

Public Hospital District #2
Board Special Meeting Agenda - REVISED

OCTOBER 14, 2020
6:00 to 7:35 p.m.

Due to the Governor's Proclamation 20-28 et seq. that temporarily waives and suspends sections of the Open Public Meetings Act, the October 14, 2020 Board of Commissioners meeting is NOT being held in person and will be held by remote participation only. The public can join via Zoom by visiting <https://us02web.zoom.us/j/85838277634> Meeting ID: 858 3827 7634 Passcode: 358894 or the call-in number is 1-253-215-8782, Meeting ID: 858 3827 7634 Passcode: 358894

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|----|---|--------------------------------|------|
| 1. | Call to Order | Bob Knowles | 6:00 |
| 2. | Superintendent's 2021 Proposed Budget Presentation | Staff | 6:05 |
| 3. | Public Hearing on Proposed Revenue and 2021 Budget | Bob Knowles | 6:30 |
| 4. | Commissioner Discussion | Commissioners | 6:45 |
| 5. | Executive Session

To evaluate the qualifications of an applicant for public employment | Commissioners & Superintendent | 7:00 |
| 6. | Open Session | Bob Knowles | 7:30 |
| 7. | Adjourn | Bob Knowles | 7:35 |

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

**SPECIAL MEETING
October 14, 2020
6:00 p.m.
Zoom Meeting**

Commissioners Present	Bob Knowles, President Fred Langer, Commissioner Deana Knutsen, Commissioner Karianna Wilson, Commissioner Dr. Jim Distelhorst, Commissioner
Staff Present	Dr. Lisa Edwards, Superintendent Jennifer Piplic, Marketing Director Sue Waldin, Community Wellness Program Manager Karen Goto, Executive Assistant
Guests	Erica Ash, Ash Consulting
Call to Order	The Special Meeting of the Board of Commissioners was called to order by President Knowles at 6:03 p.m.
Superintendent's 2021 Proposed Budget Presentation	Ms. Ash and Superintendent Edwards presented the Superintendent's Proposed 2021 budget which is basically a break-even budget. Information presented included the budgeting timeline, organizational goals, revenue and expense trends from 2012 to 2021, revenue assumptions, revenue by source, expenses by department, external program grants, potential grant renewals, and internal Verdant programs (E:-:20). Questions were asked by the commissioners about the vacant Swedish Kruger Medical Office Building space, the need for behavioral health in the school district, and these were answered by staff.
Public Hearing	President Knowles opened the public hearing at 7:02 p.m. No members of the public were in attendance to provide testimony. No staff present provided comments or testimony. President Knowles closed the public hearing at 7:06 p.m.
Commissioner Discussion	Commissioners discussed current funding of several grantees and how Verdant can still support these grantees but update the method of delivery due to COVID-19.

Executive Session

President Knowles recessed the special meeting at 7:06 p.m. into Executive Session to evaluate the qualifications of an applicant for public employment. President Knowles stated that the board would reconvene in 30 minutes and no action would be taken in Executive Session.


Open Session

The board reconvened into Open Session at 7:36 p.m.

Adjourn

The meeting was adjourned at 7:36 p.m.

ATTEST BY:



President




Secretary



HEALTH COMMISSION


Superintendent's 2021 Budget Proposal

Consideration by Board of Commissioners
October 14, 2020



STAY Well GET Active EAT Better STRESS Less

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Verdant Health Commission Update
Building the Foundation for a Healthier Community

State Requirement for Budget Development

- RCW 70.44.060 requires the Superintendent of the District to prepare a proposed budget of the contemplated financial transactions of the District for the ensuing year and to file the budget in the records of the Commission on or before the first day in November.

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 **Verdant Health Commission Update**
Building the Foundation for a Healthier Community

Verdant Mission and Vision

Mission: To improve the health and well-being of our whole community.

Vision: To be a sustaining public resource improving the health and well-being of South Snohomish County, collaboratively and creatively working to meet the needs of our whole community.

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 **Verdant Health Commission Update**
Building the Foundation for a Healthier Community

Budgeting Timeline



August
Department Level
Planning

September 16
Present Budget to
Finance
Committee

September 26
Board Strategic
Planning Retreat

September 30
& October 7
Publish Notice
of Public Hearing
in Newspaper

October 14
Public Hearing
& Board Review

Revise Budget
Based on Board
Input

October 28
Board Approval

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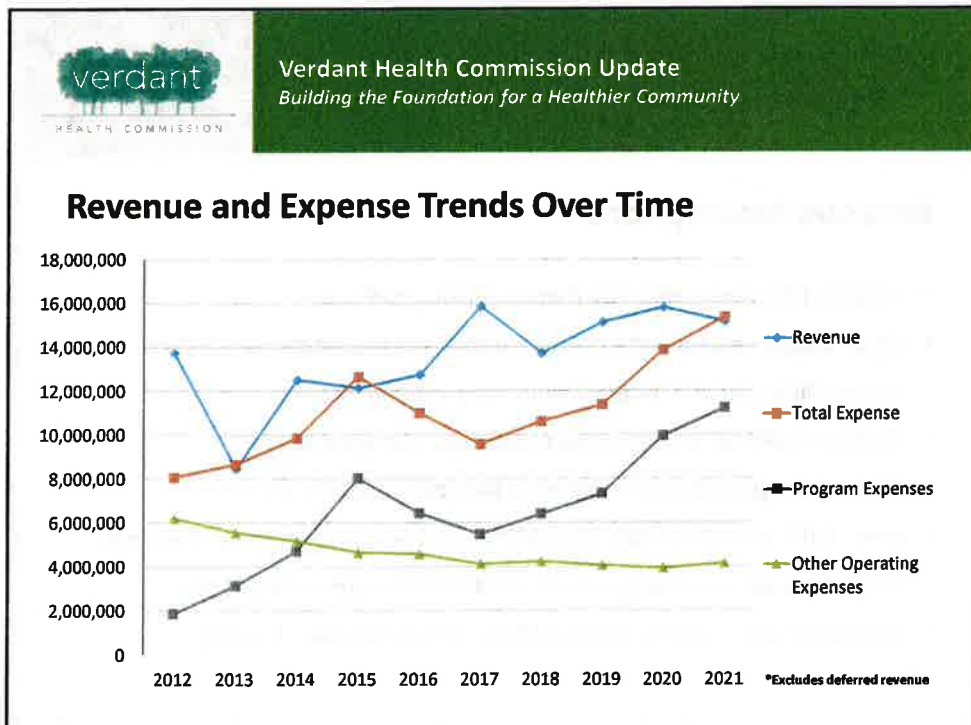


Verdant Health Commission
Building the Foundation for a Healthier Community

Organizational Goals Related to Budget

- Continuation of grants based on 2016 – 2019 Strategic Plan
- Increase community engagement and collaboration on new grant opportunities
- Provide on-going support for addressing issues created by COVID-19
- Focus on community needs data and Verdant priority areas
- Increase spending on programming internally and through grants
- Continue Building Healthy Communities Fund
- Maintain financial reserve and monitor investments
- Plan next steps for the Value Village property

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Verdant Revenue



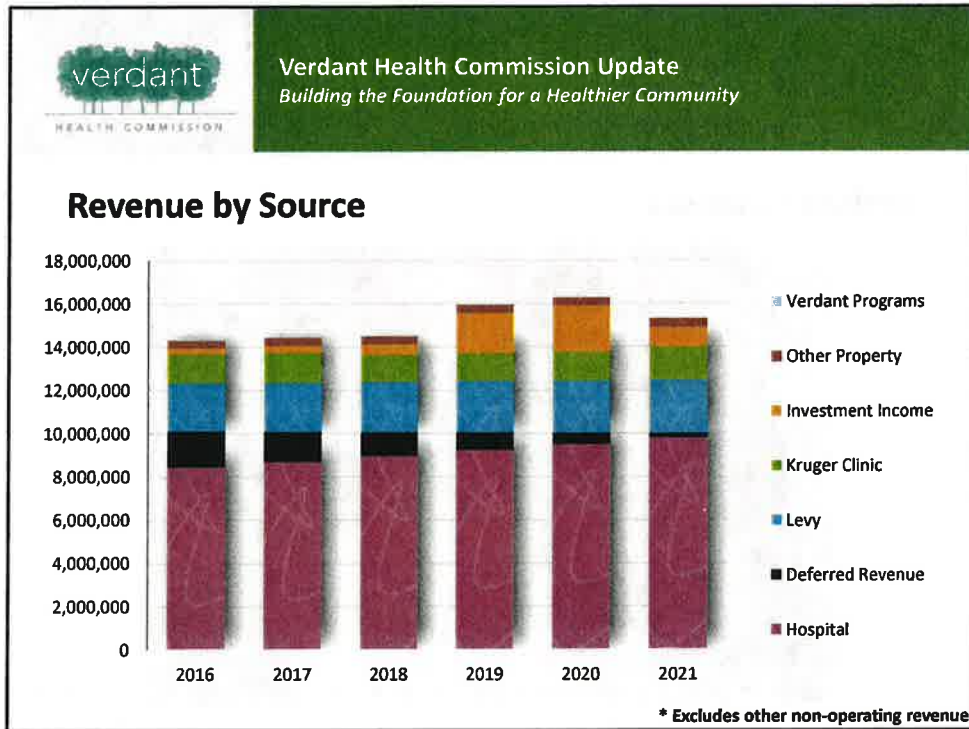
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 Verdant Health Commission Update
Building the Foundation for a Healthier Community

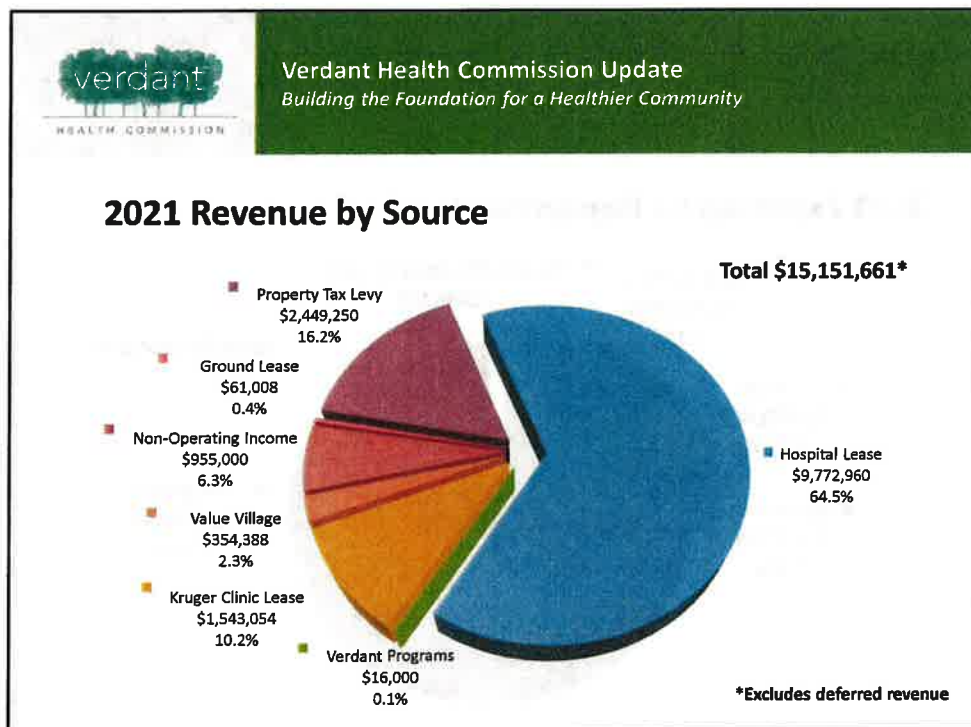
Revenue Assumptions

- Swedish Edmonds - paid based upon existing contract
- Value Village - paid per the contract until lease expiration on 12/31/21
- Kruger Clinic - Suite 270 remains unoccupied until 9/1/21
- Verdant Healthier Communities conference cancelled in 2021
- Minimal programming and conference fees due to COVID-19
- Levy - 1.0% annual increase over 2020 plus new construction and refunds
- Investment Income - budgeted at \$600K (2020 projected = \$718K)
- Unrealized Gains – budgeted at \$300K (2020 projected = \$1.4M)

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Verdant Expenses

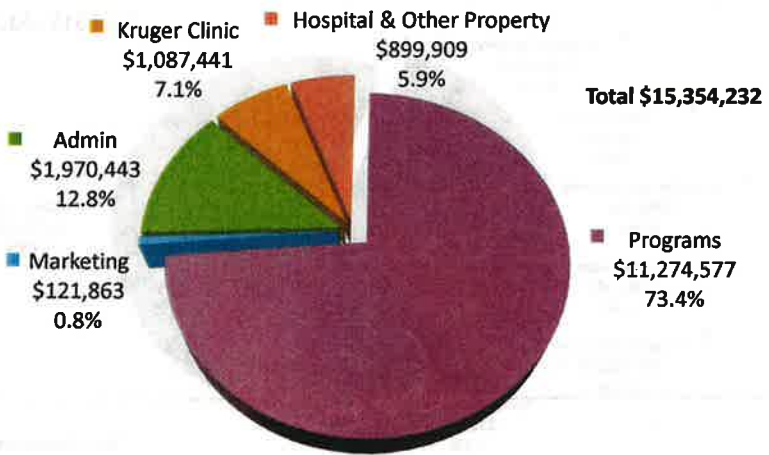


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Building the Foundation for a Healthier Community

2021 Expenses by Department



Department	Amount	Percentage
Programs	\$11,274,577	73.4%
Admin	\$1,970,443	12.8%
Kruger Clinic	\$1,087,441	7.1%
Hospital & Other Property	\$899,909	5.9%
Marketing	\$121,863	0.8%
Total	\$15,354,232	

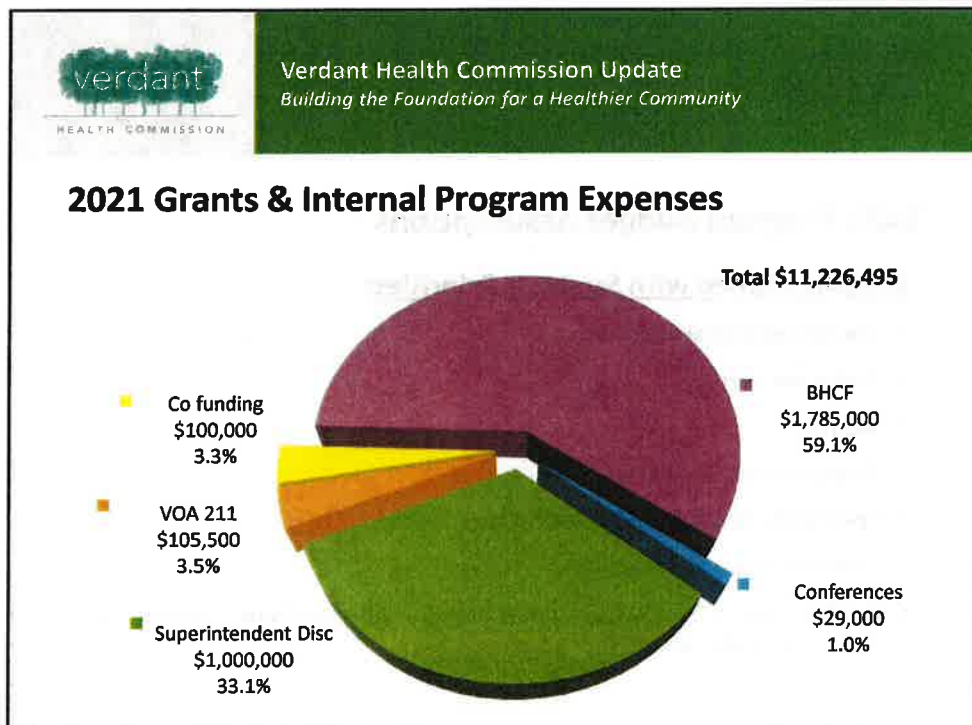
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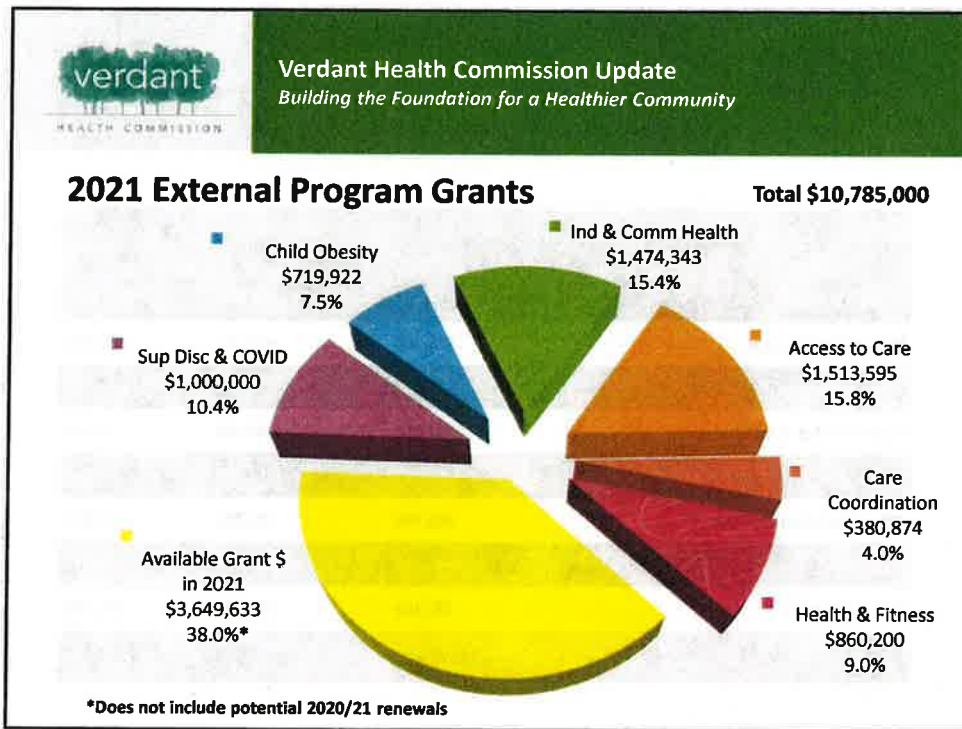
Verdant Health Commission Update
Building the Foundation for a Healthier Community

Verdant Only Expenses	2020 Projected	2021 Budget	\$ Inc/(Dec) in 2021
Salaries & Benefits	\$ 713,610	\$1,074,605	\$360,995
Professional Services	523,468	452,423	(71,045)
Interest Expense	26,265	-	(26,265)
Purchased Services	162,836	208,260	45,424
Utilities	50,049	54,585	4,536
Other Operating Expense	100,742	193,796	93,054
Programs	9,944,541	11,226,495	1,281,954
Depreciation	186,452	156,718	(29,734)
Total	\$ 11,707,963	\$ 13,366,882	1,658,919

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2021 Program Budget Assumptions

Funding aligned with Strategic Priorities:

- Mental/behavioral health
- Childhood obesity
- Dental
- Access to physical healthcare
- Community health issues related to homelessness
- Emerging public health issues
- Building Healthy Communities Fund: long-term infrastructure improvements to support access to care & physical activity

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2021 Program Budget Assumptions

- \$1.79M in payouts for BHCF
- \$100K to support co-funding opportunities
- \$55K NSACH waiver dollars to support enhanced case management
- **\$8.0M in Program Grants with approximately \$4.4M already committed**

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BHCF Payout Assumptions

	2018	2019	2020	2021	2022	Total
CHC of Snohomish Country - Integrated Pain Management & Recovery Services			\$ 2,500,000			\$ 2,500,000
Medical Teams International - Mobile Dental		\$ 358,917				\$ 358,917
Sea Mar CHC - Lynnwood Clinic				\$ 1,000,000		\$ 1,000,000
Town of Woodway - Walking Path	\$ 47,500					\$ 47,500
City of Edmonds - Edmonds Outdoor Fitness			\$ 62,250		\$ 107,750	\$ 170,000
City of Mountlake Terrace - Evergreen Playfields			\$ 215,000	\$ 785,000		\$ 1,000,000
Total	\$ 47,500	\$ 358,917	\$ 2,777,250	\$ 1,785,000	\$ 107,750	\$ 5,076,417

- Payout and expense recognition tied to project completion

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2021 Potential Grant Renewals (i.e. expiring in 2020/21)

- Edmonds School District - Move 60! (\$839K) - contract thru 8/31/21
- Lahai Health - Dental Program (\$461K)
- ChildStrive - Early Intervention & Parents as Teachers (\$322K)
- Boys & Girls Club - Health Habits (\$295K)
- Center for Human Services - Youth Counseling Program (\$270K)
- Therapeutic Health Services - Behavioral Health Program (\$250K)
- Edmonds School District - Family Resource Advocates (\$180K)

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Verdant Health Commission Update
Building the Foundation for a Healthier Community

2021 Potential Grant Renewals (continued)

- Compass Health - Mental Health Transitions Program (\$152K)
- Kindering - Early Intervention & Autism Support (\$147K)
- Project Access NW - Care Coord. for low-income/uninsured (\$125K)
- Edmonds Senior Center - Enhanced Wellness/PEARLS (\$120K)
- Medical Teams International - Mobile Dental Program (\$97K)
- 7 other programs expected to re-apply (~\$209K)

Total: ~ \$3.5M (assumes \$ for a one-year renewal)

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2021 Internal Verdant Programs

- Nutrition & Physical Activity Programs
- Behavioral Health
- Multicultural Programming
- Education & Health Screenings
- Provider Training & CME
- CHART & Case Management
- Ongoing evaluation of contracted and internal programs

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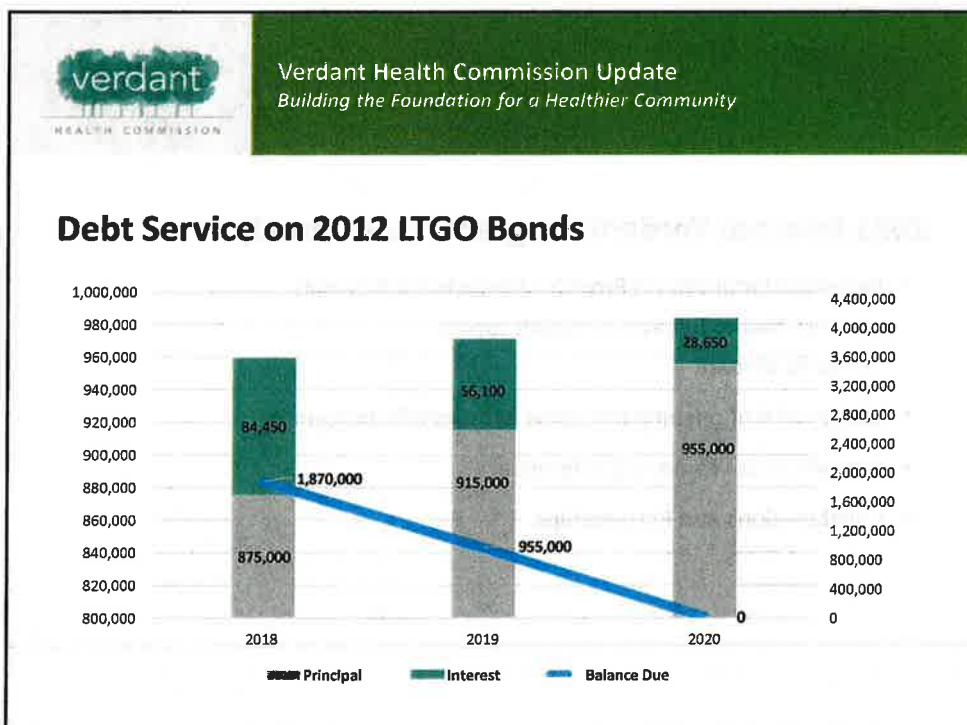
2021 Internal Verdant Programs (continued)

- Increased Emphasis on Provider Education & Referrals
 - CME tied to behavioral health topics
 - Rx to Verdant
- Increased # of ongoing programs with specific outcomes
- Virtual Latina Women’s Conference
- Collaborations and Partnerships

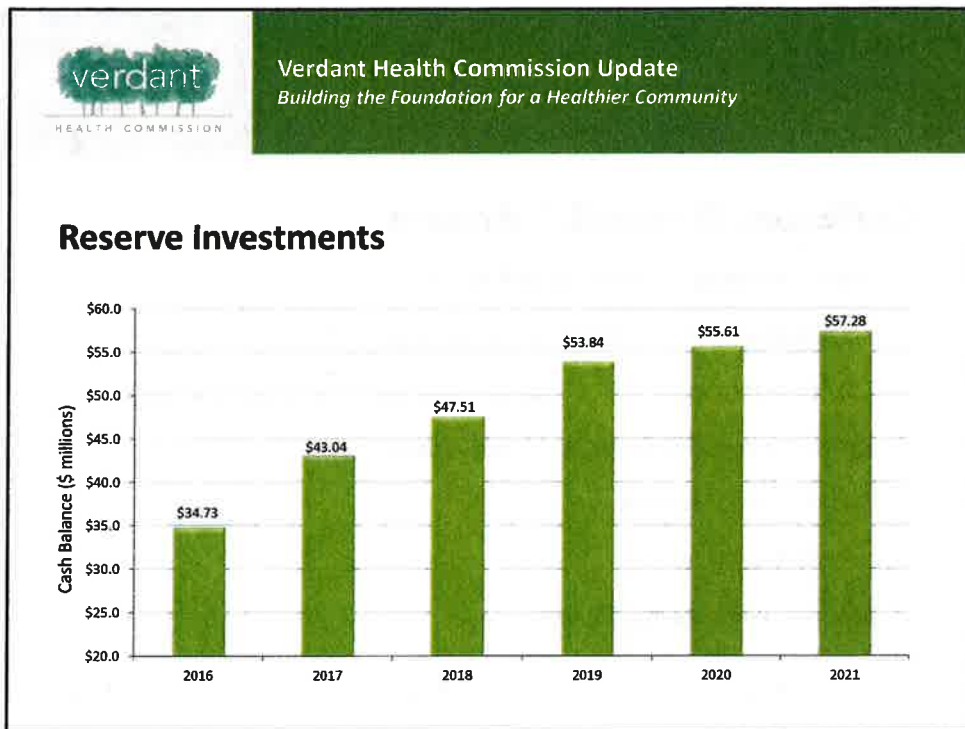
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Public Hospital District 2 2021 Budget	2020 Projected Actual	2021 Budget	\$ Inc/(Dec) in 2021
Operating			
Revenue	11,740,097	\$ 11,990,770	\$ 250,673
Programs	(9,944,541)	(11,226,495)	1,281,954
Other Operating Expenses	(2,300,704)	(2,775,654)	474,950
Depreciation	(1,608,611)	(1,352,083)	(155,623)
Non-Operating			
Maintenance and Operations Levy	2,409,390	2,449,250	39,860
Other Non-operating Revenue	2,188,381	955,000	(1,233,881)
Net Income (Loss)	2,484,512	40,788	(2,443,724)
Capital Outlay	\$118,274	\$ 198,000	\$79,726

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Verdant Health Commission
Building the Foundation for a Healthier Community

Challenges, Changes & Unknowns

- Unknown capital needs for KC and VCWC
- Uncertainty related to Value Village planning process
- COVID-19 impacts
- Return on investments and unrealized gains/(losses)
- Public records requests
- Potential litigation
- State or Federal policy changes

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Verdant Health Commission Update
Building the Foundation for a Healthier Community

Summary

- Strong financial position
- Operating revenue increase of <1% over 2020 budget
- Expenses are stable
- Program budget includes a 25% increase over projected 2020
- 10th year of clean financial audits


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Verdant Health Commission Update
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Public Hearing

To hear testimony from people who
have comments regarding the
proposed budget



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Commissioner Questions & Discussion



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