

**VALLEY GENERAL HOSPITAL  
Snohomish County Public Hospital District No. 1**

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 30, 2005**

**Present:** Michael Manley, Dennis Dinkla, Alice Cabe, Mark Judy, Sherry Stoll, Vicki Hesselstine, William Thot, MD

**Public:** Lin McIlrath, Jeanne Bennetts, Lisa Norton, Kathy Nelson, Brenda Rogers, Deborah Martin, DeDe Boerger

**Minutes Recorded by:** Norma Hanson

**CALL TO ORDER**

Commissioner Manley called the meeting to order at 6:05 a.m.

**PUBLIC COMMENT**

There was no public comment.

**APPROVAL OF MINUTES**

On the motion of Commissioner Cabe and a second of Commissioner Dennis, the minutes of the Regular Board Meeting of October 26, 2005 were approved as presented.

**BOARD MEMBER RESIGNATION**

Commissioner Manley stated after 15 years of serving on this Board, he has rendered his resignation effective December 31, 2005. Mr. Judy stated advertisements will be published in three local papers today with a public hearing scheduled for 7PM Thursday December 8, 2005 to interview candidates. Applications are available on our website and through Administration. The selection will be made at the regular Board meeting, scheduled for 6AM December 14, 2005. The selected person will officially take office January 1, 2006 and will need to stand for election in 2006 and 2007.

**BOARD QUALITY COMMITTEE REPORT**

Board Quality Meeting Review

Commissioner Cabe reported Board Quality did not meet in November, therefore there is no report to make.

Chief Operating Officer's Report

Ms. Stoll reported progress on facility upgrades continues. Anticipate finalizing plans in approximately two weeks, selections completed in January with a completed process in February.

Ms. Stoll also reported the publicity around the avian flu has inspired facilities such as ours to work on preparations for an epidemic or pandemic, which may occur for any reason, not just this potential. Commissioner Dinkla suggested presenting this information to outside groups, making them aware of our efforts and preparation, would be a valuable community service.

Medical Staff Report

Dr. Thot presented the credentialing files for review indicating there were no concerns to discuss.

On the motion of Commissioner Cabe and a second of Commissioner Dinkla, the credentialing files were approved as presented.

**BOARD FINANCE COMMITTEE REPORT**

Board Finance Meeting Review

Commissioner Dinkla reported Board Finance Committee met as scheduled. Due to a combination of circumstances such as increasingly high write-offs for bad debt and charity care, lower revenue than budgeted and imaging equipment that was written off, October’s financials were not favorable.

Financial Summary and Related Reports

Ms. Hesseltine reported net operating revenue totaled approx. \$3.04 million, and net operating expenses totaling approx. \$3.34 million, resulting in <\$219.0> bottom line for October. Deductions from revenue were lower than budgeted. Hospital-wide occupancy decreased to 61.15%. A/R days are declined slightly at 70.9 days (annualized). Cash receipts totaled \$2.76 million, decreasing cash on hand to 76.1 days. Accounts payable days increased to 33 days.

Bad Debt and Charity Care

Commissioner Dinkla motioned the following bad debt and charity care for approval:

Bad debt	\$ 286,216
Back from collections	(10,486)
Uncollectible	5,458
Charity care	173,113
Bankruptcy	6,439
Contract denials	<u>41,415</u>
Total:	\$ 502,155

Commissioner Cabe seconded the motion.

Vouchers

On the motion of Commissioner Dinkla and a second of Commissioner Cabe, voucher numbers 79510 – 79574 and 91083 – 97165 were approved as presented.

**BOARD PLANNING COMMITTEE REPORT**

Commissioner Manley reported the Board Planning committee did not meet in November, therefore there is not report to present.

**CHIEF EXECUTIVE OFFICER’S REPORT**

Update on Mini-Retreat

Ms. Nelson shared the Board / MEC Mini-Retreat reviewed a presentation by Alan Limpo of Moss Adams regarding demographics – current and projected, as well as market share analysis. That data projected a need for more beds will occur in 2012. Will be meeting with specialists to see what their projections are for their practices which in turn will impact the hospital’s projections. Ms. Nelson indicated a meeting with APCO is scheduled. APCO will be

performing a community perception survey. Mr. Judy indicated at this point, the earliest consideration for a bond issue is the Fall of 2007.

#### Board By Law Review

Mr. Judy indicated areas of the By Laws needing updating were identified and forwarded to Mr. Knappe for processing.

#### Community Meetings

Mr. Judy shared meetings with the Monroe Chamber and Canyon Creek were very positive and well received. More meetings of this type will be scheduled in the near future.

#### Board Self Evaluation

Mr. Judy stated a self-evaluation form was presented to the Board for their completion and return by year-end.

#### Chief Financial Officer

Mr. Judy presented background information on Mr. John Beltz, as Chief Financial Officer. Mr. Beltz comes with strong references and recommendations. Mr. Beltz will begin in that position January 9, 2006.

On the motion of Commissioner Manley and a second of Commissioner Dinkla, the ratification of the appointment of Mr. Beltz for Chief Financial Officer.

#### Providence Physician Group Update

Mr. Judy shared with the Board that the second internal medicine physician has chosen not practice in Monroe. PPG is considering opening an urgent care walk-in center in their building. Discussions continue regarding potential conflicts.

#### Deferred Compensation Plan and 401(a) Pension Plan

Ms. Martin summarized the reasons for the proposed changes in these plans include complex formulas, complicated calculations, and antiquated concepts. The proposal uses a percentage of income contribution versus a specific dollar amount that easily and accurately fluctuates with changing salaries. There is no 'take-away' to the employees using the different formula. Additionally, vesting in the previous plan was 5 years, where the current plan proposes 4 years.

On the motion of Commissioner Cabe and a second of Commissioner Dinkla, Resolution 2005-10 and 2005-11 were approved as presented.

#### 1199 Negotiations

Ms. Martin indicated the unions are proposing a virtual complete revision of the contracts.

#### Amended Resolution 2005-08

Mr. Judy stated a typographical error was made in the original resolution and pointed out by the County, which has requested an amendment.

**REPORTS**

Foundation & Guild

Ms. McIlrath indicated the Guild has a presentation to make. Ms. Rogers stated the Guild had raised \$15,000 to donate to the Foundation toward the purchase of the ED monitors. Ms. McIlrath thanked the Guild for their continued support of the Foundation and the hospital. Ms. McIlrath indicated the Foundation is committed to raise \$120,000 for ER cardiac monitor system. With outstanding leadership and contributions by sponsors such as the Guild, North Sound Emergency Physicians , WWMG and Everett Cardiologists, over 50% of the goal has been reached. Their campaign is now being introduced to the public in January.

Marketing / Community Relations

Ms. Nelson reported our website experienced 8,700 hits in November versus 305 in July. Ms. Nelson also shared the storyboard that was purchased with funds donated by the Guild.

**ADJOURNMENT**

There being no further business to conduct, on the motion of Commissioner Dinkla and a second from Commissioner Cabe, the regular meeting of the Board of Directors was adjourned at 7:50 AM.

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Chairman

Attest

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Commissioner