

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

February 21, 2023

5:00 p.m.-6:30 p.m.

Commissioners Present

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

Staff

Dr. Lisa Edwards, Superintendent
Riene Simpson, Director of Finance
Leslie Silverman, Interim Director of Community Impact & Grantmaking
Kaysi Kelly, Executive Assistant/Office Manager

Call to Order

The special meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 5:00 p.m. by President Distelhorst.

Land and Enslaved People's Acknowledgement

President Distelhorst read the acknowledgement.

Grant Scoring for Next Grant Cycle

Commissioner Knutsen asked for clarification on which Commissioners will be responsible for scoring the Fall 2023 funding cycle. Previously, the Program Committee was responsible for scoring all applications but there has been discussion during this transition about having *all* Commissioners score applications. There needs to be clarity on the role of the Program Committee now if all Commissioners will score applications.

Commissioner Knowles recalls that all Commissioners will score grant applications throughout all of 2023 since this is a transition year. Commissioner Wilson agrees this is how she would like to proceed with scoring applications in 2023.

Commissioner Knutsen commented that the goal of these committees is to allow groups of Commissioners to go through the more detailed review processes that allow the full Board to make informed decisions as a group in public meetings. She would like to think others can trust that committee members would be able to do their job so that we can maintain the roles of the committees.

- Dr. Edwards asked if a function of the Program Committee would be the continuous improvement process of the

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grant application cycle and to bring recommendations to the full board on what to change and how to move forward.

**Grant Application
Schedule for Next
Cycle**

Commissioners reviewed two proposed timelines and scoring review panels for the next Fall 2023 cycle (E:14:23).

Commissioners Brennan suggested to have all Commissioners be able to view applications as soon as the cycle opens, even if they are not completed. This would allow Commissioners to see what is submitted and the general amounts people are asking for. She would like more time to review applications.

Dr. Edwards pointed out that we need to make sure we are being equitable if we remove the staff pre-screening and allow Commissioners to view all applications. For example, we would not want a situation where there was no pre-screen and a Commissioner had already reviewed the application and felt strongly about supporting it but then the applicant forgot to include their financials. We would need to make sure the Commissioner would not argue to support an application if it was ultimately incomplete.

Commissioner Wilson proposed we could have Program Committee score all applications and the rest of the Commissioners have a batch of assigned applications (for example, they score 8 of 20 each).

President Distelhorst commented that his plan would be to score the applications he is assigned to, but then only review and make notes on all the other applications.

Commissioner Wilson proposed we follow the same scoring process for Fall 2023 in that each Committee scores a group of applications that are assigned to them, each application has two scores attached to it, and all Commissioners come together as a group to review the discrepancies of scores.

Dr. Edwards asked Commissioners to confirm if Commissioners will be able to score applications by 8/11/23 or 8/14/23.

Dr. Edwards asked Commissioners to confirm if they would still like Verdant staff to pre-screen applications for incomplete attachments, insufficient information in an application section which created a score below 75.

- President Distelhorst asked if there were any applications with this Spring 2023 cycle that did not move forward to Commissioner scoring due to a low score but that did in fact have a complete application otherwise.

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- Commissioner Wilson would like Verdant staff to do the pre-screen and notify Commissioners which applications did not advance from the staff pre-screen.

DECISIONS:

Commissioners agreed to have Verdant staff screen out any applications that were incomplete and to move forward any applications that were complete yet had a low score. Commissioners would still like to review those low score applications to make a funding decision.

Verdant staff will discuss the updated timeline proposed in "scenario 1" (see E:14:23) to assure that Commissioners can start scoring before 7/20/23 as initially proposed.

Grant Payment Options (2x, 3x, or 4x per year)

Ms. Simpson presented a cash flow analysis to assist Commissioners in making a decision about changing the grant payment schedule for 2023 (E:15:23). The analysis presented the cash balance available should we opt for grant payments twice per year, three times per year, or four times per year. Financially, the best position for cash flow would be to continue with monthly grant payments or to switch to quarterly grant payments (4x/year). Ms. Simpson recommends switching to a quarterly grant cycle as it relieves the administrative burden of staff each month and keeps us in line with the amount of money transferred to the Reserve. There is one exception to the quarterly grant payment schedule which is that October 2023 would dip cash flow to below \$500,000 for just that one month.

Commissioner Wilson is not in favor of transitioning to a grant payment schedule of 2x or 3x per year. She is in favor of transitioning to a quarterly 4x per year grant payment schedule with the caveat that we continue to transfer our own money into the Reserve, as we have discussed in our strategic planning.

Dr. Edwards proposed we could have a separate fund for innovative startups so we can support them outside of our regular grant cycles.

DECISION:

Commissioners agreed to maintain the monthly grant payment schedule.

Timing for Movement of Funding Investment Portfolio During the Fiscal Year

Ms. Simpson presented a listing of the investment holdings of Verdant's investment account managed by Payden & Rygel (E:16:23) and provided her recommendation on what to transfer to the Reserve account.

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DECISION:

Commissioners agreed to transfer \$1.2MM upfront to the Reserve in February 2023, which is the leftover funds from 2022, then make a lump sum catch-up transfer in March 2023 for January-March 2023, then regular monthly transfers to the Reserve of \$166,666 starting in April 2023 for a total of \$2 million contribution to the reserve.

Adjournment

The meeting was adjourned at 6:30 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