



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

Thursday, July 28, 2022

Hybrid Meeting

via Zoom and Numerica Pavillion at

Southridge Sports Complex

2901 Southridge Blvd. Kenn., WA 99336

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
June 30, 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, June 30, 2022

Kennewick Public Hospital District
Thursday, June 30, 2022 | Hybrid Meeting 4:45 PM Via Zoom and at
The Numerica Pavilion Conference Room
Southridge Sports and Events Complex
290 1 Southridge Blvd, Kennewick, Washington

SPECIAL MEETING
Minutes

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

CALL TO ORDER Gary Long called the Meeting to order at 4:48 pm

Due to the state of emergency and the Governor's proclamation relating to in-person public meetings, the Meeting was held with an in person component and a remoteoption via Zoom. Commissioner Long called the Meeting to order at 4:48 pm after confirming that all parties were connected and could hear and participate in the Meeting.

I. DISTRICT BUSINESS:

Resolution 2022-6 Setting Regular Meeting Dates and Location

The resolution was read.

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2022-6 SETTING
REGULAR MEETING DATES AND LOCATION. NO DISCUSSION MOTION CARRIED.

Gary Long closed the Special Meeting at 4:51pm.

Kennewick Public Hospital District
Thursday, June 30, 2022, | Hybrid Meeting 5:00 pm Via Zoom and at
The Numerica Pavilion Conference Room
Southridge Sports and Events Complex
290 1 Southridge Blvd, Kennewick, Washington

MINUTES

Attendance: Gary Long, Steve Blodgett, Mark Brault, Marv Kinney, Wanda Briggs, Rick Reil, Sheila Dunlop, Lee Kerr, Taiya Anderson (for Nathan Burt), Heidi Ellerd, and Salem Thompson.

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

Due to the state of emergency and the Governor's proclamation relating to in-person public meetings, the meeting was held with an in person and remote option 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. Therefore, there will be no separate discussion of the following items:

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA. NO DISCUSSION MOTION CARRIED.

Public Comment: None. A discussion arose on the acceptance of chat messages received in the Zoom session as public comments. Since the nature of chats is impermanent and the District's policy requires written submission of Public Comment to be included in the minutes, it was decided that chat messages would not be included in the minutes unless they were submitted in writing per District policy.

II. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update – Benton County will likely purchase the old Hospital for a proposed recovery center. Franklin County's participation is unknown. A meeting of public hospital districts in WA state no longer running hospitals was held. Gary Long and Lee Kerr attended. The goal of the meeting was to share ideas. The consensus among these districts is to address behavioral health. There is a plan to have more meetings in the future.
The District's insurances were reviewed and updated to reflect current conditions, and secure increased liability insurances were discussed.
Planning Committee will report on the proposed retreat in the fall. Stan Strobel will provide a quote for moderator services.
2. Legal Report - Heidi Ellerd, Legal Counsel

- a. Updates – Records Requests – Nothing new to report.
- 3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records project update – Nothing new to report.

B. Committee Reports/Recommendations

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of May financial statements – Overview by Taiya Anderson for Nathan Burt.
 - b. Approval of payments and disbursements

IT WAS MOVED AND SECONDED TO APPROVE THE FINANCIALS AS PRESENTED.
NO DISCUSSION MOTION CARRIED.

- c. Treasurer's Report – Steve Blodgett – Steve met with Baker Boyer Bank regarding the Richmond Trust. The funds can be used to provide educational opportunities, as confirmed in the meeting.
- d. 2021 Audit – update – Items due from ADS have been submitted, and the audit should be available soon.
- 2. Governance Committee Updates – Gary Long
 - a. John Solheim from RCCCH has retired.
 - b. A notice from Benton County on re-districting was received. Since commissioners are at-large, this will not necessarily affect the District.. Lee Kerr is following up and will report if he learns anything further.
 - c. AWPHD (public hospital districts without hospitals) meeting update (discussed above).
 - d. Gary Long established an ad hoc committee to review Commissioner compensation and submit an appropriate policy for the District to review. The committee will consist of two former presidents, Wanda Briggs and Marv Kinney, along with Lee Kerr, Superintendent.
- 3. Planning Committee – Wanda Briggs
 - a. General update – Community Health Needs assessment document is still being put together. Marv and Sheila did a walk-through at ADS, though no proposal has been received. No proposal has been received from Public Health, but not expected now. Grace Clinic may bring a proposal if not fully funded for its proposed expansion of dental services.
 - b. Discussion on full commission Strategic Planning Retreat – All commissioners are asked to think about this and what the goals and objectives will be. Input is welcomed as Planning works to put together the agenda.
- 4. Adult Day Services – General Update: Rick Reil/Steve Blodgett Potential confirmation of appointment interim Executive Director – With the retirement of Barb Edwards, a proposal from Salem Thompson has been received for the position of interim executive director and put forward by the ADS board for consideration. Per ADS bylaws, this board must approve the appointment of the new executive director.

IT WAS MOVED AND SECONDED TO APPROVE THE APPOINTMENT OF SALEM THOMPSON AS THE INTERIM EXECUTIVE DIRECTOR FOR ADS. NO DISCUSSION MOTION CARRIED

III. COMMISSIONER COMMENTS

A. Upcoming items – Retreat in September or October date TBD

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, July 28, 2022, @ 5:00 pm. (Hybrid)

Close of Meeting: 5:58 pm

Kennewick Public Hospital District
Thursday, July 28, 2022 | Hybrid Meeting with
Zoom Remote
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
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – Records Requests
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records project update
 - b. Discussion: Use of District issued iPads and additional IT security

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of June financial statements* – Overview by Nathan Burt
 - b. Approval of payments and disbursements*
 - c. Treasurer’s Report – Steve Blodgett
 - d. 2021 Audit – update
2. Governance Committee Updates – Gary Long
 - a. Update on commissioner compensation requests
 - b. Excuse Planning Committee Chair, Wanda Briggs
3. Planning Committee – Marv Kinney
 - a. General update
 - b. Update on full commission Strategic Planning Retreat
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

C. Executive Session

IV. COMMISSIONER COMMENTS

A. Upcoming items

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, Aug. 25, 2022 @ 5:00p.m. (Hybrid)

Close of Meeting

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

Management Reports

Kennewick Public Hospital District
For the period ended June 30, 2022

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

July 11, 2022

Table of Contents

Statement of Activity With Year to Date4

Statement of Financial Position6

Statement of Cash Flows - Last Month7

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 initially 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. Baker Boyer Bank acts as the trustee.

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. Principal and interest payments are made quarterly on a 10 year amortization schedule, with a \$187,027 balloon payment due in 2024.

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

June 2022

	Jun 2022	Jan - Jun, 2022 (YTD)	Total
REVENUE			
100 Property Tax Revenue	11,271.28		888,883.55
119 Uncategorized Income	4,999.00		4,999.00
Total Revenue	16,270.28		893,882.55
COST OF GOODS SOLD			
200 Community Care Agreement	9,017.24		711,132.75
Total Cost of Goods Sold	9,017.24		711,132.75
GROSS PROFIT	7,253.04		182,749.80
EXPENDITURES			
305 Bank Fees	356.63		2,367.60
315 Commissioner Mtg Stipend	4,480.00		19,200.80
320 Facilities Expense			
321 Building Association Dues			1,834.97
323 Utilities	107.97		1,551.38
325 Repairs and Maintenance			220.91
Total 320 Facilities Expense	107.97		3,607.26
326 Insurance			1,151.00
330 Legal and Professional			
331 Attorney Fees	799.50		6,246.00
332 Accounting	1,457.00		8,742.00
333 Audit Expense			9,000.00
335 Administrative Support	2,500.00		14,700.00
336 Other Professional Fees	762.37		5,263.62
Total 330 Legal and Professional	5,518.87		43,951.62
339 Licenses and Taxes			64.85
340 Office Expenses	180.80		1,977.71
346 Public Records Request	3,031.75		12,447.15
346.5 Records Management	900.00		2,375.00
360 Superintendent Compensation	3,300.00		18,900.00
Total Expenditures	17,876.02		106,042.99
NET OPERATING REVENUE	-10,622.98		76,706.81
OTHER REVENUE			
900 Richmond Trust Income			4,750.43
930 Gain on Disposal of Assets			123,049.34
950 Worker's Comp Reimbursements	11,960.54		79,344.13
960 Interest and Dividend Income	3.82		11.59
Total Other Revenue	11,964.36		207,155.49
OTHER EXPENDITURES			
800 Workers Comp Claims Paid	10,608.42		78,656.43
810 Interest Expense			7,799.17
Total Other Expenditures	10,608.42		86,455.60

		Total
	Jun 2022	Jan - Jun, 2022 (YTD)
NET OTHER REVENUE	1,355.94	120,699.89
NET REVENUE	\$ -9,267.04	\$197,406.70

Statement of Financial Position

As of June 30, 2022

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	933,985.29
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	16,140.06
Total Bank Accounts	1,632,225.35
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	1,638,003.35
Other Assets	
1210 Prepaid Expenses	164.48
2001 Richmond Trust (Restricted)	710,231.38
Total Other Assets	710,395.86
TOTAL ASSETS	\$2,348,399.21
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	613,623.09
Total Accounts Payable	613,623.09
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	639,105.09
Long-Term Liabilities	
2100 Loan from ADS	222,960.82
Total Long-Term Liabilities	222,960.82
Total Liabilities	862,065.91
Equity	
3001 Net Assets	291,809.57
3200 Net Position	997,117.03
Net Revenue	197,406.70
Total Equity	1,486,333.30
TOTAL LIABILITIES AND EQUITY	\$2,348,399.21

Statement of Cash Flows - Last Month

June 2022

	Total
OPERATING ACTIVITIES	
Net Revenue	-9,267.04
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	8,878.26
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	8,878.26
Net cash provided by operating activities	-388.78
NET CASH INCREASE FOR PERIOD	-388.78
Cash at beginning of period	1,632,614.13
CASH AT END OF PERIOD	\$1,632,225.35

Kennewick Public Hospital District

Check Detail

June 2022

DATE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
1010 US Bank Checking 4037				
06/01/2022	1596	VOID	1596 - 1614 - VOIDED: Ordered New Checks	0.00
			1596 - 1614 - VOIDED: Ordered New Checks	0.00
06/01/2022	1615	Advantage IT		-169.83
				-169.83
06/08/2022		EFT Payments (See Detailed List)	ACH Debit(s)	-11,230.00
			Blodgett, Briggs, Dunlop, Kinney, Long	4,480.00
			Debra Clark	900.00
			Salem Snowdy	2,500.00
			Salem Snowdy	50.00
			Lee Kerr	3,300.00
06/14/2022		US Bank	Bank Fee(s)	-97.94
			Bank Fees	97.94
06/15/2022	1616	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		-3,750.40
				-3,750.40
06/15/2022	1617	Advantage IT		-762.37
				-762.37
06/15/2022	1618	U.S.Bank CC (4195)		-288.31
				-288.31
06/16/2022		Epic Tax Solutions	ACH Debit(s)	-1,457.00
			ACH Debit(s)	1,457.00
1040 Key Bank Worker's Comp				
06/27/2022				-10,608.42
				10,608.42
06/27/2022		KeyBank		-259.15
				259.15

ACH Report

Kennewick Public Hospital District

From 6/1/2022 to 6/30/2022



Source Code	Date	Debit	Credit	Description	Status
Direct Deposit					
	6/8/2022	11,230.00		Payroll Number: 11	
	6/10/2022		384.00	Steve Blodgett	
	6/10/2022		256.00	Wanda Briggs	
	6/10/2022		3,300.00	Leland Kerr	
	6/10/2022		384.00	Marv Kinney	
	6/10/2022		768.00	Gary Long	
	6/10/2022		2,550.00	Salem Snowdy	
	6/10/2022		900.00	Debra L Clark	
	6/10/2022		2,688.00	Sheila K Dunlop	
	Total:	11,230.00	11,230.00		
	Grand Total:	11,230.00	11,230.00		
