



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

Thursday, March 30, 2023

Hybrid Meeting

via Zoom and

Trios Care Center at deBit Building

320 W. 10th Ave. Kennewick, WA 99336

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
March 30, 2023

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, Feb. 23, 2023

Minutes

Kennewick Public Hospital District
Thursday, February 23, 2023 | Hybrid Meeting
5:00 PM
February Board meeting
MINUTES

ATTENDANCE: Mark Brault, Marv Kinney, Steve Blodgett, Gary Long, Rick Reil, Wanda Briggs, Sheila Dunlop, Lee Kerr, Erica Davis, Salem Thompson, Heidi Ellerd

CALL TO ORDER

The District provided a link for parties to participate through Zoom. There were some participants who joined via Zoom.

Commissioner Brault called the meeting to order at 5:00 pm

I. District Business:

II. Regular Board Meeting Business

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE MINUTES AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment –

Mr. Scott Carpenter gave public comment but submitted no written comments to include for the record.

III. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update - Lee joined remotely but the connection was not stable enough to provide a report.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates - Work continues on existing records requests.
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. DeBit office space update – Nothing new to report.
 - b. Records work update – We have identified several boxes of records eligible to be transferred to the Archives. Review and recommendations for the online records continues.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of January 2023 financial statements– Overview by Nathan Burt
IT WAS MOVED AND SECONDED TO APPROVE THE FINANCIAL STATEMENTS AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - b. Approval of payments and disbursements for January 2023 –
IT WAS MOVED AND SECONDED TO ACCEPT THE PAYMENT AND DISBURSEMENTS AS SUBMITTED. ALL IN FAVOR. NO DISCUSSION. MOTION

CARRIED.

- c. Treasurer's Report – Steve Blodgett - Details given below.
- d. 2021-2022 SAO Audit – Work has been completed.
- e. 2022 Financial Audit – Work has begun, and items are being submitted for review.
- f. Richmond Trust Resolution for 2022 – Rick Reil read the resolution title.

IT WAS MOVED AND SECONDED TO APPROVE THE RICHMOND TRUST RESOLUTION 2023-1. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- 2. Governance Committee Updates – Mark Brault
 - a. Election Costs and follow-ups – Lee Kerr is communicating with the County to attempt to lower our costs for elections. Heidi offered to assist with the effort if she is needed.
 - b. PDC Filing reminder for commissioners. Please file in a timely manner.
- 3. Planning Committee – Wanda Briggs
 - a. No planning meeting in February – No report this month.
- 4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
 - a. General update – Negotiations with a potential long term tenant for their North building continues which is very encouraging. Census continues to grow. Financials are stable.

IV. Executive Session – NONE

V. COMMISSIONER COMMENTS –

VI. Upcoming items – NONE

VII. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, March 30, 2023 @ 5:00p.m.

Close of Meeting 5:29 pm

Kennewick Public Hospital District

Thursday, March 30, 2023 | Hybrid Meeting

5:00 PM

March Board meeting

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
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. DeBit office space update
 - b. Records work update with recommendations*

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. Acceptance of February 2023 financial statements* – Overview by Nathan Burt
 - b. Approval of payments and disbursements for February 2023*
 - c. Treasurer’s Report – Steve Blodgett
 - d. 2021-2022 SAO Audit – update
 - e. 2022 Financial Audit – update
2. Governance Committee Updates – Mark Brault
 - a. General update
 - b. Resolution 2023-3 Moving the April meeting to Wednesday, April 26, 2023*
3. Planning Committee – Wanda Briggs
 - a. General update
 - b. Grace Clinic proposal*
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett
 - a. General update

IV. Executive Session – RCW 42.30.110 (1) (i) – Litigation or Potential Litigation*

IV. COMMISSIONER COMMENTS

V. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – **Tuesday, April 25 OR Wednesday, April 26, 2023 @ 5:00p.m.**

Close of Meeting

Financials

Management Reports

Kennewick Public Hospital District
For the period ended February 28, 2023

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

March 7, 2023

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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 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 from the sale of Lifepoint's interest in the Tri-City Cancer Center. Lifepoint donated the proceeds of the sale to the District. Lifepoint Health, Inc. owns and operates Trios Hospital.

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 in mid-2019 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. The amortization schedule was shortened in October 2022 following a large, additional principal payment of \$120,000. The loan is now expected to be paid off in October, 2025.

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

February 2023

| | Feb 2023 | Total Jan - Feb, 2023 (YTD) |
|---|----------------------|--------------------------------|
| REVENUE | | |
| 100 Property Tax Revenue | 46,692.02 | 51,445.57 |
| Total Revenue | 46,692.02 | 51,445.57 |
| COST OF GOODS SOLD | | |
| 200 Community Care Agreement | 37,353.62 | 41,156.46 |
| Total Cost of Goods Sold | 37,353.62 | 41,156.46 |
| GROSS PROFIT | 9,338.40 | 10,289.11 |
| EXPENDITURES | | |
| 305 Bank Fees | 392.80 | 765.02 |
| 315 Commissioner Mtg Stipend | 2,688.00 | 3,965.00 |
| 320 Facilities Expense | | |
| 323 Utilities | | 45.00 |
| Total 320 Facilities Expense | | 45.00 |
| 330 Legal and Professional | | |
| 331 Attorney Fees | 348.00 | 348.00 |
| 332 Accounting | 1,457.00 | 2,914.00 |
| 333 Audit Expense | | 255.42 |
| 335 Administrative Support | 2,500.00 | 5,000.00 |
| 336 Other Professional Fees | 832.64 | 1,606.58 |
| Total 330 Legal and Professional | 5,137.64 | 10,124.00 |
| 340 Office Expenses | 211.90 | 2,792.14 |
| 342 Public Records Request | 1,395.00 | 1,395.00 |
| 343 Records Management | 325.00 | 325.00 |
| 347 Public Election Costs | 14,655.66 | 14,655.66 |
| 360 Superintendent Compensation | 3,000.00 | 6,300.00 |
| 400 Travel | | 637.60 |
| Total Expenditures | 27,806.00 | 41,004.42 |
| NET OPERATING REVENUE | -18,467.60 | -30,715.31 |
| OTHER REVENUE | | |
| 900 Richmond Trust Income | 89.96 | 3,359.25 |
| 950 Worker's Comp Reimbursements | 6,776.68 | 13,512.77 |
| 960 Interest and Dividend Income | 2,255.09 | 2,305.12 |
| Total Other Revenue | 9,121.73 | 19,177.14 |
| OTHER EXPENDITURES | | |
| 800 Workers Comp Claims Paid | 6,381.72 | 11,761.20 |
| 810 Interest Expense | | 1,701.21 |
| Total Other Expenditures | 6,381.72 | 13,462.41 |
| NET OTHER REVENUE | 2,740.01 | 5,714.73 |
| NET REVENUE | \$ -15,727.59 | \$ -25,000.58 |

Statement of Financial Position

As of February 28, 2023

| | Total |
|---|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 1010 US Bank Checking 4037 | 243,495.67 |
| 1020 Health Initiative Reserves 2765 | 2,000.00 |
| 1030 US Bank 6221 | 100.00 |
| 1040 Key Bank Worker's Comp | 13,501.42 |
| Total Bank Accounts | 259,097.09 |
| Other Current Assets | |
| 1105 Tax Receivable | 705.00 |
| Total Other Current Assets | 705.00 |
| Total Current Assets | 259,802.09 |
| Other Assets | |
| 2001 Richmond Trust (Restricted) | 569,724.75 |
| 2008 Local Government Investment Pool | 682,238.08 |
| Total Other Assets | 1,251,962.83 |
| TOTAL ASSETS | \$1,511,764.92 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2020 Accounts Payable | 41,989.10 |
| 2021 AP - ADS | 3,240.00 |
| Total Accounts Payable | 45,229.10 |
| Credit Cards | |
| 2024 U.S. Bank CC (4195) | 283.51 |
| Total Credit Cards | 283.51 |
| Total Current Liabilities | 45,512.61 |
| Long-Term Liabilities | |
| 2100 Loan from ADS | 100,902.79 |
| Total Long-Term Liabilities | 100,902.79 |
| Total Liabilities | 146,415.40 |
| Equity | |
| 3200 Net Position | 479,625.35 |
| 3210 Restricted - Expendable | 341,000.00 |
| 3220 Restricted - expendable Richmond Trust | 569,724.75 |
| Net Revenue | -25,000.58 |
| Total Equity | 1,365,349.52 |
| TOTAL LIABILITIES AND EQUITY | \$1,511,764.92 |

Statement of Cash Flows - Last Month

February 2023

| | Total |
|---|---------------------|
| OPERATING ACTIVITIES | |
| Net Revenue | -15,727.59 |
| Adjustments to reconcile Net Revenue to Net Cash provided by operations: | |
| 2020 Accounts Payable | 33,565.48 |
| 2024 U.S. Bank CC (4195) | -2,109.73 |
| Total Adjustments to reconcile Net Revenue to Net Cash provided by operations: | 31,455.75 |
| Net cash provided by operating activities | 15,728.16 |
| INVESTING ACTIVITIES | |
| 2008 Local Government Investment Pool | -682,238.08 |
| Net cash provided by investing activities | -682,238.08 |
| NET CASH INCREASE FOR PERIOD | -666,509.92 |
| Cash at beginning of period | 925,607.01 |
| CASH AT END OF PERIOD | \$259,097.09 |

Kennewick Public Hospital District

Check Detail

February 2023

| DATE | TRANSACTION TYPE | NUM | NAME | MEMO/DESCRIPTION | CLR | AMOUNT |
|--------------------------------------|----------------------|------|---|---|-----|-------------|
| 1010 US Bank Checking 4037 | | | | | | |
| 02/01/2023 | Bill Payment (Check) | 1660 | State Auditor's Office | | R | -4,620.78 |
| | | | | | | -4,620.78 |
| 02/01/2023 | Check | 1659 | VOID | | R | 0.00 |
| | | | | | | 0.00 |
| 02/08/2023 | Expenditure | | EFT Payments (See Detailed List) | ACH Debit(s) | R | -8,513.00 |
| | | | | S.Dunlop, M.Kinney, S. Blodgett, G.Long, W.Briggs, R.Reil | | 2,688.00 |
| | | | | S.Snowdy | | 2,500.00 |
| | | | | D.Clark | | 325.00 |
| | | | | L.Kerr | | 3,000.00 |
| 02/14/2023 | Expenditure | | US Bank | Miscellaneous Fee(s) | R | -85.86 |
| | | | | Miscellaneous Fee(s) | | 85.86 |
| 02/15/2023 | Bill Payment (Check) | 1661 | Benton County Elections | | R | -14,655.66 |
| | | | | | | -14,655.66 |
| 02/15/2023 | Bill Payment (Check) | 1662 | Kuffel, Hultgrenn, Klashke, Shea & Ellerd | | R | -1,743.00 |
| | | | | | | -1,743.00 |
| 02/15/2023 | Check | 1663 | U.S.Bank CC (4195) | Account # 4798 5312 2235 4195 | R | -2,321.63 |
| | | | | Account # 4798 5312 2235 4195 | | -2,321.63 |
| 02/16/2023 | Expenditure | | EFT Payments (See Detailed List) | ACH Debit(s) | R | -1,457.00 |
| | | | | ACH Debit(s) | | 1,457.00 |
| 1020 Health Initiative Reserves 2765 | | | | | | |
| 02/02/2023 | Expenditure | | US Bank | Internal Wire Transfer Debit(s) | R | -680,000.00 |
| | | | | Internal Wire Transfer Debit(s) | | 680,000.00 |
| 1040 Key Bank Worker's Comp | | | | | | |
| 02/28/2023 | Expenditure | | Workers Comp | | R | -6,381.72 |
| | | | | | | -6,381.72 |
| 02/28/2023 | Expenditure | | KeyBank | | R | -306.94 |
| | | | | | | 306.94 |

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 01/01/2023 to 01/31/2023, Pay Date: 02/10/2023, Payment # 2

| # | Contractor Name | Compensation | Federal Tax | YTD | State Tax | YTD | Reimbursement | Deductions | Net pay | Check # |
|------------------|-----------------|--------------|-------------|------|-----------|------|---------------|------------|----------|---------|
| 1 | Steve Blodgett | 768.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 768.00 | |
| 2 | Wanda Briggs | 256.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 256.00 | |
| 11 | Debra L Clark | 325.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 325.00 | |
| 12 | Sheila K Dunlop | 256.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 256.00 | |
| 3 | Leland Kerr | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 3,000.00 | |
| 4 | Marv Kinney | 256.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 256.00 | |
| 5 | Gary Long | 256.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 256.00 | |
| 7 | Rick Reil | 896.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 896.00 | |
| 8 | Salem Snowdy | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 2,500.00 | |
| Payment Totals : | | 8,513.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,513.00 | |

Policies / Resolutions

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BENTON COUNTY, WASHINGTON
RESOLUTION NO. 2023-3**

**A Resolution changing the date of one regular meeting of the Board of
Commissioners**

WHEREAS, the Kennewick Public Hospital District Board of Commissioners have set their calendar of regularly scheduled meetings by Resolution 2022-10 to be the last Thursday of every month at 5 p.m., except the December 2023 meeting which will be held on Thursday, December 21, 2023; and

WHEREAS, the Kennewick Public Hospital District Board of Commissioners find it desirable to alter the meeting date of one regular meeting as set forth below;

NOW, THEREFORE BE IT RESOLVED that the regular meeting set forth below is hereby changed as follows:

- Thursday, April 27, 2023, meeting will be moved to Wednesday, April 26, 2023. The meeting will begin at 5 p.m. at the Trios Care Center at deBit, 320 W. 10th Avenue, Kennewick, WA 99336.

All other regular meetings for the year 2023, except as expressly set forth above, shall be held pursuant to Resolution 2022-10.

ADOPTED AND APPROVED by the Commissioners of Kennewick Public Hospital District, Benton County, Washington, at a regular public meeting thereof this 30th day of March, 2023, the following Commissioners being present and voting:

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

Mark Brault, President & Commissioner

Steve Blodgett, Secretary, Treasurer & Commissioner

Marv Kinney, Vice President & Commissioner

Richard L. Reil, Commissioner

Wanda L. Briggs, Commissioner

Sheila Dunlop, Commissioner

Gary Long, Commissioner