



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, July 29, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
July 29, 2021

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, June 24, 2021

2. Acceptance of Financial Report:

- a. Approval of P&L Statements June, 2021

Minutes

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

Thursday, June 24, 2021, | Remote Meeting Via Zoom

CALL TO ORDER Gary Long called the meeting to order at 5:00 pm.

Attendance: Gary Long, Steve Blodgett, Marv Kinney, Wanda Briggs, Len Dreisbach, Rick Reil, Lee Kerr, Heidi Ellerd, Nathan Burt, and Salem Thompson.

Excused: Mark Brault

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.

IT WAS MOVED AND SECONCED TO EXCUSE MARK BRAULT'S ABSENCE FROM THE MEETING. NO DISCUSSION. MOTION CARRIED.

B. Public Comment - NONE

I. NEW BUSINESS:

A. Executive Report – Lee Kerr

Lee provided an update of recent activities and meetings surrounding the proposed recovery center efforts. Including discussions with John Solheim from Trios/LifePoint, Benton County Commissioners, and a member of the Benton County Recovery Coalition via a visit to RI International's headquarters in Arizona. Two sites were visited, in Phoenix and Tucson.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. May financial statements – Overview by Nathan Burt.
 - b. Treasurer's Report: Update on 2020 Financial Audit – The process is going well with Eide Bailly. Nathan's office has been supporting the work.
 - c. Propose EFT payments instead of checks – The finance committee is working on an official Electronic Funds Transfer payments policy. If any commissioner would rather receive paper checks, that will be an option. Making this change would make it simpler for all. Getting on a regular schedule is also desired, having payments submitted and approved by the first of the month.
 - d. D&O Insurance update – Not discussed.
2. Planning Committee
 - a. Communications intern update (Wanda) – Brad is working on the FAQ section. The commissioner bios are nearly complete.
Wanda is gathering quotes for the website and asks for those on the board to assist with that effort.
Rick reported ADS' efforts in reopening and serving clients after being closed for over a year. The building adjacent to ADS may be available for additional services and was toured by the ADS board. No plans to use the space are being considered at this current time.
 - b. 805/807 Auburn update – Will be discussed during Governance.
 - c. Spaulding building occupancy – Discussed below
3. Adult Day Services – General Update Rick Reil or Steve Blodgett – Discussed under Planning.
4. Governance Committee
 - a. Letter of appreciation for contribution from Ascension Health with all commissioner's signatures. Lee will draft the letter, and Salem will circulate it for signature,
 - b. Auxiliary request for space – The Auxiliary has been asked to leave the Hospital space and asked the District for space. Initially, the 807 space was being considered. However, upon viewing the suite this week, there was evidence of non-forced break-ins and trash in the space. The Kennewick Police were called and alerted. It is suggested to have a locksmith add deadbolts all around on both 805/807 suites to secure the space. It is agreed to allow the Auxillary to use the area at 807.

MOTION TO GET A LOCKSMITH TO IMMEDIATELY CHANGE THE LOCKS ON THE 805/807 AUBURN BUILDING PURSUANT TO RCW 39.04.280(D)(C)–
SECONDED. NO DISCUSSION. MOTION CARRIED. A RESOLUTION WILL BE PRESENTED AT THE NEXT MEETING.

 - c. Policies of the District – The policies have been under review, and a few additional ones are desired. Heidi, Steve, and Salem will coordinate to review and bring to the commisioners for approval in the next month.
5. Legal – Heidi Ellerd
 - a. Future in-person commission meetings – The Governor's office will likely issue a new proclamation on in-person meetings. Heidi will address at the next meeting.
6. Administrative Items - Salem Thompson

- a. WA State Archives records Grant application – Submitted today for the total available amount of \$20,000. Awards will be announced on September 27. If awarded, the funds would be used to address CI records, transfer records to the State Archives, and thoroughly review the District's current systems.

II. COMMISSIONER COMMENTS

III. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, July. 29, 2021, @ 5:00 p.m.

ADJOURNMENT – 6:25 pm

Financials

Management Reports

Kennewick Public Hospital District
For the period ended June 30, 2021

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

July 14, 2021

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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

June 2021

	Jun 2021	Jan - Jun, 2021 (YTD)	Total
REVENUE			
100 Property Tax Revenue	20,327.99		846,454.15
109 Other Revenue	625.00		1,780.50
Total Revenue	20,952.99		848,234.65
COST OF GOODS SOLD			
200 Community Care Agreement	16,262.39		677,163.32
Total Cost of Goods Sold	16,262.39		677,163.32
GROSS PROFIT	4,690.60		171,071.33
EXPENDITURES			
301 Health Initiative Contributions			2,770.45
305 Bank Fees	366.74		2,073.68
315 Commissioner Mtg Stipend	1,664.00		17,024.00
320 Facilities Expense			462.44
321 Building Association Dues	238.14		1,065.85
323 Utilities			1,973.41
325 Repairs and Maintenance	937.26		13,242.58
Total 320 Facilities Expense	1,175.40		16,744.28
326 Insurance	11,711.00		12,586.20
330 Legal and Professional			
331 Attorney Fees	1,068.02		6,863.76
332 Accounting	1,300.00		8,398.61
333 Audit Expense			18,805.77
335 Administrative Support	2,200.00		13,200.00
336 Other Professional Fees	40.00		380.51
Total 330 Legal and Professional	4,608.02		47,648.65
339 Licenses and Taxes			39.22
340 Office Expenses	166.15		1,869.55
346 Public Records Request	2,586.25		9,170.50
347 Public Election Costs			10,477.75
360 Superintendent Compensation	3,000.00		18,000.00
380 Payroll Expenses			
381 Benefits			25.00
Total 380 Payroll Expenses			25.00
Total Expenditures	25,277.56		138,429.28
NET OPERATING REVENUE	-20,586.96		32,642.05
OTHER REVENUE			
900 Richmond Trust Income			2,148.44
910 Donations	341,000.00		341,000.00
950 Worker's Comp Reimbursements	16,108.19		94,028.07
960 Interest and Dividend Income	3.03		13.17
Total Other Revenue	357,111.22		437,189.68

		Total
	Jun 2021	Jan - Jun, 2021 (YTD)
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	19,266.34	93,516.96
810 Interest Expense		8,620.53
Total Other Expenditures	19,266.34	102,137.49
NET OTHER REVENUE	337,844.88	335,052.19
NET REVENUE	\$317,257.92	\$367,694.24

Statement of Financial Position

As of June 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	724,320.82
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	19,744.56
Total Bank Accounts	1,426,165.38
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	1,431,943.38
Fixed Assets	
3000 District Building	238,350.00
3010 Accumulated Depreciation	
3010-1 Accum Depr - Buildings - KPD	-238,350.00
Total 3010 Accumulated Depreciation	-238,350.00
Total Fixed Assets	0.00
Other Assets	
1013 Home Health Escrow 2021	144,979.22
1210 Prepaid Expenses	835.79
2001 Richmond Trust (Restricted)	676,310.45
Total Other Assets	822,125.46
TOTAL ASSETS	\$2,254,068.84
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	578,100.46
Total Accounts Payable	578,100.46
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	603,582.46
Long-Term Liabilities	
2100 Loan from ADS	250,434.09
Total Long-Term Liabilities	250,434.09
Total Liabilities	854,016.55
Equity	
3001 Net Assets	291,809.57
3200 Net Position	740,548.48

	Total
Net Revenue	367,694.24
Total Equity	1,400,052.29
TOTAL LIABILITIES AND EQUITY	\$2,254,068.84

Statement of Cash Flows - Last Month

June 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	317,257.92
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	18,250.46
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	18,250.46
Net cash provided by operating activities	335,508.38
INVESTING ACTIVITIES	
1210 Prepaid Expenses	166.15
Net cash provided by investing activities	166.15
NET CASH INCREASE FOR PERIOD	335,674.53
Cash at beginning of period	1,090,490.85
CASH AT END OF PERIOD	\$1,426,165.38

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

Thursday, July 29, 2021, | Remote Meeting Via Zoom

CALL TO ORDER

I. DISTRICT BUSINESS:

- A. Approval of Consent Agenda**
- B. Public Comment – NONE**

II. NEW BUSINESS:

A. Reports

- 1. Executive Report – Lee Kerr
- 2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Discussion on open public meetings
- 3. Administrative Report - Salem Thompson

B. Committee Reports/Recommendations

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. June financial statements – Overview by Nathan Burt.
 - b. Treasurer's Report: Update on 2020 Financial Audit
 - c. Propose EFT payments instead of checks - Discussion
 - d. Umbrella insurance discussion
- 2. Planning Committee
 - a. Communications intern update (Wanda)
 - b. 805/807 Auburn update –
 - c. Spaulding building update –
 - d. Adult Day Services – General Update Rick Reil or Steve Blodgett
- 3. Governance Committee
 - a. Letter of appreciation for contribution from Ascension Health for all commissioner's signatures via DocuSign
 - b. Agreement for Auxiliary use of space*
 - c. Resolution for Emergency Locksmith services*

III. Executive Session to discuss the minimum price to offer real estate for sale RCW 42.30.110(1)(c)

IV. COMMISSIONER COMMENTS

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, August. 26, 2021, @ 5:00 p.m.

*Items marked with asterisk denote potential action

Policies / Resolutions

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BENTON COUNTY, WASHINGTON
RESOLUTION NO. 2021-04**

**A Resolution relating to an emergency declaration for
repairs**

Washington law provides an exemption for emergencies to competitive bidding requirements required of municipal corporations for awarding contracts for public works [RCW 39.04.280(1)(c)]. The Statute defines an emergency as unforeseen circumstances beyond the control of the municipality that presents a real, immediate threat to the proper performance of essential functions; or will likely result in material loss or damage to property, if immediate action is not taken.

Kennewick Public Hospital District (“District”) is the owner of an office building located at 805/807 S. Auburn, Kennewick, Washington. The District became aware that the locks on the building did not adequately secure the building, and transients had accessed the building and were residing in the building. The District immediately contacted a locksmith to replace the locks on the building in order to secure the building.

Washington law requires that in the event a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the governing body no later than two weeks following the award of the contract. The District made the finding at the meeting on June 24, 2021 and approved by motion the existence of the emergency. The District’s minutes reflect such motion.

THEREFORE, the Board of Directors of Kennewick Public Hospital District hereby enters the following findings:

1. Upon discovery that the locks on the office building located at 805/807 S. Auburn, Kennewick, Washington, did not adequately secure the building owned by the District, the District immediately contracted with All Points Locksmith to change the locks in order to secure the building to prevent damage to the building.
2. It is imperative that a permanent repair be accomplished as soon as possible to avoid further damage.
3. The contract that was awarded to All Points Locksmith without competitive bidding was due to an emergency.

ADOPTED AND APPROVED by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this _____ day of July, 2021 the following Commissioners being present and voting:

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

Gary G. Long, President & Commissioner

Steve Blodgett, VP, Treasurer, and
Commissioner

Marv Kinney, Secretary and Commissioner

Richard L. Reil, Commissioner

Wanda L. Briggs, Commissioner

Leonard Dreisbach, Commissioner

Mark Brault, Commissioner

Committee Recommendations and General Info.

KENNEWICK PUBLIC
HOSPITAL DISTRICT

John Solheim, CEO
Trios Health
3810 Plaza Way, Kennewick, WA 99336

July 29, 2021

Dear John,

The Kennewick Hospital Public Hospital Board wishes to thank you and the entire LifePoint Team for the very generous contribution to the District's mission to fulfill unmet healthcare needs of those around us. These include efforts to create a Behavioral Health Recovery Center for our regional community. Your generosity may permit the District to make a major step forward in conjunction with our other concerned agencies to acquire the needed facilities to house these tragically needed service. Together with your helpful advice and encouragement, we are poised to truly make a life-saving difference. The local need for a first-class place where those suffering from behavioral health challenges has long been an evident but unfulfilled lack in our healthcare resources. Thanks to you, this may change.

Thank you again for recognizing this important mission and your generous contribution to making it a reality.

Gratefully yours,

The Board of Commissioners of the Kennewick Public Hospital District

Gary Long, President

Steve Blodgett, Vice President and Treasurer

Maru Kinney, Secretary

Rick Reil

Wanda Briggs

Dr. Leonard Dreisbach

Mark Brault

Commissioners: Steve Blodgett | Mark Brault | Wanda Briggs | Leonard Dreisbach, MD | Marvin Kinney
Gary Long | Rick Reil | Superintendent: Leland Kerr

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