



# Two Rivers

## HEALTH DISTRICT

---

KENNEWICK PUBLIC HOSPITAL DISTRICT

# Board of Commissioners Packet

Thursday, Aug. 25, 2022

## Hybrid Meeting

via Zoom and Numerica Pavilion at  
Southridge Sports Complex

2901 Southridge Blvd. Kenn., WA 99336

5:00 p.m.

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
Aug. 25, 2022

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 28, 2022**

# Minutes

# **Kennewick Public Hospital District**

Thursday, June 30, 2022, | Hybrid Meeting 5:00 pm Via Zoom and at  
The Numerica Pavilion Conference Room  
Southridge Sports and Events Complex  
2901 Southridge Blvd, Kennewick, Washington, 99336  
5:00 PM

## **MINUTES**

**Attendance: Gary Long, Steve Blodgett, Mark Brault, Marv Kinney, Rick Reil, Sheila Dunlop, Lee Kerr, Nathan Burt, Heidi Ellerd, and Salem Thompson.**

**Excused: Wanda Briggs**

### **CALL TO ORDER**

The District provided a link for interested parties to participate through Zoom. There was one participant from the public in attendance.

Commissioner Long called the meeting to order at 5:00 pm.

### **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. Therefore, there will be no separate discussion of the following items:

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

#### **B. Public Comment – NONE**

### **II. NEW BUSINESS:**

#### **A. Reports**

1. Lee Kerr – Superintendent, General Update – Regarding the proposed recovery center, the citizen’s advisory committee have been selected and have met. There is also a non-voting counsel that Lee will attend. Lee has provided some information to the counsel regarding the work the District has done to this point. The District’s role is undetermined at this time. The planning retreat is expected to be held mid-September. More to come. The District’s insurance policy is being reviewed for renewal. Gaps were identified in IT security, Salem sought out some of the solutions. Implementing the improvements in IT security will not reduce the premium but will make the District’s information more secure. The quote is for D & O and liability coverage.  
MOTION TO AUTHORIZE LEE KERR TO SIGN FOR THE RENEWAL OF THE INSURANCE POLICY AND AUTHORIZE PAYMENT OF THAT POLICY. SECONDED. NO DISCUSSION. MOTION CARRIED.
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – Records Requests – Nothing new to add.

3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records project update – Not discussed.
  - b. Discussion: Use of District issued iPads and additional IT security. The commissioners are not using the iPads therefore destroying them was discussed and recommended.

MOTION TO DECLARE THE IPADS EXCESS TO THE NEEDS OF THE DISTRICT, AND DISPOSE OF THEM ACCORDING TO ENVIRONMENTALLY SOUND PRACTICES. SECONDED. NO DISCUSSION. MOTION CARRIED.

**B. Committee Reports/Recommendations-**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of June financial statements – Overview by Nathan Burt
  - b. Approval of payments and disbursements – A general overview with no questions.

MOTION TO APPROVE THE JUNE FINANCIAL STATEMENTS, PAYMENTS, AND DISBURSEMENTS. SECONDED. NO DISCUSSION. MOTION CARRIED.

- c. Treasurer’s Report – Steve Blodgett – see below.
    - d. 2021 Audit – update – Eide Bailly is still working on the audit, it is progressing.
2. Governance Committee Updates – Gary Long
  - a. Update on commissioner compensation requests – Chad Bartram did a great job of making a compensation form. Some updates are being made by Salem who will send it out for use.
  - b. Excuse Planning Committee Chair, Wanda Briggs – Wanda is on travel.

MOTION FOR WANDA BRIGGS TO BE EXCUSED FROM ATTENDANCE AT THIS REGULAR MEETING DUE TO TRAVEL. SECONDED. NO DISCUSSION MOTION CARRIED.

3. Planning Committee – Marv Kinney
  - a. General update- The community needs health assessment draft will be out this fall and formalized later.
  - b. Update on full commission Strategic Planning Retreat – Mid-September
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett – The census is up and financials are as expected for this time of year. Barb Edwards’ last day as executive director will be July 31 and Salem Thompson will start August 1. This board is grateful for Barb’s leadership and presence through the changes ADS faced since 2019 when RCCH let the service go out from under its system. A letter will be drafted and sent in appreciation of her service.

**C. Executive Session- None**

**III. COMMISSIONER COMMENTS**

- A. Upcoming items – Board retreat mid-September, details TBD.

**IV. MEETINGS/EVENTS/EDUCATION:**

**Next Regularly Scheduled Board Meeting – Thursday, Aug. 25, 2022 @ 5:00p.m.**

**Close of Meeting – 5:46 pm**

**Kennewick Public Hospital District**  
**Thursday, Aug. 25, 2022 | Hybrid Meeting with**  
**Zoom Remote**  
**5:00 PM**  
**AGENDA**

**I. District Business:**

**II. Regular Board Meeting Business**

**A. Approval of Consent Agenda\***

**B. Public Comment**

**III. NEW BUSINESS:**

**A. Reports**

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

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of July financial statements\* – Overview by Nathan Burt
  - b. Approval of payments and disbursements\*
  - c. Treasurer’s Report – Steve Blodgett
  - d. 2021 Audit – update
  - e. 2023 Budget process
2. Governance Committee Updates – Gary Long
  - a. Commissioner Compensation Policy\*
3. Planning Committee – Wanda Briggs
  - a. General update
  - b. Update on full commission Strategic Planning Retreat
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

**IV. Executive Session – RCW 42.30.110 (1) (i) – Litigation or Potential Litigation**

**V. COMMISSIONER COMMENTS**

**VI. Upcoming items – Retreat dates TBD**

**VII. BOARD MEETINGS/EVENTS/EDUCATION:**

Next Regularly Scheduled Board Meeting – Thursday, Sept, 29, 2022 @ 5:00p.m.

**Close of Meeting**

# Financials

# Management Reports

Kennewick Public Hospital District  
For the period ended July 31, 2022

Prepared by

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

Prepared on

**August 9, 2022**



# Table of Contents

---

Statement of Activity With Year to Date .....4

Statement of Financial Position .....6

Statement of Cash Flows - Last Month .....7

---

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 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, with a \$187,027 balloon payment due in 2024.

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

July 2022

	Jul 2022	Total Jan - Jul, 2022 (YTD)
<b>REVENUE</b>		
100 Property Tax Revenue	5,633.13	894,516.68
110 Grant Income		4,999.00
<b>Total Revenue</b>	<b>5,633.13</b>	<b>899,515.68</b>
<b>COST OF GOODS SOLD</b>		
200 Community Care Agreement	4,506.50	715,639.25
<b>Total Cost of Goods Sold</b>	<b>4,506.50</b>	<b>715,639.25</b>
<b>GROSS PROFIT</b>	<b>1,126.63</b>	<b>183,876.43</b>
<b>EXPENDITURES</b>		
305 Bank Fees	360.44	2,728.04
315 Commissioner Mtg Stipend	2,944.00	22,144.80
320 Facilities Expense		
321 Building Association Dues		1,834.97
322 Rent Expense	100.00	275.00
323 Utilities	45.00	1,812.77
325 Repairs and Maintenance		220.91
<b>Total 320 Facilities Expense</b>	<b>145.00</b>	<b>4,143.65</b>
326 Insurance	12,552.00	13,703.00
330 Legal and Professional		
331 Attorney Fees	306.00	6,552.00
332 Accounting	1,457.00	10,199.00
333 Audit Expense		9,000.00
335 Administrative Support	2,500.00	17,200.00
336 Other Professional Fees	762.37	6,025.99
<b>Total 330 Legal and Professional</b>	<b>5,025.37</b>	<b>48,976.99</b>
339 Licenses and Taxes		64.85
340 Office Expenses	81.41	2,477.60
342 Public Records Request	2,861.75	15,308.90
343 Records Management	575.00	2,950.00
360 Superintendent Compensation	3,300.00	22,200.00
<b>Total Expenditures</b>	<b>27,844.97</b>	<b>134,697.83</b>
<b>NET OPERATING REVENUE</b>	<b>-26,718.34</b>	<b>49,178.60</b>
<b>OTHER REVENUE</b>		
900 Richmond Trust Income	2,380.25	7,130.68
930 Gain on Disposal of Assets		123,049.34
950 Worker's Comp Reimbursements	10,242.66	89,586.79
960 Interest and Dividend Income	3.07	14.66
<b>Total Other Revenue</b>	<b>12,625.98</b>	<b>219,781.47</b>
<b>OTHER EXPENDITURES</b>		
800 Workers Comp Claims Paid	10,241.38	88,897.81
810 Interest Expense	3,739.25	11,538.42

		Total
	Jul 2022	Jan - Jul, 2022 (YTD)
<b>Total Other Expenditures</b>	13,980.63	100,436.23
NET OTHER REVENUE	-1,354.65	119,345.24
NET REVENUE	\$ -28,072.99	\$168,523.84

# Statement of Financial Position

As of July 31, 2022

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	292,331.32
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	15,881.35
<b>Total Bank Accounts</b>	<b>990,312.67</b>
<b>Other Current Assets</b>	
1105 Tax Receivable	5,778.00
<b>Total Other Current Assets</b>	<b>5,778.00</b>
<b>Total Current Assets</b>	<b>996,090.67</b>
<b>Other Assets</b>	
1210 Prepaid Expenses	164.48
2001 Richmond Trust (Restricted)	710,231.38
<b>Total Other Assets</b>	<b>710,395.86</b>
<b>TOTAL ASSETS</b>	<b>\$1,706,486.53</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	7,624.25
<b>Total Accounts Payable</b>	<b>7,624.25</b>
<b>Credit Cards</b>	
2024 U.S. Bank CC (4195)	226.41
<b>Total Credit Cards</b>	<b>226.41</b>
<b>Other Current Liabilities</b>	
2021.50 Current Portion ADS Loan Payable	25,482.00
<b>Total Other Current Liabilities</b>	<b>25,482.00</b>
<b>Total Current Liabilities</b>	<b>33,332.66</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	215,727.46
<b>Total Long-Term Liabilities</b>	<b>215,727.46</b>
<b>Total Liabilities</b>	<b>249,060.12</b>
<b>Equity</b>	
3001 Net Assets	291,809.57
3200 Net Position	997,093.00
Net Revenue	168,523.84
<b>Total Equity</b>	<b>1,457,426.41</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,706,486.53</b>

# Statement of Cash Flows - Last Month

July 2022

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Revenue	-28,072.99
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-605,998.84
2024 U.S. Bank CC (4195)	-607.49
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>-606,606.33</b>
<b>Net cash provided by operating activities</b>	<b>-634,679.32</b>
<b>FINANCING ACTIVITIES</b>	
2100 Loan from ADS	-7,233.36
<b>Net cash provided by financing activities</b>	<b>-7,233.36</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>-641,912.68</b>
Cash at beginning of period	1,632,225.35
<b>CASH AT END OF PERIOD</b>	<b>\$990,312.67</b>

# ACH Report

Kennewick Public Hospital District

From 7/1/2022 to 7/31/2022



---

Source Code	Date	Debit	Credit	Description	Status
<b>Direct Deposit</b>					
	7/7/2022	8,985.00		Payroll Number: 12	
	7/11/2022		1,024.00	Steve Blodgett	
	7/11/2022		256.00	Wanda Briggs	
	7/11/2022		3,300.00	Leland Kerr	
	7/11/2022		1,280.00	Rick Reil	
	7/11/2022		2,550.00	Salem Snowdy	
	7/11/2022		575.00	Debra L Clark	
	7/7/2022	384.00		Payroll Number: 14	
	7/11/2022		384.00	Marv Kinney	
	Total:	9,369.00	9,369.00		
	<b>Grand Total:</b>	<b>9,369.00</b>	<b>9,369.00</b>		

---

# Kennewick Public Hospital District

## Check Detail

July 2022

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
1010 US Bank Checking 4037						
07/06/2022	Bill Payment (Check)	1619	Adult Day Services	Quarterly Loan payment	C	-10,972.61
						-10,972.61
07/06/2022	Bill Payment (Check)	1620	Advantage IT	IT Support	C	-762.37
						-762.37
07/07/2022	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s) Kinney	C	-384.00
						384.00
07/07/2022	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s) Briggs, Reil, Blodgett Clark Kerr Snowdy Snowdy	C	-8,985.00
						2,560.00
						575.00
						3,300.00
						2,500.00
						50.00
07/14/2022	Bill Payment (Check)	1622	Trios Health - V	Community Care Agreement April, May & June 2022	C	-609,841.84
						-609,841.84
07/14/2022	Bill Payment (Check)	1623	Kuffel, Hultgrenn, Klashke, Shea & Ellerd	Legal Fees \$799.50 Public Records Request \$2,981.75	C	-3,781.25
						-3,781.25
07/15/2022	Expenditure		US Bank	Bank Fees Bank Fees	C	-100.45
						100.45
07/18/2022	Expenditure		Epic Tax Solutions	ACH Debit(s) ACH Debit(s)	C	-1,457.00
						1,457.00
07/31/2022	Expenditure		PayneWest Insurance	ACH Debit(s) ACH Debit(s)	C	-12,552.00
						12,552.00
1040 Key Bank Worker's Comp						
07/31/2022	Expenditure				R	-10,241.38
						10,241.38
07/31/2022	Expenditure		KeyBank		R	-259.99
						259.99



# Policies / Resolutions

KENNEWICK PUBLIC HOSPITAL DISTRICT		Page 1 of 2			
TITLE: Commissioner Compensation		Implementation Date: Aug. 2022 Revised Date: n/a			
<b>APPROVED:</b> <b>(Signed) <u>Signature on File</u></b> <b>(Typed) Gary Long, President</b> <b>Date: August 2022</b>	<b>Reviewed by:</b>				
	<b>Date:</b>				

**I. PURPOSE STATEMENT**

To set a procedure by which the District's Board of Commissioners establishes the compensation of Commissioners in accordance with RCW.70.44.050

**II. POLICY**

- A. Commissioners are responsible for determining whether the meeting, ~~service~~service, or duty fits within the business purpose of the District policies and RCW 70.44.050.
- B. Per diem compensation shall be paid at the current rate for each day or portion thereof spent in actual attendance at official meetings of the District Commission or in performance of other official services or duties on behalf of the District
- C. ~~Per~~ Per diem compensation shall not be paid for services of a ministerial or professional nature.
- D. Only one daily compensation may be claimed regardless of the number of meetings or activities in the same day.

**III. ALLOWABLE COMPENSATION**

- A. A Kennewick Public Hospital District Commissioner will be compensated, under RCW.70.44.050, for the following meetings and services:
  - 1. All regular, special, and ad hoc meetings of the Board.
  - 2. All meetings and official activities of committees ~~s-~~ i.e., committee chair preparation of agendas.
  - 3. All administration meetings with commissioner participation, i.e., audits, consultants.
  - 4. Educational meetings.
  - 5. For the Board President, a meeting to develop agendas and set either Special or Regular board meetings.

<b>KENNEWICK PUBLIC HOSPITAL DISTRICT</b>	<b>Page 2 of 2</b>
<b>TITLE:</b> Commissioner Compensation	<b>Implementation Date:</b> Aug. 2022 <b>Revised Date:</b> n/a

6. Any day of service to the District as consistent with RCW 70.44.050 not included in this policy may be compensated with approval of the Board President or Board of commissioners.

**IV. PROCESS:**

- A. Each Commissioner shall submit for compensation by using the provided form (attached) as updated consistent with state law.—The form shall be emailed to the accountant’s office or if electronic means are not available, the form can be mailed.
- B. Commissioners shall keep current in submitting for compensation.

**V. REFERENCE SECTION**

- A. References: N/A
- B. Distribution: Board of Commissioners Manual and electronic
- C. Supersedes: None Previous
- D. Prepared/Updated by: Board of Commissioners and/or Committees
- E. Reviewed and Approved by: Board of Commissioners