



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, May 27, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
May 27, 2021

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 April 29 , 2021
- b. Special Meeting Minutes, May 12, 2021

2. Acceptance of Financial Report:

- a. Approval of P&L Statements April, 2021

Minutes

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

Thursday, April. 29, 2021 | Remote Meeting Via Zoom

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

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

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 pm, after confirming that all parties were connected and could hear and participate in the meeting.

Absent: Rick Reil has an excused absence.

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 the previous month's Board minutes
- Approval of warrant register/revenue fund
- Acceptance of the financial report

However, an item may be removed from the Consent Agenda and considered separately if the Board members desire further discussion.

The Board removed the minutes from the Consent Agenda.

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA EXCEPT FOR THE MARCH MINUTES. NO DISCUSSION MOTION CARRIED.

The correction to the March minutes was to change the Commissioner that will be running for election this year from Wanda Briggs to Steve Blodgett.

IT WAS MOVED AND SECONDED TO APPROVE THE MINUTES FOR MARCH 2021 AS CORRECTED. NO DISCUSSION MOTION CARRIED.

B. Public Comment - NONE

II. NEW BUSINESS:

A. Executive Report – Lee Kerr

The proposed recovery center discussion with LifePoint is ongoing. They have agreed to allow the District to provide treatment services without hindrance as long as no psychiatric hospital services are provided, which has never been the project's intent.

LifePoint has declined to offer services at the proposed center. Now the District will be vetting potential service providers.

Discussions have also continued with Benton County officials. A walk-through of the Auburn campus occurred this week, and both John Solheim and Tom Cinko (Trios facilities) attended.

On Friday, April 30, a Zoom meeting is scheduled with RI International, a potential service provider at the proposed recovery center, and some Benton County Commissioners hosted by the District.

Wanda asks if Lee has had discussions with Franklin County. Lee reported no recent direct contact had been made.

Gary stated he supports Lee's approach to the counties. There are no issues. The course is part of an overall plan of communication.

An update on the 805/807 Auburn property will be provided during the finance committee report.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. March financial statements – Overview by Nathan Burt. Addressing the unexpected Benton County election expense, Heidi states she spoke with the county auditor, and the costs were accurate and appropriately paid.
 - b. Treasurer's Report: 2020 Audit schedule and Eide Bailly agreement – Steve reported the engagement letter had been executed successfully. He expects work to begin in the next week or so.
 - c. 2019 State Accountability Audit - Exit conference completed – Successful exit conference. They were complimentary of the District's efforts and allowed for an every two years schedule. At that time, both years will be reviewed.
 - d. Recommendation to pay improvement assessment from the owner's association of the 805/807 properties \$11,808.94*

Lee discussed the proposed improvements and shared a photo in the Zoom to display the color palette chosen by the management group. The improvements will yield a more attractive facility to sell and likely to be reflected in the value. Lee has asked the brokers working on the appraisals to hold off until the improvements are made. Gary mentioned the options are paying the assessment or having a lien placed, so it calls for a motion to approve the expense.

MOTION TO APPROVE THE PAYMENT OF THE ASSESSMENT FOR IMPROVEMENTS TO THE 805/807 AUBURN PROPERTY FOR \$11,808.94. SECONDED. NO FURTHER DISCUSSION. MOTION CARRIED.

2. Planning Committee – Wanda Briggs and Lee Kerr

Wanda stated the committee had a good meeting where Steve attended in place of Rick Reil. Wanda said she received the email from Gary with some suggestions for the committee's future agendas.

 - a. Communications intern recommendation
 - b. Recovery Center discussion – Lee provided a full update, no further comment.
3. Adult Day Services – General Update by Steve Blodgett
 - a. Plan to reopen June 1 has been presented by the staff and Executive Director. They are still making calls to support clients and are running with limited staff.
4. Governance Committee – Gary Long
 - a. Policy re: meetings during COVID – Gary thanked Heidi for preparing the policy for review and asked the commissioners to review and have a discussion and/or approval at the next meeting.

David Fritch from the management association provided information about the HOA at 805/807 Auburn.

5. Public Records Requests and Records Management – Heidi Ellerd and Salem Thompson. Nothing new to report.

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

At 6:05 pm executive session was called for 15 minutes. The public in attendance was placed in the Zoom waiting room.

The meeting re-opened at 6:20 pm - The public was admitted back to the meeting. No action was taken.

IV. COMMISSIONER COMMENTS –

Steve Blodgett reminds the commissioners the funds from the Richmond Trust are meant to be used for educational purposes. There are no restrictions, but the proposed communications internship from WSU would be a good use of those funds.

Len Drosisbach echos his agreement to Steve's comments. He also states being pleased with the progress on the potential recovery center.

Mark Brault said he is pleased with the progress toward the proposed recovery center.

Marv Kinney asked about occupancy at the Spaulding building for future meetings. Lee Kerr states that should not be an issue when the Commission starts to meet in person and this will likely not be in May.

Gary Long says the May meeting will be held via zoom.

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, May 27, 2021, @ 5:00 pm.

ADJOURNMENT 6:28 pm.

**KENNEWICK PUBLIC HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
SPECIAL MEETING
MINUTES**

Wednesday, May 12, 2021, @ 3:00 | Remote Meeting Via Zoom

ATTENDANCE: Gary Long, Steve Blodgett, Rick Reil, Marv Kinney, Len Dresibach, Wanda Briggs, Mark Brault, Lee Kerr, Salem Thompson.

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 3:00 pm, after confirming that all parties were connected and could hear and participate in the meeting.

I. DISTRICT BUSINESS:

A. Donation Agreement

There was a discussion about the Donation Agreement with Lourdes.

MOTION TO AUTHORIZE BOARD PRESIDENT GARY LONG TO SIGN THE DONATION AGREEMENT ON BEHALF OF THE DISTRICT.

MOVED SECONDED. NO FURTHER DISCUSSION. MOTION CARRIED.

The form will be sent via DocuSign to Gary Long for signature. Once signed, Heidi will send it to Lourdes for their signature and will then provide Lourdes with our banking information for transfer of the funds.

B. Approval of Communications Internship

Wanda described the process of selecting an intern from the pool of candidates. Salem provided additional information on the process. It was decided to change the wording on the signature portion of the form to read "Approved by:" for Lee's signature and "Accepted by:" for the intern's signature.

Once the intern has completed tasks and received credits for such through WSU and provided such to the District the stipend/reimbursement will be paid to intern.

MOTION TO AUTHORIZE LEE KERR TO SIGN THE INTERN AGREEMENT. THE STIPEND/REIMBURSEMENT IS NOT TO EXCEED \$1599.

MOVED. SECONDED. NO FURTHER DISCUSSION. MOTION CARRIED.

ADJOURNMENT 3:24 p.m.

Financials

Management Reports

Kennewick Public Hospital District
For the period ended April 30, 2021

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

May 10, 2021

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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 1013 Home Health Escrow—Funds held in escrow to ensure against debt to purchasers from 2018 sale of Home Health entity. Expires June 2021. District has no interest or control of these funds.

Account 1020 Health Initiative Fund—Funds held to pursue Recovery Center acquisition of Auburn Campus originally received 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.

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 which it repays quarterly.

Account 3000 Auburn Building Account—The District retains ownership of a building located in the Kennewick Medical Dental Center which it presently uses as office space and has it listed for sale.

Statement of Activity

April 2021

	Total
REVENUE	
100 Property Tax Revenue	570,201.17
Total Revenue	570,201.17
COST OF GOODS SOLD	
200 Community Care Agreement	456,160.94
Total Cost of Goods Sold	456,160.94
GROSS PROFIT	114,040.23
EXPENDITURES	
305 Bank Fees	355.07
315 Commissioner Mtg Stipend	3,328.00
320 Facilities Expense	
321 Building Association Dues	223.75
323 Utilities	336.56
325 Repairs and Maintenance	12,305.32
Total 320 Facilities Expense	12,865.63
326 Insurance	507.60
330 Legal and Professional	
332 Accounting	1,644.81
333 Audit Expense	1,164.93
335 Administrative Support	2,200.00
336 Other Professional Fees	40.00
Total 330 Legal and Professional	5,049.74
340 Office Expenses	16.28
346 Public Records Request	1,743.50
360 Superintendent Compensation	3,000.00
Total Expenditures	26,865.82
NET OPERATING REVENUE	87,174.41
OTHER REVENUE	
900 Richmond Trust Income	2,148.44
950 Worker's Comp Reimbursements	8,671.06
960 Interest and Dividend Income	1.05
Total Other Revenue	10,820.55
OTHER EXPENDITURES	
800 Workers Comp Claims Paid	11,835.71
Total Other Expenditures	11,835.71
NET OTHER REVENUE	-1,015.16
NET REVENUE	\$86,159.25

Statement of Financial Position

As of April 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	611,408.20
1020 Health Initiative Reserves 2765	341,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	24,501.57
Total Bank Accounts	977,009.77
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	982,787.77
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	144,979.22
1210 Prepaid Expenses	1,168.09
2001 Richmond Trust (Restricted)	676,310.45
Total Other Assets	822,457.76
TOTAL ASSETS	\$1,805,245.53
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	459,756.30
Total Accounts Payable	459,756.30
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	485,238.30
Long-Term Liabilities	
2100 Loan from ADS	250,434.09
Total Long-Term Liabilities	250,434.09
Total Liabilities	735,672.39
Equity	
3001 Net Assets	291,809.57
3200 Net Position	740,548.48

	Total
Net Revenue	37,215.09
Total Equity	1,069,573.14
TOTAL LIABILITIES AND EQUITY	\$1,805,245.53

Statement of Cash Flows - Last Month

April 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	86,159.25
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	379,236.17
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	379,236.17
Net cash provided by operating activities	465,395.42
INVESTING ACTIVITIES	
1210 Prepaid Expenses	16.28
Net cash provided by investing activities	16.28
NET CASH INCREASE FOR PERIOD	465,411.70
Cash at beginning of period	511,598.07
CASH AT END OF PERIOD	\$977,009.77

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

Thursday, May 27, 2021 | Remote Meeting Via Zoom

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 Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. April financial statements
 - b. Treasurer’s Report: Update on 2020 Financial Audit
 - c. Camp Trios participation
- 2. Planning Committee – Wanda Briggs and Lee Kerr
 - a. Communications intern update
 - b. Spaulding building occupancy
- 3. Adult Day Services – General Update Rick Reil or Steve Blodgett
- 4. Governance Committee – Gary Long
 - a. Consent agenda
- 5. Public Records Requests and Records Project Update – Heidi Ellerd and Salem Thompson

III. COMMISSIONER COMMENTS

- A. Upcoming items –**

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, June. 24, 2021, @ 5:00 p.m.

ADJOURNMENT

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