



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, Nov. 18, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
November 18, 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. Meeting Minutes, Oct. 28, 2021

2. Acceptance of Financial Report:

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

Minutes

Kennewick Public Hospital District
Thursday, October 28, 2021 | Remote Meeting Via Zoom
5:00 pm
Public Hearing: Property Tax Levy
Public Hearing: Budget
Regular October Board meeting
MINUTES

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

Attendance: Gary Long, Steve Blodgett, Mark Brault, Marv Kinney, Wanda Briggs, Rick Reil, Lee Kerr, Nathan Burt, Heidi Ellerd, 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.

I. DISTRICT BUSINESS:

II. Regular Board Meeting Business

A. 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
- 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. 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 related to the regular board agenda - None

C. Recognition of KGH Auxiliary – President of the Auxiliary Irene Russell

Irene Russell stated the Auxiliary is closing as of October 31. They have been in existence

since 1954. A check was presented to the District for \$10,000. President Gary Long expressed his thanks for the years of effort.

III. PUBLIC HEARINGS

A. Property Tax Levy – Gary Long opened the Public Hearing and asked for any comments from the public. There were none. Steve Blodgett, Treasurer, read the amount of the Tax Levy request. Gary Long closed the hearing.

B. Budget – Gary Long opened the Public Hearing and asked for comments from the public. There were none. Steve Blodgett reported on the Budget for 2022. Again, there were no questions or discussions. Gary Long closed the public hearing.

C. Resolution 2021-5 Adopting District Budget for 2022 and Approving Limit Factor*

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2021-5 ADOPTING DISTRICT BUDGET FOR CALENDAR YEAR 2022. NO DISCUSSION MOTION CARRIED.

D. Resolution 2021-6 Certifying the Increase in Regular Tax Levy*

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2021-6 SETTING LEVY LIMIT. NO DISCUSSION MOTION CARRIED.

IV. NEW BUSINESS:

A. Reports

1. Executive Report – Lee Kerr
 - a. General Update -Benton County continues to pursue recovery center efforts independently with no role yet defined for the District. Lee met with John Solheim and learned there is still interest from Benton County in purchasing the Auburn Hospital. The bankruptcy is almost complete. The last creditors have been paid. No hearing is set to formally close the bankruptcy, but Lee is staying in touch and will keep everyone informed.
Regarding 805/807 S. Auburn, no formal offer has been received, but the property is being shown. With the news of the Auxiliary closing, the District is losing its tenant in 807.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Public Records Requests – Still working on fulfillment of one large request.
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records project update – An all stakeholders meeting was held this week with representatives from the District, Columbia Industries, RCCH/LifePoint, and the records specialist that the District wishes to hire. At this time, work is expected to begin in November.

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. September financial statements – Nathan Burt – General overview. ADS contributed to the audit costs, which was appreciated.
 - b. Treasurer's Report – Steve Blodgett
 - c. EFT Policy* - Steve states the policy in the packet still needs some revision by governance, so it will not be recommended for adoption tonight.
2. Adult Day Services – General Update Steve Blodgett / Rick Reil – ADS continues to serve at the capacity it can.
3. Governance Committee Updates – Gary Long
 - a. Selection of Officers for 2022*

IT WAS MOVED AND SECONDED TO ELECT GARY LONG PRESIDENT, MARK BRAULT VICE PRESIDENT AND STEVE BLODGETT SECRETARY FOR THE YEAR 2022. NO DISCUSSION MOTION CARRIED.

- b. Discussion on future policy for selection of officers
4. Planning Committee – Wanda Briggs
 - a. Update on candidates for the open position on the Commission. There are eight candidates: Scott Carpenter, Dr. Sheila Dunlop, Spencer Harris, Dr. Adrian Heap, Carol Moser, Steve Osborne, Henry (Hank) Sauer, Sandi Strawn.

C. EXECUTIVE SESSION TO CONSIDER QUALIFICATIONS OF A CANDIDATE FOR APPOINTMENT TO ELECTIVE OFFICE PURSUANT TO RCW 42.30.110(h)

1. Potential appointment of new Commissioner*

The executive session was called at 5:45 pm for 30 minutes.

Members of the public in attendance were placed in the Zoom waiting room.

The meeting was opened back up to the public at 6:15 pm.

Members of the public were admitted back into the meeting.

Gary Long called for an additional 10 minutes of Executive Session.

An executive session was called at 6:16 pm for an additional 10 minutes.

Members of the public were placed in the waiting room.

The meeting was opened back up to the public at 6:26 pm.

Members of the public were admitted back into the meeting.

Gary Long called for nominations for the open commission position.

Wanda Briggs nominated Dr. Sheila Dunlop. Mark Brault nominated Spencer Harris. Marv Kinney nominated Hank Sauer. The voting resulted resulted in a tie between two candidates, Dr. Sheila Dunlop and Mr. Spencer Harris.

IT WAS MOVED AND SECONDED TO TABLE THE APPOINTMENT OF A COMMISSIONER FOR THE OPEN POSITION TO THE NEXT MEETING. NO DISCUSSION MOTION CARRIED.

V. COMMISSIONER COMMENTS

A. Upcoming items –

VI. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, November 18, 2021, @ 5:00 pm.

ADJOURNMENT 6:40 pm

Financials

Management Reports

Kennewick Public Hospital District
For the period ended October 31, 2021

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

November 15, 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 With Year to Date

October 2021

	Oct 2021	Jan - Oct, 2021 (YTD)	Total
REVENUE			
100 Property Tax Revenue	200,197.14		1,091,581.47
109 Other Revenue			1,780.50
Total Revenue	200,197.14		1,093,361.97
COST OF GOODS SOLD			
200 Community Care Agreement	160,157.71		885,914.76
Total Cost of Goods Sold	160,157.71		885,914.76
GROSS PROFIT	40,039.43		207,447.21
EXPENDITURES			
301 Health Initiative Contributions			2,770.45
305 Bank Fees	350.97		3,528.40
315 Commissioner Mtg Stipend	1,920.00		27,392.00
320 Facilities Expense			462.44
321 Building Association Dues	329.15		2,890.05
323 Utilities	593.78		3,083.91
325 Repairs and Maintenance			13,255.61
Total 320 Facilities Expense	922.93		19,692.01
326 Insurance	190.20		12,649.20
330 Legal and Professional			
331 Attorney Fees	1,743.70		11,743.16
332 Accounting	1,457.00		13,719.01
333 Audit Expense	9,376.50		30,636.54
335 Administrative Support	2,200.00		21,899.00
336 Other Professional Fees			980.51
Total 330 Legal and Professional	14,777.20		78,978.22
339 Licenses and Taxes			58.58
340 Office Expenses	195.67		2,639.68
346 Public Records Request	1,170.00		13,646.00
347 Public Election Costs			10,477.75
360 Superintendent Compensation	3,000.00		30,000.00
380 Payroll Expenses			
381 Benefits			25.00
Total 380 Payroll Expenses			25.00
Travel			1,096.87
Total Expenditures	22,526.97		202,954.16
NET OPERATING REVENUE	17,512.46		4,493.05
OTHER REVENUE			
900 Richmond Trust Income	2,333.98		8,041.82
910 Donations			341,000.00
950 Worker's Comp Reimbursements	8,409.78		231,177.31
960 Interest and Dividend Income	0.68		16.63

		Total
	Oct 2021	Jan - Oct, 2021 (YTD)
Total Other Revenue	10,744.44	580,235.76
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	7,406.84	229,255.22
810 Interest Expense	4,458.53	17,238.53
Total Other Expenditures	11,865.37	246,493.75
NET OTHER REVENUE	-1,120.93	333,742.01
NET REVENUE	\$16,391.53	\$338,235.06

Statement of Financial Position

As of October 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	264,418.94
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	20,091.76
Total Bank Accounts	966,610.70
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	972,388.70
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	
1210 Prepaid Expenses	1,723.58
2001 Richmond Trust (Restricted)	676,310.45
Total Other Assets	678,034.03
TOTAL ASSETS	\$1,650,422.73
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	149,543.41
Total Accounts Payable	149,543.41
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	175,025.41
Long-Term Liabilities	
2100 Loan from ADS	237,106.87
Total Long-Term Liabilities	237,106.87
Total Liabilities	412,132.28
Equity	
3001 Net Assets	291,809.57
3200 Net Position	608,245.82
Net Revenue	338,235.06

	Total
Total Equity	1,238,290.45
TOTAL LIABILITIES AND EQUITY	\$1,650,422.73

Statement of Cash Flows - Last Month

October 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	16,391.53
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	123,881.77
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	123,881.77
Net cash provided by operating activities	140,273.30
INVESTING ACTIVITIES	
1210 Prepaid Expenses	534.26
Net cash provided by investing activities	534.26
FINANCING ACTIVITIES	
2100 Loan from ADS	-6,514.08
Net cash provided by financing activities	-6,514.08
NET CASH INCREASE FOR PERIOD	134,293.48
Cash at beginning of period	832,317.22
CASH AT END OF PERIOD	\$966,610.70

Kennewick Public Hospital District

Check Detail

October 2021

DATE	NAME	MEMO/DESCRIPTION	AMOUNT
1010 US Bank Checking 4037			
10/01/2021	Adult Day Services		-10,972.61
			-10,972.61
10/01/2021	Leland B. Kerr, Kerr Consulting LLC		-3,000.00
			-3,000.00
10/01/2021	Salem Snowdy Development LLC		-2,200.00
			-2,200.00
10/04/2021	Kenmore Team Property Management	ACH Debit(s)	-91.01
		ACH Debit(s)	91.01
10/04/2021	Mutual of Enumclaw	ACH Debit(s)	-190.20
		ACH Debit(s)	190.20
10/04/2021	Kenmore Team Property Management	ACH Debit(s)	-238.14
		ACH Debit(s)	238.14
10/05/2021	City of Kennewick	12000017-06	-255.19
			-255.19
10/14/2021	Trios Health - V		-36,160.14
			-36,160.14
10/14/2021	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		-2,268.50
			-2,268.50
10/14/2021	Long, Gary		-384.00
			-384.00
10/14/2021	Eide Bailly LLP		-9,376.50
			-9,376.50
10/14/2021	Briggs, Wanda		-256.00
			-256.00
10/14/2021	Kinney, Marv		-512.00
			-512.00
10/14/2021	Long, Gary		-512.00
			-512.00
10/14/2021	Reil, Rick		-640.00

Kennewick Public Hospital District

Check Detail

October 2021

DATE	NAME	MEMO/DESCRIPTION	AMOUNT
			-640.00
10/14/2021	Stoel Rives LLP		-377.00
			-377.00
10/15/2021	US Bank	Miscellaneous Fee(s)	-95.39
		Miscellaneous Fee(s)	95.39
10/18/2021	Epic Tax Solutions	ACH Debit(s)	-1,457.00
		ACH Debit(s)	1,457.00

Kennewick Public Hospital District
Thursday, November 18, 2021 | Remote Meeting Via Zoom
5:00 p.m.
Board meeting

I. DISTRICT BUSINESS:

II. Regular Board Meeting Business

A. Approval of Consent Agenda*

B. Public Comment

III. NEW BUSINESS:

A. Introduction of candidates for an open position on Commission

EXECUTIVE SESSION TO CONSIDER QUALIFICATIONS OF A CANDIDATE FOR APPOINTMENT TO ELECTIVE OFFICE PURSUANT TO RCW 42.30.110(h)

1. Potential appointment of new Commissioner*

B. Reports

1. Executive Report – Lee Kerr
 - a. General Update
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Public Records Requests
3. Administrative Report, Salem Thompson, Board Coordinator
 - a. Records project update

C. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. October financial statements – Nathan Burt
 - b. Treasurer’s Report – Steve Blodgett
 - c. EFT Policy*
2. Adult Day Services – General Update Steve Blodgett / Rick Reil
3. Planning Committee Updates – Wanda Briggs
4. Governance Committee – Gary Long
 - a. December Commission Meeting
 - b. Committee Assignments for 2022

IV. COMMISSIONER COMMENTS

A. Upcoming items –

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, December 16, 2021, @ 5:00p.m.

ADJOURNMENT

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

Committee Recommendations and General Info.



Questions for Commissioner Candidates

Dr. Sheila Dunlop

Mr. Spencer Harris

- A. Why are you interested in the commissioner position?

- B. What are your thoughts on the district's mission of providing solutions for the unmet health needs of the community?

- C. What experience do you have serving on boards?

- D. What experience do you have in the health and medical field?