

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

5 p.m. – Thursday, July 25, 2019

10 N. Washington Street, Kennewick, WA

CALL TO ORDER

President Gary Long Called the meeting to order at 5:00 p.m.

COMMISSIONERS PRESENT:

Marvin Kinney, Mike McWhorter, Gary Long, Steve Blodgett, Richard L. Reil, Wanda Briggs, Leonard Dreisbach

COMMISSIONERS EXCUSED: ALL PRESENT

EXECUTIVE AND CONTRACTORS: Leland (Lee) Kerr, Superintendent; Salem Snowdy, Heidi Ellerd, Nathan Burt

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 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

Scott Carpenter signed up to speak. He had a question which was who owns Kennewick Holdings LLC. The Board indicated they would look into this and have someone contact him. His other concern was posting meeting minutes on the website. Gary replied that the Board was discussing that issue later in the meeting. After speaking, Mr. Carpenter left the meeting.

II. KPHD BUSINESS:

A. Executive Report – Lee Kerr

1. Creditor's Trust update
 - a. Status of loan from ADS*. Documents completing the transaction have been finalized. No new action is being taken.

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

b. Lee/Rick/Wanda reported on the walk through of Auburn facility that took place earlier in the month and provided an update on the need for a detox center in this area.

There are many moving parts to a detox center. The health inspector was enthusiastic and had a written report circulated two days after the walk through. Minor changes to the facility would be needed. The next step is to get a nod from LifePoint on the salability of the building. There are grants available for purchase and updates necessary to make the campus suitable. A feasibility study would be next and an entity to run the facility would also be needed.

Today, the Columbia Basin Badger Club hosted a forum on the opioid crisis and the need for detox facilities. Several board members attended and John Solheim from Trios/RCCCH also attended. What was notable from the discussion was a clear need, but more prominently, a need for a facility.

This project would be a win for LifePoint, as the split campus (Auburn facility holds birthing center and ideally moving that to the Southridge campus is the goal). LP could be unburdened from the hemorrhaging cost and tax liability since they are for profit. There is no competing element of offering hospital services.

The Planning Committee is tasked with looking at how and what comes next for the District's potential role in a project of this nature.

Len (Planning Committee chair) stated he does not want to be an absent landlord, but neither does the District want or have the ability to manage such a facility. Discussion followed that management aspects would likely be contracted out. The Benton Franklin Recovery Coalition brings relationships that have agency abilities to run a facility.

Gary stated the issues could be public perception and the CON (Certificate of Need) to move the Auburn activities of labor and delivery. Discussion then turned to separate entrances and parking and the timeframe to allow the facility to begin operation.

c. Concerning Tri Cities Cancer Center: Resolution, Summary, Notice of Action*

Lee explained the history of the Master Asset Purchase Agreement as related to the TCCC. The intent was to allow LifePoint to participate in the center. Lee passed out a page from the agreement (p.37). The criteria to be a member of the Center is being nonprofit, and LifePoint is for profit. Lee's rights as voting board member were transferred to John Solheim. A one-year hold was in effect on what to do next and how to do it. In the course of time, both Kadlec and Lourdes (other members) went through management changes. There has been a flurry of meetings with members of TCCC and attorneys to suggest options of what can be done since the one-year timeframe is now up. Key point, it takes unanimity (full agreement) to change the structure of TCCC. Life Point has determined that the District is to withdraw.

RESOLUTION 2019-4 RELATING TO THE DISTRICT'S COMPLIANCE WITH THE MASTER ASSET PURCHASE AGREEMENT REGARDING THE TRI-CITIES CANCER CENTER.
READ BY RICK REIL.

IT WAS MOVED AND SECONDED TO ADOPT THE RESOLUTION.

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

DISCUSSION: LEE RELATED THE DESIRE BY LIFEPOINT EXECUTIVES THAT THE TCCC CONTINUE AS A VALUABLE COMMUNITY BENEFIT. DESIRE EXPRESSED BY SOME COMMISSIONERS FOR LIFEPOINT TO GIFT THE INTEREST FROM THE DISTRICT AND LOURDES BACK TO TCCC AS A DONATION TO THE COMMUNITY. LK SHARED TCCC IS HUDDLING TO LOOK AT ALL OPTIONS. WHILE THE DISTRICT HAS A CONTRACTUAL OBLIGATION TO AGREE TO THIS WITHDRAWAL.

VOTE ALL IN FAVOR. MOTION CARRIED.

III. NEW BUSINESS:

A. Committee Reports/Recommendations

1. Finance & Audit – Steve Blodgett, Finance Chair/Nathan Burt
 - a. June Financial Statements and current balance statements

- b. Financial forecast update

SUPPLEMENT TO EXEC REPORT; KID sent a bill on the Ayers parcels and due to the litigation on the property there has yet to be a decision on who will pay it.

- c. Treasurer’s Report: Status of Audits – The State audit: Auditor requested an exit meeting to go over their findings. They have found we have fulfilled our requirements. It was a challenging audit. There are minor recommendations. The required annual reports are late in being filed (2018 and 2019 are due now).

They listed a finding of not being a sustainable organization. After a phone conference, the Governance Committee sent a response via letter challenging the finding and its wording. The district suggested alternative wording for the finding that will be a more accurate depiction of the District’s ability to be a sustainable organization in the future. As of this meeting, we are still waiting on a response to the proposed wording. State audits will continue every year.

Eide Bailly audit. This type of audit will likely not be needed going forward, and a final report has not yet been issued, but work has been completed. More discussion will follow once the report is received.

- d. Status of State Annual Reports – see notes above.

2. Executive/Governance – Gary Long, President

- a. Ad hoc Bylaws and Policy Committee –The Mission and Vision Policy as well as the remainder of the policies and proposed edits will be reviewed at the August meeting.

- b. The District office has a small entrance room that will suffice for a conference room. Trios will give a conference table and chairs and it will be a nice place for committees to meet.

- c. Website postings update – Minutes of the District will be posted on the website.

3. Adult Day Services – General Update

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

4. Cancer Center Update – Wanda read the updates from the cancer center’s recent meeting. See discussion and action above.

5. Planning Committee

a. See update above in Executive Report.

b. Recommend adoption of Two Rivers Health DBA name, and Mission / Vision statement with revised policy* Table any action until August’s regular meeting.

Discussion on the DBA name Two Rivers Health. Suggestion to add “A Washington Hospital District” very small under the name Two Rivers Health.

c. Discussion on District image, logo, business collateral creation to align with Mission/Vision/DBA name. There is a proposal from Be Present Design Studio to provide design services.

MOTION TO APPROVE THE PROPOSAL FROM BE PRESENT DESIGN STUDIO – APPROVED, MOTION CARRIED.

IV. COMMISSIONER COMMENTS

Rick – Great to see Jack Briggs today at the Badger Club meeting. This is the end of the first year this board has been together without running a hospital. Glad to see how the board has come together and moving on into the future.

Len – Expressed appreciation to Lee, Salem, Rick on keeping him up to speed. Glad to be part of the next work as a hospital district with a new mission.

Gary –It is desirable to move contractors Lee, Nathan, and Salem to monthly contract rates starting in Sept. Heidi will work with Gary on the necessary steps.

V. BOARD MEETINGS/EVENTS/EDUCATION:

A. Next Regularly Scheduled Board Meeting – Thursday August 29, 2019 @ 5:00 p.m.

ADJOURNMENT There being no further business the meeting was adjourned at 6:26 p.m.

Gary Long, President

Marv Kinney, Secretary