fees	1,906.00	Litigation and Professional Liability Legal Fees
Accounting Fees	1,650.00	Ash Consulting
Consulting Fees		
Professional Services	1,030.58	Workers Comp Administrator, IT Support, Benefit Solutions Administrator
Purchased Services	309.53	Paychex
Payroll	33,324.19	2 pay periods Plus Benefit Solutions
Payroll Taxes	13,039.54	
Employee Insurance	4,195.17	Regence Medical & Dental, Principal Life
Employee Retirement Contributions	3,260.28	Valic
Program Expenditures	119,118.34	Including 6 weeks
Leasehold Excise Tax	8,694.15	4Q11
Workers Compensation	5,244.93	Payments Issued by BRAC
Other Miscellaneous Expenses	48,781.41	Supplies, Rent, Canon Lease, Dues, Election Expense
Total Disbursements	354,725.42	

Public Hospital District #2**Cash Activity**

Warrant Number	Transaction Date	Payee	Amount	Purpose
Warrant Activity:				
10458	1/4/2012	Pacific Art Press Inc	591.61	Marketing - Verdant Brochure
10459	1/4/2012	Philanthropy Northwest	1,405.00	Membership Dues
10460	1/4/2012	Principal Financial Group	489.06	Life Insurance - Jan 2012
10461	1/4/2012	The Lynnwood Chamber	150.00	Membership Dues
10462	1/4/2012	Ace Internet Services, Inc.	897.58	IT Support
10463	1/4/2012	Snohomish County Auditors Office	37,098.54	Election Expense
10464	1/13/2012	Ash Consulting	1,650.00	Accounting Consulting
10465	1/13/2012	Berkley Risk Administrators Co	133.00	Work Comp Administrator Fee
10466	1/13/2012	Boondocks Branding Co	843.15	Marketing - Children's Frisbees
10467	1/10/2012	Washington Employers	373.50	Membership Dues
10468	1/20/2012	Banc of America Leasing	114,171.30	McKesson Lease
10469	1/20/2012	Bank of America Credit Card	1,290.95	Credit Card charges
10470	1/20/2012	Regence Blueshield	3,217.05	Medical and Dental Insurance
10471	1/20/2012	WA Department of Revenue	8,694.15	11Q4 Leasehold Excise Tax
10472	1/25/2012	Canon Financial Services	301.13	Copy Machine Lease
10473	1/25/2012	Comcast	318.31	Internet
10474	1/25/2012	Institute for Fitness and Health	15,000.00	Joe Piscatella
10475	1/25/2012	Lynnwood PFD	2,900.00	Rent
10476	1/25/2012	Principal Financial Group	489.06	Life Insurance - Feb 2012
10477	1/25/2012	Staples	88.08	Supplies
10478	1/25/2012	Lynnwood Convention Center	8,160.00	Deposit on space for 6 Weeks to a Healthier You program
		Total Warrants	<u>198,261.47</u>	
Workers Compensation Activity:				
205546-205561	Jan 2012	Various Claimants/Vendors	<u>5,244.93</u>	Administered by Berkley Risk
Wire/ACH Activity:				
	1/1/2012	Comerica	1,906.00	Octagon Professional Liability (Sedgwick)
	1/1/2012	US Bank	2,780.77	1999 LTGO bond interest (LOC)
	1/13/2012	Payroll	16,662.28	ACH payroll transfer
	1/13/2012	Department of Treasury	6,570.62	Payroll taxes for 1/7/12 pay period ending
	1/13/2012	Paychex	229.68	Fee for payroll processing & year-end reports
	1/13/2012	Valic	1,667.99	1/13 Payroll 401(a)/457 Deposit

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
Wire/ACH Activity (continued):			
1/27/2012	Payroll	16,625.77	ACH payroll transfer
1/27/2012	Department of Treasury	6,468.92	Payroll taxes for 1/21/12 pay period ending
1/27/2012	Paychex	79.85	Fee for payroll processing
1/27/2012	Valic	1,592.29	1/27 Payroll 401(a)/457 Deposit
1/15/2012	Boys & Girls Club of Snohomish County	8,161.00	Program Payment
1/15/2012	City of Lynnwood	6,455.67	Program Payment
1/15/2012	Community Health Center of Snohomish Co	8,333.33	Program Payment
1/15/2012	Edmonds School District No. 15	25,475.00	Program Payment
1/15/2012	Edmonds Senior Center	2,000.00	Program Payment
1/15/2012	Jeremiah Center	5,200.00	Program Payment
1/15/2012	Little Red Schoolhouse	22,000.00	Program Payment
1/15/2012	Project Access Northwest	6,666.67	Program Payment
1/15/2012	Senior Services of Snohomish County	11,666.67	Program Payment
1/17/2012	Bank of America Fees	640.37	Bank Fees
1/12/2012	Benefit Solutions	10.00	FSA Payments
1/24/2012	Benefit Solutions	5.80	FSA Payments
1/30/2012	Benefit Solutions	16.71	FSA Payments
1/31/2012	Benefit Solutions	3.63	FSA Payments
	Total Wires/ACH Transactions	<u>151,219.02</u>	
	Total Disbursements	<u>\$ 354,725.42</u>	
Deposits:			
1/1/2012	Fidelity	10,000.00	McCary Deferred Comp Payment
1/1/2012	Value Village	25,468.54	Monthly rent
1/10/2012	Swedish	618,000.00	Monthly payment
1/23/2012	Snohomish County	18,191.69	Tax levy deposit
1/23/2012	Healthcare Realty Services, Inc.	4,166.67	Lease payment
1/23/2012	Robert E Knowles	150.00	Reimbursement for Swedish Gala ticket
1/23/2012	John B Williams	150.00	Reimbursement for Swedish Gala ticket
1/30/2012	Arthur J Gallagher	655.00	Refund for early cancellation of surety bond
1/31/2012	Department of Labor and Industries	3,329.71	Refund for Self Insurance
1/31/2012	PFD - Copies	224.70	Reimbursement for copies
1/31/2012	Investment Income - Sedgwick	0.42	Interest Income
	Total Deposits	<u>\$ 680,336.73</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 10458 through 10478 have been issued for payment in the amount of \$198,261.47. These warrants are hereby approved.

Attest:

Lisa M. King

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Payroll:	12-25-11 – 1-7-12	16,662.28	
	1-8-12 – 1-21-12	<u>16,625.77</u>	
			33,288.05
Warrants Processed:	1-01-12 – 1-31-12		198,261.47
Work Comp Claims Pd:	1-01-12 – 1-31-12		5,244.93
Electronic Payments:	Payroll Taxes	13,039.54	
	Comerica Bank – Prof Liability	1,906.00	
	Paychex	309.53	
	Valic Retirement	3,260.28	
	Benefit Solutions	36.14	
	Interest Payments	2,780.77	
	Bank of America Fees	640.37	
	Program Expenditures	<u>95,958.34</u>	
			<u>117,930.97</u>
	Grand Total		<u><u>\$354,725.42</u></u>

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2012-03

A RESOLUTION of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the “District”) authorizing certain officers of the District to provide instructions, documentation, open accounts and close accounts with Union Bank, N.A. (“Bank”),

WHEREAS, the District is a municipal corporation duly organized under Chapter 70.44 RCW and is governed by a Board of Commissioners composed of five publicly elected members; and

WHEREAS, The District has an existing banking relationship with Union Bank N.A. and intends to terminate this relationship; NOW, THEREFORE,

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

Section 1. That the officers of the District listed below (the “Authorized Officers”) are authorized and empowered to execute and deliver all documentation and to provide all instructions and documents necessary or advisable to Union Bank, N.A. (“Bank”) in connection with a custody arrangement between the District and the Bank. The Authorized Officers hereby acknowledge this authorization and each, by affixing his/her signature next to his/her name, indicates his/her agreement.

<u>Title</u>	<u>Name</u>	<u>Signature</u>
Commissioner	Robert Knowles	
Commissioner	Karianna Wilson	
Commissioner	Fred Langer	

Section 2. That the Authorized Officers, and each of them acting along, be and they hereby are authorized and directed to open and/or close such bank accounts at Union Bank as may be necessary or appropriate for the conduct of the business of the District, that all resolutions required by the Bank be and they hereby are adopted, and that the Secretary of the District be and hereby is authorized and directed to certify to the Bank as to the adoption of this resolution or any further resolution requested by the Bank.

Section 3. That a copy of this and any further resolution requested by the Bank and certified by the Secretary of the District be inserted in the minute book of 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 22nd day of February, 2012, the following Commissioners being present and voting.

President and Commissioner

Commissioner

Commissioner

Commissioner

Secretary and Commissioner

CERTIFICATION

I, the undersigned, Secretary of Public Hospital District No. 2. Snohomish County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2012-03 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Commission of the District held at the regular meeting place thereof on February 22, 2012, as that Resolution appears on the minute book of the District; and

2. A quorum of the members of the Commission of the District was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of February, 2012.

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

Robert Knowles, Secretary of the District

Board of Commissioners Conflict of Interest Policy



I. PURPOSE

So that no conflict of interest concerns arise concerning any particular issue of business transacted by the Board of Commissioners as a whole, or in part.

II. SCOPE

Public Hospital District #2 of Snohomish County (PHD2).

III. POLICY

Board members, officers of the District and Board committee members shall conform, in the conduct of their office, to the provisions of RCW 42.20 and RCW 42.23. The Board commits itself and its members to ethical, professional, and lawful conduct to include proper use of authority and appropriate decorum when acting as Board members.

IV. PROCEDURE

In the event that any Board member or officer has a real or potential conflict of interest on a matter coming before the Board, they shall disclose such real or potential conflict prior to any participation in discussion or voting on the issue. They shall also state their intent to participate in discussion or voting or excuse themselves from the meeting. Should any other Board member disagree, the issue of participation in discussion and/or voting shall be decided by a majority vote of the remaining Board members.

Board members must represent unconflicted loyalty to the interests of the District. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership to other Boards or staffs, and the personal interests of any Board member acting as a consumer of PHD2 services. Board members should avoid the following conflicts:

1. Must avoid conflict of interest with respect to their fiduciary responsibility. This means, specifically, that there must be no self-dealing or any conduct of private business or personal services between any Board member and PHD2 except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.
2. Direct or indirect solicitation or acceptance of personal fees or commissions in connection with PHD2 business.
3. Use of their position to secure special privileges or exemptions for themselves, spouse, child, parents, or other related persons from vendors, contractors, physicians, patients, the PHD2, or its staff.
4. Must not use their position to obtain employment at PHD2 for themselves, family

members, or close associates. Should a member desire employment, he or she must first resign from the Board and follow the provisions of the RCW with respect to this subject.

5. Solicitation of gifts or gratuities for personal use for themselves or related parties from our customers, suppliers, consultants or anyone else doing business with the District. Unsolicited non-cash gifts of nominal value such as flowers, meals, plaques, cups, pens, or calendars may be accepted.
6. Acceptance of a paid trip from a vendor to visit an installation or attend a seminar if the dominant theme is entertainment. Such trips may be acceptable for educational purposes, or an installation visit that is the result of a decision to purchase a specific vendor's product and is directly related to the installation of the product.
7. Avoid placing themselves in a position that may create or lead to a conflict of interest, or the appearance of one, such as engaging in any outside business activity, financial relationship or investment that conflicts with the District, competes with the District, or may interfere with Board members' responsibilities to the District. Board members are also prohibited from having any personal interest, directly or indirectly, in any transaction with PHD2 unless disclosed in writing in advance to the District's Superintendent. A decision can then be made as to whether a conflict of interest exists.
8. Engage in outside business, other activities, or private employment that would result in the inducement to divulge confidential information about the District, other employees or patients.
9. Disclose confidential information about the District, nor may the Commissioners use such information for their personal gain or benefit. It is a primary responsibility of all Board members to protect the confidentiality of District information. The breaking of confidentiality is the repeating of any information, written or spoken, when unauthorized or indiscrete disclosure could be harmful or injurious to the interests of a patient, employee, or the District in general.
10. Board members may not attempt to exercise individual authority over PHD2 except as explicitly set forth in Board policies. Members' interactions with the Superintendent or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.

Violations of this policy may be reported to the State Auditor and/or PHD2 Attorney for investigation.

V. REFERENCE SECTION

- References:** Chapters 42.20 and 42.23 of the Revised Code of Washington, and legal counsel.
Distribution: Copies to Board Manual and original filed in Administration.
Prepared By: Administration
Reviewed By: Board of Commissioners and Superintendent

A	B	C	D	E	F	G	H	I	J	K
	Program Expenses	2012	2013							
	Budget	\$4,100,000	TBD							
	Committed to date	\$1,600,752	\$1,309,532							
	Program Budget Remaining	\$2,499,248	TBD							

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	Funding Recommendation
1	Domestic Violence Services of Snohomish County - Expanding South County Outreach	DVS is seeking funds to expand outreach in South Snohomish County. Funds would be used to support the Teen Dating Violence Prevention program to educate 500 teens per year and to establish 30 new referral locations where DVS materials are available.	\$19,453	\$19,453	\$19,453	X	X		X	Youth	\$19,453 per year for three years
Totals			\$19,453	\$19,453	\$19,453						

February 2012 Program Oversight Committee Summary

Summary of January Applications

- One application received: addresses education/empowerment and prevention

Programs Recommended for Funding

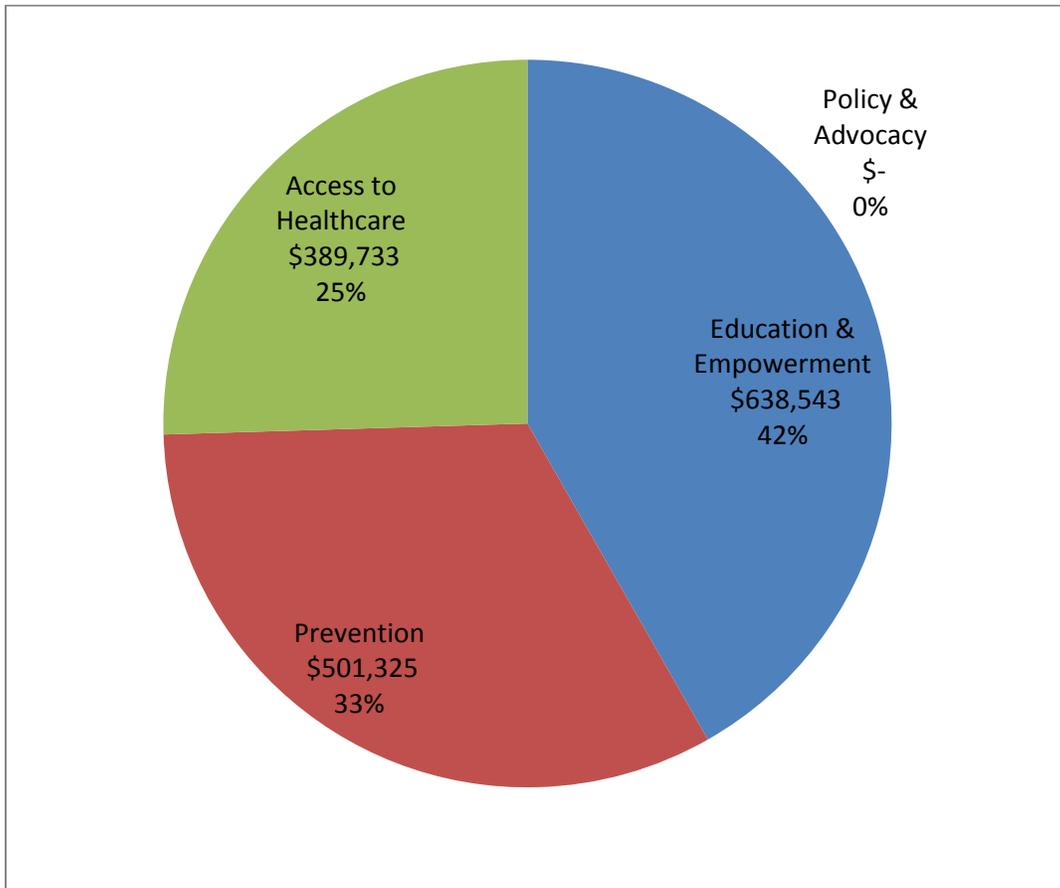
Domestic Violence Services of Snohomish County (DVS): DVS is seeking funds to expand outreach in South Snohomish County. Funds would be used to support the Teen Dating Violence Prevention program to educate 500 teens per year and to establish 30 new referral locations where DVS materials are available. Outcomes include increased knowledge of resources in the community, increased knowledge of dating safety, and increased knowledge of safety planning. **The program is recommended for funding at \$19,453 per year for three years.**

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.

Investment Summary for 2012

1. Annual Funding by Health and Wellness Priority Area (Programs Approved 2011-2012)

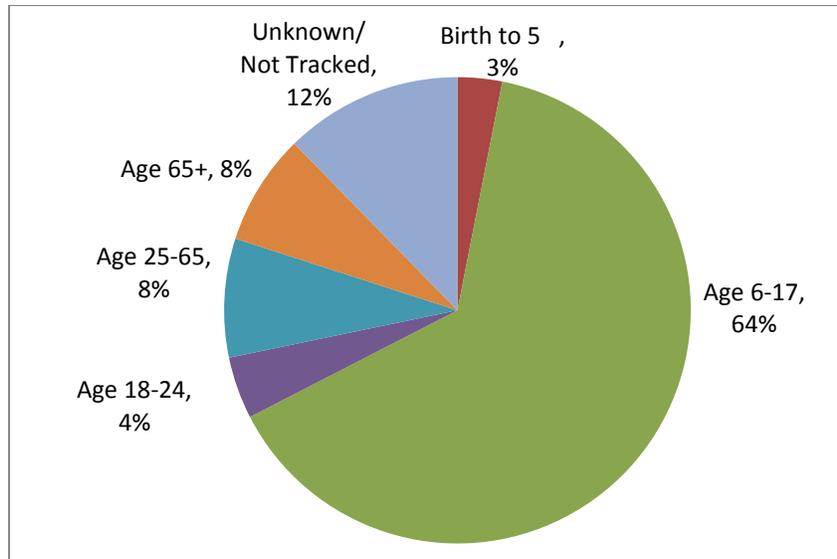


2. Anticipated Program Participants by Location*

	Estimated Number Served Per Year	% of total
Live in Verdant's District	3,545	85%
Live Elsewhere in Snohomish County	423	10%
Live Outside of Snohomish County	46	1%
Unknown/Not Tracked	141	3%
Total	4,155	100%

*Program Participant data does not include one-time events

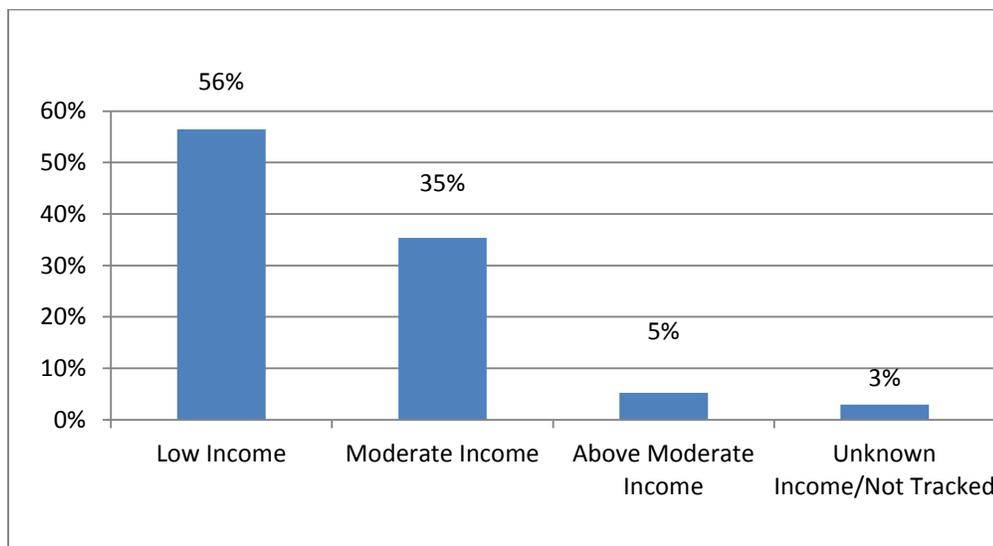
3. Anticipated Participants Served by Age*



4. Anticipated Program Participants by Race/Ethnicity*

Race/Ethnicity	Funded Programs	Verdant District Population
Hispanic or Latino	13%	6%
African American	7%	2%
Native American or Alaska Native	1%	1%
Asian American	13%	11%
Native Hawaiian or Other Pacific Islander	1%	0.4%
White or Caucasian	55%	77%
Other Race	6%	3%
Unknown/Not tracked	4%	-
Total	100%	100%

5. Anticipated Program Participants by Income Level*



For a family of 3: Low income < \$39k, Moderate income \$39k-58k