

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
March 28, 2023
5:30 p.m.-7:00 p.m.**

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

Staff Dr. Lisa Edwards, Superintendent
Riene Simpson, CPA, Director of Finance
Leslie Silverman, Interim Director of Community Impact & Grantmaking
Erin Boehm, Interim Grants Manager
Kaysi Caballero, Executive Assistant/Office Manager

Guests Kara Turner, Turner HR Services

Call to Order The special meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 5:35 p.m. by President Distelhorst.

Land and Enslaved People's Acknowledgement President Distelhorst read the acknowledgement.

Executive Session President Distelhorst recessed the special meeting at 5:38pm and entered Executive Sessions until 6:00pm to review the performance of a public employee.

Executive Session was extended to 6:10pm

Open Session President Distelhorst reconvened the meeting in open session at 6:12pm.

Program Process Improvement Ms. Silverman presented seven recommendations for Commissioners to review and approve, for changes to the grant application and funding process (E:28:23).

1. Required financial statement documents affirmation – APPROVED

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**Program Process
Improvement
(continued...)**

2. Waive financial statement requirements – APPROVED
 - Commissioner Wilson asked if we waive it, what financial reporting will we require of these entities which do not have to include audited financial statements?
 - Ms. Silverman answered we will still have *project* budgets related to their grant request, but we would not have their organizational budget going forward. Ms. Boehm added there is a field applicants fill out of their total organizational budget.

3. Define indirect cost rate (IDC%) of 8% or less – APPROVED for a standard rate of 8%
 - Commissioner Brennan suggests we set a hard limit of 8% and not “8% or less” which allows some negotiation.
 - Commissioner Wilson commented that having the “or less” could be beneficial to allow us to reduce the IDC we fund for larger organizations that have alternative funding and more organizational support. For example, we could opt to fund IDC at 8% for a smaller, startup organization who may need it more, compared to just a standard 8% for all organizations, including the larger ones that may not need that.
 - Ms. Simpson added that from a compliance standpoint, as staff does the application check and verifies request amounts, it will be much easier to review applications to fit to a standard rate of 8% and not “8% or less.” Also, it makes it clearer for applicants that it is a standard rate.
 - Commissioner Knutsen commented that it would be important to limit IDC requests for the project specifically, and not for the overall budget.

4. Designate a portion of grant funding available to support smaller organizations – NEEDS FURTHER REVIEW (through committees)
 - President Distelhorst wants to make sure it is clear that no matter the size of the request (large or small) it must align with our strategic priority areas.
 - Commissioner Knutsen asked if a request for a smaller *project* from a larger *organization* would qualify for this “small org” grant funding pool.
 - Ms. Silverman answered, no, this would not qualify as a “small org” request.
 - Commissioner Knowles asked why we need to differentiate smaller org requests from all other larger org requests?

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- Ms. Silverman answered that we did see this in our last funding cycle where a handful of smaller orgs did not make it through to funding. She added that from a community optics perspective, having a “small org” funding pool shows that Verdant cares about these small organizations too.
 - Commissioner Knutsen clarified that Verdant didn’t fund a handful of *new* applicants, not necessarily smaller orgs.
 - Commissioner Brennan is a big fan of segmenting these applications into different pools. When she reviews requests, she considers if the organization is mature, stable, and can continue without Verdant’s help. She wants to be able to balance our grant portfolio to support smaller orgs and new requests but does not necessarily want to fund all small organizations and in perpetuity.
 - Commissioner Wilson asked Ms. Silverman and the other Commissioners what they consider “seed funding?”
 - Ms. Silverman answered that “seed funding” has been used interchangeably with other funding levels such as “capacity building.”
 - Dr. Edwards answered that we are looking for ways to meet these smaller organizations where they are at to provide support.
 - Dr. Edwards proposed Verdant staff can put together a proposal of an amount we can use for this “small org fund” and bring it to the Program Committee.
 - Commissioner Knowles proposed we rephrase “seed money” as “innovation grants” which could include new innovations outside of our priority areas. It would be along the lines of Superintendent’s Discretionary funding to give Commissioners the ability to provide funding to new organizations.
 - President Distelhorst would be uncomfortable with funding requests outside of our strategic priority areas, even for these “innovative grants.”
5. Streamline the information requested of applicants that they demonstrate program sustainability – APPROVED to remove the 4th bullet, but do keep the 3rd.
- Commissioners discussed how we can get information about their plan for sustaining operations outside of Verdant funding.

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- President Distelhorst would like to keep the 3rd bullet to plant the seed that applicants should be thinking about how to continue operations when Verdant funding ends.
6. Continue blind scoring of proposals for committee review – APPROVED
- Commissioner Knowles and President Distelhorst are OK with this process like we did for Spring 2023.
 - Commissioner Brennan likes to see funding history when reviewing applications.
 - Ms. Silverman clarified that we would continue to consider funding history in the overall scoring process, but it would not be a part of the initial scoring with committees.
7. Recommend staff roles in the review process are:
- a. Compliance check including financial due diligence, applicant eligibility and application completeness - APPROVED
 - b. Participate as needed in Board meetings to address Commissioner questions - APPROVED
 - Commissioner Knutsen doesn't like to have staff cut out applications with scores under 72 and wants to allow Commissioner discussion around approving these lower score applicants.
 - Dr. Edwards clarified what Commissioner Knutsen is requesting. Staff would still score; staff would not cut out lower score applicants and would notify Commissioners of any applicants which did not pass the compliance check. Staff would be scoring applicants the same time as Commissioners (staff would do the compliance check upfront).

Commissioner Comments None.

Adjournment The meeting was adjourned at 7:22 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