

KPHD

Kennewick Public Hospital District
Board of Commissioners
Packet

Thursday, Aug. 27, 2020
Meeting via Zoom

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington

Consent Agenda
Aug. 28, 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 July 28

2. Approval of Warrant Register/Revenue Fund

3. Acceptance of Financial Report:

a. Approval of P&L Statements July 2020

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

Thursday, August 27, 2020 | Remote Meeting Via Zoom

<https://us02web.zoom.us/j/83876435831?pwd=LzdYMUwrNkJNTG90UUJLMlVYS2UzQT09>

Meeting ID: 838 7643 5831
Passcode: 356300

CALL TO ORDER

I. DISTRICT BUSINESS:

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

II. NEW BUSINESS:

- A. Executive Report – Lee Kerr**

B. Committee Reports/Recommendations

- 1. Finance & Audit – Steve Blodgett, Finance Chair / Nathan Burt
 - a. July financial statements
 - b. Year to date update
 - c. Treasurer’s Report: Status of Audits
 - d. Finance committee – adding a community member per the Charter
- 3. Planning Committee – Len Dreisbach and Lee Kerr
 - a. Status of feasibility studies and funding from counties
- 2. Adult Day Services – General Update Rick Reil or Steve Blodgett
- 3. Governance Committee Updates – Gary Long
 - a. Motion to authorize Lee to execute a listing agreement for the 805/807 Auburn properties*
 - b. Reminder of upcoming budget and ad valorem meetings for 2020.
- 4. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson
 - a. Update on email migration plan

III. COMMISSIONER COMMENTS

- A. Upcoming items –**

IV. BOARD MEETINGS/EVENTS/EDUCATION:

- A. Next Regularly Scheduled Board Meeting – Thursday September 24, 2020 @ 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, July 30, 2020 | Remote Meeting Via Zoom

CALL TO ORDER

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. No public was in attendance.

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 – no members of the public were in attendance and none were in the waiting room. The board liaison keeps watch during the meeting for public admittance. At 5:12 pm a member of the public joined the meeting. Gary Long was notified and the public was asked to provide comment. No comment was provided. The moderator, Salem Thompson reached out to the public to ensure they were connected and if comment was to be provided via chat. No formal comments were provided and the meeting continued.

I. NEW BUSINESS:

A. Executive Report – Lee Kerr

1. The District is still awaiting final approval for Lourdes to donate their TCC withdrawal money to us and for a donation agreement to be approved by all parties. There will be a private appreciation expressed to them once we receive those monies, Wanda will assist in

drafting the letter.

Ayers settlement is nearing completion in the bankruptcy court.

2. Update on feasibility studies. Ascension's study primarily covered SUD and in discovery over time, a need has been identified to include behavioral health. A second piece is a supplement has been drafted in house to cover behavioral health. The third component was the actual facility conversion provided by Arculus, their study will likely be finalized next week. A WA State Department of Commerce grant was applied for in June.

An additional grant from the St Joseph fund was applied for today with Michele Gerber's assistance, the KPHD is the main applicant. If awarded the funds will be used to identify suppliers for providing consultant services to determine the appropriate parties to offer services for the proposed recovery center.

3. The 805/807 Auburn property is under new management and likely other units will be sold. There is a need for the District to identify suitable office space to hold meetings. Lee met with LifePoint and has identified space on the 2nd floor of the Spaulding Building, attached to the Auburn hospital campus. The space is large enough to hold public meetings and suitable office space. It was determined that a lease will be drafted, but no cost will be borne by the District due to the provision in the Community Care Agreement (CCA) to offer the District space to meet. A lease is beneficial for all parties and gives formalization to the provision in the CCA.

The new association for the 805/807 property held its first meeting, Gary and Lee attended. Lee was added to the association board. There will likely be cost increases

4. No option agreement has been received for the potential purchase of the Auburn hospital building for the proposed recovery center.

B. Committee Reports/Recommendations

1. Finance & Audit – Steve Blodgett, Finance Chair / Nathan Burt
 - a. June financial statements – General review.
 - b. Year to date update – Working on some update documents requested by the Finance Committee.
 - c. Treasurer's Report: Status of Audits – Nearing the end of the Eide Bailly financial audit, held up a bit due to the review of Adult Day Services. Steve met with the designee from ADS (a part time employee) and sent the requested items to Eide Bailly. No word on the State audit, likely due to working from home during COVID-19 restrictions.

Gary asks about the responsibility of the District re: ADS. Steve replied since we are the sole member of the organization, the District does have oversight responsibility. ADS has a CPA firm to file taxes. Currently ADS is a greater share of the District's operations since the District no longer has hospital operations.

Gary asks what the Finance committee should do to oversee ADS to avoid an audit? Steve replies the Finance committee will review ADS's activity and provide a recommendation to the board for future procedures.
3. Planning Committee – Len Dreisbach and Lee Kerr
 - a. Status of feasibility studies and funding from counties – Feasibility studies were covered in the Executive Report. Len reports the Dept. of Commerce grant will have an update mid-August.
2. Adult Day Services – General Update Rick Reil or Steve Blodgett – The staff is calling clients on a regular basis and receiving reimbursement. Nearly half of the employees are on unemployment. It was decided by the ADS board to provide the working employees a bonus in June. The board will discuss a July bonus at their next meeting. The financials show revenue close to budget, and expenses are down. Gary stated the ADS board should look at the PPP program. Discussion ensued re: the PPP program and the deadlines for the program, and what person from the board and what employee from ADS could assist in an application.
3. Governance Committee Updates – Gary Long

- a. D&O Insurance Update – Gary sent Mike the update to the insurance policies for review. Lee replied that current information was provided re: current board members.

Gary mentions the 805/807 property and what to do with it if the District moves to the office space in the Spaulding building. Is the commission open to putting the property up for sale? Discussion and comments were received and all were open to the potential sale of the 805/807 property. If listed, proper appraisals are required. Gary asked if any were opposed to the sale. None. Steve stated the concern was incurring the costs of the appraisals without a firm sale.

4. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson
 1. Recommendation to move hosting of district emails*

MOTION TO MOVE FORWARD WITH CHANGING THE DISTRICT’S EMAIL HOSTING AND PAYING UP TO \$5000.00 AND AUTHORIZING GARY OR LEE TO SIGN A CONTRACT TO DO SO. SECONDED.

DISCUSSION: IT IS ADVISED TO HAVE THE DISTRICT LOOK INTO A LOCAL COMPANY TO PROVIDE THE EMAIL MIGRATION AND HOSTING SERVICES. ALL AGREED. MOTION CARRIED.

II. COMMISSIONER COMMENTS

- A. Upcoming items – Update on Wanda’s family.

III. BOARD MEETINGS/EVENTS/EDUCATION:

- A. Next Regularly Scheduled Board Meeting – Thursday August 27, 2020 @ 5:00p.m.

ADJOURNMENT 6:42pm

Financials

Kennewick Public Hospital District
Profit & Loss
July 2020

Accrual Basis

	Jul 20	Jan - Jul 20
Ordinary Income/Expense		
Income		
100 · Property Tax Revenue	7,411.56	821,042.26
Total Income	7,411.56	821,042.26
Cost of Goods Sold		
200 · Community Care Agreement	5,929.84	588,987.88
Total COGS	5,929.84	588,987.88
Gross Profit	1,481.72	232,054.38
Expense		
VOID	0.00	0.00
301 · Health Initiative Contributions	0.00	30,980.00
305 · Bank Fees	69.01	1,411.13
315 · Commissioner Mtg Stipend	1,152.00	13,440.00
320 · Facilities Expense		
321 · Building Association Dues	434.00	868.00
323 · Utilities	489.30	1,966.72
Total 320 · Facilities Expense	923.30	2,834.72
326 · Insurance	11,355.80	12,295.80
330 · Legal and Professional		
331 · Attorney Fees	700.50	87,991.42
332 · Accounting	1,300.00	10,400.00
333 · Audit Expense	0.00	18,347.70
335 · Administrative Support	2,200.00	15,400.00
Total 330 · Legal and Professional	4,200.50	132,139.12
339 · Licenses and Taxes	0.00	318.25
340 · Office Expenses	16.28	734.46
345 · Other Operating Expenses	0.00	108.54
346 · Public Records Request	1,952.50	6,944.50
347 · Public Election Costs	0.00	28,685.82
360 · Superintendent Compensation	3,000.00	18,000.00
380 · Payroll Expenses		
381 · Benefits	0.00	242.27
Total 380 · Payroll Expenses	0.00	242.27
Total Expense	22,669.39	248,134.61
Net Ordinary Income	-21,187.67	-16,080.23
Other Income/Expense		
Other Income		

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

Kennewick Public Hospital District
Profit & Loss
July 2020

Accrual Basis

	Jul 20	Jan - Jul 20
900 · Richmond Trust Income	2,654.28	9,775.74
930 · Gain on Disposal of Assets	0.00	341,000.00
950 · Worker's Comp Reimbursements	0.00	83,521.10
960 · Interest and Dividend Income	0.00	125.87
970 · Rent Income	468.26	42,947.58
Total Other Income	3,122.54	477,370.29
Other Expense		
800 · Workers Comp Claims Paid	0.00	73,726.21
810 · Interest Expense	4,555.28	13,945.22
Total Other Expense	4,555.28	87,671.43
Net Other Income	-1,432.74	389,698.86
Net Income	-22,620.41	373,618.63

Kennewick Public Hospital District
Profit & Loss
July 2020

Accrual Basis

1. 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 notes to the financial statements.
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Kennewick Public Hospital District
Balance Sheet
As of July 31, 2020

Accrual Basis

	Jul 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 - US Bank Checking	56,314.49
1010.5 - Health Initiative Reserves	341,000.00
1020 - Key Bank Worker's Comp	27,757.42
1030 - Restricted - US Bank 6221	172,856.16
Total Checking/Savings	597,928.07
Total Current Assets	597,928.07
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	301,242.06
2001 - Richmond Trust (Restricted)	676,291.07
Total Other Assets	977,533.13
TOTAL ASSETS	1,575,461.20
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 - Accounts Payable	27,761.16
Total Accounts Payable	27,761.16
Credit Cards	
2023 - US Bank Corp Payment Systems	-3,196.63
Total Credit Cards	-3,196.63
Total Current Liabilities	24,564.53
Long Term Liabilities	
2100 - Loan from ADS	295,754.41
Total Long Term Liabilities	295,754.41
Total Liabilities	320,318.94

Kennewick Public Hospital District
Balance Sheet
As of July 31, 2020

Accrual Basis

	Jul 31, 20
Equity	
3001 · Net Assets	448,072.41
3200 · Retained Earnings	433,451.22
Net Income	373,618.63
Total Equity	1,255,142.26
TOTAL LIABILITIES & EQUITY	1,575,461.20 ¹

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

Kennewick Public Hospital District
Balance Sheet
As of July 31, 2020

Accrual Basis

1. 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 notes to the financial statements.

Kennewick Public Hospital District
Statement of Cash Flows
July 2020

	<u>Jul 20</u>
OPERATING ACTIVITIES	
Net Income	-22,620.41
Adjustments to reconcile Net Income to net cash provided by operations:	
2020 - Accounts Payable	-472,993.47
2023 - US Bank Corp Payment Systems	16.28
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Net cash provided by Operating Activities	-495,597.60
FINANCING ACTIVITIES	
2100 - Loan from ADS	-6,417.33
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Net cash provided by Financing Activities	-6,417.33
Net cash increase for period	-502,014.93
Cash at beginning of period	1,099,943.00
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Cash at end of period	<u>597,928.07</u> ¹

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

Kennewick Public Hospital District
Statement of Cash Flows
July 2020

1. 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 notes to the financial statements.
