



Two Rivers

HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

Board of Commissioners Packet

Thursday, Feb. 23, 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
Feb. 23, 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, Jan. 26, 2023

Minutes

Kennewick Public Hospital District
Thursday, Jan. 26, 2023 | Hybrid Meeting
5:00 p.m.
January Board meeting
MINUTES

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

CALL TO ORDER

The District provided a link for parties to participate through Zoom. There were some participants who joined via Zoom.

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

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE MINUTES AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment – None

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update – Excused on Travel.
Lee unexpectedly joined us by cell phone and gave his greetings.
2. Legal Report - Heidi Ellerd, Legal Counsel –
 - a. Updates on public records – None.
 - b. Reminder that the Board needs to adopt a resolution about the Richmond Trust funds for 2022 and what those funds were used for. It was discussed that since no funds were used for a particular purpose in 2022, the Board would like to use 2022 funds and 2023 funds for a scholarship opportunity to be discussed below.
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. DeBit office occupancy update – The conference room at deBit is working well for the commission meetings. The new meeting equipment is working well.
The records specialist, Debbie Clark, is working on the electronic records this month. Salem meets with her monthly and via phone and Zoom as needed.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of Nov. and Dec. 2022 financial statements– Overview by Nathan Burt
IT WAS MOVED AND SECONDED TO ACCEPT THE FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - b. Approval of payments and disbursements for Nov. and Dec. 2022 – Overview by Nathan Burt.
IT WAS MOVED AND SECONDED TO APPROVE THE PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- c. Treasurer’s Report – Steve Blodgett – See below
- d. 2021-2022 SAO Audit – update and planning for 2022 audit. The finance committee will work on an RFQ for a private firm to perform the 2022 audit. A proposal was already received from Eide Bailly.

2. Governance Committee Updates – Gary Long

- a. Election Costs and follow-ups- When Lee returns, the Board would like Heidi and Lee to talk about whether or not KPHD would qualify for a reduction in election costs.
- b. F1 Filing reminder to the Commissioners – Please make sure these are filed promptly.

3. Planning Committee – Wanda Briggs

- a. Scholarship update – The committee received information from the CBC and WSU nursing programs. The committee proposes a \$4000.00 scholarship be given to both schools for this year and to be reviewed each year for a renewal of the scholarships. The schools have award criteria which would be reviewed by the Board which includes grades and need and the Board would like the recipient to be a District resident and would like the scholarships to occur as soon as possible. This would also include payment of a \$200 administrative fee. Further discussion and approval of all details coming at a future meeting.
- b. Ad hoc committee updates – The committee has reviewed how this District could benefit the community. The existing relationship between ADS and KPHD was the natural focus. Further discussions to occur on this as well.
- c. Adult Day Services – General Update: Rick Reil/Steve Blodgett
Present 2023 budget for approval – Overview by Steve Blodgett. Salem Thompson provided additional detail from her perspective as the interim executive director.
- d. Approve selection of executive director
IT WAS MOVED AND SECONDED TO APPROVE SALEM THOMSON AS EXECUTIVE DIRECTOR OF ADULT DAY SERVICES. HER APPOINTMENT IS THROUGH JUNE 2023. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

C. Election of Officers for 2023

- 1. Proposed slate of officers - Gary Long proposed a slate of officers discussed at the Governance committee meeting. The proposed officers are: Mark Brault as President, Marv Kinney as Vice President, and Steve Blodgett as Secretary. Mr. Blodgett to retain his role as Treasurer.
- 2. Open floor for nominations – No additional nominations were received
- 3. Election of officers
It was moved and seconded to approve the officers for the Kennewick Public Hospital District as follows: Mark Brault as President, Marv Kinney as Vice President, and Steve Blodgett as Secretary and Treasurer. All in favor. No discussion. Motion Carried.
- 4. Welcome new KPHD President. Mark Brault expressed his gratitude. Several commissioners and Lee thanked Gary Long for his term as President since 2019.

D. Appointment of Committees for 2023

- 1. Commissioner Brault stated the committee assignments would remain the same with the following exception: Gary will go to Finance Committee and Mark will leave Finance Committee and remain on Governance.

IT WAS MOVED AND SECONDED TO APPROVE COMMITTEES FOR 2023. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

IV. Executive Session – NONE

V. COMMISSIONER COMMENTS – Comments were made thanking Gary

Long for his service as President.

VI. Upcoming items –

VII. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, Feb. 23, 2023, @ 5:00 p.m.

Close of Meeting 6:22 pm

Kennewick Public Hospital District
Thursday, February 23, 2023 | Hybrid Meeting
5:00 PM
February 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. DeBit office space update
 - b. Records work update
 - B. Committee Reports/Recommendations**
 - 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of January 2023 financial statements* – Overview by Nathan Burt
 - b. Approval of payments and disbursements for January 2023*
 - c. Treasurer’s Report – Steve Blodgett
 - d. 2021-2022 SAO Audit – update
 - e. 2022 Financial Audit – update
 - f. Richmond Trust Resolution for 2022*
 - 2. Governance Committee Updates – Mark Brault
 - a. Election Costs and follow-ups
 - b. F1 Filing reminder.
 - 3. Planning Committee – Wanda Briggs
 - a. No meeting in February – general update
 - 4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
 - a. General update
 - IV. Executive Session –**
 - V. COMMISSIONER COMMENTS**
 - VI. Upcoming items –**
 - VII. BOARD MEETINGS/EVENTS/EDUCATION**
 - Next Regularly Scheduled Board Meeting – Thursday, March 30, 2023 @ 5:00p.m.
- Close of Meeting**

Financials

Management Reports

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

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

February 13, 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

January 2023

	Jan 2023	Total Jan 2023 (YTD)
REVENUE		
100 Property Tax Revenue	4,753.55	4,753.55
Total Revenue	4,753.55	4,753.55
COST OF GOODS SOLD		
200 Community Care Agreement	3,802.84	3,802.84
Total Cost of Goods Sold	3,802.84	3,802.84
GROSS PROFIT	950.71	950.71
EXPENDITURES		
305 Bank Fees	372.22	372.22
315 Commissioner Mtg Stipend	1,277.00	1,277.00
320 Facilities Expense		
323 Utilities	45.00	45.00
Total 320 Facilities Expense	45.00	45.00
330 Legal and Professional		
332 Accounting	1,457.00	1,457.00
333 Audit Expense	255.42	255.42
335 Administrative Support	2,500.00	2,500.00
336 Other Professional Fees	773.94	773.94
Total 330 Legal and Professional	4,986.36	4,986.36
340 Office Expenses	2,508.63	2,508.63
360 Superintendent Compensation	3,300.00	3,300.00
400 Travel	637.60	637.60
Total Expenditures	13,126.81	13,126.81
NET OPERATING REVENUE	-12,176.10	-12,176.10
OTHER REVENUE		
900 Richmond Trust Income	3,269.29	3,269.29
950 Worker's Comp Reimbursements	6,736.09	6,736.09
960 Interest and Dividend Income	50.03	50.03
Total Other Revenue	10,055.41	10,055.41
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	5,379.48	5,379.48
810 Interest Expense	1,701.21	1,701.21
Total Other Expenditures	7,080.69	7,080.69
NET OTHER REVENUE	2,974.72	2,974.72
NET REVENUE	\$ -9,201.38	\$ -9,201.38

Statement of Financial Position

As of January 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	230,093.61
1020 Health Initiative Reserves 2765	682,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	13,413.40
Total Bank Accounts	925,607.01
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	926,312.01
Other Assets	
2001 Richmond Trust (Restricted)	569,724.75
Total Other Assets	569,724.75
TOTAL ASSETS	\$1,496,036.76
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	8,423.62
2021 AP - ADS	3,240.00
Total Accounts Payable	11,663.62
Credit Cards	
2024 U.S. Bank CC (4195)	2,321.63
Total Credit Cards	2,321.63
Total Current Liabilities	13,985.25
Long-Term Liabilities	
2100 Loan from ADS	100,902.79
Total Long-Term Liabilities	100,902.79
Total Liabilities	114,888.04
Equity	
3200 Net Position	479,625.35
3210 Restricted - Expendable	341,000.00
3220 Restricted - expendable Richmond Trust	569,724.75
Net Revenue	-9,201.38
Total Equity	1,381,148.72
TOTAL LIABILITIES AND EQUITY	\$1,496,036.76

Statement of Cash Flows - Last Month

January 2023

	Total
OPERATING ACTIVITIES	
Net Revenue	-9,201.38
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-502,013.87
2024 U.S. Bank CC (4195)	2,242.39
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-499,771.48
Net cash provided by operating activities	-508,972.86
FINANCING ACTIVITIES	
2100 Loan from ADS	-9,271.40
Net cash provided by financing activities	-9,271.40
NET CASH INCREASE FOR PERIOD	-518,244.26
Cash at beginning of period	1,443,851.27
CASH AT END OF PERIOD	\$925,607.01

Kennewick Public Hospital District

Check Detail

January 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
1010 US Bank Checking 4037						
01/05/2023	Bill Payment (Check)	1650	Advantage IT		R	-773.94
						-773.94
01/05/2023	Bill Payment (Check)	1651	Association of Washington Public Hospital Districts		R	-1,275.00
						-1,275.00
01/05/2023	Bill Payment (Check)	1653	Adult Day Services		R	-10,972.61
						-10,972.61
01/05/2023	Check	1652	VOID		R	0.00
						0.00
01/06/2023	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-7,714.60
				Reimburse Plane Tickets		637.60
				M. Brault, G. Long		1,277.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00
01/16/2023	Bill Payment (Check)	1654	Trios Health - V		R	-502,072.23
						-502,072.23
01/16/2023	Bill Payment (Check)	1655	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		R	-2,469.48
						-2,469.48
01/16/2023	Bill Payment (Check)	1656	US Postal Service		R	-232.00
						-232.00
01/16/2023	Check	1657	U.S.Bank CC (4195)	Acct. #4798 5312 2235 4195	R	-79.24
				Acct. #4798 5312 2235 4195		-79.24
01/16/2023	Bill Payment (Check)	1658	State Auditor's Office		R	-255.42
						-255.42
01/17/2023	Expenditure		US Bank	Miscellaneous Fee(s)	R	-72.45
				Miscellaneous Fee(s)		72.45
01/17/2023	Expenditure		Epic Tax Solutions	ACH Debit(s)	R	-1,457.00
				ACH Debit(s)		1,457.00
1040 Key Bank Worker's Comp						
01/31/2023	Expenditure		Workers Comp		R	-5,379.48
						5,379.48
01/31/2023	Expenditure		KeyBank		R	-299.77
						299.77

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 12/01/2022 to 12/31/2022, Pay Date: 01/10/2023, Payment # 1

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	1,149.60	0.00	0.00	0.00	0.00	637.00	0.00	1,786.60	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
5	Gary Long	128.00	0.00	0.00	0.00	0.00		0.00	128.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		7,077.60	0.00	0.00	0.00	0.00	637.00	0.00	7,714.60	

Policies / Resolutions

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BENTON COUNTY, WASHINGTON
RESOLUTION NO. 2023-2**

**A Resolution relating to expenditures of income from the
Paul G. and Mabel Richmond Endowment Fund**

WHEREAS, the Kennewick Public Hospital District was named as income beneficiary from the Paul G. and Mabel Richmond Endowment Fund; and

WHEREAS, the Kennewick Public Hospital District Board of Commissioners find it desirable to account for how the funds received from the Paul G. and Mabel Richmond Endowment Fund were used in 2022;

NOW, THEREFORE BE IT RESOLVED that the funds received in 2022 from the Paul G. and Mabel Richmond Endowment Fund were reserved and the funds received in 2022 and 2023 are anticipated to be used to help fund scholarships for nursing students at Columbia Basin College and Washington State University Tri-Cities for residents of Kennewick Public Hospital District;

ADOPTED AND APPROVED by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 23rd day of February, 2023 the following Commissioners being present and voting:

**KENNEWICK PUBLIC HOSPITAL
DISTRICT BENTON COUNTY,
WASHINGTON**

Mark Brault, President & Commissioner

Steve Blodgett, Secretary, Treasurer &
Commissioner

Marv Kinney, Vice President & Commissioner

Richard L. Reil, Commissioner

Wanda L. Briggs, Commissioner

Sheila Dunlop, Commissioner

Gary Long, Commissioner