

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

BOARD OF COMMISSIONERS

Regular Meeting

Hybrid: In-Person at Verdant Community Wellness Center and via Zoom

March 27, 2024

8:00 a.m.-10:30 a.m.

**Commissioners
Present**

Karianna Wilson, President
Carolyn Brennan, Secretary
Deana Knutsen, Commissioner
Jim Distelhorst, MD, Commissioner
Bob Knowles, Commissioner

Staff

Dr. Lisa Edwards, Superintendent
Riene Simpson, Director of Finance
Ceil Erickson, Director of Community Impact
Kaysi Caballero, Executive Assistant/Office Manager
Nancy Budd, Community Social Worker
Annika Sahota, Community Engagement Specialist
Humaira Barlas, Fiscal Specialist
Kirk Mathis, Digital Marketing & Communications Manager
Olia Josiah, Wellness Center Assistant

Guests

Courtney Amonsens, State Auditor's Office
Kirk Gadbois, State Auditor's Office
Jan Culp, ChildStrive
Snow Berger, ChildStrive
Rod Shutt, Prescription Drug Assistance Network
Ania McCleary, Madison West
Rob Weber, Carney Bradley Spellman Law
Howard Thomas, HT Consulting

Call to Order

The regular meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:00 a.m. by President Wilson.

**Land and
Enslaved People's
Acknowledgement**

President Wilson read the acknowledgement.

Consent Agenda

Commissioner Distelhorst made a motion to approve all items included on the consent agenda, Commissioner Knutsen seconded. Motion passed.

Consent Agenda (E:18:24)

1. Approval of Minutes:
 - a. February 28, 2024 Regular Board Meeting
2. Approval of Updated 2024 Board Meeting Calendar

Commissioners Meeting
March 27, 2024

3. Superintendent's Discretionary Request: Millenia Ministries

Public Comment

Snow Berger, ChildStrive: Administrator for Nurse Family Partnership (NFP) program. The commitment of Verdant in 2011 has been instrumental in the continued success of the program. This program is backed by 45 years of research and data. The NFP Program increases pregnancy and maternal health outcomes, decreases infant mortality rates, and improves child development. They received funds from the home services account through the state and Snohomish County and apply these funds to specific portions of Snohomish County. Federal billing only covers a fraction of the services they provide and Verdant's funding has helped cover the rest of their services. They welcome and appreciate all new funding opportunities. She thanked Verdant again for their support.

Executive Committee Report

President Wilson reported that Executive Committee met on February 13th to approve the agenda for today's meeting. No action was taken at the Executive Committee meeting.

SAO Audit Report

Mr. Gadbois provided a background of the state auditor's office work and their services for government entities (E:19:24). They recently completed a two-year accountability audit for the period January 1, 2021 through December 31, 2022. Ms. Amonson reported, in brief, that Public Hospital District #2 had a clean accountability audit and has been utilizing its public funds properly and there are no concerns with operations. They performed a risk-based audit approach to examine the following areas – compliance with community grants, procurement, payroll, self-insurance for workers compensation, accounts payable, financial condition, open public meetings. There were no official recommendations to discuss regarding this audit. She explained that the SAO audit also reviewed the findings of the District's financial statement audit by Moss Adams and found no concerns about its quality.

Commissioner Wilson asked Ms. Amonson why we are going back to a one-year audit and what is the process to request a two-year audit?

- Ms. Amonson answered that a one-year audit is part of their policy due to the size of the District, based off our amount of revenue (over \$10 million per year). Mr. Gadbois added that they do one-year audits for the public as well so there are timely results available for the public to keep track of government spending.

Commissioners Meeting
March 27, 2024

Commissioner Wilson asked if Mr. Gadbois knew the expectation of the amount of work to be involved in the annual audit and the time to respond to their requests?

- Mr. Gadbois said they do not have an estimate since they don't know how each entity keeps track of their processes and the amount of work involved in responding to the audit. Ms. Amonsens added that a two-year audit is more extensive than the regular one-year audit so they expect it will take longer to respond.

Commissioner Wilson asked the SAO auditors if they will be auditing policies and procedures every year?

- Ms. Amonsens answered, yes.

Commissioner Knutsen asked the SAO auditors to confirm the period for the Fall 2024 audit and when that field work will begin?

- Mr. Gadbois answered that the SAO office is getting caught up on auditing federal COVID funding and they are working on moving the schedule from Fall to Fall which will provide a 10-month break between each audit cycle. For Verdant, they will begin the next audit for the 2023 period in Fall 2024.

Commissioner Wilson asked the SAO auditors to refresh her memory of when this 2021-2022 accountability audit started and when it ended?

- Ms. Amonsens answered that field work started in January 2024 and they wrapped up in March 2024 for this two-year audit period.

Superintendent's Report

Verdant Operations

Dr. Edwards introduced two new Verdant staff members. Chase Toscano was hired as Contracts Manager and recently attended the annual PEAK Northwest conference where he was fully immersed in all things funding. Kyla Morgan was hired as Interim Executive Assistant/Office Manager and will cover Ms. Caballero during maternity leave. She added that Ms. Sahota, Community Engagement Specialist, has recently accepted an offer for South Texas University to join their MD-PhD program to become an OB/Gyn doctor. The Verdant team is excited for her to begin medical school this summer. Dr. Edwards thanked the finance team for their heavy lift in providing all the reports needed for the two-year SAO accountability audit.

Dr. Edwards added that the District is commencing with construction work for its Kruger Medical Clinic remodel project.

Commissioners Meeting
March 27, 2024

The general contractor for this project will be storing some of their materials at our Value Village property. Verdant is moving forward with the invitation to bid for signage at the remodeled Kruger Clinic, then furniture invitation to bid will be next. Verdant is also in contract phase for the Verdant Community Wellness Center reception area remodel which we hope will begin in April 2024. The environmental impact study work at the old Value Village property is also underway. Dr. Edwards thanked our architectural consultant Ania McCleary who has been helping us monitor these various property projects and keep us on budget.

Community
outreach Update

Dr. Edwards thanked Commissioner Brennan for attending the Lynwood Rotary presentation on March 7th. Dr. Edwards and Commissioner Distelhorst will present at the Edmonds Waterfront Center annual member meeting later this afternoon.

**Program
Committee Report**

Conflicts of Interest None.

General Updates

Ms. Erickson reported that she has been talking to the contract awardees for our recent Spring 2024 cycle to ensure they are aware of the new 9-month funding period and outcome and budget reports needed from their organization. Spring 2024 contracts should all be signed by April 15th. She added that Verdant recently hosted its Verdant Partner Roundtable on March 22nd where we were able to sit down with our partners and talk about the recent Verdant funding changes. She thanked Commissioner Distelhorst for his attendance.

Commissioner Wilson asked if the Verdant Partner Roundtable (VPR) is effective in helping partners network with each other? She wonders if we should continue this format and if it is beneficial for our partners and having Verdant host? She asked if Verdant will continue to host this once per quarter?

- Dr. Edwards answered that there is a large turnover of staffing with non-profit partners so VPR gives them an opportunity to network with each other as there may be new staff who are not aware of all that happens in our community. She added that as of right now, Verdant is planning to host this quarterly as it is a great opportunity to replenish connections and update them with changes on funding goals and priorities.
- Commissioner Knutsen added that she has attended a lot of our roundtables and feels they are incredibly important

Commissioners Meeting
March 27, 2024

for networking. Commissioner Distelhorst agrees that the VPR is a good use of time.

Finance Report
Review Financial
Statements & Cash
Activity

Ms. Simpson presented the financial reports for February 2024 (E:20:24), noting any transactions out of the ordinary, compared to prior month periods.

Commissioner Wilson asked why there is such a large negative loss on the investment portfolio?

- Ms. Simpson answered that what makes the investment account go negative are unrealized losses and gains which we never budget for. We are tracking well ahead of interest income.

Authorization of
Payments of
Vouchers and
Payroll

Authorization for payment of vouchers and payroll: Warrants Reference A, No. 16401 through 16438, and Warrants Reference B, No. J2433 through J2468 for February in the amount of \$305,661.86 were presented for approval as well as electronic disbursements in the amount of \$963,891.37 for total disbursements of \$1,269,553.23 (E:21:24).

Motion was made by Commissioner Knutsen, seconded by Commissioner Distelhorst and passed unanimously to approve the warrants & electronic disbursements.

Resolution 2024:01
Appointment of Filo
Fajardo as Interim
District Treasurer

Ms. Simpson presented Resolution 2024:01 to assign Filo Fajardo as interim District Treasurer for the period April 15, 2024 – July 31, 2024.

Motion was made by Commissioner Knutsen, seconded by Commissioner Distelhorst and passed unanimously to approve Resolution 2024:01.

Executive Session

President Wilson closed the meeting for executive session to begin at 8:52am and will continue through 10:15am. This executive session is to consider the legal risks of a proposed action of the district.

Executive session was extended to 10:27am.

Executive session was extended to 10:37am.

Executive session was extended to 10:41am.

Open Session

President Wilson reopened the public meeting at 10:41am.

Approval of Hospital
Engineering Study
RFQ

Commissioner Knutsen made a motion to approve the hospital engineering study Request for Qualifications (RFQ) as amended, Commissioner Distelhorst seconded.

Commissioners Meeting
March 27, 2024

Motion passed. Commissioners Knowles was not present for the vote.

Public Comments

Rod Shutt, Prescription Drug Assistance Network: He thanked Verdant for their ongoing support and generosity. The 2022 Verdant grant cycle had significant changes to the process. Then, in Spring 2024, Verdant changed the grant funding process again with no notice. As a grant writer, it felt like he was shooting at a moving target. Additionally, he is requesting Verdant provide notification ahead of time when there will be changes to the funding cycle so partners can plan accordingly for their budgets and know what to ask for. He understands the District has other priorities and projects but would appreciate a heads-up on the grant changes.

Commissioner Comments

Commissioner Knutsen provided an overview of her experience touring the Mountlake Terrace school-based health center. She stated it is a great space that facilitates student and community involvement and care.

Commissioner Brennan thanked the Verdant team for all their work with the audit. She is happy to see the new Verdant impact report and how it provides clarity on our role in the community.

Adjournment

The meeting was adjourned at 10:48 a.m. by President Wilson.

ATTEST BY:

DocuSigned by:
Karianna Wilson
A28385545A4D4A8...

President

DocuSigned by:
Carolyn Brennan
04DD666CADD8A42E...

Secretary