



# Two Rivers

## HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

# Board of Commissioners Packet

Thursday, Sept. 29, 2022

## Hybrid Meeting

via Zoom and Numerica Pavilion at  
Southridge Sports Complex

2901 Southridge Blvd. Kenn., WA 99336

5:00 p.m.

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
Sept. 29, 2022

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, Aug. 25, 2022

# Minutes

# Kennewick Public Hospital District

Thursday, Aug. 25, 2022 5:00 PM

Hybrid Meeting 5:00 pm Via Zoom and at  
The Numerica Pavilion Conference Room  
Southridge Sports and Events Complex  
2901 Southridge Blvd, Kennewick, Washington, 99336

## MINUTES

**Attendance: Gary Long, Steve Blodgett, Mark Brault, Marv Kinney, Rick Reil, Sheila Dunlop, Wanda Briggs, Lee Kerr, Nathan Burt, Heidi Ellerd, and Salem Thompson.**

### CALL TO ORDER

The District provided a link for interested parties to participate through Zoom. There was one participant from the public in attendance.

Commissioner Long called the meeting to order at 5:00 pm.

### 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. The minutes were removed from the consent agenda.

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA WITHOUT THE MINUTES. NO FURTHER DISCUSSION, MOTION CARRIED.

IT WAS MOVED AND SECONDED TO APPROVE THE MINUTES WITH A CORRECTED DATE OF JULY 28, 2022. NO FURTHER DISCUSSION, MOTION CARRIED.

### II. Regular Board Meeting Business

#### A. Approval of Consent Agenda\*

#### B. Public Comment – None

### III. NEW BUSINESS:

#### C. Reports

##### 1. Lee Kerr – Superintendent, General Update

The proposed recovery center efforts continue with no defined role for the District. Benton County is still setting up the community committee.

The quarterly meeting with RCCH was held with the interim CEO. LifePoint RCCH has candidates being considered for installation soon. The new CEO will preside over three local entities: RCCH, Lourdes, and Lourdes Counseling Center.

There was discussion about ADS. Three services were discussed which were physical therapy, osteopathic care, and podiatry. A decision was not made, and the matter will be passed on to the new leadership for future discussions.

Office space for the District as provided for in the Community Care Agreement was discussed. The DeBit Building was offered and toured. There would be both an office suite with internal restrooms and entrances, and a conference room for open public meetings. The District would be able to have

priority access for the conference room for regularly scheduled open public commission meetings. The AWP/PHD (Salem, I would put the full name on here not just the acronym) is hosting a gathering of Public Hospital Districts not running hospitals. An in-person meeting is set for Nov. 19<sup>th</sup>, 2022 in North Seattle and registration is available online.

Lee sent an inquiry to the creditors' trust on the last piece of property. He learned it was sold and business was being completed. It is good news, and the final meeting will likely be at the end of this year.

2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – Records Requests – nothing new to report.
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records update – The grant awards from WA State Archives were announced and the District was NOT awarded the grant. Debbie Clark is willing to help coordinate the transfer of records to the archives. The estimated cost will be provided to finance committee for consideration in the current budget and future budget if needed.

So far no invoices have been received from CI/VRC (Salem – may also want to spell this out) for the destruction activity earlier this year. If they are received, they will be forwarded appropriately.

#### **D. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of July financial statements– Overview by Nathan Burt.
  - b. Approval of payments and disbursements – Overview by Steve Blodgett.

IT WAS MOVED AND SECONDED TO APPROVE THE PAYMENTS AND DISBURSEMENTS AS PRESENTED. NO DISCUSSION. MOTION CARRIED.

IT WAS MOVED AND SECONDED TO ACCEPT THE JULY FINANCIAL STATEMENTS AS PRESENTED. NO DISCUSSION. MOTION CARRIED.

- c. Treasurer's Report – Steve Blodgett – see reports below.
  - d. 2021 Audit – Eide Bailly is completing its last tasks, and the final report is expected soon.
  - e. 2023 Budget process. A budget committee is typically formed and meets the first week of October to produce a draft budget.
2. Governance Committee Updates – Gary Long
  - a. Commissioner Compensation Policy – An ad hoc committee reviewed the process and the result is the draft policy in the packet. The policy was discussed. Heidi will review and make any changes for consideration at the September board meeting.
3. Planning Committee – Wanda Briggs
  - a. General update – Discussion on the PHD meeting in November (mentioned above) could provide insight to the District and that Planning has the responsibility to help the District be accountable for the taxpayer dollars. It takes more than the Planning members, it takes every commissioner, which is the purpose of the full commission planning meeting.
  - b. Update on full commission Strategic Planning Retreat – see above.
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett – Some deferred maintenance on the South building where ADS' services are delivered. Some grant opportunities and sponsorship of the associated costs is being considered.

Steve reports that financials are stable.

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

**At 6:16 An executive session was called for 10 minutes. Members of the public in attendance were placed in the Zoom waiting room.**

**At 6:26 The executive session concluded. Any members of the public in attendance were admitted back into the Zoom meeting.  
No action was taken.**

**V. COMMISSIONER COMMENTS**

**VI. Upcoming items – Retreat dates TBD**

**VII. BOARD MEETINGS/EVENTS/EDUCATION:**

**Next Regularly Scheduled Board Meeting – Thursday, Sept, 29, 2022 @ 5:00p.m.**

**Close of Meeting 6:30 pm**

**Kennewick Public Hospital District**  
**Thursday, Sept. 29, 2022 | Hybrid Meeting with**  
**Zoom Remote**  
**5:00 PM**  
**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 – Records Requests
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records update

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. Acceptance of July financial statements\* – Overview by Nathan Burt
  - b. Approval of payments and disbursements\*
  - c. Treasurer’s Report – Steve Blodgett
  - d. 2021 Audit – update
  - e. 2023 Budget process
  - f. Motion to make a one-time payment to the ADS loan\*
2. Governance Committee Updates – Gary Long
  - a. Commissioner Compensation Policy\*
  - b. Ad valorem public hearing date Oct. 27, 2022.
3. Planning Committee – Wanda Briggs
  - a. General update
  - b. Update on full commission Strategic Planning Retreat
4. Adult Day Services – General Update: Rick Reil/Steve Blodgett

**IV. Executive Session –**

**V. COMMISSIONER COMMENTS**

**VI. Upcoming items –**

**VII. BOARD MEETINGS/EVENTS/EDUCATION**

Next Regularly Scheduled Board Meeting – Thursday, Oct, 27, 2022 @  
**5:00p.m.**

**Close of Meeting**

# Financials



# Management Reports

Kennewick Public Hospital District  
For the period ended August 31, 2022

Prepared by

**Epic Tax Solutions a Subsidiary of Epic Trust Financial Group**

Prepared on

**September 8, 2022**

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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 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, with a \$187,027 balloon payment due in 2024.

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

August 2022

	Aug 2022	Jan - Aug, 2022 (YTD)	Total
<b>REVENUE</b>			
100 Property Tax Revenue	7,259.39		901,776.07
110 Grant Income			4,999.00
<b>Total Revenue</b>	<b>7,259.39</b>		<b>906,775.07</b>
<b>COST OF GOODS SOLD</b>			
200 Community Care Agreement	5,807.51		721,446.76
<b>Total Cost of Goods Sold</b>	<b>5,807.51</b>		<b>721,446.76</b>
<b>GROSS PROFIT</b>	<b>1,451.88</b>		<b>185,328.31</b>
<b>EXPENDITURES</b>			
305 Bank Fees	344.13		3,072.17
315 Commissioner Mtg Stipend	2,176.00		24,320.80
320 Facilities Expense			
321 Building Association Dues			1,834.97
322 Rent Expense	235.00		510.00
323 Utilities	45.00		1,857.77
325 Repairs and Maintenance			220.91
<b>Total 320 Facilities Expense</b>	<b>280.00</b>		<b>4,423.65</b>
326 Insurance			13,703.00
330 Legal and Professional			
331 Attorney Fees	601.00		7,153.00
332 Accounting	1,457.00		11,656.00
333 Audit Expense			9,000.00
335 Administrative Support	2,500.00		19,700.00
336 Other Professional Fees	784.09		6,810.08
<b>Total 330 Legal and Professional</b>	<b>5,342.09</b>		<b>54,319.08</b>
339 Licenses and Taxes			64.85
340 Office Expenses	277.87		2,755.47
342 Public Records Request	1,980.00		17,288.90
343 Records Management			2,950.00
360 Superintendent Compensation	3,300.00		25,500.00
<b>Total Expenditures</b>	<b>13,700.09</b>		<b>148,397.92</b>
<b>NET OPERATING REVENUE</b>	<b>-12,248.21</b>		<b>36,930.39</b>
<b>OTHER REVENUE</b>			
900 Richmond Trust Income	59.99		7,190.67
930 Gain on Disposal of Assets			123,049.34
950 Worker's Comp Reimbursements	12,660.07		102,246.86
960 Interest and Dividend Income	1.22		15.88
<b>Total Other Revenue</b>	<b>12,721.28</b>		<b>232,502.75</b>
<b>OTHER EXPENDITURES</b>			
800 Workers Comp Claims Paid	12,704.69		101,602.50
810 Interest Expense			11,538.42

	Aug 2022	Total Jan - Aug, 2022 (YTD)
<b>Total Other Expenditures</b>	12,704.69	113,140.92
NET OTHER REVENUE	16.59	119,361.83
NET REVENUE	\$ -12,231.62	\$156,292.22

# Statement of Financial Position

As of August 31, 2022

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	286,108.74
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	15,589.01
<b>Total Bank Accounts</b>	<b>983,797.75</b>
<b>Other Current Assets</b>	
1105 Tax Receivable	5,778.00
<b>Total Other Current Assets</b>	<b>5,778.00</b>
<b>Total Current Assets</b>	<b>989,575.75</b>
<b>Other Assets</b>	
2001 Richmond Trust (Restricted)	710,231.38
<b>Total Other Assets</b>	<b>710,231.38</b>
<b>TOTAL ASSETS</b>	<b>\$1,699,807.13</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	12,845.01
<b>Total Accounts Payable</b>	<b>12,845.01</b>
<b>Credit Cards</b>	
2024 U.S. Bank CC (4195)	557.87
<b>Total Credit Cards</b>	<b>557.87</b>
<b>Other Current Liabilities</b>	
2021.50 Current Portion ADS Loan Payable	25,482.00
<b>Total Other Current Liabilities</b>	<b>25,482.00</b>
<b>Total Current Liabilities</b>	<b>38,884.88</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	215,727.46
<b>Total Long-Term Liabilities</b>	<b>215,727.46</b>
<b>Total Liabilities</b>	<b>254,612.34</b>
<b>Equity</b>	
3001 Net Assets	291,809.57
3200 Net Position	997,093.00
Net Revenue	156,292.22
<b>Total Equity</b>	<b>1,445,194.79</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,699,807.13</b>

# Statement of Cash Flows - Last Month

August 2022

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Revenue	-12,231.62
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	5,220.76
2024 U.S. Bank CC (4195)	331.46
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>5,552.22</b>
<b>Net cash provided by operating activities</b>	<b>-6,679.40</b>
<b>INVESTING ACTIVITIES</b>	
1210 Prepaid Expenses	164.48
<b>Net cash provided by investing activities</b>	<b>164.48</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>-6,514.92</b>
Cash at beginning of period	990,312.67
<b>CASH AT END OF PERIOD</b>	<b>\$983,797.75</b>

# Kennewick Public Hospital District

## Check Detail

August 2022

DATE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
1010 US Bank Checking 4037				
08/04/2022	1624	Kuffel, Hultgrenn, Klashke, Shea & Ellerd		-3,117.75
				-3,117.75
08/04/2022	1625	Advantage IT		-784.09
				-784.09
08/08/2022		EFT Payments (See Detailed List)	ACH Debit(s)	-8,026.00
			Commissioners pay	2,176.00
			Salem Snowdy - Admin.	2,500.00
			Salem Snowdy - Public Records Requests	50.00
			Lee Kerr	3,300.00
08/12/2022		US Bank	Miscellaneous Fee(s)	-96.41
			Bank Fees	96.41
08/16/2022	1626	U.S.Bank CC (4195)		-226.41
				-226.41
08/16/2022		Epic Tax Solutions	ACH Debit(s)	-1,457.00
			Accounting	1,457.00
1040 Key Bank Worker's Comp				
08/31/2022				-12,704.69
			Workers Comp Claims Paid	12,704.69
08/31/2022		KeyBank		-247.72
				247.72



# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 07/01/2022 to 07/31/2022, Pay Date: 08/10/2022, Payment # 13

#	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	DD
9	Mark C Brault	768.00	0.00	0.00	0.00	0.00		0.00	768.00	DD
2	Wanda Briggs	128.00	0.00	0.00	0.00	0.00		0.00	128.00	DD
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	DD
4	Marv Kinney	256.00	0.00	0.00	0.00	0.00		0.00	256.00	DD
5	Gary Long	256.00	0.00	0.00	0.00	0.00		0.00	256.00	DD
8	Salem Snowdy	2,550.00	0.00	0.00	0.00	0.00		0.00	2,550.00	DD
Payment Totals :		8,026.00	0.00	0.00	0.00	0.00	0.00	0.00	8,026.00	

# Policies / Resolutions

<b>KENNEWICK PUBLIC HOSPITAL DISTRICT</b>		<b>Page 1 of 2</b>						
<b>TITLE:</b> Accountability of and Delegation to the Superintendent		<b>Implementation Date:</b> 01/13 <b>Revised Date:</b> 04/15, 9/17, 9/19, <u>9/22</u>						
<b>APPROVED:</b> <b>(Signed) <u>Signature on file</u></b> <b>(Typed) Gary Long, President</b> <b>Date:</b> 9/ <del>19</del> <u>22</u>	<b>Reviewed by:</b>	VVJ	VVJ	Jim Mefford	Donna Vance	Marvin Kinney	Gary Long	<u>Gary Long</u>
	<b>Date:</b>	12/08	11/10	1/13	4/15	9/17	9/19	<u>9/22</u>

**I. PURPOSE STATEMENT:**

The purpose of this policy is to outline the authority and accountability of the SUPERINTENDENT for the operation of Kennewick Public Hospital District.

**II. POLICY:**

A. **Accountability:** The Board shall select and appoint a competent and experienced Superintendent who shall be the direct representative of the Board in the management of the District's operations, and the liaison between the Board and the rest of the District's organization.

B. **Delegation:** The Board will provide direction to the Superintendent by developing mission, vision and values statements, strategic goals and annual goals for the organization.

1. Acting within the limits of the Bylaws, Board policies and applicable laws, rules and regulations, the Superintendent is authorized to recommend further operating policies, make decisions and take action, and establish and develop activities.
2. The Superintendent is also the Board's designated representative in the area of joint ventures, attending all necessary meetings, and reporting joint venture activity to the Board on a regular basis.
3. Only decisions of the Board acting as a body are binding upon the Superintendent. Decisions or instructions of individual Board members are not binding on the Superintendent except in instances when the Board as a whole has specifically authorized such exercise of authority to an individual or a Board sanctioned ad hoc committee. All cases of Board members requesting information or assistance should be transmitted through the Board President to the Superintendent.

C. **Authority:** The Superintendent is authorized to make necessary expenditures on behalf of the District up to \$5,000.00 without prior approval of the Board.

**III. REFERENCES:**

<b>KENNEWICK PUBLIC HOSPITAL DISTRICT</b>	<b>Page 2 of 2</b>
<b>TITLE:</b> Accountability of and Delegation to the Superintendent	<b>Implementation Date:</b> 01/13 <b>Revised Date:</b> 04/15, 9/17, 9/19, <u>9/22</u>

- A. References: Past Practice/ Consultant Suggestions/RCW 70.44
- B. Distribution: Board Manual
- C. Supersedes: None.
- D. Prepared by: Board of Commissioners
- E. Reviewed by: Board of Commissioners & Superintendent
- F. Approved by: Board of Commissioners