

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

**BOARD OF COMMISSIONERS**

**Special Meeting**

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

**August 11, 2022**

**4:00 p.m.-8:00 p.m.**

**Commissioners  
Present**

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

**Staff**

Dr. Lisa Edwards, Superintendent  
Riene Simpson, CPA, Director of Finance  
Maggie Konstanski, Grants Manager  
Kaysi Kelly, Executive Assistant/Office Manager  
Sandra Huber, Community Engagement Manager  
Nancy Budd, Community Social Worker  
Monika Star, Wellness Center Assistant

**Guests**

Margot Helphand, Facilitator  
Mark Lamb, Carney Bradley Spellman Law  
Howard Thomas, Consultant  
John Kim, PHPDA

**Call to Order**

The special meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 4:06 p.m. by President Distelhorst.

**Strategic Planning  
Assumptions:**

Ms. Helphand started the meeting with goal-setting for this meeting and the subsequent strategic planning meetings. She asked the Commissioners to think back on the mission and why we do what we do.

Commissioner Brennan asked who in the room is supposed to participate in these decisions and whether this is a decision for the Board or for Board and staff. President Distelhorst answered that if anyone here, including staff, has something to say, they are welcome to. Dr. Edwards added that if public joins the meeting it is more for viewing purposes and not for public comment for this special meeting. There is no public comment on the agenda for these special meetings.

Commissioner Brennan also asked how the Board is supposed to communicate with each other and with the Verdant staff. How is she able to email other Board members, talk to them, meet in-person?

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Commissioner Knutsen added that some of these communication intricacies are law, and is a requirement of RCWs.

Ms. Helphand asked Commissioners, what outcomes would we like to accomplish by 8pm tonight?

1. Affirm the mission
2. Confirm key planning assumptions/trends
3. Determine next steps in strategic planning
4. Agreement on reserve policy and what we need for the next 2-5 years (2023-2026); target amount to be proposed by Finance Committee to the rest of the Board
5. Draft funding priorities

Commissioner Wilson asked why there is a supplemental meeting scheduled Friday 8/12 with just Lisa, Margot, and two Commissioners to create the framework. Her concern is that only two Board members would be setting priorities, versus all five of them. Dr. Edwards clarified that the workgroup is only to create the framework and wordsmith, not to pick the priorities on their own.

**Priority  
Development:**

Commissioner Wilson commented that part of maintaining the service of the hospital is to have a hospital partner who is compliant with the lease agreement.

Mr. Thomas said one of the things a Public Hospital District *must* do is to provide certain services from the hospital. This can be written in the lease agreement, and it will be critical to maintain those agreements, per Public Hospital District law.

Ms. Helphand spoke about the "how" for maintaining the mission and asked Commissioners to bullet what they think is the "how" of propelling the mission forward.

- Ensure we have a hospital partner who is compliant with the operating agreement and lease of the hospital
- Grantmaking
- Capacity building
- Direct services

Ms. Helphand asked Commissioners to list internal and external assumptions we can use to assist with priority development.

External assumptions:

Commissioner Wilson suggested the healthcare system itself and its disparities. These systemic issues are larger than Verdant and she feels it is not our role to deal with this larger issues. She wants to find what is something smaller we can do within the larger issue.

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Commissioner Brennan agreed Verdant is *one part* of the bigger community.

Commissioner Knutsen commented that when she first moved into this community there were very few services in South Snohomish County, and you had to travel to Everett or Seattle to get resources and care. Ms. Konstanski reminded Commissioners that Verdant is a part of this increase in services for South Snohomish County. Commissioner Knutsen continued that once we do determine our funding priorities, they need to always come back to the social determinants of health.

Internal assumptions:

While the District's revenue is increasing on paper in certain areas, there are expenses increasing as well that offset that increase in revenue. We need to consider both.

Must-do: ensure the hospital agreement is met and be prepared for any breach/outcome.

Mr. Thomas asked Commissioners to determine what is the probability that the hospital operating agreement would be breached? Commissioner Brennan asked what would have happened if Swedish had moved their OBGYN services from Swedish-Edmonds to Providence-Everett, without Verdant being able to interfere? Mr. Thomas answered that the District would have filed an injunction.

Commissioner Knowles commented that even though what happened at the July board meeting was a surprise, it wasn't unprecedented. Swedish has come to the Board a few times to ask if they can remove services to reduce expenses. Dr. Edwards recalled that in March 2022 they came to remove rehab services and now in July 2022 to remove OBGYN services. Regarding the move of OB services to Providence-Everett, we asked for the proposal from Swedish in writing and it was never received.

**Executive Session:**

President Distelhorst announced that executive session would begin at 5:18pm, after a short break, and go for one hour.

1. To consider the legal risks of a proposed action of the district.
2. To review and consider proposed sale of real estate.

Executive session was extended 10 minutes, to 6:28pm.

Executive session was extended 10 minutes, to 6:38pm.

**Open Session:**

President Distelhorst re-opened the meeting for public session at 6:38pm.

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Ms. Helphand suggested the Board cancels their workgroup meeting on Friday 8/12.

President Distelhorst asked if there was a motion from the Board for what amount they would like in the Reserve.

**Commissioner Knowles motioned to move 20% of the 2023 annual hospital lease revenue into the Reserve (just over ~\$2MM/year). Commissioner Wilson seconded. Commissioner Knutsen voted nay. Motion passed.**

Commissioner Knutsen proposed taking two years off the Reserve balance so there is three years of Reserve since there isn't a risk of losing the hospital within two years. Commissioner Wilson agrees.

Commissioner Knowles clarified the Board will review the Reserve on an annual basis as part of their budget process.

Ms. Simpson commented that based off where we forecast right now in 2022, we would have to shave off \$1.7MM of the budget to accommodate moving the 20% into the Reserve.

Finance Committee will review the Reserve policy earlier in the year so it can be fully reviewed at the annual budget meeting.

**Priorities  
Discussion:**

Ms. Helphand asked the Commissioners to say what their priorities are.

- Commissioner Wilson: Behavioral Health #1
- President Distelhorst: Access to Behavioral Health, with a priority subset for suicide prevention and opioid overdose prevention.
- Commissioner Knowles: Access to healthcare services (dental and medical specifically) through mobile clinics, direct patient care services #1, Behavioral Health #2
- Commissioner Knutsen: access to dental and medical, behavioral health, access to Food, public health (like what we just went through with the COVID pandemic), and domestic violence services. President Distelhorst commented that DVS could fall under access to healthcare. She asked where the Wonderland, Kindering, and Parent Trust programs would lie. President Distelhorst answered that he believes those ACES programs would fall into access to healthcare.
- Commissioner Brennan: Behavioral health, access to healthcare services

Ms. Konstanski pointed out that the Board would need to decide what to do with the "Other Education and Prevention" priority since a lot of grantees fall under this category. President

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Distelhorst commented that he feels these early-intervention programs would fall under Access to Healthcare.

Commissioner Knutsen wants to be able to assist organizations in finding other funding. Commissioner Brennan agreed to be able to be a *resource* for organizations outside of funding, such as helping them find partners to assist in their needs. Commissioner Knutsen commented that we need to review internal programs provided at the Wellness Center to make sure they align with the new priorities. She asked, what do we need internally as a staff count?

Ms. Helphand asked Commissioners to speak about the priorities they do not want to continue prioritizing.

- Commissioner Wilson: Childhood obesity and “other education & prevention” – she doesn’t want a “catch-all” category.
- Commissioner Knutsen: She assumes we are removing big capital projects, but do we want to continue to do small capital funding (such as buying an organization a refrigerator)?

Commissioner Knutsen is inclined to have three grant cycles, not just two. She wants the Program Committee to be as effective as possible. Dr. Edwards reiterated Ms. Helphand’s point that as the Board creates these priorities, it is up to staff, and the grantmaking team particularly, who have to implement a new grant cycle.

Commissioner Wilson is not in favor of a 3-year grant term since it would put us in the situation to be obligated to fund these organizations. Commissioner Knutsen pointed out that a one-year grant cycle is a lot of work for the Program Committee and staff to maintain and it gives people a chance to dramatically increase their funding request annually instead of waiting until their 2- or 3-year term.

Mr. Lamb spoke about the excitement for South Snohomish County when the hospital was taken over by Verdant, by a community health organization. Verdant has the opportunity to bring healthcare services to their community that weren’t there before, that the community needs.

**Next steps in strategic planning:**

For the August 17<sup>th</sup> meeting, Verdant staff will draft definitions of the three priorities (behavioral health, access to healthcare, food security) with measurable impact goals. The Board still needs to discuss transition planning to the new priorities. Commissioner Knutsen commented that there will be upheaval in the community about our changing priorities.

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NEXT STEPS:

1. Create definitions with greater clarity and transparency to allow Commissioners to be comfortable saying No.
2. Create a transition plan to new priorities
3. Communication messaging for the public (timeline and strategy), with a message on our website
4. Commissioner Knutsen: make sure there aren't any areas we missed, such as capital funding

**Closing  
Commissioner  
Comments:**

Commissioner Brennan: She feels good that we met the goals of the meeting today.

Commissioner Knutsen: She feels good, might not agree on everything but feels we are making progress. Really wants to have a communication plan in place for how to deal with the push back from our community.

Commissioner Knowles: He suggested we could push the 8/17 meeting off another week to allow time to process. We need to revisit our Values since we're redoing our priorities.

Commissioner Wilson: She is open to keeping the 8/17 meeting or pushing it one week. She feels we had a good conversation about adjusting.

President Distelhorst: He would like to keep the 8/17 meeting to maintain momentum, with the possibility of another meeting for planning if we need it.

**Adjournment**

The meeting was adjourned at 7:59 p.m. by President Distelhorst.

**ATTEST BY:**

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*JSDistelhorst*  
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President

DocuSigned by:  
*Kavanaugh Wilson*  
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Secretary