



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, Sept. 30, 2021
Meeting via Zoom**

5:00 p.m.

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
September 30, 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, Aug. 26, 2021

2. Acceptance of Financial Report:

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

Minutes

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

Thursday, Aug. 26, 2021, | Remote Meeting Via Zoom

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, Len Dreisbach, Rick Reil, Lee Kerr, Nathan Burt, and Salem Thompson.

Excused: Heidi Ellerd

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:

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.

II. NEW BUSINESS:

A. Reports

1. Executive Report – Lee Kerr

a. General Update

The listing agreement for the 805/807 Auburn building was signed this week, and the list price was chosen to be the highest of the three appraisals performed. The July minutes reflected a purchase price of \$192,283.00. The listing broker recommended using the highest of the three appraised values as the listing price, understanding it cannot be sold for less than 90% of the average of all three appraisals.

Gary called for a motion to correct the listing price of the 805/807 Auburn property.

MOTION TO AMEND THE LIST PRICE FOR DISTRICT PROPERTY LOCATED AT 805 AND 807 S. AUBURN STREET, KENNEWICK, WA TO \$206,000.00. SECONDED. NO DISCUSSION. MOTION CARRIED.

In other updates, Benton County released their feasibility study report from WAVE Architects and Engineers. Lee shared the results of this report with John Solheim. It appears Benton County is interested in locating a recovery center effort at the Auburn hospital.

2. Legal Report - Heidi Ellerd, Legal Counsel - EXCUSED
 - a. Public Records Requests – no report.
3. Administrative Report - Salem Thompson
 - a. Records project update

B. Committee Reports/Recommendations

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. July financial statements – Overview by Nathan Burt.

A few corrections to show fewer legal and public records work charges were corrected to show the billing received covered two months. These will be reflected in next month's financials.

The annual budget process will begin in September's Finance Committee. Gary reminded all that the final budget will need to be approved at the October board meeting. He asked for a preliminary budget for the September board meeting to gain commission input.
 - b. Treasurer's Report: Update on 2020 Financial Audit. Very close to being complete. A representative from Eide Bailly will attend the September Finance Committee Meeting to finalize the report.
 - c. Recommendation to approve Kennewick Medical Dental Assn. improvements of \$3665.27*

MOTION TO APPROVE THE EXPENDITURE OF \$3665.27 TO PAY THE KENNEWICK MEDICAL DENTAL ASSN. IMPROVEMENT ASSESSMENT. SECONDED. NO DISCUSSION. MOTION CARRIED.

2. Planning Committee
 - a. General updates – Wanda Briggs

Wanda shared how good it was to hear that Benton County is interested in a recovery center project for our community.
 - b. 805/807 Auburn update – Marv Kinney – provided in Lee Kerr's report.
 - c. Spaulding building occupancy update – Marv Kinney – Waiting to hear from Trios facilities on the completion of the cleaning up of the space for occupancy.
 - d. Adult Day Services – General Update Rick Reil or Steve Blodgett. (Rick Reil was excused at 5:30 for a previous engagement).
3. Governance Committee

Gary discussed the redistricting costs to be borne by the District in the future. This would come in the form of an assessment similar to sharing of election costs. Lee will follow up with Benton

County to see if the District received an evaluation at the last redistricting about ten years ago.

Lee and Salem will be putting together a task list of items being done and that the District needs to do monthly, annually, weekly, etc.

Ad hoc Nominating Committee was and is desired to help in selecting officers for next year. The board chair has activated this committee. The commissioners identified are Wanda Briggs as chairwoman, Leonard Dreisbach, and Mark Brault. Leonard has declined. Wanda will notify Rick Reil about his participation. The goal of the nominating committee is to have a slate of officers presented at the November meeting and approved at the December meeting.

III. COMMISSIONER COMMENTS

Mark Brault expressed gratitude for the positive report about the recovery center effort.

Marv Kinney expressed the need for all cities and counties to be involved in the recovery efforts.

Wanda Briggs expressed similar sentiments.

Leonard Dreisbach reported he and his spouse have decided to move to Goodyear, AZ. He expects to be here for the September meeting but likely not afterward. He has let Gary know so arrangements can be made for appointing a new commissioner.

Gary Long expressed his gratitude to Leonard for his time with the District.

A task was added to the Ad hoc Nominating Committee to gather candidates for appointment to fill Leonard Dreisbach's position. The person would be appointed to serve in that position will be required to run in the next election that any commissioner is required to run. If they are elected at that time they would fill Leonard Dreisbach's unexpired term.

IV. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, September. 30, 2021, @ 5:56 pm.

Financials

Management Reports

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

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

September 9, 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

August 2021

	Aug 2021	Jan - Aug, 2021 (YTD)	Total
REVENUE			
100 Property Tax Revenue	9,709.09		863,692.82
109 Other Revenue			1,780.50
Total Revenue	9,709.09		865,473.32
COST OF GOODS SOLD			
200 Community Care Agreement	7,767.27		703,387.84
Total Cost of Goods Sold	7,767.27		703,387.84
GROSS PROFIT	1,941.82		162,085.48
EXPENDITURES			
301 Health Initiative Contributions			2,770.45
305 Bank Fees	94.84		2,276.63
315 Commissioner Mtg Stipend	3,072.00		23,040.00
320 Facilities Expense			462.44
321 Building Association Dues	329.15		2,231.75
323 Utilities	170.64		2,490.13
325 Repairs and Maintenance	13.03		13,255.61
Total 320 Facilities Expense	512.82		18,439.93
326 Insurance			12,078.60
330 Legal and Professional			
331 Attorney Fees	436.00		8,281.21
332 Accounting	1,457.00		10,805.01
333 Audit Expense	2,454.27		21,260.04
335 Administrative Support	4,299.00		17,499.00
336 Other Professional Fees	560.00		980.51
Total 330 Legal and Professional	9,206.27		58,825.77
339 Licenses and Taxes			39.22
340 Office Expenses	166.15		2,201.85
346 Public Records Request	1,178.50		11,548.75
347 Public Election Costs			10,477.75
360 Superintendent Compensation	3,000.00		24,000.00
380 Payroll Expenses			
381 Benefits			25.00
Total 380 Payroll Expenses			25.00
Bank Charges & Fees			261.40
Insurance-1	190.20		190.20
Travel			1,096.87
Total Expenditures	17,420.78		167,272.42
NET OPERATING REVENUE	-15,478.96		-5,186.94
OTHER REVENUE			
900 Richmond Trust Income			5,707.84
910 Donations			341,000.00

	Aug 2021	Total Jan - Aug, 2021 (YTD)
950 Worker's Comp Reimbursements		111,821.78
960 Interest and Dividend Income	0.51	15.45
Total Other Revenue	0.51	458,545.07
OTHER EXPENDITURES		
800 Workers Comp Claims Paid		112,949.28
810 Interest Expense		12,780.00
Total Other Expenditures	0.00	125,729.28
NET OTHER REVENUE	0.51	332,815.79
NET REVENUE	\$ -15,478.45	\$327,628.85

Statement of Financial Position

As of August 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	119,447.04
1020 Health Initiative Reserves 2765	682,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	17,844.55
Total Bank Accounts	819,391.59
Other Current Assets	
1105 Tax Receivable	5,778.00
Total Other Current Assets	5,778.00
Total Current Assets	825,169.59
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	319.82
2001 Richmond Trust (Restricted)	676,310.45
Total Other Assets	676,630.27
TOTAL ASSETS	\$1,501,799.86
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	5,012.67
Total Accounts Payable	5,012.67
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	25,482.00
Total Other Current Liabilities	25,482.00
Total Current Liabilities	30,494.67
Long-Term Liabilities	
2100 Loan from ADS	243,620.95
Total Long-Term Liabilities	243,620.95
Total Liabilities	274,115.62
Equity	
3001 Net Assets	291,809.57
3200 Net Position	608,245.82
Net Revenue	327,628.85

	Total
Total Equity	1,227,684.24
TOTAL LIABILITIES AND EQUITY	\$1,501,799.86

Statement of Cash Flows - Last Month

August 2021

	Total
OPERATING ACTIVITIES	
Net Revenue	-15,478.45
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	6,514.44
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	6,514.44
Net cash provided by operating activities	-8,964.01
INVESTING ACTIVITIES	
1210 Prepaid Expenses	349.82
Net cash provided by investing activities	349.82
NET CASH INCREASE FOR PERIOD	-8,614.19
Cash at beginning of period	828,005.78
CASH AT END OF PERIOD	\$819,391.59

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

Thursday, September 30, 2021, | Remote Meeting Via Zoom

CALL TO ORDER

I. DISTRICT BUSINESS:

- A. Approval of Consent Agenda**
- B. Public Comment –**

II. NEW BUSINESS:

A. 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

B. Committee Reports/Recommendations

- 1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
 - a. August financial statements – Overview by Nathan Burt.
 - b. Treasurer's Report: Completion of the 2020 Financial Audit
 - c. 2022 Budget Work
 - d. Credit Card Policy*
- 2. Planning Committee
 - a. General updates – Wanda Briggs
 - b. 2022 Officer Recommendations
 - c. Open Commission position for Commissioner Dreisbach's unexpired term. Notice to the public on the website as of September 28, 2021. Applications close October 15.
 - d. 805/807 Auburn update – Marv Kinney
 - e. Spaulding building occupancy update – Marv Kinney
 - f. Adult Day Services – General Update Rick Reil or Steve Blodgett

III. EXECUTIVE SESSION RCW 42.30.110 (1)(b) – Consider acquisition of real property.

- 3. Governance Committee
 - a. Appreciation to Commissioner Dreisbach
 - b. Set date and time for 2022 Budget and Ad Valorem Hearings*
 - c. Recap of process for Commissioner appointment

IV. COMMISSIONER COMMENTS

V. BOARD MEETINGS/EVENTS/EDUCATION:

Next Regularly Scheduled Board Meeting – Thursday, October 28, 2021, @ 5:00 p.m.

Policies / Resolutions

TITLE: CREDIT CARD POLICY WITH PROCEDURE

Implementation Date: 10/2021
Revised Date:

APPROVED:
Gary Long, President
Date: October, 2021

Reviewed by:

Gary Long

Date:

10/21

I. PURPOSE STATEMENT

To set a procedure by which the District's Board of Commissioners establishes the use of credit cards for routine purchases of goods and services related to doing business of the District.

II. POLICY

- A. Kennewick Public Hospital District's credit card procedure has been implemented to enable users to obtain goods more efficiently. In addition, users of the credit card are required to accept more responsibility and accountability for internal control and compliance with state statutes.
- B. Two essential elements of internal control for credit cards are a) obtaining itemized receipts and b) supervisor approval. Receipts provide a means for documenting the goods that are purchased to ensure that value was received for a valid business purpose. Supervisor approval provides an independent verification that the purchase was for a business purpose.
- C. The credit card may be used for purchasing goods used for business purposes only as enumerated in the Allowed Purchases list below. At no time shall the purchase card be used to purchase personal or other non-business items.
- D. Card Custodian should seek to purchase goods from vendors that provide the best value for KPHD. Card Custodian should not purchase from companies in which they have a personal or business interest.
- E. There will be a limit of \$2500 on any credit card obtained by the District and the limit on any purchase by a card custodian is \$1000.
- F. The Supervisor will be the Treasurer of the District.
- G. The Card Custodian will be the consultant hired for administrative support.
- H. The consultant hired as the accountant will reconcile the credit card statements monthly.
- I. Credit cards will be issued by the Supervisor and returned to the Supervisor upon request. The Supervisor will keep a log that includes who checks out a

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TITLE: CREDIT CARD POLICY WITH PROCEDURE

Implementation Date: ~~07~~10/2021
Revised Date:

credit card and the date and the time of checkout and also who checks in a credit card and the date and time of check-in. The Supervisor at the time of check-in will be provided with any receipts from the use of that credit card during check out.

D.J. Supervisor will provide credit card receipts monthly to the accountant and the administrative support will provide the monthly credit card statements to the accountant.

III. IMPLEMENTATION

A. Responsibilities of Credit Card Custodians

1. Protect the security of the card (no copies are to be made of card)
2. Use of the card for authorized business purposes only
3. Must obtain itemized receipts for all purchases
4. Be prepared to assist with the resolution of any disputes

B. Responsibilities of Supervisors of Card Custodians

1. Ensure purchases have been made for an authorized business purpose.
2. Approve the assignment of cards to custodians
3. Ensure card custodian have read and agreed to the terms of this policy
4. Review of purchases made
5. Revoke or reassign cards when card custodians have not complied with this policy or procedures.

C. ALLOWED/DISALLOWED PURCHASES

Allowed Purchases

1. Materials and supplies
2. Computer hardware and equipment
3. Books, periodicals, publications
4. Memberships/Registrations/Subscriptions

TITLE: CREDIT CARD POLICY WITH PROCEDURE

Implementation Date: 07-10/2021
Revised Date:

5. Food, refreshments, awards (other than alcohol), clothing (must document the business purpose)
6. internet purchases for 1-5 set forth above (user should ensure it is a secure site)

Disallowed Purchases

1. Cash advances
2. Any non-business purposes
3. Alcohol

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IV. REFERENCE SECTION

- A. References: RCW 43.09.2855
- B. Distribution: Email and Board of Commissioners Manual
- C. Supersedes: NONE
- D. Prepared/Updated by: Finance Committee
- E. Reviewed by: Board of Commissioners
- F. Approved by: Board of Commissioners