



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

Thursday, August 31, 2023

Hybrid Meeting

via Zoom and

Trios Care Center at deBit Building

320 W. 10th Ave. Kennewick, WA 99336

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
August 31, 2023

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 27, 2023.

Kennewick Public Hospital District
Thursday, August 31, 2023 | Hybrid Meeting
5:00 p.m.
August Board meeting
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
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records work update

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt / Erica Davis
 - a. Acceptance of July 2023 financial statements* – Overview by Nathan Burt / Erica Davis
 - b. Approval of payments and disbursements for July 2023*
 - c. Treasurer’s Report – Steve Blodgett
 - d. 2021-2022 SAO Accountability Audit – update
 - e. 2022 Financial Audit – presentation of management response
 - f. Investment Policy – progress update
2. Governance Committee Updates – Mark Brault
 - a. General update
 - b. Updates re: Benton-Franklin Community Health Alliance
 - c. Authorization for Superintendent to sign Washington State Archives Digitization Grant contract*
3. Planning Committee – Marv Kinney
 - a. General update
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
 - a. General update

IV. COMMISSIONER COMMENTS

V. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting - Thursday, Sept. 28, 2023, @ 5:00 p.m.

Close of Meeting

Minutes

Kennewick Public Hospital District
Thursday, July 27, 2023 | Hybrid Meeting
5:00 p.m.
July Board meeting
MINUTES

Attendance: Mark Brault, Marv Kinney, Gary Long, Sheila Dunlop, Rick Reil, Steve Blodgett, Nathan Burt, Erica Davis, Lee Kerr, Heidi Ellerd, Salem Thompson
EXCUSED: Wanda Briggs

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA. ALL IN FAVOR. MOTION CARRIED.

B. Public Comment – NONE

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update
Thus far there is no clear answer on Benton County election cost relief. Other items for the update will be reported as this agenda progresses.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – Work continues on existing requests.
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records work update – Work continues to go well with more records transferred to the Washington State archives.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt / Erica Davis
 - a. Acceptance of June 2023 financial statements – Overview by Nathan Burt / Erica Davis
IT WAS MOVED AND SECONDED TO APPROVE THE JUNE 2023 FINANCIAL STATEMENTS AS PRESENTED. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.
 - b. Approval of payments and disbursements for June 2023
IT WAS MOVED AND SECONDED TO APPROVE THE JUNE 2023 PAYMENTS AND DISBURSEMENTS AS PRESENTED. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.
 - c. Treasurer’s Report – Steve Blodgett
Epic Trust, the District’s accounting office has requested an update to their service agreement which includes an increase in cost. Erica Davis shared her screen to display the proposed agreement.
IT WAS MOVED AND SECONDED TO APPROVE THE INCREASE IN FEES FROM \$1457.00 PER MONTH TO \$1730.00 PER MONTH TO EPIC TRUST AS PRESENTED IN THE LETTER TO BE ATTACHED TO THESE MINUTES. DISCUSSION ON THE INCREASED AMOUNT DUE AND THE INCREASED WORK BEING DONE, AND SATISFACTION WITH THE FIRM’S WORK. ALL IN FAVOR. MOTION CARRIED.
 - d. 2021-2022 SAO Accountability Audit – update – The review of the recently completed Eide Bailly Financial audit will begin soon. Once the SAO’s review is complete, then their accountability audit and the financial audits will be available at the SAO’s website. After a discussion, it was decided that a link to the SAO’s site will be put on the District’s website for the public to easily access the reports. Audit reports are available by public records request.
 - e. 2022 Financial Audit – update – This audit is complete including a management letter and is

available for the SAO's accountability audit as mentioned above.

- f. Investment Policy – There are questions Heidi asks on the redline version that have not been resolved. The finance committee will complete those and send an update to Heidi's office. Action is tabled to the next board meeting.

2. Governance Committee Updates – Mark Brault

- a. General update – See below.
- b. Report on meeting with RCCH/Trios executive. The meetings went well, and there is a reasonable belief that the new executive will be in this post for the long term.
- c. Updates re: Benton-Franklin Community Health Alliance – One aspect of the Alliance's work is a funding contract with PNNL to provide leadership and resources for the Tri Cities Patient Safety Coalition. One of the coalition's projects is coordinating the region's blood supply to be easily distributed between the various health facilities. It is unsure if the Alliance will have a future, so this work could be taken up by another organization.

3. Planning Committee – Marv Kinney

- a. General update – Last meeting it was discussed to allocate a dollar amount for the planning committee to steward. The finance committee will look at what is possible and make a recommendation.
- b. Authorization for Superintended to sign an agreement and initiate payment for the dental equipment approved for Grace Clinic. Mark Brault recused himself from the vote.
IT WAS MOVED AND SECONDED TO AUTHORIZE LEE KERR TO SIGN AN AGREEMENT BETWEEN THE DISTRICT AND GRACE CLINIC AND TO AUTHORIZE PAYMENT NOT TO EXCEED \$27,393.70. DISCUSSION WAS AROUND HOW THE DISTRIBUTION WAS TO BE FUNDED. EITHER ACCUMULATED INTEREST OR THE RICHMOND TRUST. THE AGREEMENT WILL BE REVIEWED BY LEGAL COUNSEL. ALL IN FAVOR. MOTION CARRIED.
- c. Recommendation to affirm CBC scholarship applicants – The applicants were vetted by CBC and were confirmed to reside within the district boundaries.
IT WAS MOVED AND SECONDED TO APPROVE THE TWO CBC SCHOLARSHIP APPLICANTS AS PRESENTED. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.

4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

- a. General update – June's financials were healthy and ahead of budget.
- b. There was a new board member recommended for approval, Michael Butterworth. He has been a longtime supporter of ADS both personally and through his Rotary club. It is understood that this board needs to approve the new member.
IT WAS MOVED AND APPROVED TO ACCEPT MICHAEL BUTTERWORTH AS A BOARD MEMBER OF ADULT DAY SERVICES. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

IV. COMMISSIONER COMMENTS

V. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting - Thursday, Aug 31, 2023, @ 5:00 p.m.

Close of Meeting

Epic Trust Financial Group
1305 Fowler Street, Ste 1D
Richland, WA 99352



July 17, 2023

Kennewick Public Hospital District #1
PO Box 6974
Kennewick, WA 99336

RE: Increase in Accounting and Payroll Service Fees

Dear Kennewick Public Hospital District #1,

Our office bills a flat monthly investment in our services, covering what we do for your business. We find this makes it easier for you to budget and eliminates the need for you to receive and pay invoices regularly. Each summer, we evaluate this exchange, taking into consideration changes in your business over the past year and changes in our service packages. With the goal of matching your monthly investment to the value we provide, we are updating your monthly payment amount.

Your current investment in our services will be **increased to \$1,730 a month**, beginning with your July payment.

We look forward to continuing to provide personalized and consistent quality work for your company. We are very thankful you've chosen our office to be your partner in business and enjoy working with you.

If you feel the service package you are receiving does not match your needs, let's get together and design one that will.

Best Regards,

hd
Mette Warnick
Accounting and Tax Manager
Mette@EpicTrust.com

Erica Davis
Accounting and Tax Manager
Erica@EpicTrust.com

1305 Fowler Street | Suite 1D | Richland, WA 99352 | **PHONE** 509-582-2047 | **FAX** 509-585-8746 | **WWW.EPICTRUST.COM**

Financials

Management Reports

Kennewick Public Hospital District
For the period ended July 31, 2023

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

August 3, 2023

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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 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 in mid-2019 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. The amortization schedule was shortened in October 2022 following a large, additional principal payment of \$120,000. The loan is now expected to be paid off in October, 2025.

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 2023

	Jul 2023	Jan - Jul, 2023 (YTD)	Total
REVENUE			
100 Property Tax Revenue	5,392.21		929,990.51
110 Grant Income			5,000.00
Total Revenue	5,392.21		934,990.51
COST OF GOODS SOLD			
200 Community Care Agreement	4,313.71		743,992.35
Total Cost of Goods Sold	4,313.71		743,992.35
GROSS PROFIT	1,078.50		190,998.16
EXPENDITURES			
303 Scholarship Contributions			8,200.00
305 Bank Fees	397.89		2,893.23
315 Commissioner Mtg Stipend	1,920.00		15,613.00
320 Facilities Expense			
323 Utilities			315.00
Total 320 Facilities Expense			315.00
326 Insurance	12,815.59		13,175.59
330 Legal and Professional			
331 Attorney Fees	550.00		3,351.75
332 Accounting			8,742.00
333 Audit Expense			25,825.28
335 Administrative Support	2,500.00		17,500.00
336 Other Professional Fees	718.35		5,662.71
Total 330 Legal and Professional	3,768.35		61,081.74
340 Office Expenses	72.39		4,346.11
342 Public Records Request	615.00		6,280.00
343 Records Management	10,153.56		12,328.56
360 Superintendent Compensation	3,300.00		23,100.00
400 Travel			637.60
VOID			0.00
Total Expenditures	33,042.78		147,970.83
NET OPERATING REVENUE	-31,964.28		43,027.33
OTHER REVENUE			
900 Richmond Trust Income			35,562.84
950 Worker's Comp Reimbursements	9,532.78		45,404.28
960 Interest and Dividend Income	5,525.50		24,990.61
Total Other Revenue	15,058.28		105,957.73
OTHER EXPENDITURES			

		Total
	Jul 2023	Jan - Jul, 2023 (YTD)
800 Workers Comp Claims Paid	6,145.14	41,982.68
810 Interest Expense	1,420.98	4,106.87
Total Other Expenditures	7,566.12	46,089.55
NET OTHER REVENUE	7,492.16	59,868.18
NET REVENUE	\$ -24,472.12	\$102,895.51

Statement of Financial Position

As of July 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	101,882.83
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	13,645.30
Total Bank Accounts	117,628.13
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	118,333.13
Other Assets	
2001 Richmond Trust (Restricted)	569,724.75
2008 Local Government Investment Pool	881,985.05
Total Other Assets	1,451,709.80
TOTAL ASSETS	\$1,570,042.93
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	6,593.89
2021 AP - ADS	3,240.00
Total Accounts Payable	9,833.89
Credit Cards	
2024 U.S. Bank CC (4195)	255.86
Total Credit Cards	255.86
Total Current Liabilities	10,089.75
Long-Term Liabilities	
2100 Loan from ADS	81,363.23
Total Long-Term Liabilities	81,363.23
Total Liabilities	91,452.98
Equity	
3200 Net Position	464,969.69
3210 Restricted - Expendable	341,000.00
3220 Restricted - expendable Richmond Trust	569,724.75
Net Revenue	102,895.51
Total Equity	1,478,589.95
TOTAL LIABILITIES AND EQUITY	\$1,570,042.93

Statement of Cash Flows - Last Month

July 2023

	Total
OPERATING ACTIVITIES	
Net Revenue	-24,472.12
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-612,517.01
2024 U.S. Bank CC (4195)	-688.80
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-613,205.81
Net cash provided by operating activities	-637,677.93
INVESTING ACTIVITIES	
2008 Local Government Investment Pool	642,470.47
Net cash provided by investing activities	642,470.47
FINANCING ACTIVITIES	
2100 Loan from ADS	-9,551.63
Net cash provided by financing activities	-9,551.63
NET CASH INCREASE FOR PERIOD	-4,759.09
Cash at beginning of period	122,387.22
CASH AT END OF PERIOD	\$117,628.13

Check Detail

July 2023

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037					
07/06/2023	Expenditure	EFT Payments (See Detailed List)	ACH Debit(s)	R	-10,520.00
			Bringgs, Brault, Blodgett, Reil		1,920.00
			Salem Snowdy		2,500.00
			Lee Kerr		3,300.00
			Debbie Clark		2,800.00
07/10/2023	Bill Payment (Check)	1679 Adult Day Services		R	-10,972.61
					-10,972.61
07/10/2023	Bill Payment (Check)	1680 ColumbiaSoft Corporation		R	-7,353.56
					-7,353.56
07/10/2023	Expenditure	U.S.Bank CC (4195)	ACH Debit(s)	R	-688.80
			ACH Debit(s)		-688.80
07/11/2023	Expenditure	Salem Snowdy Development LLC	Printing - Board Packet	R	-72.39

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
			Printing - Board Packet		72.39
07/12/2023	Expenditure	Advantage IT	ACH Debit(s)	R	-718.35
			ACH Debit(s)		718.35
07/17/2023	Expenditure	US Bank	Miscellaneous Fee(s)	R	-104.08
			Miscellaneous Fee(s)		104.08
07/19/2023	Bill Payment (Check)	1681 Trios Health - V		C	-616,830.72
					-616,830.72
07/19/2023	Bill Payment (Check)	1682 Kuffel, Hultgrenn, Klashke, Shea & Ellerd		R	-1,165.00
					-1,165.00
07/19/2023	Bill Payment (Check)	1683 PayneWest Insurance, Inc	Voided	R	0.00
					0.00
07/19/2023	Bill Payment (Check)	1684 PayneWest Insurance, Inc		R	-12,815.59
					-12,815.59

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
1040 Key Bank Worker's Comp					
07/31/2023	Expenditure	KeyBank		R	-293.81
					293.81
07/31/2023	Expenditure	Workers Comp		R	-6,145.14
					6,145.14

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 06/01/2023 to 06/30/2023, Pay Date: 07/10/2023, Payment # 9

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
1	Steve Blodgett	768.00	0.00	0.00	0.00	0.00	0.00	0.00	768.00	
9	Mark C Brault	512.00	0.00	0.00	0.00	0.00	0.00	0.00	512.00	
2	Wanda Briggs	256.00	0.00	0.00	0.00	0.00		0.00	256.00	
11	Debra L Clark	2,800.00	0.00	0.00	0.00	0.00		0.00	2,800.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
7	Rick Reil	384.00	0.00	0.00	0.00	0.00		0.00	384.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		10,520.00	0.00	0.00	0.00	0.00	0.00	0.00	10,520.00	

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 06/01/2023 to 06/30/2023, Pay Date: 07/13/2023, Payment # 11

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
8	Salem Snowdy	0.00	0.00	0.00	0.00	0.00	72.39	0.00	72.39	
Payment Totals :		0.00	0.00	0.00	0.00	0.00	72.39	0.00	72.39	