



**Two Rivers**  
HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Packet**

**Thursday, Nov. 30, 2023**

**Hybrid Meeting**

via Zoom and

Trios Care Center at deBit Building

320 W. 10<sup>th</sup> Ave. Kennewick, WA 99336

**5:00 p.m.**

**Kennewick Public Hospital District**  
**Thursday, Nov. 30, 2023 | Hybrid Meeting with**  
**Zoom Remote**

**5:00 PM**

**AGENDA**

**I. District Business:**

- A. Approval of Consent Agenda\***
- B. Public Comment –**

**II. NEW BUSINESS:**

**A. Reports**

- 1. Lee Kerr – Superintendent, General Update
- 2. Legal Report - Heidi Eller, Legal Counsel
  - a. Updates – Records Requests
- 3. Administrative Report, Salem Thompson, Board Coordinator

**B. Committee Reports/Recommendations**

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of October 2023 financial statements\* – Overview by Nathan Burt
  - b. Approval of October 2023 payments and disbursements\*
  - c. Treasurer’s Report – Steve Blodgett
- 2. Governance Committee Updates – Mark Brault
  - a. Charter updates
  - b. December meeting\*
- 3. Planning Committee – Wanda Briggs
- 4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

**III. Executive Session –**

**IV. COMMISSIONER COMMENTS**

**V. Upcoming items – NONE**

**VI. BOARD MEETINGS/EVENTS/EDUCATION -**

Next Regularly Scheduled Board Meeting – Thursday, Dec. 14, 2023 @ 5:00p.m.

**Close of Meeting**

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
**Nov. 30, 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 for Public Hearings and Regular meeting held Oct. 26, 2023.

# Minutes

**Kennewick Public Hospital District**  
**Thursday, Oct. 26, 2023 | Hybrid Meeting with Zoom Remote**  
**5:00 p.m.**

**Public Hearing: Property Tax Levy**

**Public Hearing: Budget**

**Regular October Board meeting**

**MINUTES**

Attendance: Marv Kinney, Gary Long, Rick Reil, Steve Blodgett, Sheila Dunlop, Lee Kerr,  
Erica Davis, Salem Thompson, Heidi Ellerd

Absent: Mark Brault, Wanda Briggs

**I. District Business:**

**II. Regular Board Meeting Business**

Commissioner Marv Kinney called the meeting to order at 5:00 p.m.

**A. Approval of Consent Agenda**

IT WAS MOVED AND SECONDED TO APPROVE THE ITEMS ON THE CONSENT AGENDA. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

**B. Public Comment –**

None.

**III. PUBLIC HEARINGS:**

**A. Property Tax Levy –**

Marv Kinney opened the public hearing at 5:02 p.m.

Lee Kerr gave an overview of the tax levy process.

NO PUBLIC COMMENT WAS RECEIVED.

At 5:04 p.m., the public hearing was closed.

**B. Budget 2024**

Marv Kinney opened the Budget hearing at 5:05 p.m.

Lee Kerr gave an overview of the budget, including election year costs and an explanation of the District's responsibilities and current and upcoming obligations.

NO PUBLIC COMMENT WAS RECEIVED.

At 5:09 p.m., the public hearing was closed.

**IV. NEW BUSINESS:**

**A. Resolution 2023-5 Adopting District Budget for 2024 and Approving Limit Factor**

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2023-5 AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

**B. Resolution 2023-6 Certifying the Increase in Regular Tax Levy**

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2023-6 AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

**C. Reports**

1. Lee Kerr – Superintendent, General Update

Report on virtual attendance at the AWPHD meeting.

A quarterly meeting with Trios is being scheduled.

The recovery center advisory council meets regularly, and Lee attended a recent meeting.

As a reminder, Open Public Meeting Act training is due in January for all commissioners.

Salem will provide links and information closer to the date.

The creditors' trust had some activity, resulting in the continuance of the case with an

overpayment. This means that the trust will not be closed until after the next tax filing year.

2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – Records Requests – Nothing new to report.
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records update and training opportunities for records officers. Work continues on Document Locator. Lee signed a contract with the state archives as part of the digitization grant.

#### **D. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of September financial statements – Overview by Erica Davis  
IT WAS MOVED AND SECONDED TO APPROVE THE SEPTEMBER 2023 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - b. Approval of payments and disbursements  
IT WAS MOVED AND SECONDED TO APPROVE THE SEPTEMBER 2023 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
  - c. Treasurer's Report – Steve Blodgett
  - d. Audit updates – audits are complete at this time. Suggestions received in the audit process are being implemented.
2. Governance Committee Updates – Marv Kinney for Mark Brault
  - a. Resolution 2023-7 Appointing Agent to Receive Claims Against District Under 4.90 RCW  
IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2023-7 AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
3. Planning Committee – Wanda Briggs
  - a. Planning Committee Charter –The amended charter was circulated to the commissioners but was not included in the packet. It was decided that Heidi should review prior to Board approval. Moving this to another agenda.
  - b. Mon. Nov. 6, 12 p.m. – 2 p.m. – WSU tour and lunch – The commissioners are all invited to attend.
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett  
Healthy financial situation and progressing in census.

#### **V. Executive Session**

#### **VI. COMMISSIONER COMMENTS**

#### **VII. Upcoming items –NONE**

#### **VIII. BOARD MEETINGS/EVENTS/EDUCATION**

Next Regularly Scheduled Board Meeting – Thursday, Nov. 30, 2023 @ 5:00 p.m.

**Close of Meeting – 5:57 pm**

# Financials

# Management Reports

Kennewick Public Hospital District

For the period ended October 31, 2023

Prepared by

**Epic Tax Solutions a Subsidiary of Epic Trust Financial Group**

Prepared on

**November 2, 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

October 2023

		Total
	Oct 2023	Jan - Oct, 2023 (YTD)
<b>REVENUE</b>		
100 Property Tax Revenue	485,378.81	1,445,549.11
110 Grant Income		5,000.00
<b>Total Revenue</b>	<b>485,378.81</b>	<b>1,450,549.11</b>
<b>COST OF GOODS SOLD</b>		
200 Community Care Agreement	388,303.05	1,156,439.23
<b>Total Cost of Goods Sold</b>	<b>388,303.05</b>	<b>1,156,439.23</b>
<b>GROSS PROFIT</b>	<b>97,075.76</b>	<b>294,109.88</b>
<b>EXPENDITURES</b>		
303 Scholarship Contributions		8,200.00
305 Bank Fees	369.08	4,069.76
315 Commissioner Mtg Stipend	2,048.00	23,165.00
320 Facilities Expense		
323 Utilities	45.00	450.00
<b>Total 320 Facilities Expense</b>	<b>45.00</b>	<b>450.00</b>
326 Insurance	51.70	13,330.69
330 Legal and Professional		
331 Attorney Fees	1,165.52	5,669.77
332 Accounting	1,730.00	15,662.00
333 Audit Expense		21,177.80
335 Administrative Support	2,500.00	25,000.00
336 Other Professional Fees	954.15	8,407.26
<b>Total 330 Legal and Professional</b>	<b>6,349.67</b>	<b>75,916.83</b>
340 Office Expenses	1,505.37	6,480.31
342 Public Records Request	990.00	8,825.00
343 Records Management	1,737.50	18,249.31
360 Superintendent Compensation	3,300.00	33,000.00
400 Travel		637.60
VOID		0.00
<b>Total Expenditures</b>	<b>16,396.32</b>	<b>192,324.50</b>
<b>NET OPERATING REVENUE</b>	<b>80,679.44</b>	<b>101,785.38</b>
<b>OTHER REVENUE</b>		
900 Richmond Trust Income	2,465.64	41,733.55
950 Worker's Comp Reimbursements	5,382.69	63,749.60
960 Interest and Dividend Income	4,099.31	37,037.04
<b>Total Other Revenue</b>	<b>11,947.64</b>	<b>142,520.19</b>
<b>OTHER EXPENDITURES</b>		
800 Workers Comp Claims Paid	6,790.22	64,094.37

		Total
	Oct 2023	Jan - Oct, 2023 (YTD)
810 Interest Expense	1,277.71	5,962.04
<b>Total Other Expenditures</b>	<b>8,067.93</b>	<b>70,056.41</b>
NET OTHER REVENUE	3,879.71	72,463.78
NET REVENUE	<b>\$84,559.15</b>	<b>\$174,249.16</b>

# Statement of Financial Position

As of October 31, 2023

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	542,276.34
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	8,953.37
<b>Total Bank Accounts</b>	<b>553,329.71</b>
<b>Other Current Assets</b>	
1105 Tax Receivable	705.00
<b>Total Other Current Assets</b>	<b>705.00</b>
<b>Total Current Assets</b>	<b>554,034.71</b>
<b>Other Assets</b>	
2001 Richmond Trust (Restricted)	569,724.75
2008 Local Government Investment Pool	893,986.37
<b>Total Other Assets</b>	<b>1,463,711.12</b>
<b>TOTAL ASSETS</b>	<b>\$2,017,745.83</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	390,766.07
2021 AP - ADS	3,240.00
<b>Total Accounts Payable</b>	<b>394,006.07</b>
<b>Credit Cards</b>	
2024 U.S. Bank CC (4195)	1,550.37
<b>Total Credit Cards</b>	<b>1,550.37</b>
<b>Total Current Liabilities</b>	<b>395,556.44</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	72,245.79
<b>Total Long-Term Liabilities</b>	<b>72,245.79</b>
<b>Total Liabilities</b>	<b>467,802.23</b>
<b>Equity</b>	
3200 Net Position	464,969.69
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	174,249.16
<b>Total Equity</b>	<b>1,549,943.60</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,017,745.83</b>

# Statement of Cash Flows - Last Month

October 2023

	Total
<b>OPERATING ACTIVITIES</b>	
Net Revenue	84,559.15
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	361,027.28
2024 U.S. Bank CC (4195)	1,144.90
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>362,172.18</b>
<b>Net cash provided by operating activities</b>	<b>446,731.33</b>
<b>INVESTING ACTIVITIES</b>	
2008 Local Government Investment Pool	-4,079.45
<b>Net cash provided by investing activities</b>	<b>-4,079.45</b>
<b>FINANCING ACTIVITIES</b>	
2100 Loan from ADS	-9,694.90
<b>Net cash provided by financing activities</b>	<b>-9,694.90</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>432,956.98</b>
Cash at beginning of period	120,372.73
<b>CASH AT END OF PERIOD</b>	<b>\$553,329.71</b>

# Check Detail

October 2023

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
<b>1010 US Bank Checking 4037</b>						
10/02/2023	Bill Payment (Check)	1691	Adult Day Services	Quarterly Loan Payment	R	-10,972.61
						-10,972.61
10/02/2023	Expenditure		U.S.Bank CC (4195)	Credit Card Payment	R	-405.47
				Credit Card Payment		-405.47
10/04/2023	Expenditure		Mutual of Enumclaw	Insurance	R	-51.70
				Insurance		51.70
10/05/2023	Expenditure		Advantage IT	IT Support	R	-954.15
				IT Support		954.15
10/06/2023	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-9,278.00
				W.Briggs, S.Blodgett, M. Kinney		2,048.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00
				D. Clark		1,430.00
10/16/2023	Expenditure		Epic Tax Solutions	Accounting	R	-1,730.00
				Accounting		1,730.00
10/16/2023	Expenditure		US Bank	Miscellaneous Fee(s)	R	-88.55
				Miscellaneous Fee(s)		88.55

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
10/17/2023	Bill Payment (Check)	1692	Trios Health - V	3rd Quarter 2023 Community Care Agreement		-28,457.54
						-28,457.54
10/17/2023	Bill Payment (Check)	1693	ColumbiaSoft Corporation	Records Management Software	R	-1,281.25
						-1,281.25
<b>1040 Key Bank Worker's Comp</b>						
10/31/2023	Expenditure		Workers Comp		R	-6,790.22
				Claims Paid		6,790.22
10/31/2023	Expenditure		KeyBank		R	-280.53
				Bank Fees		280.53



# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 09/01/2023 to 09/30/2023, Pay Date: 10/10/2023, Payment # 13

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
1	Steve Blodgett	640.00	0.00	0.00	0.00	0.00	0.00	0.00	640.00	
2	Wanda Briggs	512.00	0.00	0.00	0.00	0.00	0.00	0.00	512.00	
11	Debra L Clark	1,430.00	0.00	0.00	0.00	0.00	0.00	0.00	1,430.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	3,300.00	
4	Marv Kinney	896.00	0.00	0.00	0.00	0.00	0.00	0.00	896.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	
Payment Totals :		9,278.00	0.00	0.00	0.00	0.00	0.00	0.00	9,278.00	