

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
September 10, 2022
8:30 a.m.- 2:00 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
Zoe Reese, MPA, Director of Community Impact & Grantmaking
Kaysi Kelly, Executive Assistant/Office Manager

Guests

Margot Helphand, Facilitator

Call to Order

The special meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 8:31 a.m. by President Distelhorst.

**Meeting Goals &
Objectives**

Ms. Helphand walked Commissioners through the goal of the meeting today. She spoke about how this was a huge undertaking as Verdant has never had a strategic plan – they have only set *priorities*. She spoke about the importance of reviewing the operating agreement with the Superintendent as this has not been done since Dr. Edwards has joined Verdant.

Ms. Helphand pointed to two handouts she provided to Commissioners to consider as they work through their government of the Board and their duties to the District (E:86:22, E:87:22). These are questions to consider as we finalize the strategic plan.

Ms. Helphand reminded the Board that they have authority over only one Verdant staff person, the Superintendent. It is then the Superintendent's job to hire, fire, and support the other employees. The staff are there to provide the information the Board needs to make informed decisions. The staff will also keep the Board informed of what the community needs.

Commissioner Brennan asked for clarity on the role of the community and how exactly she should speak to the community.

Commissioners Meeting
September 10, 2022

- Ms. Helphand answered that we will hopefully get to that today as we work through the messaging and the operating agreement.

Commissioner Wilson added that it is important to recognize that each of us has different roles in the community. We will bring this information back to the Board to be informative. We must be careful how we bring information back to the Board in a way that the opinions of the individuals do not reflect the Board as a whole. Commissioner Wilson clarified that while the staff does a lot of the work around wordsmithing in our policies or priorities, it is ultimately up to the Board how they want to convey these messages to the community.

**Funding Scenario
3 Discussion**

Dr. Edwards walked Commissioners through the assumptions of the 2023-2024 funding scenario proposed by the Board at the 8/25/22 strategic planning meeting (E:88:22, page 1).

Commissioner Brennan asked what the structure is for how we provide the grant funding if, for example, an organization needs to buy a fridge or a van then they would need to wait four months to have enough money for the van? Dr. Edwards answered that we provide grant funding in 12 equal monthly payments as it is cleaner from an accounting standpoint.

Commissioner Wilson stated that these grantmaking checklists are being put in place to provide consistency across all applicants. Oftentimes organizations do not provide the luxury of negotiations and allowing partners to take months to finalize their application.

Commissioner Knutsen has concerns about what might happen two years into our strategic plan, for example, that could change how we process grantmaking if everything is on a consistent and uniform process. Dr. Edwards answered that what is not shown in this "assumptions" page is that with each funding cycle, the Board will have the opportunity to affirm their priorities. Dr. Edwards proposed we add a bullet "Commissioners will affirm each of these priorities ahead of each funding cycle."

Commissioner Brennan commented that she is excited to attend the Verdant Partner Roundtable event on 9/15/22 but concerned we can only have two Commissioners present.

- Commissioner Knutsen stated that if it is important that more than two Commissioners attend, we can always have more than the two, we just have to be able to make it a public meeting and need some lead time to announce the event as a special public meeting.

Commissioners Meeting
September 10, 2022

Dr. Edwards continued to walk Commissioners through the new 2022-2024 budget timeline of the new priorities and funding cycle (E:88:22, pages 2-3).

Commissioner Wilson asked Ms. Reese, MPA, or Ms. Konstanski how they came up with the dollar amounts for 2023? Ms. Reese, MPA, and Ms. Konstanski answered that 75% of the 2023-2024 grant funding budget would be allocated to the Spring 2023 grant cycle, and 25% would be allocated to the Fall 2023 grant cycle. This will be evened out in the 2024 budget with the reverse, 25% of the 2023-2024 budget allocated to Spring 2024 and 75% allocated to Fall 2024.

- Commissioner Wilson clarified that Ms. Reese, MPA, or Ms. Konstanski did not pick and choose which organization may or may not get funding in 2023, and that they used a calculation to project this. Ms. Reese, MPA, and Ms. Konstanski answered yes.

Commissioner Knutsen asked if in 2023 we will be accepting new and returning grant partners?

- Dr. Edwards answered, yes, this is why we are switching to a 6-month funding period at the end of 2022 so that, starting in June 2023, partners will re-apply under the new funding cycles with the new funding priorities.

Commissioner Brennan asked how we will handle partners who apply for funding for more than one program/project. She asked if we could limit applicants to one program per partner. –

- Commissioner Knutsen answered that sometimes there are partners in the community who might have multiple programs in different priority areas.

Commissioner Wilson asked when the Board will discuss updating the grant policy language?

- Dr. Edwards proposed if the Board can meet in another special meeting in September or October this would be much more efficient for staff. Commissioners agreed and selected the date of October 5th at 6:00-8:00pm for this special meeting.

Commissioner Wilson clarified that when the Board committees review grantmaking for 2023, they will be looking at the \$5,905,055 dollar amount in funding.

- Dr. Edwards answered yes.

Commissioner Knutsen asked how we will deal with revenue fluctuation over the next two years to hit this \$8.2MM target?

- Dr. Edwards answered that we could add it into our strategic plan that the Board will review and affirm funding priorities *and budget amounts* prior to each funding cycle.

Commissioners Meeting
September 10, 2022

Dr. Edwards explained that we will have a 6-week sprint between today and November 4th to implement this strategic plan.

Commissioner Brennan pointed out that grantmaking is only one of the things we do and there are other ways we make an impact.

Commissioner Wilson asked how staff will communicate with the Board what the discussions are within each Committee to determine how we can come to a consensus on moving forward.

Commissioner Knowles made a motion to approve the summary of the 2023 funding scenario, with the addition of a bullet to affirm and review priorities and budget before each funding scenario. Wilson seconded. Motion passed.

Commissioner Discussion

- Affirm key elements of strategic plan

Ms. Helphand asked Commissioners to walk through the updated priorities one final time to officially accept these new 2023-2024 priorities (E:89:22)

MENTAL HEALTH:

Commissioner Distelhorst pointed out that Commissioners asked to include domestic violence services, suicide prevention, and wrap-around housing services within this priority.

Commissioner Knowles asked if the term is "mental health" or "behavioral health."

- Dr. Edwards answered that mental health is a broader term which is more widely recognized in the community.

Commissioner Brennan made a motion to approve the Mental Health Verdant priority for 2023-2026, with the revision of "advocate" to "encourage," Commissioner Knowles seconded, motion passed.

HEALTHCARE ACCESS:

Commissioner Wilson asked if we are "advocating" as this seems like an action by the Board.

- Dr. Edwards proposed we could switch that wording to "Encourage for expansion..."
- Commissioner Wilson added that sometimes it is important to advocate for certain things in our community, so she doesn't want to eliminate it altogether.

Commissioner Brennan made a motion to approve the Healthcare Access Verdant priority for 2023-2026, with the revision of "Advocate for expansion" to "Encourage for expansion and "...that serve residents where they are at" to "...that serve residents of PHD#2," Commissioner Knowles seconded, motion passed.

Commissioners Meeting
September 10, 2022

FOOD SECURITY:

Commissioner Knutsen asked how a partner will need to submit their application if it includes wrap-around services, such as a food bank which also provides resources and services to its community.

- Dr. Edwards proposed to keep "wrap-around" services under Healthcare Access since Mental Health and Food Security are seen as narrower in scope.

Commissioner Knowles made a motion to approve the Food Security Verdant priority for 2023-2026, with the revision of "Advocate for local food..." to "Encourage local food..." and adding a bullet "Continue to support fruit and vegetable voucher distribution," and revise the second bullet of Objectives to "Food programs that nourish residents of PHD#2 in culturally relevant ways" and "Offer classes and services to residents..."

Commissioner Knutsen seconded, motion passed.

ORGANIZATIONAL CAPACITY:

Commissioners requested to change the second Strategy bullet to "Ensure that we maintain a strong and diverse investment portfolio."

Commissioner Wilson suggested that the Board should hold a special meeting to make sure we review the 2019 operating agreement if we don't get to it today, so it isn't lost in all this review of our strategic plan.

Commissioner Brennan asked how we can engage community and even invite them to participate in our committee meetings.

- Commissioner Knutsen commented that we have to be careful inviting community members to committee meetings to make sure they don't think they have a direct vote in our decision making.

Commissioner Knutsen pointed out that the phrase "Verdant is financially strong" in the Objectives section could change if, for example, the stock market plummets.

- Commissioners agreed to remove this phrase completely from Objectives as it is already stated within the Goal of the priority.

Commissioner Knutsen made a motion to approve the Organizational Capacity Verdant priority for 2023-2026, with the revision of "Work with finance consultant..." to "Ensure that we maintain..." and removing the phrase "Verdant is financially strong" Commissioner Wilson seconded, Motion Passed.

Commissioners Meeting
September 10, 2022

Commissioner Wilson asked what the mechanism is to review these priorities on a regular basis. Ms. Helphand answered that the Board will establish an annual review process.

Implementation:

- Timeline

Commissioners reviewed and edited the Communication and Transition Plan.

Commissioner Knutsen asked for talking points for the Board regarding the updated priorities.

- Dr. Edwards answered that we will review Key Messages at this meeting.

Ms. Reese, MPA, mentioned that Unite Us will have a presentation at the Verdant Partner Roundtable on 9/15/22.

Commissioner Brennan asked if we would have any public coaching meetings to include partners who are not currently funded.

- Ms. Konstanski answered that she and Ms. Reese have already met with a lot of interested partners who are not currently funded. Ms. Reese added that we also host quarterly grant Q&A sessions for funded and non-funded partners.
- Dr. Edwards proposed we can *offer* the 1:1 coaching meetings so that we are not tasked with hosting 60 individual coaching meetings. She added that the goal is to have at least two Commissioners present at each Community Forum.

Verdant will be adding a special meeting on October 5th to review grant policymaking specifically since the Board did not get to it today.

Commissioner Brennan asked what the backup plan was if Grantbook is not available to assist in the redesign of Fluxx.

- Ms. Reese answered that Fluxx provides a list of partners they work with to design the backend of the Fluxx program so there are other options.

Commissioner Wilson asked why staff must review Q4 grant requests the week of 12/9-12/16?

- Dr. Edwards answered that, historically, Commissioners have asked that staff score applications first and forward applications scoring a 75 or higher to Commissioners for review and scoring.
- Ms. Konstanski added that the critical part of staff review is the financial review done by Ms. Simpson, CPA, which includes verifying financial documents are submitted, correct, and that there is a legitimate financial need.
- Commissioner Brennan asked if there is another way to complete this financial review, instead of adding to Ms.

Commissioners Meeting
September 10, 2022

Simpson's duties. She proposed we could utilize volunteers to financially review grant applications.

- Commissioner Knutsen does not recommend having volunteers as it is the Commissioners' responsibility to select funding opportunities and she wouldn't want any backlash from these decisions to land on a community member.

Commissioner Knowles asked staff to pick a definite deadline for when we need to make these decisions for 2023 and work back from that date to allow staff sufficient lead time in advancing this timeline.

- Commissioner and Committee roles in scoring 2023 funding applications

Dr. Edwards asked if all Commissioners want to review all grant applications or continue with the committee structure.

- Commissioner Wilson had proposed all Commissioners will review the grant applications for Q3 2022, and the first cycle of 2023 and then the process goes back to the committee structure by Fall 2023.

Dr. Edwards asked to take this new implementation plan back to staff with the revised dates and will provide it back to Commissioners.

After break, President Distelhorst requested a change to the agenda to move into Executive Session from 1:00-2:00pm to consider the legal risks of a proposed action of the district

- Key Messages

Dr. Edwards explained these messages were drafted by the public relations consulting firm Verdant hired after the July 27th Board meeting.

Regarding the first email message for September 12th, Commissioner Brennan requested to move the sentence about Verdant contributing \$8.2 million into the community as the first sentence.

Commissioner Wilson also requested to somehow highlight in this communication plan that Verdant has contributed \$70 million into the community since its inception in 2011.

Commissioner Knutsen cautions the Board against using the "end of the pandemic" as a way to phrase this strategy because as COVID services are ending, it is putting people in a pinch once again.

Ms. Reese, MPA, asked if there should be two separate messages, one to current partners, and one more broad to the public as some members of the public don't need to know about the additional information about grantmaking.

Commissioners Meeting
September 10, 2022

Commissioner Knowles recommends taking the “pre-pandemic” language out for the message to current partners.

Commissioner Distelhorst wants the Board to come up with a dollar amount for the reserve balance.

Dr. Edwards reiterated that Q3 2022 and Spring 2023 funding cycle will involve all Commissioners. She asked Commissioners if they would like to split the review such that, for example, two Commissioners review all applications related to Mental Health and Food Security and two more review the other priorities.

- President Distelhorst suggested we could take the total number of applicants and divide by the 5 Commissioners.
- Dr. Edwards commented that the reason we suggest splitting the Commissioners into different priority reviews, is because you can start to see what comes in with each priority and can begin to rank them.
- Commissioner Knutsen pointed out that there won't be an equal amount of applications for review in each category. For example, Mental Health could have thirty and Food Security could only have seven. Her other concern is that we have to consider the budget as we score as each priority has to fit within the overall budget.

Commissioner Knowles asked for the staff's recommendation on how to split the Commissioners up to score applications.

Executive Session President Distelhorst announced that executive session would begin at 1:08pm and go for almost one hour until 2:00pm. No action would be taken during this time.

1. To consider the legal risks of a proposed action of the district.

Open Session President Distelhorst reconvened the public meeting into open session at 2:00pm. No action was taken during the Executive Session.

Adjournment The meeting was adjourned at 2:00 p.m. by President Distelhorst.

ATTEST BY:

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JSDistelhorst
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President

DocuSigned by:
Karianna Wilson
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Secretary