



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, March. 25, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
March 25, 2020

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. Board Meeting Feb. 25, 2021

2. Approval of Warrant Register/Revenue Fund

3. Acceptance of Financial Report:

- a. Approval of P&L Statements Feb., 2021

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
BOARD MEETING
AGENDA**

Thursday, March. 25, 2021 | Remote Meeting Via Zoom

CALL TO ORDER

I. DISTRICT BUSINESS:

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

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

B. Committee Reports/Recommendations

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. February financial statements
 - b. Treasurer’s Report: Update on 2019 Audit, Upcoming 2020 Audit schedule
 - c. 2020 auditor selection
- 2. Planning Committee – Wanda Briggs and Lee Kerr
 - a. Discussion on future options for the District
- 3. Adult Day Services – General Update Rick Reil or Steve Blodgett
- 4. Governance Committee – Gary Long
 - a. Richmond Trust Resolution*
 - b. Election registration and
 - c. Final reminder for PDC filing.
 - d. Discussion on Phase 3 opening
- 5. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson

III. COMMISSIONER COMMENTS

- A. Upcoming items –**

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, April. 29, 2021, @ 5:00 p.m.

ADJOURNMENT

*Note - Items noted with an asterisk constitute possible action by the Board of Commissioners.

Minutes

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
BOARD MEETING
MINUTES**

Thursday, Feb. 25, 2021 | Remote Meeting Via Zoom

CALL TO ORDER 5:00 pm

Attendance: Gary Long, Steve Blodgett, Marv Kinney, Mark Brault, Rick Reil, Wanda Briggs, Len Dreisbach, Lee Kerr, Heidi Ellerd, Nathan Burt, and Salem Thompson.

Due to the state of emergency and the Governor's proclamation relating to in-person public meetings, the meeting was held with all parties participating remotely via Zoom. Commissioner Long called the meeting to order at 5:00 pm, after confirming that all parties were connected and could hear and participate in the meeting.

I. DISTRICT BUSINESS:

A. Approval of Consent Agenda*

The materials listed under the Consent Agenda are considered routine by the Board of Commissioners and are adopted by one motion. There will be no separate discussion of the following items

- Approval of the previous month's Board minutes
- Approval of warrant register/revenue fund
- Acceptance of the financial report

However, an item may be removed from the Consent Agenda and considered separately if the Board members desire further discussion. As of this date, the Board of Commissioners unanimously approves by a majority vote the payment of those items included in the Consent Agenda and further described as follows:

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA AS SUBMITTED.
NO DISCUSSION. MOTION CARRIED.

B. Public Comment –

Mr. Ken Mey gave the following comment in the chat feature: *“My comment: Please put notes to financial statements back in. Notes to financial statements were omitted by management. They are important. Monthly notes are necessary. Annual are not sufficient.”*

I. NEW BUSINESS:

A. Executive Report – Lee Kerr

Lee Kerr covered recent local publicity of the proposed recovery center project. The mental health element is being considered by LifePoint for their potential participation. The Spaulding building office move is on hold. More information is being gathered on tenant improvements, etc. Quarterly meeting with John Solheim will be held this week as part of fulfilling the Community Care Agreement.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt -
 - a. January financial statements – Review by Nathan Burt.
 - b. Treasurer's Report: Update on 2019 Audit, Upcoming 2020 Audit schedule. Review by Steve Blodgett. There will be some updates to the wording of the audits to

provide clarity. The finance committee will review and approve disbursements in their meetings going forward. Benton County has billed us costs associated with elections information given to KPHD was that they are billed annually even if no commissioner is running that year. Heidi Ellerd to confirm this and make sure it is accurate.

MOTION TO AUTHORIZE STEVE TO PAY THE BENTON ELECTION COSTS. SECONDED. NO FURTHER DISCUSSION. MOTION CARRIED.

The 2020 audit schedule was discussed. The three options are to have Eide Bailly perform the audit, look for another firm, or have the state perform the audit.

- c. Disbursements will be approved by the finance committee. Discussed above.
 - d. Budget – election costs clarification – discussed by Steve Blodgett above.
 - 2. Planning Committee – Wanda Briggs.
 - Wanda is pleased to serve as chairperson for the committee. She will be working with Lee and Gary to have the committee be productive for the District going forward.
 - 3. Adult Day Services – General Update Steve Blodgett.
 - Overall going well. Working on projects while being closed to clients. Steve's understanding is no clients will be onsite until Phase 4. As part of the District's financial audit, ADS was brought under closer review. ADS did not have a bookkeeper doing general ledger accounting. A firm now has signed on to assist. All books were able to be reconciled. This support will make future audits simpler to perform. '
 - 4. Governance Committee – Gary Long
 - a. Electronic signature policy approved; DocuSign is the provider. Please follow the steps to sign documents that are approved to be signed electronically as they are provided.
 - b. Reminder – PDC updates for every commissioner due by April. Please complete as soon as possible. Salem will send out a link to the PDC to all commissioners.
- Gary provided an update on the condo association meeting for the 805/807 Auburn building. The association is planning an assessment for improvements to the whole complex. This translates into higher costs for the District and the District is hearing that an offer may be presented for purchase of 805/807. '
- 5. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson. Nothing new to report.

III. COMMISSIONER COMMENTS

A. Upcoming items – none mentioned.

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, Mar. 25, 2021, @ 5:00 pm.

ADJOURNMENT 6:16pm

Financials

Financial Statement Explanation of Terms

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

"Cost of Goods Sold" is the QuickBooks category 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 1013 Home Health Escrow—Funds held in escrow to ensure against debt to purchasers from 2018 sale of Home Health entity. Expires June 2021. District has no interest or control of these funds.

Account 1020 Health Initiative Fund—Funds held to pursue Recovery Center acquisition of Auburn Campus originally received from the sale of the District's interest in the Tri-City Cancer Center.

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 Legacy Trust with an income interest donated to the District by Mrs. Mabel Richmond.

Account 2100 Adult Day Services Loan Account—The District borrowed funds from ADS to satisfy a long-term debt owed to the Kennewick Liquidation Trust which it repays quarterly.

Account 3000 Auburn Building Account—The District retains ownership of a building located in the Kennewick Medical Dental Center which it presently uses as office space and has it listed for sale.

Kennewick Public Hospital District
Statement of Cash Flows
February 2021

	<u>Feb 21</u>
OPERATING ACTIVITIES	
Net Income	-33,684.00
Adjustments to reconcile Net Income to net cash provided by operations:	
2020 - Accounts Payable	9,822.80
2023 - US Bank Corp Payment Syste...	16.28
	<u> </u>
Net cash provided by Operating Activities	-23,844.92
	<u> </u>
Net cash increase for period	-23,844.92
	<u> </u>
Cash at beginning of period	455,793.66
	<u> </u>
Cash at end of period	<u><u>431,948.74</u></u> ¹

12:47 PM
03/10/21

Kennewick Public Hospital District
Statement of Cash Flows
February 2021

1. 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 notes to the financial statements.
-

Kennewick Public Hospital District
Statement of Financial Activity
February 2021

	<u>Feb 21</u>
Ordinary Income/Expense	
Income	
100 - Property Tax Revenue	3,987.46
Total Income	3,987.46
Cost of Goods Sold	
200 - Community Care Agreement	3,189.97
Total COGS	3,189.97
Gross Profit	797.49
Expense	
301 - Health Initiative Contributions	2,770.45
305 - Bank Fees	308.30
315 - Commissioner Mtg Stipend	3,456.00
320 - Facilities Expense	
323 - Utilities	643.89
320 - Facilities Expense - Other	462.44
Total 320 - Facilities Expense	1,106.33
326 - Insurance	183.80
330 - Legal and Professional	
331 - Attorney Fees	1,649.00
332 - Accounting	1,300.00
333 - Audit Expense	10,843.53
335 - Administrative Support	2,200.00
336 - Other Professional Fees	66.25
Total 330 - Legal and Professional	16,058.78
339 - Licenses and Taxes	39.22
340 - Office Expenses	16.28
346 - Public Records Request	1,807.50
347 - Public Election Costs	10,477.75
360 - Superintendent Compensation	3,000.00
Total Expense	39,224.41
Net Ordinary Income	-38,426.92
Other Income/Expense	
Other Income	
950 - Worker's Comp Reimbursements	16,731.02
960 - Interest and Dividend Income	1.24
Total Other Income	16,732.26
Other Expense	

12:43 PM
03/10/21
Accrual Basis

Kennewick Public Hospital District
Statement of Financial Activity
February 2021

	<u>Feb 21</u>
800 - Workers Comp Claims Paid	<u>11,989.34</u>
Total Other Expense	<u>11,989.34</u>
Net Other Income	<u>4,742.92</u>
Net Income	<u><u>-33,684.00</u></u> ¹

Kennewick Public Hospital District
Statement of Financial Activity
February 2021

1. 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 notes to the financial statements.
-

Kennewick Public Hospital District
Statement of Net Position
As of February 28, 2021

	<u>Feb 28, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 - US Bank Checking 4037	67,839.82
1020 - Health Initiative Reserves 2765	341,000.00
1030 - Restricted - US Bank 6221	100.00
1040 - Key Bank Worker's Comp	23,008.92
Total Checking/Savings	<u>431,948.74</u>
Total Current Assets	431,948.74
Fixed Assets	
3000 - District Building	238,350.00
3010 - Accumulated Depreciation	
3010-1 - Accum Depr - Buildings - KPD	<u>-238,350.00</u>
Total 3010 - Accumulated Depreciation	<u>-238,350.00</u>
Total Fixed Assets	0.00
Other Assets	
1013 - Home Health Escrow 2021	144,979.22
2001 - Richmond Trust (Restricted)	676,310.45
Total Other Assets	<u>821,289.67</u>
TOTAL ASSETS	<u><u>1,253,238.41</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 - Accounts Payable	<u>19,140.31</u>

12:45 PM
03/10/21
Accrual Basis

Kennewick Public Hospital District
Statement of Net Position
As of February 28, 2021

	<u>Feb 28, 21</u>
Total Accounts Payable	19,140.31
Credit Cards	
2023 - US Bank Corp Payment Systems	-1,681.62
Total Credit Cards	-1,681.62
Total Current Liabilities	17,458.69
Long Term Liabilities	
2100 - Loan from ADS	282,628.05
Total Long Term Liabilities	282,628.05
Total Liabilities	300,086.74
Equity	
3001 - Net Assets	291,809.57
3200 - Net Position	721,092.61
Net Income	-59,750.51
Total Equity	953,151.67
TOTAL LIABILITIES & EQUITY	<u>1,253,238.41</u>

Kennewick Public Hospital District
Statement of Net Position
As of February 28, 2021

1. 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 notes to the financial statements.
-

Policies / Resolutions

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BENTON COUNTY, WASHINGTON
RESOLUTION NO. 2021-03**

**A Resolution relating to expenditures of income from the
Paul G. and Mabel Richmond Endowment Fund**

WHEREAS, the Kennewick Public Hospital District was named as income beneficiary from the Paul G. and Mabel Richmond Endowment Fund; and

WHEREAS, the Kennewick Public Hospital District Board of Commissioners find it desirable to account for how the funds received from the Paul G. and Mabel Richmond Endowment Fund were used in 2020;

NOW, THEREFORE BE IT RESOLVED that the funds received in 2020 from the Paul G. and Mabel Richmond Endowment Fund were used to help fund the feasibility studies for the proposed Recovery Center.

ADOPTED AND APPROVED by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 25th day of March, 2021 the following Commissioners being present and voting:

**KENNEWICK PUBLIC HOSPITAL
DISTRICT BENTON COUNTY,
WASHINGTON**

Gary G. Long, President & Commissioner

Steve Blodgett, VP, Treasurer, and Commissioner

Marv Kinney, Secretary and Commissioner

Richard L. Reil, Commissioner

Wanda L. Briggs, Commissioner

Leonard Dreisbach, Commissioner

Mark Brault, Commissioner