



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

Thursday, May 25, 2023

Hybrid Meeting

via Zoom and

Trios Care Center at deBit Building
320 W. 10th Ave. Kennewick, WA 99336

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
May 25, 2023

All Materials under the Consent Agenda are considered routine by the Board of Commissioners and will be adopted by one motion in the form listed below. There will be no separate discussion of these items. An item may be removed from the Consent Agenda and considered separately if the board members or the public desire further discussion.

1. Approval of Minutes

- a. Meeting Minutes, March 20, 2023 and April 26, 2023.

Kennewick Public Hospital District

Thursday, May 25, 2023 | Hybrid Meeting

5:00 PM

May Board meeting

AGENDA

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda*

B. Public Comment –

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. DeBit office space update
 - b. Records work update
 - c. Update Lee's signature authority for ColumbiaSoft quote to \$12,000*

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt / Erica Davis
 - a. Acceptance of April 2023 financial statements* – Overview by Nathan Burt / Erica Davis
 - b. Approval of payments and disbursements for April 2023*
 - c. Treasurer's Report – Steve Blodgett
 - d. 2021-2022 SAO Audit – update
 - e. 2022 Financial Audit – update
2. Governance Committee Updates – Mark Brault
 - a. Announcement: David Elgarico – New Trios CEO & Market President
 - b. General update
 - c. Benton-Franklin Community Health Alliance*
3. Planning Committee – Wanda Briggs
 - a. General update
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
 - a. General update

IV. COMMISSIONER COMMENTS

V. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting - Thursday, June 29, 2023 @ 5:00 p.m.

Close of Meeting

Minutes

Kennewick Public Hospital District

Thursday, March 30, 2023 | Hybrid Meeting

5:00 pm

March Board meeting

MINUTES

ATTENDANCE: Mark Brault, Marv Kinney, Steve Blodgett, Gary Long, Rick Reil, Wanda Briggs, Sheila Dunlop, Lee Kerr, Erica Davis, Salem Thompson, Heidi Ellerd

CALL TO ORDER

The District provided a link for parties to participate through Zoom. There were some participants who joined via Zoom.

Commissioner Brault called the meeting to order at 5:00 pm

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE MINUTES AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment –

Mr. Scott Carpenter gave public comment but submitted no written comments to include for the record.

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update

Lee brought back a report on the proposed recovery center from the citizen's advisory committee from Benton County. He states proposals are being considered from entities interested in managing the facility.

Lee attended the AWPHE virtual meeting with the group of PHDs not operating hospitals. More information will be gathered and passed along as appropriate.

The association will continue to support districts without hospitals in various ways.

The homelessness coalition had a meeting that Lee attended.

Lee has been working on an update to the records policy, especially the electronic records section of the policy.

Other community meetings included a discussion with the community health coalition.

2. Legal Report - Heidi Ellerd, Legal Counsel

- a. Updates – Heidi requests that the policy on public comments at commission meetings be sent to the person who gave verbal comments at this meeting. This policy is displayed on the the website and is available at the sign-in table at all meetings.

3. Administrative Report, Salem Thompson, Board Coordinator

- a. DeBit office space update – Keys have been requested, but not yet received. No word on if signage on the outside of the building is an option.
- b. Records work update with recommendations.
Salem and Debbie Clark gave a verbal report on the benefits of using Columbia Soft's software solution to aid the District in keeping compliant with its records and retention.

IT WAS MOVED AND SECONDED TO HIRE COLUMBIA SOFT AS A SOFTWARE SOLUTION AND AUTHORIZE LEE KERR TO SIGN THE QUOTE NOT TO EXCEED \$10K AFTER REVIEW AND MINOR MODIFICATIONS BY LEGAL COUNSEL. ALL IN FAVOR. MOTION CARRIED.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Erica Davis for Nathan Burt
 - a. Acceptance of February 2023 financial statements – Overview by Erica Davis
IT WAS MOVED AND SECONDED TO ACCEPT THE FEBRUARY FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - b. Approval of payments and disbursements for February 2023
IT WAS MOVED AND SECONDED TO ACCEPT THE PAYMENTS AND DISBURSEMENTS FOR FEBRUARY 2023 AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - c. Treasurer's Report – Steve Blodgett –
The finance committee is working on an investment policy. The policy will outline how and when to transfer funds to the local government investment pool (LGIP). A draft will be presented to the entire board at a future meeting.
 - d. 2021-2022 SAO Audit – update –
Meetings are ongoing, and progress is being made.
 - e. 2022 Financial Audit – update
Work continues on this audit. Adult Day Services has a list of items to provide, and they are working on these promptly. Eadie Bailly will begin reviewing the items provided sometime in April.
2. Governance Committee Updates – Mark Brault
 - a. This commission has a plaque to recognize the service of Commissioner Gary Long for his term as President from 2019-2022. All in attendance gave Gary a round of applause. Gary expressed his thanks to everyone.
 - b. Benton Franklin Community Health Alliance leader Kirk Williamson requested a meeting with Mark and Lee this month. The alliance has a changing role in the community due to the for-profit hospitals not having an onus to participate in community health needs assessments.
 - c. Please file your F-1s on time. Any who needs help can reach out to Marv or Mark.
 - d. Resolution 2023-3 Moving the April 2023 meeting to Wednesday, April 26, 2023
It was moved and seconded to approve Resolution 2023-3. All in favor. No discussion.
Approved as submitted.
3. Planning Committee – Wanda Briggs
 - a. General update - Planning Committee had a productive meeting in March and reviewed a proposal from Grace Clinic. *Due to a conflict of interest, Mark Brault left the meeting room.*
 - b. Grace Clinic proposal – Members of the Planning Committee toured Grace Clinic's facility in response to the request for expanding its dental services. The Clinic runs mainly on volunteers. This Clinic provides a unique service in the community and uniquely fills a gap in medical and dental services.
The Planning Committee recommends approving the ask from Grace Clinic for \$27,560 for a digital X-ray machine, a chair, and various instruments.

IT WAS MOVED AND SECONDED TO PURCHASE THE XRAY MACHINE FOR \$27,560. ALL IN FAVOR. DISCUSSION:

There was a discussion about purchasing the x ray machine and then leasing the machine to Grace Clinic. There will be further discussion at a later date about the best option for the xray machine.

A CALL FOR THE VOTE RESULTED IN ALL IN FAVOR. MOTION CARRIED.

Mark Brault was invited back into the meeting room.

The news of the favorable vote was communicated.

- c. Discussion on how Planning could work with Benton County on the possible recovery center efforts. A one-on-one meeting with the Benton County commissioner in charge of the action may be set in the future.
- d. Discussion on whether to create some endowment to fund efforts in the community, similar to the Richmond Trust.

4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

- a. General update: There was a profit in February 2023, which usually does not happen until later in the calendar year.
- b. Rick Reil thanked Salem as executive director for the work being put in. Wanda states that ADS can provide a written request to the Planning Committee for consideration if desired.

IV. Executive Session – RCW 42.30.110 (1) (i) & (ii) – Litigation or Potential Litigation*

An executive session was called at 6:21 pm for 15 minutes.

Members of the public in attendance were placed in the waiting room.

At 6:32, the meeting opened again for action, but no business was conducted until 6:36 pm.

No action was taken.

V. COMMISSIONER COMMENTS -

VI. BOARD MEETINGS/EVENTS/EDUCATION

Upcoming items

Next Regularly Scheduled Board Meeting – Wednesday, April 26, 2023, @ 5:00 pm.

Close of Meeting- 6:37 pm.

Kennewick Public Hospital District

Wednesday, April 26, 2023 | Hybrid Meeting

5:00 p.m.

April Board meeting

MINUTES

Attendance: Mark Brault, Steve Blodgett, Rick Reil, Sheila Dunlop, Wanda Briggs, Marv Kinney, Gary Long, Heidi Ellerd, Lee Kerr, Salem Thompson, Erica Davis (for Nathan Burt).

The District provided a link for parties to participate through Zoom. There were some participants who joined via Zoom.

Commissioner Brault called the meeting to order at 5:00 pm

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda*

IT WAS MOVED AND SECONDED TO APPROVE THE FEBRUARY 2023 MINUTES AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment – NONE

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update –
The citizens' advisory committee for the proposed Benton County recovery center met this month. The council has members from both Benton and Franklin Counties, but no clear structure has been identified on the roles or participation of each county. A shared need is a detox facility for each county.
There has been no word from the creditor's trust on the finality of the bankruptcy. Lee reached out again and will continue to reach out for information.
Trios/RCCH has identified a new CEO and will be in charge of the region's market, including Lourdes. The new CEO for Lourdes and Lourdes Counseling will start in May.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – None to report
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. DeBit office space update – A new building manager is in place so the request for keys has been delayed.
 - b. Records work update – Work continues. Heidi has suggested changes to the user agreement with Columbia Soft Software solution. Once changed and agreed upon, the implementation should begin in May.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Steve Blodgett
 - a. Acceptance of March 2023 financial statements – Overview by Steve Blodgett
IT WAS MOVED AND SECONDED TO APPROVE THE MARCH 2023 FINANCIAL STATEMENTS AS SUBMITTED. NO DISCUSSION. MOTION CARRIED
 - b. Approval of payments and disbursements for March 2023
IT WAS MOVED AND SECONDED TO APPROVE THE MARCH 2023 PAYMENTS AND DISBURSEMENTS AS SUBMITTED. NO DISCUSSION. MOTION CARRIED.

- c. Treasurer's Report – Steve Blodgett- see next items.
 - d. 2021-2022 SAO Audit – update – The audit is complete. A management representation letter has been sent in response. The annual report is still due and will be submitted once the draft of the financial audit is complete.
 - e. 2022 Financial Audit – update – The audit work continues. Again, ADS and Nathan Burt's office are working hard on submitting items. The goal is to have a draft by the middle of May.
 - f. Investment Policy – After a healthy discussion last meeting, the finance committee is working with Lee. More discussion will take place at the May meeting.
A discussion regarding a contract with the third-party administrator Eberle Vivian is in the works. When received, it should be given to Heidi for review.
2. Governance Committee Updates – Mark Brault
- a. General update – As noted above, there are new CEOs for Trios/RCCH and Lourdes expected to be in service starting May 15, citing the Trios/RCCH CEO will be a market manager effectively overseeing work at Lourdes.
 - b. Election filing deadlines – Please ensure timely filings.
3. Planning Committee – Wanda Briggs
- a. General update - Planning is grateful to have completed the scholarships for CBC and WSU. We will work with Grace Clinic and Lee regarding the dental expansion project. ADS has been invited to submit a proposal if they see fit.
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
- a. General update – Financials look good and overall; the census is up to pre-covid levels. The organization continues to improve its property and is pleased to have work continuing on the North Building renovation being funded by the tenants.

IV. COMMISSIONER COMMENTS

V. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting - Thursday, May 25, 2023, @ 5:00 p.m.

Close of Meeting

Financials

Management Reports

Kennewick Public Hospital District
For the period ended April 30, 2023

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

May 8, 2023

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These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Additionally, management has chosen to omit formal notes to these interim monthly financial statements. However, district leadership have provided explanations on select accounts below.

Financial Statement Explanation of Terms

The District's Financial documents use bookkeeping and accounting terms and phrases that have the following meanings:

Account 200 Community Care Agreement under the "Cost of Goods Sold" Section—This section represents the accounting software category designated for payments required by the Community Care Agreement to RCCH Trios to provide healthcare services which include charity care, reimbursements and on-going hospital operations.

Account 1020 Health Initiative Fund—Funds held to pursue the acquisition of a Recovery Center facility as well as to pursue other unmet healthcare needs in the District. These funds originated from the sale of Lifepoint's interest in the Tri-City Cancer Center. Lifepoint donated the proceeds of the sale to the District. Lifepoint Health, Inc. owns and operates Trios Hospital.

Account 1040 Worker's Compensation Account—This is a pass-through account with funds received from Trios RCCH to benefit pre-petition employees who are receiving workman's compensation benefits. It is beyond the requirements of the Community Care Agreement and provided by Trios RCCH to benefit prior and continuing employees.

Account 2001 Richmond Trust Account—This is a Legacy Trust with an income interest donated to the District by Mrs. Richmond. Baker Boyer Bank acts as the trustee.

Account 2100 Adult Day Services Loan Account—The District borrowed funds from ADS in mid-2019 to satisfy a long-term debt owed to the Kennewick Liquidation Trust. Principal and interest payments are made quarterly on a 10 year amortization schedule. The amortization schedule was shortened in October 2022 following a large, additional principal payment of \$120,000. The loan is now expected to be paid off in October, 2025.

Account 3000 Auburn Building Account—After the 2018 bankruptcy, the District retained ownership of a building located in the Kennewick Medical Center, which for a time was used as office space. It was listed for sale in 2021 and sold in May 2022.

Statement of Activity With Year to Date

April 2023

	Apr 2023	Jan - Apr, 2023 (YTD)	Total
REVENUE			
100 Property Tax Revenue	568,926.89		722,486.79
Total Revenue	568,926.89		722,486.79
COST OF GOODS SOLD			
200 Community Care Agreement	455,141.51		577,989.43
Total Cost of Goods Sold	455,141.51		577,989.43
GROSS PROFIT	113,785.38		144,497.36
EXPENDITURES			
305 Bank Fees	438.65		1,626.51
315 Commissioner Mtg Stipend	2,432.00		7,677.00
320 Facilities Expense			
323 Utilities	45.00		180.00
Total 320 Facilities Expense	45.00		180.00
326 Insurance	175.00		175.00
330 Legal and Professional			
331 Attorney Fees	907.00		1,686.50
332 Accounting	1,457.00		5,828.00
333 Audit Expense	23,289.68		23,545.10
335 Administrative Support	2,500.00		10,000.00
336 Other Professional Fees	832.64		3,271.86
Total 330 Legal and Professional	28,986.32		44,331.46
340 Office Expenses	210.86		3,426.50
342 Public Records Request	925.00		3,920.00
343 Records Management			325.00
347 Public Election Costs			14,655.66
360 Superintendent Compensation	3,300.00		13,200.00
400 Travel			637.60
Total Expenditures	36,512.83		90,154.73
NET OPERATING REVENUE	77,272.55		54,342.63
OTHER REVENUE			
900 Richmond Trust Income			3,359.25
950 Worker's Comp Reimbursements	6,091.47		26,246.53
960 Interest and Dividend Income	2,833.77		7,920.30
Total Other Revenue	8,925.24		37,526.08
OTHER EXPENDITURES			
800 Workers Comp Claims Paid	6,121.20		26,505.51
810 Interest Expense	984.68		2,685.89
Total Other Expenditures	7,105.88		29,191.40
NET OTHER REVENUE	1,819.36		8,334.68
NET REVENUE	\$79,091.91		\$62,677.31

Statement of Financial Position

As of April 30, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	755,084.16
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	10,874.12
Total Bank Accounts	768,058.28
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	768,763.28
Other Assets	
2001 Richmond Trust (Restricted)	569,724.75
2008 Local Government Investment Pool	687,768.93
Total Other Assets	1,257,493.68
TOTAL ASSETS	\$2,026,256.96
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	478,606.19
2021 AP - ADS	3,240.00
Total Accounts Payable	481,846.19
Credit Cards	
2024 U.S. Bank CC (4195)	468.50
Total Credit Cards	468.50
Total Current Liabilities	482,314.69
Long-Term Liabilities	
2100 Loan from ADS	90,914.86
Total Long-Term Liabilities	90,914.86
Total Liabilities	573,229.55
Equity	
3200 Net Position	479,625.35
3210 Restricted - Expendable	341,000.00
3220 Restricted - expendable Richmond Trust	569,724.75
Net Revenue	62,677.31
Total Equity	1,453,027.41
TOTAL LIABILITIES AND EQUITY	\$2,026,256.96

Statement of Cash Flows - Last Month

April 2023

	Total
OPERATING ACTIVITIES	
Net Revenue	79,091.91
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	353,726.77
2024 U.S. Bank CC (4195)	-45.00
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	353,681.77
Net cash provided by operating activities	432,773.68
INVESTING ACTIVITIES	
2008 Local Government Investment Pool	-2,774.14
Net cash provided by investing activities	-2,774.14
FINANCING ACTIVITIES	
2100 Loan from ADS	-9,987.93
Net cash provided by financing activities	-9,987.93
NET CASH INCREASE FOR PERIOD	420,011.61
Cash at beginning of period	348,046.67
CASH AT END OF PERIOD	\$768,058.28

Check Detail

April 2023

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037					
04/04/2023	Bill Payment (Check)	1665 Adult Day Services		R	-10,972.61
					-10,972.61
04/04/2023	Bill Payment (Check)	1666 Kuffel, Hultgrenn, Klashke, Shea & Ellerd		R	-2,031.50
					-2,031.50
04/06/2023	Expenditure	EFT Payments (See Detailed List)	ACH Debit(s)	R	-7,720.00
			Reil, Dunlop, Kinney, Blodgett		1,920.00
			S. Snody		2,500.00
			L. Kerr		3,300.00
04/14/2023	Expenditure	US Bank	Miscellaneous Fee(s)	R	-129.30
			Miscellaneous Fee(s)		129.30
04/17/2023	Expenditure	Epic Tax Solutions	ACH Debit(s)	R	-1,457.00
			ACH Debit(s)		1,457.00
04/18/2023	Bill Payment (Check)	1667 Trios Health - V		C	-122,847.92
					-122,847.92

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
04/18/2023	Bill Payment (Check)	1668 Advantage IT		R	-832.64
					-832.64
04/18/2023	Bill Payment (Check)	1669 Kuffel, Hultgrenn, Klashke, Shea & Ellerd		R	-1,832.00
					-1,832.00
04/19/2023	Expenditure	U.S.Bank CC (4195)	ACH Debit(s)	R	-300.86
			ACH Debit(s)		-300.86
04/19/2023	Expenditure	EFT Payments (See Detailed List)	Wanda Briggs	R	-512.00
			Wanda Briggs		512.00
1040 Key Bank Worker's Comp					
04/30/2023	Expenditure	Workers Comp		R	-6,121.20
					6,121.20
04/30/2023	Expenditure	KeyBank		R	-309.35
					309.35