

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

5 p.m. – Thursday, August 29, 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, Gary Long, Steve Blodgett, Wanda Briggs, Leonard Dreisbach (via phone), Rick Reil (arrived at 5:16 pm).

COMMISSIONERS EXCUSED: Mike McWhorter

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

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.

I. DISTRICT BUSINESS:

B. Approval of Consent Agenda*

C. Public Comment

II. KPHD BUSINESS:

A. Executive Report – Lee Kerr

1. Creditor's Trust update

a. KID litigation, Ayers property, Law Firm change –KID litigation in bankruptcy- Litigationthis matter has been appealed by KID and is pending. Ayers property is still in question regarding outstanding leases, etc. and the District holds title until these matters are cleared up. Law firm change necessary due to our attorney Andy Morton from Foster Pepper changing to Stoel Rives, LLP so our file will go with him to his new firm.

b. ADS loan and Creditors Trust Purchase and Sale agreement report. The first payment is due October 1st. There is a desire to negotiate with ADS to push out the first payment

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

until January 2020 to include accrued interest. This will require full agreement and more details will follow.

c. BF Recovery Coalition and detox center. Life Point/RCCH is very amenable to repurpose of the Auburn campus, even perhaps disposing of the campus for this purpose. Next steps include BF Recovery Coalition looking for candidates to provide proposals for a feasibility study.

III. NEW BUSINESS:

A. Committee Reports/Recommendations

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

b. Financial forecast update

c. Treasurer’s Report: Status of State audit and Eide Bailly audit. Nathan has been working with Eide Bailly to extinguish the 1MM liability from the District’s books that was taken care of with the loan from ADS more to follow. There is an exit conference scheduled for next week with the State for the accountability audit.

d. Status of Annual Report. Nathan Burt will prepare both 2017 and 2018 reports once the financial audit is received from Eide Bailly.

e. Richmond Trust Update. Timing of interest payment will occur in November.

f. The finance committee has approved an updated charter and the Audit policy for review and adoption at the next meeting.

2. Executive/Governance – Gary Long, President

a. Ad hoc Bylaws and Policy Committee – Finance and Audit committee charter. It was decided policies will be presented for approval at the September meeting.

b. Resolution approving superintendent’s contract amendment*

c. Amended fixed fee contract for Salem Snowdy, Nathan Burt*

RESOLUTION 2019-6 READ AND APPROVED.

MOTION TO AUTHORIZE GARY TO SIGN FIRST AMENDMENT TO SUPERINTENDENT AGREEMENT. SECONDED. NO DISCUSSION. APPROVED. MOTION CARRIED.

MOTION TO HAVE GARY SIGN SERVICE AGREEMENT: ACCOUNTING SERVICES WITH BURT TAX AND ACCOUNTING, INC. SECONDED. NO DISCUSSION. APPROVED. MOTION CARRIED.

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

MOTION TO HAVE GARY SIGN TERMINATION OF AGREEMENT FOR SERVICES WITH SALEM SNOWDY DEVELOPMENT LLC AND HAVE GARY SIGN NEW AGREEMENT FOR PROFESSIONAL SERVICES WITH SALEM SNOWDY DEVELOPMENT LLC SECONDED. NO DISCUSSION. APPROVED MOTION CARRIED.

d. Steve Blodgett is officially bonded as Treasurer. A copy of the bond will be placed at the District office.

e. Directors and Officers insurance update

3. Adult Day Services – General Update, Rick Reil. A few upgrades will be made to the bathroom area. With minimum wage going up, expenses will go up accordingly. Working on a resolution to honor Michael Porter, that will be brought to the September meeting for approval.

4. Cancer Center Update – Wanda Briggs. Chuck DeGooyer has asked the Badger Club to host a community forum on the Cancer Center. Details are being worked out. Badger is looking for a moderator, Wanda suggested Lee Kerr.

5. Planning Committee – Len Dreisbach. The detox center remains a viable project for the area and the District. Meeting with graphic designer that was successful. She will provide drafts at the next meeting and will bring back to the board for consideration next month.

6. Public Records Requests Updates – Hours are still increased over budgeted amount. Extensive research and redaction is required to adequately fulfill some outstanding requests. Some resources to fulfill the requests have not yet been made available to the district. Both Heidi Ellerd's office and Salem Snowdy track public records work separately for the District in regards to billing.

B. Upcoming items – None.

IV. COMMISSIONER COMMENTS

Steve: New fixed fee agreements are appreciated.

Gary: Annual Meeting with HOA on Sept. 12.

V. BOARD MEETINGS/EVENTS/EDUCATION:

A. Next Regularly Scheduled Board Meeting – Thursday September 26, 2019 @ 5:00 p.m.

**EXECUTIVE SESSION: RE: Litigation or Potential Litigation RCW 42.30.110.1(i)
Started at: 5:57 p.m. for 20 minutes.**

At 6:17 p.m. the session was extended for another 10 minutes.

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

Meeting Re-opened at 6:27 p.m.

**MOTION TO RATIFY THE ENGAGEMENT LETTER WITH NEW LEGAL FIRM, STOEL
RIVES. SECONDED. NO DISCUSSION. APPROVED. MOTION CARRIED**

ADJOURNMENT 6:33 p.m.

Gary Long, President

Marv Kinney, Secretary