

A G E N D A
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING
4:30, Wednesday, December 5, 2012, Conference Room
525 Veterans Boulevard
Redwood City, CA 94063

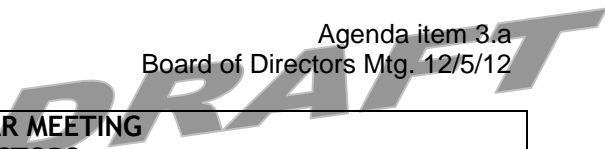
1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar - President Griffin
 - a. Approve October 10, 2012 Regular Meeting Minutes
 - b. Approve October 30, 2012 Special Meeting Minutes
 - c. Accept September and October 2012 Financial Statements
4. CEO & Staff Reports - Mr. Michelson
 - a. 2012 Sequoia Hospital Campus Redevelopment Project Annual Report
 - b. Healthy Schools - Ms. Kurtzman & Ms. Gabet
 - c. HeartSafe - Mr. Nielsen
5. New Business
 - a. Gardener Center Update On School Health Initiative - Ms. Kurtzman
 - ACTION b. Accept November 6, 2012 Election Results From San Mateo County Registrar's Office And Recognize Ms. Kane And Ms. Griffin As Newly Elected Directors For The Term 12/7/2012 To 12/2/2016 - Mr. Michelson
 - ACTION c. Consider Resolution 12-3 Authorizing Application To The State Of California For A Certificate Of Consent To Self Insure Workers' Compensation Liabilities - Mr. Michelson
 - ACTION d. Annual Investment Review - Mr. Eric Reynolds
 - ACTION e. Consider Increasing Premium Amount Allowed For Health Care and Dental Insurance For Directors And Staff - Director Kane
 - ACTION f. Consider Revisions to Employee Handbook Adopted 12/2/2009 - Mr. Michelson
 - ACTION g. Consider Adoption of Statement To Spend 100% Of Property Tax Income On Community Service - Director Shefren
 - h. Annual Report - Director Faro
6. Adjourn. The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, February 6, 2013, District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

*Public comment will be taken for each agenda item prior to the board's consideration on that item.

Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District office, 525 Veterans Blvd., Redwood City, CA, during normal business hours. Please telephone 650-421-2155 to arrange an appointment.

If you are an individual with a disability and need an accommodation to participate in this meeting, please contact Sequoia Healthcare District at least 48-hours in advance at 650-421-2155.

Kim Griffin
Board President



**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
October 10, 2012
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<p><u>Directors Present</u> Director Faro Director Griffin Director Hickey Director Kane Director Shefren</p>	<p><u>Directors Excused</u></p>	<p><u>Also Present</u> Mr. Michelson, CEO Mr. Hudak, Legal Counsel Ms. Johnson, Recorder</p>
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1. Call to Order

By: President Griffin
Time: 4:30pm

2. Public Comment/Non-Agenda Items

Director Hickey stated the agenda and board packet items posted on the website should be in a searchable format.

3.a. - 3.c. Consent Calendar

Motion: To approve the Consent Calendar.
By: Director Kane
Seconded by: Director Griffin
Vote: 5-0
Motion Passed

4. CEO/Staff Reports

Mr. Michelson noted that the Administrative Manual presented as part of his report, was expanded from District business procedures with input from our auditors and are being used as the District's day-to-day guidelines.

Mr. Michelson announced that yesterday Don Horsley resigned from the Grants Committee and a replacement is being sought.

The Annual Report to the Community will be mailed out later this month.

Healthy Schools Initiative: Ms. Gabet informed the Board that the PE+ program is off to a good start and is well received in the participating schools.

HeartSafe: Mr. Nielsen announced that last month Foster City Police Department used a District AED to successfully save a life.

5. a. Accept Findings of VTD Agreed Upon Procedures Report

Mr. Michelson introduced Mr. Gharaibeh and Mr. Christian of Vavrinek, Trine & Day, the District's accounting firm. Mr. Gharaibeh noted that emphasis of this quarterly review was to make sure proper safeguards are in place to protect District assets. They reviewed receipts, disbursements and payroll in accordance with the Administrative Manual with two minor exceptions found as noted in their report. VTD has no further recommendations for additional internal controls at this time.

Motion: To accept the findings of VTD's Agreed Upon Procedures report.
By: Director Faro
Seconded by: Director Hickey
Vote: 5-0
Motion Passed

5.b. Accept the District's Annual Audit for the Period Ending June 30, 2012

Mr. Gharaibeh reported that the District received an unqualified opinion which is the highest level of assurance and the District is in a very solid financial position. The internal control report is clean, showing no material weaknesses or deficiencies. Accounting policies established by the Board are being followed by staff.

Director Hickey asked if the budget and program expenses are reviewed. Mr. Gharaibeh replied that the audit reviews the past, therefore the budget is not a matter for review. Program expenditures are vouched for accuracy.

Motion: To accept the June 30, 2012 annual audit.

By: Director Shefren

Seconded by: Director Faro

Roll Call Vote: 5-0

Motion Passed

5.c. Consider Request for Grant of \$15,000 to Samaritan House

Ms. Kitty Lopez reported that Samaritan House's agreement with the physicians group providing radiology services is still being negotiated; however, to insure continuity of care to patients, she is requesting a \$15,000 grant to cover the additional expense of being charged the billed rate by the radiology group.

Motion: To approve a grant of \$15,000 for additional radiology expense from now until the end of December 2012.

By: Director Shefren

Seconded by: Director Kane

Vote: 4-1 with Director Hickey opposed

Motion Passed

5.d. Update on Funding Nursing Program

Mr. Michelson reported that the District is now in year nine of the ten year program and the District's commitment will end with the current nursing class. When the program was started there was a workforce shortage and it was projected that the 40 nurse graduates a year would be hired at Sequoia and other hospitals within the District. None of the May 2012 graduates were hired at Sequoia and information was not readily available as to how many of the graduates were hired by other local healthcare providers. Mr. Michelson would like to let the program partners know what the Board's feelings are regarding the future of the program.

The Board directed staff to arrange for a special meeting/study session to include program partners and, if possible, representatives from other healthcare providers in the District.

6. Adjourn to Closed Session

Motion: Adjourn to Closed Session.

By: Director Griffin

Seconded by: Director Kane

Vote: 5-0

Motion Passed

7. Reconvene to Open Session

The Board reconvened to open session and reported the following:

(a) The salary of the Chief Executive Officer will be increased to \$182,611.55 annually, retroactive to April 1, 2012. This represents a 7% equity adjustment, based on a salary survey, and a 7% merit increase. The vote to approve this increase was 4-1, with Director Hickey opposing.

(b) The severance payment provision in the Chief Executive Officer's contract in the event of termination without cause will be increased to 12 months salary and six months of health insurance. The vote to approve this amendment to the contract was 4-1, with Director Hickey opposing.

8. Adjourn

Motion: At 5:40 PM adjourn meeting.

By: Director Shefren

Seconded by: Director Faro

Vote: 5-0

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, December 5, 2012, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kathleen Kane
Secretary

**MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
October 30, 2012
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<u>Directors Present</u>	<u>Directors Excused</u>	<u>Also Present</u>
Director Faro Director Griffin Director Hickey Director Kane* Director Shefren *arrived at 4:55 PM		Mr. Michelson, CEO Mr. Hudak, Legal Counsel Ms. Johnson, Recorder

1. Call to Order

By: President Griffin
Time: 4:35pm

2. Public Comment/Non-Agenda Items

There was no public comment.

3. Discussion: SFSU/Cañada College/Sequoia Hospital Nursing Program

President Griffin welcomed the organizations partnering with the District in the nursing program. The program came into existence more than 10 years ago with the goal of graduating 40 nurses each year to be employed with Sequoia Hospital and other local healthcare providers trying to deal with a nationwide nursing shortage. Currently the shortage does not exist and with the District's 10 year commitment to the program drawing to an end, the focus of today's meeting is to discuss if there is to be a future for the program.

After hearing input from Directors and representatives of Sequoia Hospital, SFSU and Cañada College, a committee consisting of President Griffin, Director Kane and Mr. Michelson were tasked to meet with SFSU to formulate a program recommendation to be presented at the December board meeting.

4. Adjourn

Motion: At 6:00 PM adjourn meeting.

By: Director Faro

Seconded by: Director Griffin

Vote: 5-0

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, December 5, 2012, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kathleen Kane
Secretary

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.c
Board of Directors Meeting
12/5/12

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 12-13
INCOME														
Rental Income	3,291.29	3,424.94	3,422.94	3,423.94	3,423.94								13,563.11	41,076.00
Tax Revenue	4,053.03	3,761.96	3,502.61	0.00	0.00								11,317.60	8,600,000.00
Investment Income	49,932.00	11,884.00	13,579.00	241.00									75,636.00	400,000.00
ROI-Sequoia Hospital EBIDA	0.00	0.00	0.00	2,114,000.00									2,114,000.00	2,100,000.00
Interest Income	1,016.75	669.60	546.98	443.75									2,677.08	7,600.00
Pension Income	0.00	0.00	0.00	0.00									0.00	2,600,000.00
Total Income	58,293.07	19,740.50	21,051.53	2,118,108.69									2,217,193.79	13,748,676.00
EXPENSES														
Administrative Expenses														
Admin. Expense	245.38	2,052.95	657.45	554.75									3,510.53	8,500.00
Admin. Payroll	11,487.66	24,501.77	15,031.58	24,159.18									75,180.19	221,500.00
Board Health Insurance	2,907.04	5,865.78	1,944.49	2,907.04									13,624.35	60,000.00
Employee Health Insurance	2,760.21	4,988.13	985.04	2,475.83									11,209.21	26,000.00
Employee Retirement Benefit	742.27	1,549.16	1,003.18	1,452.73									4,747.34	17,000.00
Investment Fees	0.00	0.00	12,362.50	0.00									12,362.50	55,000.00
Office Supplies/Equip Maint	0.00	917.18	154.36	547.79									1,619.33	7,500.00
Purchase Services	0.00	0.00	0.00	0.00									0.00	1,000.00
Accounting fees	0.00	0.00	3,500.00	12,000.00									15,500.00	27,000.00
Board Expense	0.00	0.00	0.00	0.00									0.00	10,000.00
Associations/Membership	0.00	10,000.00	0.00	0.00									10,000.00	15,000.00
Communications	0.00	180.78	1,215.63	8,011.99									9,408.40	25,000.00
Public Relations	4,200.00	4,200.00	4,200.00	4,200.00									16,800.00	50,000.00
Web Site/IT	865.00	865.00	865.00	865.00									3,460.00	22,000.00
Pension Plan	0.00	0.00	0.00	0.00									0.00	2,600,000.00
Insurance/D&O	26,587.04	1,325.06	(12,052.00)	500.00									16,360.10	21,000.00
Election Fees	0.00	0.00	0.00	0.00									0.00	160,000.00
LAFCO fees	0.00	0.00	0.00	0.00									0.00	7,000.00
Legal Fees	0.00	2,226.15	4,495.95	940.50									7,662.60	25,000.00
Bank Fees	0.00	0.00	0.00	0.00									0.00	100.00
Total Admin. Expenses	49,794.60	58,671.36	34,363.18	58,614.81									201,444.55	3,358,600.00
Property Expenses														
Maintenance	125.00	1,475.00	2,078.10	2,930.82									6,608.92	25,000.00
Utilities	494.60	2,174.58	2,354.69	2,419.67									7,443.54	20,000.00
Property Insurance	1,662.00	0.00	0.00	0.00									1,662.00	2,000.00
Depreciation	7,099.75	7,099.75	7,099.75	7,099.75									28,399.00	100,000.00
Total Property Expenses	9,381.35	10,749.33	11,532.54	12,450.24									44,113.46	147,000.00

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.c
Board of Directors Meeting
12/5/12

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 12-13
Grant Expenses														
Grant Admin Expenses	0.00	45.97	75.55	190.85									312.37	11,100.00
Grant Admin Payroll	3,020.47	6,038.42	3,936.68	6,191.03									19,186.60	58,900.00
Children's Health Initiative	350,000.00	0.00	0.00	325,000.00									675,000.00	1,350,000.00
SFSU Nursing Program	500,000.00	0.00	0.00	0.00									500,000.00	1,000,000.00
Samaritan House Grant	153,174.00	0.00	0.00	153,174.00									306,348.00	627,000.00
Other Grants	0.00	2,328.98	3,870.00	1,214.34									7,413.32	20,000.00
Sequoia Hospital Foundation	0.00	0.00	0.00	315,083.00									315,083.00	630,166.00
San Mateo Medical Ctr.	0.00	0.00	0.00	0.00									0.00	2,000,000.00
Ravenswood-Belle Haven Clinic	0.00	0.00	0.00	0.00									0.00	500,000.00
Community Grants Program	0.00	0.00	0.00	0.00									0.00	1,340,000.00
Chronic Disease Management	652.52	1,339.59	2,683.07	244.22									4,919.40	20,000.00
SMART Program Grant	0.00	0.00	30,000.00	0.00									30,000.00	60,000.00
Total Grant Expenses	1,006,846.99	9,752.96	40,565.30	801,097.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,858,262.69	7,617,166.00
Program Expenses														
HeartSafe Program	15,000.00	1,855.79	8,676.67	2,182.13									27,714.59	134,300.00
HeartSafe Payroll	3,198.45	4,830.97	4,264.63	4,264.70									16,558.75	65,700.00
School Health Initiative	218,844.89	394,222.61	62,019.32	125,101.34									800,188.16	2,755,000.00
School Health Payroll	7,553.48	15,312.61	10,358.55	10,358.56									43,583.20	145,000.00
Total Program Expenses	244,596.82	416,221.98	85,319.17	141,906.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	888,044.70	3,100,000.00
Total Expenses	1,310,619.76	495,396.23	171,780.19	1,014,069.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,991,865.40	14,222,766.00
Net Surplus/Loss	(1,257,326.69)	(475,655.73)	(150,728.66)	1,104,039.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(774,671.61)	(474,090.00)

CEO Report: November, 2012
Lee Michelson

Programs/Grants

1. We have paid the first payment of \$1 million dollars for the South County Clinic rebuild. The project is moving forward with an expected opening in 2013.
2. The 10th year celebration of the Children's Health Initiative is scheduled for Wednesday, February 5th at 10am. Details are forthcoming.
3. Katie Kane, Kim Griffin and I are meeting with the nursing representatives again on January 8 to review their proposal. A special Board meeting may be held on January 23rd on this subject.
4. The next two Live Well Workshops are scheduled for February in Belmont and Foster City. I will be speaking about the program on December 1st at a health conference for African-American women.
5. The grants informational meetings for the 2013-14 grants will be held at our office on November 28 and November 30.
6. We are hosting the next Senior Roundtable at our office on November 29. Marie Violet of Sequoia Health and Wellness will be the featured presenter.
7. We will have an update on the Sequoia Hospital Transition-To-Home project at our February Board meeting.

Communications

1. More than 40,000 annual reports were mailed at a cost of 61 cents each which covers printing, postage and all other costs.

Financial Management

1. A comparison of our income to date compared to the same timeframe last year indicates that we have received \$2.1 million this year compared to \$2.2 million last year. On the expense side we have spent \$2.9 million so far this year, the same amount as last year. We traditionally do not receive our first tax check until November.
2. I have asked Sequoia Hospital for a three year EBIDA projection. I received the following information: 2013-14: \$2.1 million, 2014-15: \$1.4 million and 2015-16: \$2 million.

2012 Sequoia Hospital Campus Redevelopment Project Annual Report

Executive Summary

In accordance with the Development Agreement between then Catholic Healthcare West¹ and Sequoia Healthcare District, dated December 7, 2007, we are providing this annual report on the status of the Sequoia Hospital Campus Redevelopment Project for 2012. This report is required at the end of October of each year.

As of the end of April 2012, a new cost estimate was completed. The new estimate for the project is \$256 million (\$16 million increase) and is 6.67% higher than the original approval amount. It does not exceed 7.5% of the original \$240 million estimate (an \$18 million increase) as noted in section 3.5(iii) of the Development Agreement.

In accordance with Section 8.1 (e), Extension of Projection Completion Deadline, we note in this 2012 report that the project deadline of January 1, 2013 is being moved to as late as July 2013. This is driven by numerous delays in the permitting process and in the resolution of field condition/document changes with OSHPD. The table on page 5 of this report shows OSHPD permit delays, which have caused as much as 10 month's delay to the schedule. The table on pages 3 and 4 reports the projected completion date for the Pavilion, and reflects a 2 month delay from the projected completion date in the 2011 Annual District Report. The project completion date for SPC 2, Increment 1 is showing a 1 month delay from the 2011 report.

Section 8.1 (e) states "the project completion schedule in Section 2.2 shall be extended" for stated reasons. Section 8.1(e)(ii) provides that the project completion schedule is to be extended " for the period that any events beyond CHW's (now Dignity Health) control cause the project to be delayed, including *force majeure* events such as natural disasters, labor stoppages, materials shortages and delays in the permitting process, including OSHPD approvals, that are not caused by CHW (now Dignity Health)." This 2012 report clearly demonstrates that the extension requirements of Section 8.1(e)(ii) have been met.

Sequoia Hospital held a "Topping Off" celebration in October 2011. We are now working to complete the interior finishes of the Pavilion. This work is 63% complete. Work is also under way on various mandated structural and non-structural seismic upgrades to the existing hospital building. This work is 55% complete.

¹ As of January 23, 2012 Catholic Healthcare West changed its governance structure and name to Dignity Health. As a result of this change all references in this Annual Report, which are not direct quotes, to Catholic Healthcare West or CHW, have been changed to Dignity Health.

Project Milestones

Entitlement Process

Zoning for the redevelopment project was completed with adoption of a Precise Plan by the city of Redwood City. An amendment to the Precise Plan was prepared to allow flexibility in the 2940 Medical Office Building development, to clarify several points on distance measurements, and to recognize the addition of the Dining Pavilion to the Project. This amendment was submitted to the city of Redwood City on August 5, 2010.

In September 2009, a supplemental Parking Analysis and Management Plan, prepared by Fehr & Peers to support the amendment, were also submitted. Additional parking studies were requested by the city of Redwood City. The revised parking analysis has been completed and submitted to the city. An addendum to the Final Environmental Impact Report (EIR) recognizing the proposed changes to the Precise Plan has also been submitted to the City of Redwood City. On October 13, 2011, we were informed by our EIR Outside Counsel that the City will grant approval without the need to present to the Planning Commission or City Council, so this matter is now resolved.

Project Approvals

Dignity Health's Board of Directors approved the Development Agreement with the Sequoia Healthcare District and approved the project for \$240 Million on June 28, 2007. Final documentation was completed on December 7, 2007. Additional funding was secured for the new project cost estimate which increased the approved project budget to \$256 Million. This additional funding was approved by the Dignity Health Board on June 19, 2012.

Additional components have been added to the project to continue to stay on top of current healthcare technology trends. We are adding a hybrid cardiac operating room as well as a hybrid catheterization lab to the Pavilion. Furthermore, we have added funds to enhance the Emergency Department renovation and secured additional funding for new operating room monitors and anesthesia machines. These additional components total \$7.4 million and will be funded through Dignity Health/Sequoia Hospital routine capital dollars.

Parking Garage

The new parking garage, with the exception of the south entrance ramp, is complete. The garage was put into service in October 2009, with vehicle shuttles providing service to the main hospital temporary entrance. Completion of the garage access from Whipple Avenue will coincide with Pavilion completion.

Loading Dock Improvements

Construction began on September 8, 2009 and was complete in November 2010. This project was constructed in two phases and both phases are complete. The dock has been in use since November 2010.

Jurisdictional Permits

We received the following OSHPD permits during the year:

1. Buildings 1 and 3 SPC 2, Increment 4 Structural Upgrade permit on July 13, 2012. Time in OSHPD for review and permitting was 390 days.
2. Buildings 6, 8, 9, and 10 Voluntary Seismic Improvements, Increment 1 Structural Upgrade permit on June 19, 2012. Time in OSHPD for review and permitting was 534 days.

Hospital Pavilion

Hunt Construction Group (Hunt) is the General Contractor for the new Pavilion addition as well as the required Seismic SPC upgrades. As a major milestone, the Pavilion concrete structure was topped-out on October 20, 2011. We received the OSHPD permit for the interior finishes for the pavilion on August 31, 2011. The Pavilion finishes construction started on September 1, 2011. The interior finishes include all of the wall framing and finish, building mechanical, plumbing and electrical utilities and the Central Utilities Plant equipment. In addition, the medical equipment/clinical technologies equipment utilities, supports and bracing are being installed. As noted above, the project is 63% complete and is scheduled for substantial completion on May 10, 2013. We anticipate moving patients into the New Pavilion in early July 2013.

SPC/NPC Seismic Retrofit

SPC Increment 1 documents for buildings 1, 2 and 3 were complete and submitted to OSHPD on October 7, 2008. This permit was received in April 2011, resulting in a 14 months delay to the projected construction start date that was reported in the 2009 District report. The architectural and engineering group sought and received the early release of the first floor of the project from OSHPD which minimized additional delay to the overall project timeline. Rework of the phasing plan to maintain overall project schedule has been undertaken two additional times this past year. This permit delay translated into direct overall Pavilion tower construction completion delays as well. At OSHPD's request, we have had to create an additional increment - SPC 2 Increment 4 - which was permitted this year and is the detail design of all of the corridor connections and interfaces with the new Pavilion and the existing hospital.

Optional approaches, under the state HAZUS program, for SPC 2 seismic strengthening for Buildings 5, 6, 8, 9, and 10 were submitted to OSHPD and have received preliminary approval. The buildings were re-engineered based on the HAZUS approach and were submitted to OSHPD as a Voluntary Seismic Improvement (VSI) package. The project team worked with OSHPD to get Building 5 re-rated to an SPC 2 rated structure which eliminated all strengthening in that building; OSHPD approval was received on July 25, 2012 which means

Building 5 is acceptable for use until January 1, 2030. Additionally we have begun the process of getting Building 3 re-rated to an SPC 2 structure which again would mitigate all of the required strengthening to this building; we anticipate receiving OSHPD approval by December 31, 2012. Buildings 4 and 7 are currently SPC 2 rated and acceptable for use until January 1, 2030.

We have also started the process of getting all existing campus buildings Non-Structural Performance Classes (NPC) re-rated to NPC 3 or better. The retrofit of these buildings has begun. Buildings 3, 4, 5 and 7 will have all required documents submitted to OSHPD by December 1, 2012 for reclassification. OSHPD has advised that these buildings should be re-rated to NPC 3 by December 31, 2012. The remaining buildings have extension requests submitted to defer the required re-rate until December 31, 2014.

Project Construction Schedule and Projected Completion Dates

Project Description	Construction Start Date	Certificate of Occupancy (Forecast)	Construction Complete %	Change in Projected Completion Date Since 2011 Annual District Report
Parking Structure	April 2008	October 2009	100%	Complete
Loading Dock	September 2009	November 2010	100%	Complete
Exterior Prep and Make Ready inc Site Work	March 2010	(October 2012)	100%	Complete
Sitework	June 2009	(November 2012)	90%	4 Month delay
Pavilion	July 2009	(July 2013)	85%	2 Month delay
Kitchen/Dining	May 2010	(April 2013)	82%	9 Month delay
SPC 2, Inc 1	November 2010	(November 2013)	55%	On Schedule
VSI Projects	October 2012	December 2013		On Schedule
NPC 3, Inc 3	March 2011	(May 2013)	68%	1 Month delay
Emergency Dept.	February 2012	(December 2013)	0%	3 Month delay

As of the date of this report (October 2012), the completion date for the most important aspect of the project, the new Patient Pavilion, has been delayed by an additional 2 months. Delays in resolution of

OSHPD change documents and new OSHPD project tracking software have caused this delay. In the 2008 report to the District, we estimated construction of the Pavilion would be completed by April 2012. In the 2009 report, the projected completion date of May 2013 reflected the additional time to commission the building systems. The current completion date of July 2013 reflects the impact of OSHPD delays in issuing permits (stated above) as well as additional complications with changes in several members of the OSHPD field staff this year.

Of particular note, the renovation of our kitchen area presented significant challenges. Unforeseen conditions after demolition required work to stop, alternative means of compliance to be developed by architectural staff, and OSHPD review with permits issued over time. Examples of these unforeseen conditions include underground utilities that were non-functional and not code compliant, HVAC system duct work and forced air fan units that were non-compliant, and a non-compliant electrical distribution system.

By refining the phasing and conducting disruption planning for the Pavilion and seismic upgrade projects, OSHPD delays have been minimized. This required numerous and significant revisions in the Pavilion, SPC and NPC projects schedules and work areas. It has also meant department relocations that were not anticipated (or desired) and added cost and complexity.²

The table below shows the delays as they currently stand in the OSHPD approval process. The final project impact will be assessed when the remaining permits are issued.

Project	Original OSHPD Submission Date	2011 Projected Permit Date as of last District Report	Permit Received Date	Current Projected Permit Date	Project Delay due to Agency Approval
Loading Dock	November 2007	Permitted	October 2008	Permitted	5 Months, due to EIR
Exterior Prep and Make Ready	May 2009	Permitted	March 2010	Permitted	5 Months
Pavilion, Inc 1 (Foundation and shell)	December 2008	Permitted	August 2010	Permitted	10 Months
Pavilion, Inc 2	February 2009	Permitted	August 2011	Permitted	10 Months

² Additionally, it is important to note that during this effort, the California State financial crisis has again required OSHPD to periodically furlough staff which is part of the reason our resolution of ongoing OSHPD issues has been protracted.

(Interiors)					
Kitchen Remodel and Dining Addition	December 2008	Permitted	May 2010	Permitted	9 Months, w/SPC Inc 1 permit
SPC-2 , Inc 1 Bldg's 1,2, & 3	October 2008	Permitted	April 2011	Permitted	10 Months
SPC-2, Inc 2 Bldg's 5,6,8,9 &10	December 2009	Cancelled – replaced w/VSI	Cancelled - HAZUS evaluation	Cancelled – replaced w/VSI	Cancelled – replaced w/VSI
NPC-3R, Inc 3	December 2008	Permitted	August 2011	Permitted	8 Months
Voluntary Seismic Upgrades (VSI), Increment 1 Buildings 6 - 10	December 2010	November 2011	June 2012	Permitted	7 Months
Voluntary Seismic Upgrades (VSI) , Increment 2 Buildings 6 - 10	October 2012	N/A	TBD	May 2013	Currently on Schedule

Project Budget Estimate

In our 2009 Annual Report, the possibility that the downturn in the overall economy would translate into savings on the cost of materials and labor was mentioned. This proved to be correct and the bids for the kitchen, dining, pavilion, SPC and NPC construction came in below the estimates. OSHPD delays have, however, added cost to the project by extending the costs for the general contractor and sub-contractors.

In 2012, OSHPD has mandated a \$250 fee for each OSHPD change order that it processes. Since this cost was not required when the project was budgeted, a forecast of this cost has been generated. All of these additional costs have been included in the recast of the Opinion of Probable Costs which was approved by the Dignity Health Board June 2012. The Project Team continues to work closely with all consultants and contractors on managing the project budget and schedule aggressively and effectively.

We have started purchasing furniture, fixtures and equipment (FFE) and the medical equipment/clinical technologies equipment (CT Equipment) to align with the Pavilion anticipated move in date. The FFE is 100%

purchased and CT Equipment is 95% purchased. So far, these purchases have been within the previously forecasted/approved budgets and required no additional funding.

Dignity Health will continue to report on schedule and cost issues as provided in the Development Agreement. The OSHPD permit delays and varying field condition resolution delays have been troubling and the final impact on both the project schedule and budget will continue to be monitored and mitigated where possible.



Healthy Schools Initiative

Activity Summary for October- November 2012

Pamela

Thinking ahead- Talks with Superintendents of the school districts we are currently supporting are being scheduled for mid- December through mid-January. Lee and I will meet with each to discuss SHD's potential continued financial support, the school District's desire and need for continued support, their priorities around school wellness, their commitment to the health and wellness of their school communities, and their commitment to the goals and objectives of HSI. Discussions with the additional 4 public school district Superintendents will take place in February. A school health subcommittee will be formed to be utilized during the planning phase of the program whose role will be to: provide oversight to the program; 2) make recommendations for future directions; 3) assist in identifying possible issues of concern. Prospective representation will include Lee, Pamela, Jennifer, two SHD board members, and one community member who holds a diverse point of view concerning this project.

Gardner Center- We welcome the JGC researchers to our December 5th Board meeting to present their final report and briefing on the Healthy Schools Initiative! The information we learn from this study will be tightly linked to our strategic planning moving forward.

HSI Grants 2012 and 2013- Mid-year reports are due for the 2012 Healthy Schools Initiative Grants on January 18th. I am conducting site-visits as part of the mid-year evaluation process and Board members are welcome to join me on any visit. A summary of the reports will be provided to the Board in the February staff report. Planning for the 2013 grants cycle is underway. Public information sessions are scheduled for December 11th and 13th here at the SHD offices. Letters of intent for HSI grants will be due on Jan 25th.



Informal feedback from school administration, principals, teachers, parents, and students regarding the PE+ program has been extremely positive thus far. A survey will be given to teachers in mid-December to assess satisfaction with specific components of the program and the data will be used to modify and continuously improve the program. The John Gardner Center will focus on developing and administering a formal evaluation of the PE+ program in year 3 of their contract.

American School Health Association Conference- I attended the conference on Oct 8- 12, 2012 in San Antonio, Texas. The conference covered a variety of relevant topics that can be applied to enhance HSI objectives.

Jennifer

Program Development- Completed work plan for 2012-13 and aligned with Strategic Plan goals. Works in progress include; the development of the "Grow Note" for the 1-2-3- Let's Grow! Project; the development

of PE+ nutrition program including site visits and nutrition training for coaches of the PE+ program; working with all Wellness Coordinators to develop a plan for technical support to the school districts particularly around Rethink Your Drink/Drink Water campaign and staff nutrition training. **One additional major accomplishment** includes the organization and facilitation of a food, garden, and nutrition partner meeting for Redwood City and Sequoia Union High School Districts. The meeting was facilitated with the wellness coordinators and outside partners to meet each other, share projects for the school year, determine the depth and breadth of services offered, and improve coordination and collaboration. Twenty-two people attended the meeting, representing sixteen organizations.

Highlights from our school district partners-

- **San Carlos-** We welcome a new Wellness Coordinator, Mindy Hill, who comes to the SCSD with a wealth of qualifications and diverse experiences who will be a fantastic addition to the team of Coordinators. She will begin her new role in the first week in December.
- **Sequoia Union-** A multitude of activities are taking place at the high school district. Most notable is Karen Li's extraordinary commitment to directing the MAC Committee (Mental-health Advisory Committee) which is focusing on alcohol and other drugs (AOD), bullying, stress, homelessness, and suicide prevention. Karen is partnering with the "Bully" project, Nicholas Carlisle of No Bully's Restorative Justice Model, Respect! 24/7 of the SMCOE, and Facebook on anti-bullying efforts. The wellness committee is also thriving where Karen is encouraging a broader, more diverse WAC (Wellness Advisory Council) membership, with active recruitment from the outside community and members of the Board of Directors. Senator Jerry Hill and Assemblyman Rich Gordon are scheduled to attend the meetings in November and December.
- **Redwood City-** The OktobeRun, Redwood City Education Foundation's Community Event on Oct 13th, brought participation from EVERY school in RCSD due in large part to the no-cost entries available to our students from RCEF and SHD. It was amazing to see the joy on the faces of a family with the opportunity to run together that would never had the chance without the scholarships. Andrea Garen's work with the Community Health Promotion Event at the Fair Oaks Community Center Flu Clinic on Nov 10th was the best attended flu clinic in San Mateo County. "The response to the school district's communications to parents was indeed overwhelming. Staff vaccinated about 260-270 people. We want to thank you and others in the district for getting the word out about the flu vaccine clinic. Truly, the flu vaccine clinic at Fair Oaks Community Center was the most successful clinic this season." - Robyn Zeigler, San Mateo County, Immunization Program.
- **Belmont- Redwood Shores-** With limited funds for PE, BRSSD contracted with one of our grantees (Footsteps), to provide PE to children at all elementary schools 1 day every other week, and to provide "embedded staff development" which trains teachers to teach PE between sessions with the PE teacher. The teachers reported feeling enthusiastic about teaching PE because they now have the skills and confidence to do a great job at it and the children really look forward to it- and benefit from it.

HeartSafe Program

Activity Summary for October & November 2012

HeartSafe Region Task Force Meetings

Attend and participate in regional planning and support.

Maintenance of Existing Units (new batteries, electrodes, etc.)

Hawes School Griffin Sports Field

Orion School Taft School

Adelante School

New AED Placements

- 1) Church of the Epiphany

AED Placements In-Progress (application stage, site visits, etc.)

- 1) Bohannon Industries * (new locations)
- 2) City of San Carlos City Hall

AED / CPR and In-Service Trainings

- 1) Bohannon Industries*
- 2) Kennedy Middle School
- 3) Redwood City School District Nurses
- 4) Audubon School
- 5) Salvation Army
- 6) Siena Center
- 7) St. Francis Center
- 8) Lions Club
- 9) San Mateo County Controller's Office

Scheduled Trainings

- 1) Redwood City School District
- 2) Sequoia Union High School District – Freshman students and staff
- 3) Church of the Epiphany

* AED(s), accessories and training purchased by client

Agenda Item 5.b
Board of Directors Mtg. 12-5-12

At the time of this mailing, certification of election results had not been received from San Mateo County and will be presented at Board meeting.

RESOLUTION NO.: 12-3 DATED: 12-5-12 Date 12-5-12

A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF INSURE
WORKERS' COMPENSATION LIABILITIES

At a meeting of the Board of Directors
(enter title)

of the Sequoia Healthcare District
(enter name of public agency, district),

a health care district
(enter type of agency) organized and existing under the laws of the State of California,

held on the 5th day of December, 2012, the following resolution was adopted:

RESOLVED, that the Chief Executive Officer
(enter position titles)

be and they are hereby severally authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities on behalf of the

Sequoia Healthcare District
(enter name of district)

and to execute any and all documents required for such application.

I, KATHLEEN KANE, the undersigned SECRETARY
(enter name) (enter title)

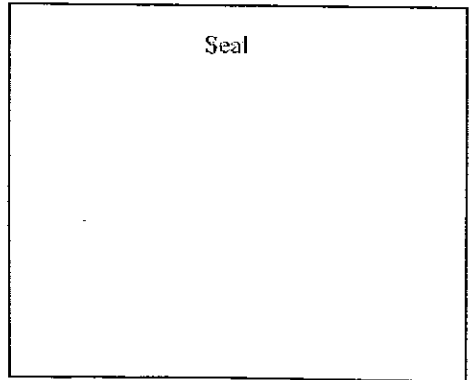
of the Board of the said Sequoia Healthcare District
(enter name of agency),

a health care district, hereby certify that I am the SECRETARY
(enter type of agency) (enter title)

of said health care district, that the foregoing is a full, true and correct copy of the
(enter type of agency)

resolution duly passed by the Board at the meeting of said Board held on the day and at the place therein specified and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.

IN WITNESS WHEREOF: I HAVE SIGNED MY NAME AND AFFIXED THE SEAL OF THIS



health care district
(enter type of agency)

THIS 5th DAY OF December, 2012

(Signature)

October 2, 2012



Janeene Johnson
Executive Coordinator
Sequoia Healthcare District
525 Veterans Blvd.
Redwood City, CA 94063

**RE: Sequoia Healthcare District
ALPHA Fund JPA Full Coverage Proposal
November 1, 2012**

Dear Janeene:

We are pleased to present to you, our proposal for SEQUOIA to join ALPHA Fund effective January 1, 2013.

Unlike an insurance company, ALPHA Fund is a California Joint Powers Agency whose anniversary date of July 1 is common to all of its Participants. Also, unlike an insurance company, we do not issue policies. Our mutually binding contract is our Joint Powers Agreement, a copy of which is attached. As stated in the Joint Powers Agreement, a Participant's membership is for one year at a time, except for newly joining Participants who may initially enter ALPHA Fund for a period of less than one year. For SEQUOIA, this means that we will affect coverage beginning *November 1, 2012 through June 30, 2013*, to keep with the common July 1 anniversary date, and then automatically renew coverage from July 1, 2013 through October 31, 2013, thereby offering twelve (12) month terms. We would then offer renewal terms from November 1, 2013 through June 30, 2014, then annually on July 1 thereafter. This arrangement creates the anniversary date of July 1, and will be concurrent with all ALPHA Fund Participants. This also keeps us in compliance with the "one year at a time" provision of our Agreement.

Full Coverage Proposal

The Quote Page of this proposal details our \$0 Deductible, Guaranteed Cost proposal.

Ex-Mod

As the quote shows, ALPHA Fund has applied the Ex-Mod of 1.00 for this first annual term. Before first renewal, ALPHA Fund will calculate and communicate to you the new Ex-Mod and rates, and will then apply the newly calculated Ex-Mod and rates. We will then calculate an Ex-Mod every July 1st thereafter.

Payment to Bind and Payment Plan

We will require a deposit in order to bind this option. The deposit is due before November 1, 2012. The remaining installments are due on the first of each month, and late payments are subject to ALPHA Fund's standard collection policy (attached). Invoices are mailed during the last week of the preceding month, and a payment is considered late if it is received by ALPHA Fund more than 20 days from the date of invoice.

Payroll Reporting

Ongoing, SEQUOIA will report to us the actual payroll on a semi-annual basis, December 31 and June 30, and we will "true-up" the estimated payroll to actual reported payroll for each six-month period. This "true-up" amount will be used as a basis for contribution installments for the next six months, and we will then "true-up" again in June. Any shortfall or overage adjustment will be reflected in the following month. In June of each year, we will request from SEQUOIA an estimate of next year's estimated payroll.

ALPHA Fund Safety in Action Program (ASAP)

Under the Full Coverage/\$0 Deductible Proposal Option, SEQUOIA has available an ASAP Account. The goal of ASAP is to help Participants eliminate injuries and illnesses in the workplace by assisting in the implementation of effective safety interventions. Participants are allowed to use ½ of 1% (0.5%) of contributions for this purpose, (split between ALPHA Fund's fiscal years 2012 and 2013) to purchase equipment or support loss prevention activities that will substantially reduce or eliminate workplace injuries and illnesses.

Volunteers

Should you desire coverage for your volunteers or student nurses, please be advised ALPHA Fund does not cover volunteers or student nurses for workers' compensation benefits. We have transferred the risk of volunteers and student nurses to an American Hospital Association endorsed program, written through CIGNA Group Insurance. Because ALPHA Fund understands how important volunteers and student nurses are to your operations, we have identified this alternative program for our membership. The program offers flexible benefit levels and *significant cost savings* in premiums and provides for optional coverage for auxiliaries and board members. The program does not provide indemnity coverage and will not affect your "Ex-Mod." This decision was approved by our Participants in order to prevent losses of volunteers from affecting the Pool's loss experience and "Ex-Mods." Information regarding this program is available upon request.

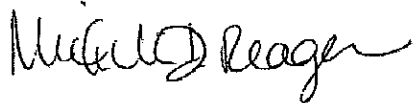
As with all Participants of the ALPHA Fund, claims administration, loss prevention services, and tuition for all ALPHA University programs are included in the program.

Binding is subject to the following:

1. **Receipt** of Payment to bind coverage
2. **Receipt** of Signed Joint Powers Agreement
3. **Receipt** of Fully Completed, Signed and Sealed Board Approved Public Entity Application for Certificate of Consent to Self-Insure and Board Resolution

Please call us if you have any immediate questions regarding any aspect of this proposal. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele D. Reager". The signature is written in a cursive style and is positioned above a vertical dashed line.

Michele D. Reager, CPCU
Director of Underwriting

Enclosures

Agenda Item 5.d
Board of Directors Meeting 12-5-12

Annual Investment Review: **Handout at meeting**

Agenda Item 5.e
Board of Directors Meeting 12-5-12

Consider Increasing Premium Amount Allowed For Health Care and Dental Insurance For
Directors And Staff: **Verbal**

3.01 Employee Categories

It is the intent of the District to define employee categories so that employees understand their employment status and benefit eligibility. Employee categories do not guarantee employment for any specified period of time.

Each employee is designated as either exempt or non-exempt under federal and state wage and hour laws. An employee's designation as exempt or non-exempt may be changed only upon written notification by the District.

Exempt employees (including employees in administrative, executive and professional capacities) are paid on a salary basis and do not receive overtime pay. Exempt employees generally work at least forty (40) hours per workweek and are therefore usually eligible for the District benefit package, subject to the terms, conditions and limitations of each benefit program.

Non-exempt employees are entitled to overtime pay under the specific provisions of federal and state laws.

Each employee is assigned to one of the following categories:

- Regular Full-Time: Employees who work forty (40) hours per workweek on a regularly scheduled basis are considered regular full-time employees. Full-time employees are eligible for the District's benefit package, subject to the terms, conditions and limitations of each benefit program. They are covered by statutory benefits required by state or federal law and leaves of absence in accordance with current District policies.
- Regular Part-Time: Employees who work a regular schedule of less than forty (40) hours but a ~~minimum of more than~~ twenty (20) hours ~~or more~~ per week on a continuing basis are considered regular part-time employees. Part-time employees are eligible for the District's benefit package, subject to the terms, conditions and limitations of each benefit program. They are covered by statutory benefits and leaves of absence required by state or federal law.
- Short-Hour: Employees who work a regular schedule of less than twenty (20) hours per week on a continuing basis are considered short-hour employees.

Eligibility for most benefits require successful completion of the Introductory Period.

3.02 Personnel Records

It is an employee's responsibility to notify the office of the District when any of the following changes are made:

- Home address or telephone number.
- Legal name.
- The name and address of the person to notify in case of emergency.
- Marital status and number of dependents.

4.01 Pay Periods

Employees are paid on a bi-weekly basis and there are 26 pay periods per year. When the pay date falls on a holiday, the paychecks will be distributed the last scheduled business day preceding the holiday. **Employees are encouraged to use automatic deposits to a designated checking account for the receipt of their payroll.**

In order to allow for the processing of the payroll, hours are reported prior to the end of the pay period. Any adjustments to an employee's regular hours of overtime will be processed on the following pay period.

An employee may make arrangements for distribution of a paycheck that occurs during an employee's vacation, provided the written request by the employee is submitted to the CEO at least three (3) working days in advance of the commencement of the Employee's vacation.

Errors in pay must be reported promptly to the CEO.

Please notify the District immediately if your paycheck is lost or stolen.

4.02 Regular Work Hours

Our workweek runs seven (7) consecutive days, starting Monday at 12:01 a.m. Our workday starts at 12:01 a.m. each day.

Employees may also be scheduled for less than a full schedule of days per week, hours per day, or for non-consecutive days. The District does not guarantee full employment or retention of assigned schedules.

4.03 Overtime

The nature of our business requires occasional overtime work. Every effort will be made to provide you with advance notice of any overtime that will be required of you. All overtime work for non-exempt employees must be approved in writing by the CEO before the workday is extended. In the event that overtime is necessary, non-exempt employees will be compensated as required by applicable law. An employee who works unauthorized overtime may be subject to disciplinary action.

Non-exempt employees are eligible for one and one-half (1-1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday, all hours worked in excess of forty (40) hours in any one workweek, and for the first eight (8) hours worked on the seventh (7th) day of work. Non-exempt employees are eligible for double their regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) day of work in any workweek.

Paid time off for any reason, such as holidays or vacation, will not be considered as hours worked for the purpose of computing overtime pay.

While it is objective of the District to provide a benefit package that is competitive and protects employees and their families, the following benefits are subject to change at the sole discretion of the District.

5.01 Paid Time Off

The District's policy is to provide Paid Time Off (PTO). The program was established to provide employees a greater degree of flexibility in the use of time. Full-Time and Part-Time employees are eligible to participate in the PTO program. Part-Time employees will accrue PTO on a pro-rated basis, based on their regularly scheduled hours. The PTO schedule is set forth below is subject to change at the District's discretion, with or without notice.

PTO hours will accrue bi-weekly pay period schedule is as follows:

0-4 years	6.45 hours per pay period
5-9 years	7.99 hours per pay period
10+ years	9.53 hours per pay period

Employees are encouraged to take their earned PTO in a timely fashion, as the District feels employees need time away from the job for rest and relaxation. No PTO is accrued after the maximum annual allowable hours of three hundred twenty (320). Therefore, the employee who reaches the maximum annual accrual does not earn any future PTO accrual until a portion of the balance is used. The maximum consecutive hours of PTO an employee may request is one hundred sixty (160).

5.02 PTO Guidelines

An employee must submit their request for PTO to the CEO for approval. Every effort will be made to grant employees their request, in the event two requests are received at the same time, ~~PTO vacation~~ will be granted in seniority order. The rate of ~~PTO vacation~~ pay is the regular straight-time pay rate. ~~PTO Vacation~~ *must be taken in a minimum of one (1) hour increments.*

~~PTO Vacation~~ is paid at your base rate of pay, exclusive of overtime or bonus. In the event that a payday falls during your ~~PTO vacation~~ period, you may request an advance paycheck at least three (3) working days in advance of the commencement of your ~~PTO vacation~~ and in writing signed by the employee.

A paid holiday, which falls during your ~~PTO vacation~~, will be paid as a holiday.

~~PTO Vacation~~ is not earned or accrued during an unpaid leave of absence, unless otherwise required by law. ~~An employee may request a PTO cash-out of no more than 50 hours per calendar year to be approved by the CEO. Upon termination of employment, the PTO balance will be paid to employee. The District does not provide pay in lieu of vacation, except upon termination of employment.~~

5.03 Extended Sick Leave

~~As part of the District's welfare benefits for employee's, after completion of the Introductory Period, the District compensates Full-Time and Part-Time employees with time off as a result of illness. Part-Time employees will accrue sick leave on a pro-rated basis, based on their regularly-scheduled hours. Sick leave benefits are intended to provide income protection in the event of an actual illness, injury or for you to receive medical care, treatment or diagnosis.~~

Paid Time Off (PTO) is to be used for up to three consecutive days off as a result of illness, injury or for the employee to receive medical care, treatment or diagnosis. Employees will be eligible for Extended Sick Leave (ESL) to cover personal illnesses exceeding three (3) consecutive workdays. Full-Time Employees will accrue 1.85 ESL hours per pay period and Part-Time employees will accrue ESL on a prorated basis based on their regularly scheduled hours. No ESL is accrued after the maximum annual allowable hours of one hundred twenty (120) hours. Therefore, the employee who reaches the maximum annual accrual does not earn any future ESL accrual until a portion of the balance is used.

Because paid ~~ESL sick leave~~ benefits are intended to provide income protection in the event of an actual illness or injury, unused paid ~~ESL sick leave~~ benefits cannot be used for any other paid or unpaid absence and no compensation for accumulated ~~ESL sick leave~~ will be paid at the time of termination of employment or retirement.

The District may require the certification of a physician from employees on a **extended** sick leave of three (3) consecutive days or more. However, if there is reason to suspect abuse of this sick leave benefit, the District reserves the right to request proof of illness at any time.

5.04 Holidays

The District provides paid holidays for regular Full-Time and Part-Time employees who have completed their Introductory Period. Part-Time employee's holiday pay will be pro-rated based on their regularly scheduled hours.

The holiday schedule is determined and posted each year, but generally includes:

- New Year's Day
- Martin Luther King Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Eve Day
- Christmas Day
- One Floating Holiday

Holidays occurring on Saturday are observed on the preceding Friday, and those occurring on Sunday are observed on the following Monday.

5.05 Medical Insurance

~~Healthcare and dental~~ ~~Medical~~ insurance is provided for regular Full-Time and Part Time employees and their dependents up to a maximum of One Thousand Two Hundred Dollars (\$1,200.00) per month.

More detailed information is set forth in the official plan documents and insurance policies that govern the plans. The various benefits set forth in this handbook are explained in more detail in separate documentation pertaining to each category or type of benefit.

Participation in the medical insurance program begins on the first day of the month following a successfully completed Introductory Period which usually is 90-days long. An employee must be actively at work in order to begin participation. Otherwise, an employee's insurance will begin on the date he or she returns to work (providing the above service requirement has been met).

It is required that an employee notify the CEO immediately of any changes in family status due to marriage, divorce, acquiring a new dependent or when a child is no longer an eligible dependent due to attainment of the maximum age, loss of college student qualification or marriage.

Should an employee lose his or her eligibility for the medical insurance plan (due to reduction of hours, termination, etc.) an employee may have the right to continue coverage for a temporary period of time on a self-pay basis. The Consolidated Omnibus Budget Reconciliation Act ("Cal-COBRA") requires this continuation option for employer-sponsored group insurance plans.

Additionally, this continuation may be available to covered dependents that lose eligibility due to divorce or attaining maximum age (children). It is the Company's responsibility to notify your dependents of the availability of continued coverage; however, in order for us to do this, it is your responsibility to notify us of any change of status.

Continuance of medical insurance coverage is also available through a conversion policy. This conversion can be elected either at the time you terminate and do not elect Cal-COBRA continuation or at the end of your Cal-COBRA continuation of benefits.

Employees who opt out of health care coverage will receive Four Hundred Dollars (\$400.00) per month remuneration.

5.06 Educational Reimbursement

The District will reimburse employees for tuition and registration fees for preapproved seminars and programs related to the employee's responsibility. Approval for attendance must be approved by the CEO. Full time employees will be allowed up to three (3) days off with pay for professional education. Part time employees shall receive pro-rated leave based on the number of hours worked in relation to full-time hours.

5.07 State Disability

The District is a participant in the disability plan offered by the State of California. The purpose of the SDI program is to partially compensate you for wages lost if you are unable to work due to illness or injury not caused while working. The amount of your weekly benefit is determined by your wages. All employees, except contract employees, participate in this program through a payroll deduction.

In order to receive SDI benefits, your disability must last at least eight days and you must file a timely claim. Forms and information are available from your local State Disability office or your doctor. In the event a benefit eligible employee qualifies for SDI, the District will coordinate their SDI benefit with any accrued sick leave.

5.08 Retirement 401(k)

The District offers employees who have successfully completed their Introductory Period eligibility to participate in a 401(k) retirement program. This gives an employee the opportunity to build up additional and substantial saving intended for use after retirement. It is a voluntary program and tax smart. You defer state and federal income taxes on the money you put away for your future.

The District will match three percent (3%) of your contribution and one half (½) of your contribution up to four percent (4%).

5.09 Social Security Retirement Benefit

Social Security also provides a monthly lifetime benefit when you retire. The amount of this benefit is based on an employee's earnings over their working career and the number of years an employee is covered by Social Security. The employee and the District pay equal amounts of taxes while you're working here.

5.10 Health Club Membership

The health of our employees is of concern, and the District will allow reimbursement for gym membership or other approved fitness program up to Forty Dollars (\$40.00) per month upon receipt of proof of enrollment in a health club.

5.11 Workers' Compensation

The District provides Workers' Compensation Insurance for all employees. This insurance provides an employee with medical care and cash compensation in the event of injury or disease resulting from employment.

If an Employee is injured while working, the Employee is responsible for reporting the injury to his or her supervisor immediately, regardless of how minor the injury might be.

Statement will be provided as a handout at Board meeting.