

KPHD

Kennewick Public Hospital District
Board of Commissioners

Board Meeting Packet

Thursday, Jan. 30, 2020
10 N. Washington Street
Kennewick, WA
5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
January 30, 2020

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. Board Meeting Dec. 19, 2019

2. Approval of Warrant Register/Revenue Fund

3. Acceptance of Financial Report:

- a. Approval of December P&L Statement

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

Thursday, January 30, 2020 | 10 N. Washington Street, Kenn., WA

CALL TO ORDER

I. DISTRICT BUSINESS:

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

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

- 1. Ayers and KID property updates
- 2. Stoel Rives and Foster Pepper accounting updates

B. Committee Reports/Recommendations

- 1. Finance & Audit – Steve Blodgett, Finance Chair / Nathan Burt
 - a. December financial statements
 - b. Treasurer’s Report: Status of Audits and Annual Reports
- 2. Planning Committee – Len Dreisbach and Gary Long
 - a. Status of feasibility studies and funding from counties
- 3. Adult Day Services – General Update and IT project completion, Rick Reil
- 4. Cancer Center Update – Wanda Briggs/Lee Kerr
- 5. Governance Committee Updates – Gary Long
 - a. Reaffirm Committee assignments for 2020*
 - b. Marv Kinney report on PDC F1 online filings requirement
 - c. Property sale status of 805 and 807 S. Auburn Street
 - d. Discussion on minutes and public comments*
 - e. Discuss meeting date changes for 2020 due to holidays or other conflicts*
- 6. Public Records Requests and Updates

III. COMMISSIONER COMMENTS

- A. Upcoming items**

IV. BOARD MEETINGS/EVENTS/EDUCATION:

- A. Next Regularly Scheduled Board Meeting – Thursday February 27, 2019 @ 5:00p.m.**

ADJOURNMENT

Note - Items noted with an asterisk constitute possible action by the Board of Commissioners.

Minutes

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

Thursday, December 19, 2019

10 N. Washington Street, Kennewick, WA

COMMISSIONERS PRESENT:

Marvin Kinney, Gary Long, Steve Blodgett, Richard L. Reil, Wanda Briggs, Leonard Dreisbach, Mike McWhorter.

COMMISSIONERS EXCUSED: ALL PRESENT

EXECUTIVE AND CONTRACTORS: Lee Kerr, Salem Snowdy, Heidi Ellerd, Nathan Burt

CALL TO ORDER: 5:01 p.m.

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
- 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.

B. Public Comment –

Mr. Ken Mey signed up to speak. Asked for minutes from Oct. not posted online.

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

Discussed some outstanding bankruptcy issues.

An update on the proposed recovery center project will be given during the Planning Committee's portion of the agenda.

B. Committee Reports/Recommendations

1. Finance & Audit – Steve Blodgett, Finance Chair / Nathan Burt
 - a. November financial statements – The first payment to Ascension for the feasibility study is shown (refer to P&L). Most of the tax revenue has been received for the calendar year. Note, once the audit report is received, the beginning balances on some accounts may change. The question was brought up that if the District needs an extension with the state because we have not received the report from Eide Bailly, what would we need to do? Heidi Ellerd suggested we obtain something in writing from the state allowing an extension until we receive the report from Eide Bailey.

Steve will follow up.

Gary reported that a Medicaid bill was received this month, but was part of the bankruptcy and therefore not due by the District.

- b. Treasurer's Report: Talked about the State audit and status of the Eide Bailly audit
2. Planning Committee – Len Dreisbach and Lee Kerr. Both attended a goal setting meeting with the Benton Franklin Recovery Coalition. There is much enthusiasm for the proposed recovery center project.

Gary added that he and Lee met this month with the Franklin County Commissioners Clint Didier and Sherriff Raymond. There were positive comments and support for the proposed project. Commissioner Shon Small from Benton County was contacted by Clint Didier asking for a meeting with Lee and Gary and himself in advance of the Benton County Commission meeting. Mr. Small agreed and a meeting is scheduled before the end of this month. It is the goal to have the recovery center project on both Benton and Franklin County Commission agendas formally in January.

Lee added there is strong state support for and strong health care need present for detoxing infant care.

Meeting with Arculus and Ascension this week went well, identifying order of priority for services: detox and secure, inpatient and outpatient services, women and infant detox.

Rick mentioned retaining beds at the recovery center for women giving birth while not impacting beds for Trios. Lee made note of this for future discussions.

Gary expressed his thanks to Cindi Preszler for her role in helping this effort.

Paperwork for the DBA name of Two Rivers Health District is still in the process of being filed. Heidi will let the District know when it is approved. Once complete, the Planning Committee will prepare a publicity effort to announce the new name.

3. Adult Day Services – General Update, Rick Reil. The ADS board expressed gratitude for the opportunity to work with the District this year.

Steve Blodgett referred to the ADS budget document and commented on the revenues this year. The biggest change was to their expenses. The executive director Barb Edwards is being paid, which is new. There were also increased maintenance expenses.

A MOTION WAS MADE TO APPROVE THE ADS BUDGET FOR 2020 (AS REQUIRED PER ADS BYLAWS) DISCUSSION: STEVE AND RICK CONTINUED WITH AN OVERVIEW OF THE BUDGET DOCUMENT AND ANSWERED A FEW QUESTIONS. COPIES OF THE ADS BUDGET WILL BE EMAILED TO THE COMMISSIONERS. SECONDED. MOTION CARRIED.

4. Public Records Requests and Updates – Costs are up year to date, and there are still outstanding requests being handled.
5. Cancer Center Update – Wanda Briggs/Lee Kerr. There are still details to be worked out relating to the withdrawal. An appraiser is working on an appraisal and a report should be received next month. There will be further discussion on this matter at the next meeting.
6. Governance Committee Updates – Gary Long
A refund of rents has been received for the 805 S. Auburn property. Gary received a call from the landlord stating there was a refund and a check has been received.

- a. Administer Oaths of Office: Steve Blodgett, Wanda Briggs, Rick Reil*
Lee Kerr administered the oaths of office to the elected commissioners as a group.
- b. Appoint officers for 2020 – Motion to continue current officers for 2020*

MIKE MADE MOTION SINCE NO NEWLY ELECTED COMMISSIONERS THIS TERM THAT THE OFFICERS REMAIN THE SAME FOR 2020. SECONDED. DISCUSSION: NONE. MOTION CARRIED.

III. Executive Session – RCW 42.30.110 (1) (i) – Litigation or Potential Litigation* AND RCW 42.30.110 (1)(c) -minimum price real estate will be offered for sale .) FOR 30 minutes after a 5-minute break.

At 6:03 pm executive session started for 30 minutes.

OPEN FOR ACTION: At 6:33 pm came out of session.

MOTION TO AUTHORIZE LEE AND HEIDI TO BEGIN THE PROCESS OF OBTAINING APPRAISALS TO DETERMINE VALUE OF THE BUILDING LOCATED AT 805 AND 807 S. AUBURN. SECONDED. DISCUSSION: NONE. MOTION CARRIED.

IV. COMMISSIONER COMMENTS –

Rick reminded the board of the dinner next meeting; he will coordinate with Salem to order the dinner and arrange transport. Start time will be 4pm before the regular board meeting.

Mike McWhorter invited commissioners to his retirement party the first week of January. Remaining commissioners and Lee wished all a great holiday season.

V. BOARD MEETINGS/EVENTS/EDUCATION:

A. Upcoming items – January meeting will include Dinner catered by China Café.

B. Next Regularly Scheduled Board Meeting – Thursday January 30, 2019 @ 5:00p.m.

ADJOURNMENT 6:50 pm

Gary Long, President

Marv Kinney, Secretary

Financials

Kennewick Public Hospital District
Profit & Loss
December 2019

Accrual Basis

	Dec 19	Jan - Dec 19
Ordinary		
Income/Expense Income		
100 · Property Tax Revenue	6,854.18	1,399,031.00
Total Income	6,854.18	1,399,031.00
Cost of Goods Sold		
200 · Community Care Agreement	5,487.97	1,128,952.28
Total COGS	5,487.97	1,128,952.28
Gross Profit	1,366.21	270,078.72
Expense		
VOID	0.00	0.00
301 · Health Initiative Contributions	15,906.00	38,906.00
305 · Bank Fees	250.17	3,224.38
315 · Commissioner Mtg Stipend	3,200.00	36,093.39
320 · Facilities Expense		
321 · Building Association Dues	434.00	5,208.00
323 · Utilities	0.00	2,687.33
325 · Repairs and Maintenance	0.00	352.88
Total 320 · Facilities Expense	434.00	8,248.21
326 · Insurance	188.00	38,812.17
330 · Legal and Professional		
331 · Attorney Fees	387.50	37,294.24
332 · Accounting	1,300.00	14,872.71
333 · Audit Expense	0.00	96,330.67
335 · Administrative Support	3,200.00	26,333.75
336 · Other Professional Fees	0.00	2,340.00
Total 330 · Legal and Professional	4,887.50	177,171.37
339 · Licenses and Taxes	0.00	230.11
340 · Office Expenses	16.28	5,236.45
345 · Other Operating Expenses	0.00	270.44
346 · Public Records Request	350.00	11,186.91
360 · Superintendent Compensation	3,000.00	37,070.00
365 · Supplies	0.00	343.89
380 · Payroll Expenses		
381 · Benefits	0.00	152.43
Total 380 · Payroll Expenses	0.00	152.43
Total Expense	28,231.95	356,945.75
Net Ordinary Income	-26,865.74	-86,867.03

These financial statements have not been subjected to an audit or review or compilation engagement.

Kennewick Public Hospital District
Profit & Loss
December 2019

Accrual Basis

	Dec 19	Jan - Dec 19
Other		
Income/Expense Other		
Income		
900 · Richmond Trust Income	14,765.29	31,558.00
910 · Donations	2,000.00	2,000.00
940 · Unreal. Gain (Loss) Investments	0.00	39,147.94
950 · Worker's Comp Reimbursements	12,814.65	424,680.82
960 · Interest and Dividend Income	5.79	81.22
970 · Rent Income	459.08	459.08
980 · Printing, Copying Reimbursement	0.00	15.40
Total Other Income	<u>30,044.81</u>	<u>497,942.46</u>
Other Expense		
800 · Workers Comp Claims Paid	12,453.70	435,508.71
810 · Interest Expense	0.00	694.52
830 · Administrative Claim	0.00	797.76
Total Other Expense	<u>12,453.70</u>	<u>437,000.99</u>
Net Other Income	<u>17,591.11</u>	<u>60,941.47</u>
Net Income	<u>-9,274.63</u>	<u>-25,925.56</u>

These financial statements have not been subjected to an audit or review or compilation engagement.

Kennewick Public Hospital District Balance Sheet

As of December 31, 2019

Accrual Basis

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · US Bank Checking	677,729.31
1020 · Key Bank Worker's Comp	19,062.30
Total Checking/Savings	696,791.61
Total Current Assets	696,791.61
Fixed Assets	
3000 · District Building	238,350.00
3005 · Land	34,900.00
3010 · Accumulated Depreciation	
3010-1 · Accum Depr - Buildings - KPD	-238,350.00
Total 3010 · Accumulated Depreciation	-238,350.00
Total Fixed Assets	34,900.00
Other Assets	
2001 · Richmond Trust (Restricted)	660,427.05
Total Other Assets	660,427.05
TOTAL ASSETS	1,392,118.66
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 · Accounts Payable	509,263.14
Total Accounts Payable	509,263.14
Credit Cards	
2023 · US Bank Corp Payment Systems	-1,468.90
Total Credit Cards	-1,468.90
Other Current Liabilities	
2030 · Funds held in trust	130,367.66
Total Other Current Liabilities	130,367.66
Total Current Liabilities	638,161.90
Long Term Liabilities	
2100 · Loan from ADS	314,721.91
Total Long Term Liabilities	314,721.91

**Kennewick Public Hospital District
Balance Sheet**

As of December 31, 2019

Accrual Basis

	<u>Dec 31, 19</u>
Total Liabilities	952,883.81
Equity	
3001 - Net Assets	465,160.41
Net Income	<u>-25,925.56</u>
Total Equity	<u>439,234.85</u>
TOTAL LIABILITIES & EQUITY	<u>1,392,118.66</u>

These financial statements have not been subjected to an audit or review or compilation engagement

Kennewick Public Hospital District
Statement of Cash Flows
December 2019

	<u>Dec 19</u>
OPERATING ACTIVITIES	
Net Income	-9,274.63
Adjustments to reconcile Net Income to net cash provided by operations:	
2020 · Accounts Payable	18,390.46
2023 · US Bank Corp Payment Systems	16.28
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Net cash provided by Operating Activities	9,132.11
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Net cash increase for period	9,132.11
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Cash at beginning of period	687,659.50
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Cash at end of period	<u><u>696,791.61</u></u>

Kennewick Public Hospital District
Statement of Cash Flows
January through December 2019

	Jan - Dec 19
OPERATING ACTIVITIES	
Net Income	-25,925.56
Adjustments to reconcile Net Income to net cash provided by operations:	
1130 · Benton County Tax Receivable	12,153.52
2020 · Accounts Payable	17,764.29
2023 · US Bank Corp Payment Systems	-1,468.90
2030 · Funds held in trust	130,367.66
Net cash provided by Operating Activities	132,891.01
INVESTING ACTIVITIES	
1280 · TRA Note Recievable	-325,000.00
2001 · Richmond Trust (Restricted)	-39,147.94
Net cash provided by Investing Activities	-364,147.94
FINANCING ACTIVITIES	
2100 · Loan from ADS	314,721.91
3001 · Net Assets	-22,586,848.88
3200 · Retained Earnings	22,586,848.88
Net cash provided by Financing Activities	314,721.91
Net cash increase for period	83,464.98
Cash at beginning of period	613,326.63
Cash at end of period	696,791.61