

KPHD

Kennewick Public Hospital District
Board of Commissioners
Packet

Thursday, Sept. 24, 2020
Meeting via Zoom

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington

Consent Agenda Sept. 24, 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 Aug. 27, 2020

2. Approval of Warrant Register/Revenue Fund

3. Acceptance of Financial Report:

- a. Approval of P&L Statements Aug. 2020

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

Thursday, September 24, 2020 | Remote Meeting Via Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/84524457700?pwd=bUI5RjRwdGEvbXh2RDgzOTNhaHJ3dz09>

Meeting ID: 845 2445 7700

Passcode: 376986

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. August financial statements
 - b. Treasurer’s Report: Status of Audits
 - c. Finance committee
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. Authorize Lee re: quit claim deeds for Ayers property and distribution of funds from collected rents from Ayers property. *
 - b. Resolution 2020-3 Transfer of Ayers Property*
 - c. Upcoming budget and ad valorem meeting schedule for 2020.
4. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson
 - a. Update on email migration plan and SharePoint

III. EXECUTIVE SESSION: pursuant to RCW 42.30.110(1)(i) potential litigation*

IV. COMMISSIONER COMMENTS

A. Upcoming items –

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday October 29, 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, 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 5 pm

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

Absent: Mike McWhorter

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:

THE MINUTES WERE REMOVED FROM THE CONSENT AGENDA.

IT WAS MOVED AND SECONDED TO APPROVE THE REMAINDER OF THE CONSENT AGENDA AS SUBMITTED.

NO DISCUSSION. MOTION CARRIED.

SMALL CORRECTION TO THE MINUTES. ADS AUDIT POTENTIAL, AVOID AUDIT ISSUES, NOT AVOID AN AUDIT.

MOTION TO APPROVE THE MINUTES AS CORRECTED. ALL IN FAVOR. MOTION CARRIED.

B. Public Comment - NONE

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

Lourdes possible donation from the TCCC withdrawal has not been received.

Ayers property update. There are a few items for due diligence due from others. The District has done all it can do to move the process along. The closing of the trust is optimistically expected for the first couple of weeks of Sept. 2020.

Feasibility Studies update – A draft of the Arculus feasibility study on the conversion of the Auburn property has been received. Lee is working with Cindie Preszler and Rick Reil to produce a supplemental document that will create an attractive and understandable document. There are editorial changes to the feasibility studies, they are not in final form.

Grant application status: WA DOC grant, no updates expected until mid Sept. A second grant from St. Joseph's foundation was applied for to fund a healthcare resources integration consultant.

Spaulding building occupancy for office space: The facilities director is working on cleaning up the space for the District. Currently, the space is not high on the priority list due to staff strain. A lease needs to be prepared covering the responsibilities between Trios/LifePoint and the District. There will be no cost to the District pursuant to the CCA, but generalized terms will be needed. Lee has asked for the LifePoint legal team to assist, and Lee is prepared to present a boilerplate lease for consideration.

Auburn campus proposed acquisition: No word from LifePoint's legal department on a sample option agreement to consider.

There are WA State funds potentially available for the proposed recovery center, however a necessary first step would be an option agreement.

B. Committee Reports/Recommendations

1. Finance & Audit – Steve Blodgett, Finance Chair / Nathan Burt
 - a. July financial statements – General overview by Nathan Burt.
 - b. Year to date update – None.
 - c. Treasurer's Report: Status of Audits – Eide Bailey is still working on the financial audit, hold up was some additional documents required from ADS which Steve has helped to fulfill. All requested documents have been provided.
No word on the State audit, likely due to the work from home conditions.
 - d. Finance committee – Adding a community member per the Charter – The committee has elected to appoint Chad Bartram to the committee as a community member, former manager of PUD. Mr. Bartram has served as a CFO and has good experience. A letter has been prepared to officially invite Mr. Bartram. According to the charter, the President appoints, and the Finance committee considers and affirms. At the finance committee meeting this month, Mr. Bartram's invitation was discussed and approved. Mentioning it here in the meeting for the commissioner's awareness.
3. Planning Committee – Len Dreisbach and Lee Kerr
 - a. Status of feasibility studies and funding from counties – The charge of the committees is to review the studies with a keen eye before bringing back to the full commission for approval of final drafts.
The next meeting of the BF Recovery Coalition is set for September 2nd.
2. Adult Day Services – General Update Rick Reil or Steve Blodgett – ADS financially is doing well. ADS applied for and received a PPP loan. The other tenant in the building has vacated, so potential for expansion if desired in the future. Half of the staff is working and making phone calls to clients and receiving compensation for this service.
3. Governance Committee Updates – Gary Long
 - a. Motion to authorize Lee to execute a listing agreement for the 805/807 Auburn properties*
A meeting of the owner's association for 805/807 Auburn property revealed they are interested in acquiring the property, although no renewal of their offer to purchase.

MOTION TO AUTHORIZE LEE TO EXECUTE A LISTING AGREEMENT FOR THE AUBURN PROPERTIES AS LONG AS COMMISSION DOES NOT EXCEED STATUTORY REQUIREMENTS. SECONDED. DISCUSSION: SURROUNDING THE STEPS REQUIRED TO SATISFY STATUTORY REQUIREMENTS TO SELL THE AUBURN PROPERTIES.

APPROVED. MOTION CARRIED.

b. Reminder of upcoming budget and ad valorem meetings for 2020. The finance committee will begin work in Sept. on the 2021 Budget.

4. Public Records Requests and Updates – Heidi Ellerd and Salem Thompson

a. Update on email migration plan – A company in Richland was identified to perform the email migration and archiving service. All email users will be migrated by the first week of September.

III. COMMISSIONER COMMENTS

A. Upcoming items – None.

IV. BOARD MEETINGS/EVENTS/EDUCATION:

A. Next Regularly Scheduled Board Meeting – Thursday September 24, 2020 @ 5:00p.m.

ADJOURNMENT – 6:04 pm

Financials

Kennewick Public Hospital District
Statement of Cash Flows
August 2020

	<u>Aug 20</u>
OPERATING ACTIVITIES	
Net Income	-13,334.02
Adjustments to reconcile Net Income to net cash provided by operations:	
2020 - Accounts Payable	-4,127.42
2023 - US Bank Corp Payment Systems	16.28
	<hr/>
Net cash provided by Operating Activities	-17,445.16
Net cash increase for period	-17,445.16
Cash at beginning of period	592,248.59
Cash at end of period	<u>574,803.43</u> ¹

Kennewick Public Hospital District
Statement of Cash Flows
August 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.
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Kennewick Public Hospital District
Statement of Financial Activity
August 2020

	Aug 20	Jan - Aug 20
Ordinary Income/Expense		
Income		
100 · Property Tax Revenue	8,719.65	829,761.91
Total Income	8,719.65	829,761.91
Cost of Goods Sold		
200 · Community Care Agreement	6,975.72	595,963.60
Total COGS	6,975.72	595,963.60
Gross Profit	1,743.93	233,798.31
Expense		
VOID	0.00	0.00
301 · Health Initiative Contributions	1,000.00	31,980.00
305 · Bank Fees	283.22	1,905.42
315 · Commissioner Mtg Stipend	3,712.00	17,152.00
320 · Facilities Expense		
321 · Building Association Dues	434.00	1,302.00
323 · Utilities	236.61	2,203.33
Total 320 · Facilities Expense	670.61	3,505.33
326 · Insurance	183.80	12,479.60
330 · Legal and Professional		
331 · Attorney Fees	530.75	88,522.17
332 · Accounting	1,300.00	10,400.00
333 · Audit Expense	0.00	18,347.70
335 · Administrative Support	2,200.00	17,600.00
336 · Other Professional Fees	1,865.00	1,865.00
Total 330 · Legal and Professional	5,895.75	136,734.87
339 · Licenses and Taxes	0.00	318.25
340 · Office Expenses	16.28	753.99
345 · Other Operating Expenses	0.00	108.54
346 · Public Records Request	835.00	7,779.50
347 · Public Election Costs	0.00	28,685.82
360 · Superintendent Compensation	3,000.00	21,000.00
380 · Payroll Expenses		
381 · Benefits	0.00	242.27
Total 380 · Payroll Expenses	0.00	242.27
Total Expense	15,596.66	262,645.59
Net Ordinary Income	-13,852.73	-28,847.28
Other Income/Expense		
Other Income		
900 · Richmond Trust Income	0.00	9,775.74
930 · Gain on Disposal of Assets	0.00	341,000.00
950 · Worker's Comp Reimbursements	9,613.78	103,679.36
960 · Interest and Dividend Income	0.00	125.87
970 · Rent Income	468.26	43,415.84
Total Other Income	10,082.04	497,996.81
Other Expense		
800 · Workers Comp Claims Paid	9,563.33	99,302.43
810 · Interest Expense	0.00	13,945.22
Total Other Expense	9,563.33	113,247.65
Net Other Income	518.71	384,749.16
Net Income	-13,334.02	355,901.88

Kennewick Public Hospital District
Statement of Financial Activity
August 2020

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Kennewick Public Hospital District
Statement of Net Position
As of August 31, 2020

	Aug 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1010 - US Bank Checking 4037	38,562.07
1020 - Health Initiative Reserves 2765	341,000.00
1030 - Restricted - US Bank 6221	173,324.42
1040 - Key Bank Worker's Comp	21,916.94
Total Checking/Savings	574,803.43
Total Current Assets	574,803.43
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	1,552,336.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 - Accounts Payable	22,333.74
Total Accounts Payable	22,333.74
Credit Cards	
2023 - US Bank Corp Payment Systems	-3,177.10
Total Credit Cards	-3,177.10
Total Current Liabilities	19,156.64
Long Term Liabilities	
2100 - Loan from ADS	295,754.41
Total Long Term Liabilities	295,754.41
Total Liabilities	314,911.05
Equity	
3001 - Net Assets	448,072.41
3200 - Retained Earnings	433,451.22
Net Income	355,901.88
Total Equity	1,237,425.51
TOTAL LIABILITIES & EQUITY	1,552,336.56

Kennewick Public Hospital District
Statement of Net Position
As of August 31, 2020

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