



# Two Rivers

HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

## Board of Commissioners Packet

Thursday, Jan. 27, 2022  
Meeting via Zoom

5:00 p.m.

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
Jan. 27, 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, Dec. 16, 2022

2. Acceptance of Financial Report:

- a. Approval of P&L Statements December, 2021
- b. Approval of payments/disbursements Dec., 2021

# Minutes

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**Kennewick Public Hospital District**  
**Thursday, December 16, 2021 | Remote Meeting Via Zoom**  
**5:00 PM**  
**MINUTES**

**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, Sheila Dunlop, Rick Reil, Nathan Burt, Heidi Ellerd, and Salem Thompson.

**ABSENT:** Lee Kerr.

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.** Ken Mey provided public comment by way of the chat feature.

**III. NEW BUSINESS:**

**A. Reports**

1. Welcome Dr. Sheila Dunlop as a new Commissioner.
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – none to report.
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records project update – An inventory of documents stored at CI will be the next action taken. A meeting will be held in January to coordinate this effort.

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. November financial statements – Nathan Burt – General overview.
  - b. Treasurer’s Report – Steve Blodgett – made general comments on financial statements
2. Governance Committee Updates – Gary Long
  - a. Committees for 2022 – As discussed last month, committees for 2022: Governance: Gary Long Steve Blodgett Mark Brault. Finance committee : Steve Blodgett, Mark Brault and Rick Reil. Planning Committee :Wanda Briggs, Dr. Dunlop and Marv Kinney.
3. Planning Committee – Wanda Briggs -No meeting in December, will resume in January.
4. Adult Day Services – General Update Steve Blodgett / Rick Reil. Barb Edwards, Executive Director presented the ADS budget for 2022.

IT WAS MOVED AND SECONDED TO APPROVE ADS 2022 BUDGET AS SUBMITTED.  
NO DISCUSSION MOTION CARRIED.

**C. EXECUTIVE SESSION. RCW 42.30.110 (1)(b) To consider acquisition of real estate by purchase\***

**The executive session was called at 5:30 pm for 20 minutes.**

Members of the public in attendance were placed in the Zoom waiting room.

**The meeting was opened back up to the public at 5:50 pm.**

Members of the public were admitted back into the meeting.

MARV KINNEY MOVED TO ENDORSE ADS IN THE PURCHASE OF REAL ESTATE LOCATED AT 10 N. WASHINGTON, KENNEWICK, WA. SECONDED. NO DISCUSSION. ALL IN FAVOR. MOTION CARRIED.

**V. COMMISSIONER COMMENTS**

**A. Upcoming items –**

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

**Next Regularly Scheduled Board Meeting – Thursday January 27, 2021 at 5:00p.m.**

**ADJOURNMENT**

# Financials

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# Management Reports

Kennewick Public Hospital District

For the period ended December 31, 2021

DRAFT

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

January 18, 2022

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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

December 2021

	Dec 2021	Jan - Dec 2021 (YTD)	Total
<b>REVENUE</b>			
100 Property Tax Revenue	15,762.03		1,501,023.39
109 Other Revenue			1,780.50
<b>Total Revenue</b>	<b>15,762.03</b>		<b>1,502,803.89</b>
<b>COST OF GOODS SOLD</b>			
200 Community Care Agreement	12,609.62		1,213,468.29
<b>Total Cost of Goods Sold</b>	<b>12,609.62</b>		<b>1,213,468.29</b>
<b>GROSS PROFIT</b>	<b>3,152.41</b>		<b>289,335.60</b>
<b>EXPENDITURES</b>			
301 Health Initiative Contributions			2,770.45
305 Bank Fees	375.87		4,267.47
315 Commissioner Mtg Stipend	1,664.00		31,616.00
320 Facilities Expense			
321 Building Association Dues	344.71		3,932.16
323 Utilities	167.95		3,705.49
325 Repairs and Maintenance	210.00		16,780.28
<b>Total 320 Facilities Expense</b>	<b>722.66</b>		<b>24,417.93</b>
326 Insurance	190.20		13,284.60
330 Legal and Professional			
331 Attorney Fees	942.23		13,780.82
332 Accounting	1,457.00		16,633.01
333 Audit Expense	6,876.50		28,136.54
335 Administrative Support	2,200.00		28,499.00
336 Other Professional Fees	2,380.32		4,042.17
<b>Total 330 Legal and Professional</b>	<b>13,856.05</b>		<b>91,091.54</b>
339 Licenses and Taxes			58.58
340 Office Expenses	732.67		3,549.35
346 Public Records Request	1,311.25		14,957.25
347 Public Election Costs			10,477.75
360 Superintendent Compensation	3,000.00		36,000.00
380 Payroll Expenses			
381 Benefits			25.00
<b>Total 380 Payroll Expenses</b>			<b>25.00</b>
Office Supplies & Software	24.03		24.03
Travel			1,096.87
<b>Total Expenditures</b>	<b>21,876.73</b>		<b>233,636.82</b>
<b>NET OPERATING REVENUE</b>	<b>-18,724.32</b>		<b>55,698.78</b>
<b>OTHER REVENUE</b>			
900 Richmond Trust Income	16,838.33		27,765.00
910 Donations			351,000.00
940 Unreal. Gain (Loss) Investments	31,036.08		31,036.08

		Total
	Dec 2021	Jan - Dec 2021 (YTD)
950 Worker's Comp Reimbursements	16,694.27	255,987.14
960 Interest and Dividend Income	2.78	21.98
<b>Total Other Revenue</b>	<b>64,571.46</b>	<b>665,810.20</b>
<b>OTHER EXPENDITURES</b>		
800 Workers Comp Claims Paid	16,023.60	256,443.97
810 Interest Expense		17,238.53
<b>Total Other Expenditures</b>	<b>16,023.60</b>	<b>273,682.50</b>
<b>NET OTHER REVENUE</b>	<b>48,547.86</b>	<b>392,127.70</b>
<b>NET REVENUE</b>	<b>\$29,823.54</b>	<b>\$447,826.48</b>

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# Statement of Financial Position

As of December 31, 2021

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	673,206.87
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	17,169.28
<b>Total Bank Accounts</b>	<b>1,372,476.15</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>1,378,254.15</b>
<b>Fixed Assets</b>	
3000 District Building	238,350.00
3010 Accumulated Depreciation	
3010-1 Accum Depr - Buildings - KPD	-238,350.00
<b>Total 3010 Accumulated Depreciation</b>	<b>-238,350.00</b>
<b>Total Fixed Assets</b>	<b>0.00</b>
<b>Other Assets</b>	
1210 Prepaid Expenses	645.96
2001 Richmond Trust (Restricted)	710,231.38
<b>Total Other Assets</b>	<b>710,877.34</b>
<b>TOTAL ASSETS</b>	<b>\$2,089,131.49</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	478,660.75
<b>Total Accounts Payable</b>	<b>478,660.75</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>504,142.75</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	237,106.87
<b>Total Long-Term Liabilities</b>	<b>237,106.87</b>
<b>Total Liabilities</b>	<b>741,249.62</b>
<b>Equity</b>	
3001 Net Assets	291,809.57
3200 Net Position	608,245.82
Net Revenue	447,826.48

	Total
Total Equity	1,347,881.87
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,089,131.49</b>

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# Statement of Cash Flows - Last Month

December 2021

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Revenue	29,823.54
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	22,285.93
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>22,285.93</b>
<b>Net cash provided by operating activities</b>	<b>52,109.47</b>
<b>INVESTING ACTIVITIES</b>	
1210 Prepaid Expenses	732.67
2001 Richmond Trust (Restricted)	-31,036.08
<b>Net cash provided by investing activities</b>	<b>-30,303.41</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>21,806.06</b>
Cash at beginning of period	1,350,670.09
<b>CASH AT END OF PERIOD</b>	<b>\$1,372,476.15</b>

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# Kennewick Public Hospital District

Check Detail  
December 2021

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
1010 US Bank Checking 4037						
12/01/2021	Bill Payment (Check)	1547	Blodgett, Steve		R	-640.00
						-640.00
12/01/2021	Bill Payment (Check)	1548	Leland B. Kerr, Kerr Consulting LLC		R	-3,000.00
						-3,000.00
12/01/2021	Bill Payment (Check)	1549	Salem Snowdy Development LLC		R	-2,200.00
						-2,200.00
12/01/2021	Bill Payment (Check)	1550	Briggs, Wanda		R	-384.00
						-384.00
12/01/2021	Bill Payment (Check)	1551	City of Kennewick	12000017-06	R	-200.93
						-200.93
12/02/2021	Expenditure		Kenmore Team Property Management	ACH Debit(s)	R	-249.39
				ACH Debit(s)		249.39
12/02/2021	Expenditure		Kenmore Team Property Management	ACH Debit(s)	R	-95.32
				ACH Debit(s)		95.32
12/06/2021	Expenditure		Mutual of Enumclaw	ACH Debit(s)	R	-190.20
				ACH Debit(s)		190.20
12/14/2021	Expenditure		US Bank	Miscellaneous Fee(s)	R	-98.55
				Miscellaneous Fee(s)		98.55
12/15/2021	Bill Payment (Check)	1552	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		R	-1,095.43
						-1,095.43
12/15/2021	Bill Payment (Check)	1553	Association of Washington Public Hospital Districts		R	-1,250.00
						-1,250.00
12/15/2021	Bill Payment (Check)	1554	Briggs, Wanda		R	-256.00
						-256.00
12/15/2021	Bill Payment (Check)	1555	Kinney, Marv		R	-384.00
						-384.00
12/15/2021	Bill Payment (Check)	1556	Cindy's Sure Clean		R	-210.00
						-210.00
12/15/2021	Bill Payment (Check)	1557	Kiemle Hagood		R	-1,000.00
						-1,000.00
12/15/2021	Bill Payment (Check)	1558	U.S.Bank CC (4195)		R	-167.95
						-167.95
12/16/2021	Bill Payment (Check)	1559	Advantage IT		R	-811.66
						-811.66
12/16/2021	Expenditure		Epic Tax Solutions	ACH Debit(s)	R	-1,457.00
				ACH Debit(s)		1,457.00

# Kennewick Public Hospital District

Check Detail  
December 2021

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DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
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**Kennewick Public Hospital District**  
**Thursday, Jan. 27, 2022 | Remote Meeting Via Zoom**  
**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
  - a. Resolution for emergency repairs\*
  
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates
  
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records project update

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. December financial statements – Nathan Burt
  - b. Treasurer’s Report – Steve Blodgett
  - c. EFT Policy\*
  
2. Governance Committee Updates – Gary Long
  - a. Motion to approve revised administrative support agreement\*
  - b. Resolution for Meeting dates in 2022\*
  - c. Resolution for Richmond Trust 2022\*
  - d. Superintendent annual evaluation process
  
3. Planning Committee – Wanda Briggs
  
4. Adult Day Services – General Update Steve Blodgett / Rick Reil
  - a. ADS loan to Banner Bank\*

**IV. COMMISSIONER COMMENTS**

**A. Upcoming items**

1. Planning Committee’s full commission Strategic Planning Retreat

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

**Next Regularly Scheduled Board Meeting – Thursday Feb 24, 2022 @ 5:00p.m.**

**ADJOURNMENT**

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

# Policies / Resolutions

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**TITLE:** ELECTRONIC FUNDS TRANSFER POLICY

**Implementation Date:**

**Revised Date:**

**APPROVED:**

Gary Long, President

**Date:**

**Reviewed by:**

Gary Long

**Date:**

**I. PURPOSE STATEMENT**

To set a procedure by which the District can utilize processes to ensure Electronic Funds Transfers (EFT) are set-up, initiated, processed and approved in a secure manner.

**II. DEFINITIONS**

- A. ACHT (Automated Clearing House Transfers): Is an electronic, bank-to-bank money transfer. ACHTs can be used to pay vendors and pay bills on a reoccurring basis. Once initiated transfers can take up to two days to settle.
- B. Banking Information: Information from the payee and their bank including bank name, account name, routing number, account number, and any additional information that will assist the receiving bank in identifying payment.
- C. Direct Deposit Agreement Form (DD): template used to instruct Epic Tax Solutions, LLC to make a Direct Deposit. (Attached is the DD template to be used).
- D. EFT (Electronic Funds Transfer): the electronic transfer of money from one bank account to another using computer-based systems. ACHTs and Wire transfers are examples of EFTs.
- E. Wire Transfer: is an electronic transfer of money from one bank to another initiated directly between our bank to the payee's bank. Wire is classified as repetitive or non-repetitive. The difference between the two depend on if it is a monthly, quarterly payment or a one-time payment. Once initiated transfers are instant or on the same day.

**III. POLICY**

- A. Kennewick Public Hospital District's EFT policy has been implemented to expedite payment of funds and to pay bills efficiently and inexpensively.
- B. All payments and direct deposits made will be approved by the Commission at the next regularly scheduled board meeting. All supporting documents will be kept for each transaction for a period of one (1) year.
- C. If there are any questions as to the validity of a direct deposit or payment, the Superintendent will verify such direct deposit or payment with the vendor or individual and review any supporting documents.

**TITLE:** ELECTRONIC FUNDS TRANSFER POLICY

**Implementation Date:**  
**Revised Date:**

D. EFT requests will be subject to the following verification:

- Validate all new EFT payment instructions requests received.
- Contact the requestor directly by phone to confirm any changes in payment method or payment instruction. Do not use the contact information provided on the request to change payment method or payment instructions; do use contact information known to be genuine such as the contact information collected from the original contract. Have a contact confirm existing payment instructions on file prior to making changes to those instructions (i.e., current bank account and routing number provided in original instructions).
- Document the verification process that was followed to validate payment instructions. The person responsible for entering/updating EFT instructions and the person approving new/updated EFT instructions must approve the record of verification. A record of the verification must be maintained in accordance with the retention policies.

E. Bank balances will be monitored weekly for unusual or unexpected transactions.

F. Reconciliation of banking activity to the general bank account will be done in a timely manner with investigation and resolution of reconciling items.

#### IV. REFERENCE SECTION

- A. References: None
- B. Distribution: Email and Board of Commissioners Manual
- C. Supersedes: NONE
- D. Prepared/Updated by: Governance Committee
- E. Reviewed by: Board of Commissioners
- F. Approved by: Board of Commissioners



Epic Tax Solutions LLC

**Direct Deposit Agreement Form**

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**Authorization Agreement**

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I hereby authorize Epic Tax Solutions LLC to initiate automatic deposits to my account at the financial institution named below. I also authorize Epic Tax Solutions LLC to make withdrawals from this account in the event that a credit entry is made in error.

Further, I agree not to hold Epic Tax Solutions LLC responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until Epic Tax Solutions LLC receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit form to the Payroll Department.

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**Account Information**

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Name of Financial Institution: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_  Checking |  Savings

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**Signature**

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Authorized Name (Primary): \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Signature (Primary): \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Name (Joint): \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Signature (Joint): \_\_\_\_\_ Date: \_\_\_\_\_

**Please attach a voided check or deposit slip and return this form to the Payroll Department.**

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON  
RESOLUTION NO. 2022-3**

**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 2021;

**NOW, THEREFORE BE IT RESOLVED** that the funds received in 2021 from the Paul G. and Mabel Richmond Endowment Fund were used to help fund Camp Trios and a summer communications internship for a Washington State University student.

**ADOPTED AND APPROVED** by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 27th day of January, 2022 the following Commissioners being present and voting:

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

\_\_\_\_\_  
Gary G. Long, President & Commissioner

\_\_\_\_\_  
Steve Blodgett, Treasurer & Commissioner

\_\_\_\_\_  
Marv Kinney, Secretary & Commissioner

\_\_\_\_\_  
Richard L. Reil, Commissioner

\_\_\_\_\_  
Wanda L. Briggs, Commissioner

\_\_\_\_\_  
Sheila Dunlop, Commissioner

\_\_\_\_\_  
Mark Brault, Vice President & Commissioner

# Committee Recommendations and General Info.

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