



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, Aug. 26, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
August 26, 2021

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, July 29, 2021

2. Acceptance of Financial Report:

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

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

Thursday, July 29, 2021, | Remote Meeting Via Zoom

CALL TO ORDER Gary Long called the meeting to order at 5:00 pm.

Attendance: Gary Long, Steve Blodgett, Mark Brault, Marv Kinney, Wanda Briggs, Len Dreisbach, Rick Reil, 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
- 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 – NONE

II. NEW BUSINESS:

A. Reports

1. Executive Report – Lee Kerr

The progress of Benton County's feasibility study was discussed, going as expected. The District has helped by providing access to information and people used to conduct its own feasibility study.

The quarterly Community Care Agreement meeting with Trios was held this month. A good report on the hospitals operations and service was received. Also discussed was the potential sale of the Auburn campus to the District and or to Benton County.

The Spaulding suite occupancy was discussed, and there will be a meeting next week with John Solheim and Tom Cinko to go over proposed tenant improvements. The five year term for occupancy by the District was affirmed.

2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Discussion on open public meetings – Once a decision is made on Spaulding occupancy, a resolution would be prepared to move the meeting place officially to that location. At this time next month’s meeting will be via Zoom.
 - b. Public Records – No updates.
3. Administrative Report - Salem Thompson –
 - c. The records grant awards through WA State Archives will be announced Sept. 27, 2021. Until that time, no further work on the records project with RCCH/Lifepoint will be pursued.
 - d. Public records training will be provided to each commissioner in the next couple of months. This will provide newer commissioners a better grasp of public records and provide all commissioners with the most up to date training on records.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. June financial statements – Overview by Nathan Burt.
 - b. Treasurer's Report: Update on 2020 Financial Audit
 - c. Propose EFT payments instead of checks – Discussion. A process used to initiate ACH payments was discussed by Nathan Burt. Heidi asked Salem to search for EFT and ACH policies that may already exist for the District. Moving to this method will standardize the process for processing regular payments and allow EFT payments where applicable.
 - d. Umbrella insurance discussion – Lee provided information on this coverage.
2. Planning Committee
 - a. Communications intern update (Wanda). Work with the intern is now completed and overall it was a successful experience. General words of thanks and admiration from the committee and other board members were expressed.
 - b. 805/807 Auburn update – Further discussion will take place in Executive Session.
 - c. Spaulding building update – This was discussed by Lee Kerr in the Superintendent’s Report.
 - d. Adult Day Services – General Update Rick Reil or Steve Blodgett
Nathan relayed that the PPP forgiveness process for ADS is underway.
Rick and Steve reported there was not a board meeting this month due to the director being called out of town. ADS is open on a limited basis and at this time all is well.
3. Governance Committee
 - a. Letter of appreciation for Trios Health for all commissioner's signatures via DocuSign – A draft copy was included in the board packet.
Storage Space Rental Agreement – Lee has drafted an agreement and the form has been approved by legal counsel and Trios Health Auxiliary. All have agreed to the language and a cost of \$25.00 per month to use 807 for limited storage.

IT WAS MOVED AND SECONDED TO APPROVE THE AGREEMENT AND HAVE GARY LONG SIGN ON BEHALF OF THE DISTRICT. NO DISCUSSION MOTION CARRIED.

- b. Resolution for Emergency Locksmith services*

MOTION TO APPROVE RESOLUTION 2021-04 A RESOLUTION RELATING TO

AN EMERGENCY DECLARATION FOR REPAIRS. SECONDED. NO DISCUSSION.
MOTION CARRIED.

III. Executive Session to discuss the minimum price to offer real estate for sale RCW 42.30.110(1)(c)

At 6:06 pm executive session was called for 15 minutes. The public in attendance was placed in the Zoom waiting room.

The meeting re-opened at 6:21 pm. There public was admitted back to the meeting.

Action taken:

MOTION TO SET LIST PRICE FOR DISTRICT PROPERTY LOCATED AT 805 AND 807 S. AUBURN STREET, KENNEWICK, WA AT \$192,283.00. SECONDED. NO DISCUSSION. MOTION CARRIED.

IV. COMMISSIONER COMMENTS –

General words of thanks and praise to the communication intern were expressed.

V. BOARD MEETINGS/EVENTS/EDUCATION:

Adjournment: 6:25 p.m.

Next Regularly Scheduled Board Meeting – Thursday, August. 26, 2021, @ 5:00 pm.

Management Reports

Kennewick Public Hospital District
For the period ended July 31, 2021

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

August 10, 2021

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

Statement of Activity With Year to Date

July 2021

	Jul 2021	Total Jan - Jul, 2021 (YTD)
REVENUE		
100 Property Tax Revenue	7,529.58	853,983.73
109 Other Revenue		1,780.50
Total Revenue	7,529.58	855,764.23
COST OF GOODS SOLD		
200 Community Care Agreement	6,023.66	695,620.57
Total Cost of Goods Sold	6,023.66	695,620.57
GROSS PROFIT	1,505.92	160,143.66
EXPENDITURES		
301 Health Initiative Contributions		2,770.45
305 Bank Fees	108.11	2,181.79
315 Commissioner Mtg Stipend	2,944.00	19,968.00
320 Facilities Expense		462.44
321 Building Association Dues	329.15	1,902.60
323 Utilities	346.08	2,319.49
325 Repairs and Maintenance		13,242.58
Total 320 Facilities Expense	675.23	17,927.11
326 Insurance		12,078.60
330 Legal and Professional		
331 Attorney Fees	2,049.47	7,845.21
332 Accounting	1,457.00	9,348.01
333 Audit Expense		18,805.77
335 Administrative Support	2,200.00	13,200.00
336 Other Professional Fees	36.76	417.27
Total 330 Legal and Professional	5,743.23	49,616.26
339 Licenses and Taxes		39.22
340 Office Expenses	166.15	2,035.70
346 Public Records Request	3,686.00	10,370.25
347 Public Election Costs		10,477.75
360 Superintendent Compensation	3,000.00	21,000.00
380 Payroll Expenses		
381 Benefits		25.00
Total 380 Payroll Expenses		25.00
Bank Charges & Fees	261.40	261.40
Travel	1,096.87	1,096.87
Total Expenditures	17,680.99	149,848.40
NET OPERATING REVENUE	-16,175.07	10,295.26
OTHER REVENUE		
900 Richmond Trust Income	3,559.40	5,707.84
910 Donations		341,000.00
950 Worker's Comp Reimbursements	17,793.71	111,821.78

	Jul 2021	Total Jan - Jul, 2021 (YTD)
960 Interest and Dividend Income	1.77	14.94
Total Other Revenue	21,354.88	458,544.56
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	19,432.32	112,949.28
810 Interest Expense	4,159.47	12,780.00
Total Other Expenditures	23,591.79	125,729.28
NET OTHER REVENUE	-2,236.91	332,815.28
NET REVENUE	\$ -18,411.98	\$343,110.54

Statement of Financial Position

As of July 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	128,061.23
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	17,844.55
Total Bank Accounts	828,005.78
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	833,783.78
Fixed Assets	
3000 District Building	238,350.00
3010 Accumulated Depreciation	
3010-1 Accum Depr - Buildings - KPD	-238,350.00
Total 3010 Accumulated Depreciation	-238,350.00
Total Fixed Assets	0.00
Other Assets	
1210 Prepaid Expenses	669.64
2001 Richmond Trust (Restricted)	676,310.45
Total Other Assets	676,980.09
TOTAL ASSETS	\$1,510,763.87
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	-1,505.01
Total Accounts Payable	-1,505.01
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	23,976.99
Long-Term Liabilities	
2100 Loan from ADS	243,620.95
Total Long-Term Liabilities	243,620.95
Total Liabilities	267,597.94
Equity	
3001 Net Assets	291,809.57
3200 Net Position	608,245.82
Net Revenue	343,110.54

	Total
Total Equity	1,243,165.93
TOTAL LIABILITIES AND EQUITY	\$1,510,763.87

Statement of Cash Flows - Last Month

July 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	-18,411.98
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-576,851.20
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-576,851.20
Net cash provided by operating activities	-595,263.18
INVESTING ACTIVITIES	
1013 Home Health Escrow 2021	144,979.22
1210 Prepaid Expenses	166.15
Net cash provided by investing activities	145,145.37
FINANCING ACTIVITIES	
2100 Loan from ADS	-6,813.14
3200 Net Position	-144,979.22
Net cash provided by financing activities	-151,792.36
NET CASH INCREASE FOR PERIOD	-601,910.17
Cash at beginning of period	1,429,915.95
CASH AT END OF PERIOD	\$828,005.78

Kennewick Public Hospital District

Check Detail

July 2021

DATE	NAME	MEMO/DESCRIPTION	AMOUNT
1010 US Bank Checking 4037			
07/01/2021	Adult Day Services		-10,972.61
		Principal	-6,813.14
		Interest	4,159.47
07/01/2021	Leland B. Kerr, Kerr Consulting LLC		-3,000.00
			-3,000.00
07/01/2021	Reil, Rick		-1,024.00
			-1,024.00
07/01/2021	Salem Snowdy Development LLC		-2,200.00
			-2,200.00
07/01/2021	Salem Snowdy Development LLC		-100.00
			-100.00
07/01/2021	Charter Communications	8805180011603073	-167.95
			-167.95
07/02/2021	Kenmore Team Property Management	ACH Debit(s)	-238.14
		ACH Debit(s)	238.14
07/02/2021	Kenmore Team Property Management	ACH Debit(s)	-91.01
		ACH Debit(s)	91.01
07/12/2021	Trios Health - V		-585,734.19
			-585,734.19
07/14/2021	Epic Tax Solutions	ACH Debit(s)	-1,457.00
		ACH Debit(s)	1,457.00
07/15/2021	Advantage IT		-76.76
			-76.76
07/15/2021	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		-3,554.27
			-3,554.27
07/15/2021	Blodgett, Steve		-640.00
			-640.00
07/15/2021	Briggs, Wanda		-256.00
			-256.00

Kennewick Public Hospital District

Check Detail

July 2021

DATE	NAME	MEMO/DESCRIPTION	AMOUNT
07/15/2021	Kinney, Marv		-384.00
			-384.00
07/15/2021	Leland B. Kerr, Kerr Consulting LLC		-1,096.87
			-1,096.87
07/15/2021	US Bank	Miscellaneous Fee(s)	-108.11
		Miscellaneous Fee(s)	108.11
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1040 Key Bank Worker's Comp			
07/30/2021	Workers Comp		-19,432.32
			19,432.32
07/30/2021	KeyBank		-261.40
			261.40
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**KENNEWICK PUBLIC HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
BOARD MEETING
AGENDA**

Thursday, Aug. 26, 2021, | Remote Meeting Via Zoom

CALL TO ORDER

I. DISTRICT BUSINESS:

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

II. NEW BUSINESS:

A. Reports

- 1. Executive Report – Lee Kerr
 - a. General Update
- 2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Public Records Requests
- 3. Administrative Report - Salem Thompson
 - a. Records project update

B. Committee Reports/Recommendations

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. July financial statements – Overview by Nathan Burt.
 - b. Treasurer's Report: Update on 2020 Financial Audit
 - c. Recommendation to approve Kennewick Medical Dental Assn. improvements of \$3665.27*
- 2. Planning Committee
 - a. General updates – Wanda Briggs
 - b. 805/807 Auburn update – Marv Kinney
 - 1. Listing information
 - c. Spaulding building occupancy update – Marv Kinney
 - d. Adult Day Services – General Update Rick Reil or Steve Blodgett
- 3. Governance Committee

III. COMMISSIONER COMMENTS

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, September. 30, 2021, @ 5:00 p.m.