

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

Thursday, June 25, 2020 | Remote Meeting via Zoom

CALL TO ORDER 5:00 pm

Commissioners Present: Wanda Briggs, Len Dreisbach, Marv Kinney, Gary Long, Steve Blodgett, Rick Reil, Mike McWhorter

Commissioners Excused: ALL PRESENT

Executive Support: Heidi Ellerd, Salem Thompson, 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 p.m., 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
- 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.

During the meeting it appeared that there was a member of the public present. However, there was no video showing, only a name and black screen, and it showed up as unmuted. When Commissioner Long inquired as to whether that member of the public had comments, there was no response. He asked multiple times with no response from the member of the public. Commissioner Long indicated he would ask again later in the meeting about public comment to ensure that the member of the public wasn't having technical difficulties and would be able to comment later if he wanted to do so.

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

A donation agreement is being drafted so that KPHD will receive funds from Lourdes'. The agreement is being drafted by the Lourdes' attorney which Heidi will review.

MOTION TO APPROVE LEE OR GARY SIGN THE DONATION AGREEMENT TO RECEIVE FUNDS

FROM LOURDES' ONCE THE DONATION AGREEMENT IS APPROVED BY COUNSEL.
SECONDED. NO DISCUSSION. MOTION CARRIED.

Lee provided an update regarding the Ayers property in the creditor's trust. UPS has reached a settlement and is going through the steps to claim title. Lee has provided information to the attorneys regarding rent balances. The renewal process for the CRP agreements is underway.

Feasibility studies for the proposed recovery center have expanded to include a mental/behavioral health element. A supplement and an executive summary are being prepared that will be brought forth for consideration. Both Benton and Franklin counties have been invoiced for their agreed upon contribution to the studies.

There was discussion that KPHD may not receive payment until these studies are finalized and copies provided to Benton and Franklin counties.

B. Committee Reports/Recommendations

1. Finance & Audit – Steve Blodgett, Finance Chair

- a. March, April, and May financial statements – Steve reviewed the statements by month for the commission starting with March. The March P&L showed the monies received directly from the District's cancer center withdrawal. April is the big income month for the District when property taxes are due. Health Initiative Contributions showed payments for the feasibility studies. The process for payments being made to LifePoint for the community care agreement includes scheduling a meeting regarding meeting the terms of the agreement, and receiving their invoice which can be a 30-day process. The restricted account listed on the balance sheet shows the rents received that Lee mentioned in reference to the Ayers property. Those funds are held to potentially be distributed once the bankruptcy matters are final.

Moving on to May, there was property tax revenue again and a good portion goes toward the community care agreement. A new bank account was created 110.5 Health Initiative Reserves, where the monies received from the cancer center withdrawals will be held. The next few months will be low on deposits.

Gary asked about the attorney fees and clarification on who they were paid to. The legal fees were in relation to the bankruptcy finalization activities transferring the properties. These are considered administrative fees. In adherence with the community care agreement with LifePoint, 80% of the total legal bills are deducted from the tax revenue payment.

Len asked if the tax revenue was similar to last year or if the current conditions caused any change. Steve reports the revenues were basically the same.

- b. (The order of business was changed to facilitate discussion) Approval of Auditor selection for 2019 audit Steve Blodgett– The District went through the RFP process to select an auditor, and three companies were identified including Eide Bailly the District's existing auditor for 15 years. Their estimate was less than half of the other bids. The Finance committee reviewed proposals and made the recommendation to give the contract to Eide Bailly. The financial audit work has been started and the Finance committee would like the board to approve the contract with Eide Bailey.

MOTION TO APPROVE EIDE BAILLY'S CONTRACT AS THE DISTRICT AUDITOR.
SECONDED.

DISCUSSION: QUESTION ON WHAT YEAR THEY ARE WORKING ON NOW. ANSWER,
THE REPORT FOR 2019. ALL IN FAVOR. MOTION CARRIED.

The financial audit is being administered by Nathan, and all the work is being done remotely. Steve reports Eide Bailly did the most complicated and comprehensive audit for 2018 noting the bankruptcy.

The current audit that is noteworthy is ADS is being looked into a bit more than years past, likely due to the difference in overall scope of the District's business. It is expected to have the final audit report for 2019 by next meeting.

No word from the State on the accountability audit. This is likely due to the current conditions under COVID19

c. Treasurer's Report: Status of Audits and Annual Reports – Financial audit for 2019 (comments included above)

2. TCCC and Ascension - these items were covered in the executive report.
3. Planning Committee – Len Dreisbach and Lee Kerr. Len reports no recovery coalition meetings have been held in person. The donation agreement to receive funds from Lourdes was discussed previously. The new DBA “Two Rivers Health” has been finalized and secured. Waiting to officially announce the name change. The announcement will happen once there is more of a clear direction and formalization of the feasibility studies.

Lee spoke about the interest in the Auburn campus and buildings. The Kennewick School District is also interested in a portion of the Auburn campus as well as the City of Kennewick to relocate the fire station.

a. Status of feasibility studies and funding from counties – Discussed above.

2. Adult Day Services – General Update Rick Reil– The ED Barb has resigned her position from Trios and will be working with the State. She will continue as the ED for ADS. Rick reports that ADS does not have clients at their location due to COVID19. There are several staff on unemployment, and about 7 employees who are working doing phone call support which is billable. The paycheck protection loan program was not applied for, but will be considered at their next board meeting in July.
3. Governance Committee Updates – Gary Long reports on a change in the ownership association for the 805/807 Auburn property. There was an offer to KPHD to purchase the 805/807 property, but it has since been withdrawn.
4. Grant writer agreement – Lee reports a grant writing firm Health Facilities Planning group, Jody Carona, is proposed to provide grant writing services for KPHD. Discussion was had regarding her experience and rate.

MOTION TO APPROVE LEE TO SIGN THE LETTER AGREEMENT FROM HEALTH FACILITIES PLANNING & DEVELOPMENT FOR AN AMOUNT UP TO \$5500 AS SUBMITTED. NO DISCUSSION.

ALL IN FAVOR. MOTION CARRIED.

5. Public Records Requests and Updates – Heidi Ellerd. There are currently a couple of outstanding requests that are being delivered in installments.
6. Commissioner Long asked the public one more time if there was any comments that he/she would like to make. There was no comment.

**II. EXECUTIVE SESSION RCW– Potential Litigation 42.30.110 (1)(i); Sale of Real property 42.30.110 (1)(c); and Purchase of Real Property 42.30.110 (1)(b);
Five minutes break was taken at 6:31 pm. The public was placed into the Zoom waiting room after Commissioner Long explained the process that would be followed with the public while having an executive session which would last for twenty (20) minutes. .**

The executive session started at 6:36 pm. Commissioner Long checked with all the commissioners to ensure that no one at their homes could hear anything to be discussed and that the commissioners were alone in rooms where family members or others were

not present. Once this was confirmed by all commissioners and independent contractors, Commissioner Long proceeded.

At 6:56 pm the public was admitted back to the meeting.

It was announced the commission needed 5 more minutes.

The public was placed back in the waiting room at 6:56 pm for 5 minutes.

At 6:59 pm the executive session concluded, and the public was admitted back to the meeting

At 7:00 pm the meeting opened for action. No action was taken.

III. COMMISSIONER COMMENTS – Commissioners were called upon in turn to provide comments.

IV. BOARD MEETINGS/EVENTS/EDUCATION:

A. Next Regularly Scheduled Board Meeting – Thursday July 30, 2020 @ 5:00p.m.

ADJOURNMENT: 7:03 pm