



**PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY**  
**Board of Commissioners**  
**MINUTES**  
**March 3, 2016, 6:30 pm**  
**Snoqualmie City Hall, Council Chambers, Snoqualmie, WA**

**PRESENT:**

Dariel Norris, President  
Joan Young, Vice President  
David Speikers, Secretary  
Gene Pollard, Commissioner  
Emma Herron, Commissioner

**ALSO PRESENT:**

Jay Rodne, General Counsel  
Ann Macfarlane, Parliamentarian  
Valerie Huffman, Recorder

**CALL TO ORDER:** The meeting was called to order at 6:32 pm. by Pres. Norris and roll call was taken.

**APPROVAL OF AGENDA**

**A motion was made and seconded to add an Item No. 6 – Other under New Business.**

**M/Speikers, S/Herron**

The motion unanimously carried.

**APPROVAL OF MINUTES** – Since there were multiple sets of minutes to approve, the board was asked to considering approving all the minutes as a block.

**There being no objection, a motion was made and seconded to approve all the minutes as a block. M/Pollard, S/Speikers**

The motion unanimously carried.

For clarification purposes, the minutes approved as a block were:

December 3, 2015  
January 7, 2016  
January 27, 2016

  
Initials

February 4, 2016  
February 10, 2016

**COMMUNICATIONS:**

Dariel Norris, President referenced a letter and petition with 67 signatures sent to the board from Dr. Elisa Chan in support of Supt. Rodger McCollum. Pres. Norris had responded to Dr. Chan in writing which was read into the record:

Dr. Chan:

I want to thank you for your letter and for the signatures that were offered in support for Supt. Rodger McCollum. I understand that Supt. McCollum is very popular with his staff, which is a strong tribute to his people skills and character. There are many skills that are needed in anybody's career. It is my understanding that Supt. McCollum was hired to be a visionary. It has been a rocky path; however, Supt. McCollum had a vision that he met and completed with the intent to pave the way for a viable future for Snoqualmie Valley Hospital. They are both past and present hospital board members that are proud to have worked with Supt. McCollum. It would appear there is a need for different management skills to move the hospital district to the next stage. As commissioners, it is our responsibility to make sure the financial and emotional investment of the new hospital results in a viable medical entity that can meet the healthcare needs of our community. This must be done in an uncertain and moving target of healthcare regulations as well as new technology. The Board of Commissioners values our super staff and hope that you and your colleagues will support us as we move forward.

Pres. Norris invited Dr. Chan and staff to communicate directly to the board.

**COMMITTEE REPORTS**

**1. Finance Committee Report - Approval of warrants, payroll and payroll taxes – January 2016.** Comm. David Speikers, Chairman of the Finance Committee, reported on the meeting that was held on March 1, 2016 in which financial reports for January 2016 were reviewed. Comm. Speikers' comments included:

- Record level in total inpatient days, 769
- 24.8 average daily census
- Acute patient intake was low and adjustments have been implemented accordingly
- Unrestricted cash decrease due to bond payments
- Will be having a reforecast of budget by May board meeting
- All leases are being reviewed
- Capital budget change discussed. Previously had allocated \$30,000 for a new pickup truck. In the interest of patient care, we will be offering in-house dialysis services and in order to do this two patient rooms need to be retrofitted to accommodate this service. It was clarified that there were not additional monies but simply reallocating what was already budgeted.
- Looked at all operating expenses; expected to increase with higher census
- Annual audit by Washington State Auditor's Office

**1(a). Approval of Warrants, Payroll and Payroll taxes – January 2016.**

**A motion was made and seconded to approve total disbursements that include warrants, payroll and payroll taxes in the amount of \$3,355,364.13 for January 1 thru January 31, 2016 as reviewed. M/Speikers, S/Herron**

Following brief discussion, the motion passed by a vote of 4:1 with Comm. Pollard voting no.

**2. Medical Committee Report.** The Medical Committee met on February 16, 2016 and Comm. Young reported the following:

- Staff wellness assessments being performed this week as baseline assessments for program launch April 1
- Have determined to designate a room for ED to Acute admissions. Next step: Implementation planning with managers.
- Launch of Inpatient Dialysis services for Swing Bed patients still on track for April
- Process initiated in January to provide an outcome summary back to EMS services on any patient they deliver to our ED.
- Next month will have process ready to implement sending home Narcan packs with those at risk of opioid/heroin overdose or with those who live with them in accordance with recently enacted legislation.
- Installation of new PACS (digital image storage) modules will be completed mid-March. Part of new agreement through the Collaborative with NovaRad that reduced costs and added features to PACS. (total radiation dose tracking per patient and referral reporting)
- Adult Family Home: Lease agreement development meeting: Feb 22<sup>nd</sup>
- Committee charter/Roles/ Processes completed

**3. Facilities Committee Report.** The Facilities Committee last met on February 15, 2016, Comm. Pollard provided an overview of the written report that was provided to the board and public. Topics discussed were as follows:

- Topics of discussion include HVAC, Entry door heaters, Dialysis treatments, and signage. Comm. Pollard invited all interested parties to get a copy of the written report for more in depth information.
- This committee meeting will now be open to the public starting with the March meeting

**NOTE:** All written reports and/or presentations from each committee meeting are provided for the public and are part of the official record of the District. Additional copies are available upon written request. To hear the full discussion on each of the above committee reports, go to <http://www.snoqualmiehospital.org/audio>.

**NEW BUSINESS:**

**1. Quality Improvement Quarterly Update.** Dr. Kim Witkop presented a Quarterly Quality Improvement update for first quarter 2016. This included a refresher of the QI program as well as first quarter statistics. A copy of the PowerPoint slides is available upon request.

2. **Review and Confirmation of Committee Appointments.** The four Board committees and appointments were reviewed and clarified as follows:
- a. Facilities – Gene Pollard, Chair, Emma Herron
  - b. Finance – David Speikers, Chair, Dariel Norris
  - c. Medical – Joan Young, Chair, Emma Herron
  - d. Quality Improvement – Joan Young, Dariel Norris
  - e. Ad hoc Bylaws: David Speikers has yielded to Dariel Norris as chair, Joan Young

Further clarification: Finance, Medical and Facilities meet monthly while the QI committee meets quarterly.

**A motion was made and seconded to confirm the committee appointments as written above.**  
M/Young, S/Speikers

There was no further discussion and the motion unanimously passed.

3. **Resolution No. 501-0316 – Surplus Equipment.** It was clarified that the items listed on Exhibit A are all unusable items. If there was interest on the part of the public on any particular item, they should contact Steve Daniel, CFO. There was no further discussion.

4. **Resolution 502-0316 – Approving Severance Agreement.** Comm. Speikers clarified a change that should be made on Page 2, Paragraph D wherein the transition time is changed from March 11<sup>th</sup> to March 18<sup>th</sup>, allowing for a two week transition period instead of one week.

It was further clarified that this agreement will not be signed tonight. Under law, Supt. McCollum has 21 days to review provisions of the release. The board can adopt the resolution that approves the severance agreement, knowing there is some time lag until the agreement is signed.

To further clarify the above-referenced amendment, the board took a short 10 min. recess.

Upon reconvening, Comm. Speikers stated that this resolution is a severance agreement and release from the District to Supt. McCollum. Comm. Speikers continued with the following comments:

- This is filled with much emotion and mixed feelings.
- Will avoid disparaging remarks, trying to not have animosity on either side
- Wants staff to understand it's in the best interest of the district
- The Board does not want a disruption in services or disgruntled employees
- Board making decision based on a lot of thought, a lot of conviction.
- Comm. Speikers stated that if he didn't have a strong interest in healthcare of this community and commitment to work as hard as he can to make this hospital district viable, this may not be happening.
- Thanked the board who rallied and got together on this whole issue. May for the first time have a collective wisdom that is on the same plane and whatever the personal reasons each commissioner has, we've been able to put them aside

- Asked board to consider this agreement today to be presented to Mr. McCollum's attorney
- Would like a fresh start to go forward, not backwards to make sure that the community can trust the board to be transparent, to look at finances accordingly, and be accountable for all the taxes the community pays. Hopes that the community will back whatever decision is made today
- Most questions can be directed to Jay Rodne, General Counsel.

It was reiterated that an amendment needed to be made to Page 2, Resignation, Paragraph D and should read as follows:

District will allow employee to submit a letter stating that he voluntarily resigned his employment with the District effective March 18, 2016.

The remainder of the paragraph is as follows:

The employee shall do a two week transition with the designated interim CEO. Employee understands that all spending authority and decision-making authority shall be terminated effective immediately and the employee shall cooperate with the transition process.

In summary, the amendment includes:

- Changing the transition process from one week to two weeks.
- Adding the wording: and the employee shall cooperate with the transition process.

There was no objection to the above amendment. Jay Rodne will circulate a copy of the amended agreement. It was confirmed that action on this resolution will be taken tonight and not at a subsequent board meeting next month.

There was a question raised as to the Confidentiality clause in the severance agreement. It was explained that the paragraph also states *unless required by law* and because we are a public entity, this agreement was made public.

Comm. Pollard stated he would be voting against this resolution because he believes both parties are at fault and feels resolution should be by mediation and/or a binding arbitration process. He feels this has been handled poorly by the Board and thinks the superintendent also bears some responsibility for this mess.

A comment was made that going through mediation or arbitration would take several more months for resolution and that it would behoove everyone to move forward, think ahead and with positive direction.

There was no further discussion.

5. **Resolution 503-0316 – Appointing Interim Superintendent.** Comm. Speikers presented this resolution stating he is happy and pleased about this resolution and hopes that it will help in the transition. He hopes the board will consider this resolution for approval. Other comments included:

- This has not been an easy decision for some of the board; all commissioners care about the Valley and healthcare, expenses, viability.
- Pleased that the board can make an internal move to fill the position for the time being to help the Board. We don't know where that is going to go but at least in the interim the Board knows that there is somebody that everybody knows to make a comfortable and nice transition.

There was no further discussion.

6. **Board Directive.** As noted above, the agenda was previously amended by motion to add this item. Comm. Speikers explained that the board has come up with a letter directed to be handed in person to Supt. McCollum today with an itemized list to be corrected in 30 days. This is a board directive, in writing, and it will be served on him today. It has six points that Comm. Speikers is asking the board to discuss, if they wish, at this point. Point #4 should be amended to read: the three months of 2015.

Comm. Speikers read the letter of correction in its entirety into the record. A copy of the letter is made part of the official record of the District and available upon request.

Rodger McCollum, CEO - *Handed in person*  
King County Hospital District #4  
Re: Board directive

Mr. Rodger McCollum,

This letter is to inform you that you are in non-compliance with your alleged Amended Employment Agreements. The following must be corrected within 30 days.

- 1) You have not provided an acceptable plan for transitioning to non-cost based reimbursement;
- 2) You have missed 3 of the last 4 finance committee meetings without excused absence;
- 3) You were directed to discontinue the TPC membership at the November Budget meeting and have refused;
- 4) You have refused to balance the budget for the past 3 months; [2015 - added as referenced above]
- 5) An audit of credit card expenditures shows that you have used the District's credit card for personal expenses, not authorized

6) You have made untruthful comments to local newspapers concerning whether the Board has directed you to reduce the District's budget (1 week ago).

There was no further discussion.

**PUBLIC COMMENT:**

**Scott Scowcroft** – Mr. Scowcroft offered comments in support of Supt. McCollum and addressed the Board as follows:

You may recall I stood before you last November to encourage you to be positive and act with vision. You'll remember I shared a little of my background, personally as grateful family member of a past patient and professionally as a past Executive Director of the Hospital Foundation.

From the beginning, I've witnessed firsthand a stunning transformation, from a hospital that for decades had been in a perpetual state of disarray to one that has been designated as among the best 20 Critical Access Hospitals in the nation.

We all know this transformation from bad to best occurred under the medical excellence of Dr. Witkop, but I put before you tonight that she was not acting alone but rather as a member of a very talented team, a team incidentally under the skillful and inspired leadership of the current CEO.

And just to be clear, the hospital's journey from bad to best these past 12 years was anything but easy.

For example, you'll remember the building of the new hospital just happened to coincide with the worst economic downturn since the Great Depression, and yet every time funding for the new hospital became problematic, the District miraculously was able to come up with something even better than before.

For example, take the Leisure Time Properties. I don't know why people don't rail more against the then County Executive Ron Sims. It was he after all, who in the spring gave his blessings and then by fall pulled the rug out from under the good citizens of Snoqualmie Valley by denying the promised change in zoning. But you know what? He who laughs last laughs loudest...because now we, or more accurately you as the Board of Commissioners, have the opportunity when the time is right to designate the use of this precious property, the gateway of Snoqualmie, for the best and highest good. Or, you could just sell the property for a profit. Now, how cool is that? That's an example of what I mean by being forward looking, positive and acting with a vision.

It shouldn't come as a surprise to you to hear of my sadness when I read in the papers about your plans to fire the CEO. Quite frankly, I'm disappointed in you, not all of you, but you know who I mean.

I feel that you're choosing to look backwards to settle past, petty grievances, rather than to look forward with vision and optimism. It's as if last September's retreat never took place.

And, I feel you're going about this in an entirely unnecessarily mean spirited way.

What's the urgency? If for some reason you can't stomach the idea of working with Rodger, then the decent thing to do would have been to let his contract run out naturally, and use the extra time to make a considered, informed choice for new leadership of the District.

And who knows, given the extra time to reflect on a journey from bad to best, and you might even come to better appreciate and thank Rodger for all he has done for the hospital, for the District, and for the good citizens of the Snoqualmie Valley.

Mr. Scowcroft submitted his statement in writing; however, due to the three-minute limitation for public comment he was not permitted to read his statement in its entirety. However, the above represents a full transcript.

**Elisa Chan, MD, District Physician**

I would like to thank the commissioners for the response to our letter and petition. The reason the petition was submitted was so that our voices could be heard and our opinion taken in consideration in the board's decision-making process. We are in a small hospital; we work together closely and have full respect to the leadership team. They led us well to where we are today through all the difficult times. Mr. McCollum is [inaudible] part of that leadership team and we love him and have a lot of respect for him. ...we hate to see him go but above all, we truly care for the hospital, we care for our patients, we care for the quality we provide and we care for the community.

**Carol Peterson, Snoqualmie**

I have been involved in this hospital district since 1975, before we even formed the hospital district. I have been very much aware, as a member of the public, of a lot of goings on with the hospital, having been a patient there several times, and having been to most of the hospital district meetings in the last 25 years. I congratulate the Board for making this change in the administration in the hospital district. I feel it's important at this time. I think it will create a new beginning for us and I am hoping the public will get on board with it. I am aware, myself, of many things that went wrong in the operations with the CEO and have felt that this should be coming for a long time. I also want to say that I am very upset that Comm. Pollard is going to vote no after all the time he has spent talking about this and in the end, voting no on this important issue.



**Carol Waters**

I am a past employee of Snoqualmie Valley Hospital and echo to a great deal the statements of Mr. Scowcroft's. I also know many of you who sit on this commission tonight. I want to tell you that I understand you have every right to release anyone you choose to release but I have to question whether or not we can trust you, that if you're willing to break a contract, how can we trust you not to break other contracts that may have been negotiated on behalf of the hospital district. Everyone here has been faced with a situation that they don't like but as business people, and I have 50 years in business, you don't break a contract. I'm sure Mr. Speikers wouldn't advise one of his clients to do so and we don't have entirely the right to make decisions based on personal vendettas. So I would encourage you to think about the reputation of the District and, in particular, your reputations as commissioners, and the feelings of trust and integrity that comes into question such arbitrary action. I would like you to think long and hard about that because this doesn't go away and the whole opinion of the commission stands in the balance of whether we feel we can trust you to keep your word.

**Andy Corbett**

I have worked at the hospital for eight years and hope to continue working there for a long time. The thing that I've always enjoyed about having Rodger as the head of the hospital is that I know he cares about people and I know he cares about the community. Looking at the Board, it seems to me that the majority of the Board would prefer the hospital had never been built. I take that to the next level; imagine that the board of Microsoft preferred that a computer had never been built. It's a pretty weird thought. I was concerned until now who would be running the hospital, and I would like to say I'm happy to hear that Tom will be. I think he's very smart, capable and I also think he cares about the community as well. But I do find it troubling that you all felt the need to end Rodger's contract early and I hope that there is a change in the next election.

**Jim Simon, Snoqualmie**

I am pleased to support you and I trust each and every one of you commissioners in this process. There is no reason for any distress. The record clearly indicates since 2004 that the hospital district has lost approximately \$30 million in operating revenues. Now there is a difference between operations of the District and non-operations so I want to make it clear that I am speaking only about operating costs and that is clearly documented by the state auditor's office and the District's independent auditor.

**NEW BUSINESS – Action items:**

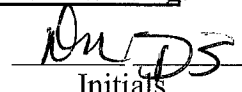
- 1. **Resolution No. 501-0316 – Surplus Equipment.**

**A motion was made and seconded to adopt Resolution No. 501-0316 – Surplus Equipment. M/Young, S/Pollard**

There being no further discussion the motion unanimously passed.

- 2. **Resolution 502-0316 – Approving Severance Agreement.**

**A motion was made and seconded to adopt Resolution 502-0316 – Approving Severance Agreement as orally amended today and subsequently to be amended in writing.**

  
Initials

## **M/Speikers, S/Herron**

Comm. Pollard further explained his thinking on this resolution, stating that he is one of five commissioners and he believes that he represents more than 20% of the public who find this agreement abdominal, a waste of public money, a disgraceful piece of business and thinks that they would want him to vote no on this. This could have been handled so much better without so much waste of public money. He is not fixing blame; he thinks both sides are responsible for this. This is money that should have gone to healthcare and not to legal expenses and all the other turmoil that has been caused. So he will be voting no.

Comm. Pollard further mentioned that with respect to the issue of whether the board keeps its contracts, that the contract for Mr. Superintendent's three year extension that occurred in December 2013 was approved by a previous board. State law said that the superintendent works at the pleasure of the Board, but the previous Board put this Board in a straightjacket and prematurely, 8 months early forced through a 3-year contract and it's that contract that we're now having to negotiate so it's a complex issue, not quite as simple as some would like. In any rate, he intends to vote no on this because he feels that historians will look at this eventually as a "rape of the community."

Comm. Speikers addressed Comm. Pollard's decision to vote no by saying what is done is done and that he could even be partly responsible for this contract to begin with. If we want to get into why it was signed and how it was signed, we can get into it for quite a while but doesn't really want to bring up past problems. We could keep him here with everybody unhappy, Board and Supt. McCollum, and just have more controversy. We could mediate it and cost another \$150,000-200,000 or we can say forget it and do it for cause and get sued. We're kind of stuck, but need to move forward in a positive way and not focus on the past.

Comm. Herron stated that prior to her being elected to this board she has been watching and observing the hospital and all of the fiasco that has been going on. Comm. Herron knows that there are a lot of faults here, we need to move forward. The public knows what is happening and what has happened. One will say they were victimized, another will say it is a real travesty. She feels the real victim here is the hospital, that we were kidnapped, and now we have to pay the ransom. This was prior to me being on the board and now that I see what is happening, we need to move on. We don't need to prolong this agony for all of us here so that we can all at least have some kind of a direction, a leadership, instead of a wait and see.

Pres. Norris prefers to think of this as a somewhat win-win situation but we have citizens that are unhappy that we are fulfilling the contract. We are not bailing out on the contract, so the contract will be filled. We are not abandoning the staff but we do have somebody that the staff is comfortable with and knows. Pres. Norris hopes that the staff and the Board can work together to continue to make it viable, to negotiate the coming future where there are many changes in healthcare, how we do things and even for small critical access hospitals. I hope that we can move forward and do the best we can, all of us to make it a success.

There being no further discussion or comments, the motion passed by a vote of 4:1.

### **3. Resolution 503-0316 – Appointing Interim Superintendent.**

**A motion was made and seconded to adopt Resolution 503-0316 – Appointing Interim Superintendent. M/Young, S/Pollard**

Comm. Pollard seconded the comments that have been made about Tom Parker. He is an outstanding person and he's been running the hospital and I expect that to continue with no interruption. The board is lucky he is willing to stay on and looks forward to a constructive relationship between the Board and staff through Tom.

There being no further discussion, the motion unanimously passed.

**4. Other – Board Directive.** Comm. Speikers requested the Board to consider a 30-day notice letter of correction to Rodger McCollum per the agenda amendment.

General Counsel Rodne clarified for the record and process wise that Mr. McCollum is no longer the CEO/Superintendent. Therefore, logistically process-wise, it would seem that the action of the board on the previous two resolutions makes this null and void. Comm. Speikers stated that may be the case but feels the Board needs to go through with it because if Mr. McCollum does not accept the agreement then the board may have to take other action. The Board may be rescinding the agreement and then going forth with his employment.

**A motion was made and seconded for the board to sign the letter of correction and to immediately hand the Letter of Correction to Mr. McCollum. M/Speikers, S/Herron**

Further clarification was given regarding the letter of correction reiterating that if the agreement is signed, the letter becomes null and void. If the agreement is not signed, the Board may want to reconsider the agreement, rescind it and then go forth with the terms of the corrections. Therefore, the following motion was made.

**A motion was made and seconded to amend the motion on the floor to add language to the letter of correction that it becomes null and void if the agreement is accepted. M/Pollard, S/Herron**

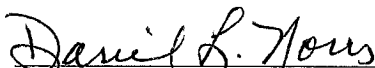
The amendment to the motion was accepted and the motion unanimously passed.

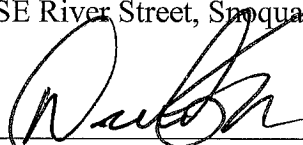
Comm. Speikers asked all the commissioners to sign the letter with the handwritten amendment and have it given to Mr. McCollum, which was done.

There being no further business, the meeting was adjourned at 8:35 pm.

**NEXT SCHEDULED MEETING:**

Regular Monthly Business Meeting - will be held on Thursday, April 7, 2016, 6:30 pm, Snoqualmie City Hall, Council Chambers, 38624 SE River Street, Snoqualmie.

  
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Daniel Norris, President

  
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David Speikers, Secretary