



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Regular Meeting Packet
Thursday, June 26, 2025
Hybrid Meeting
5:00 pm**

via Zoom and in person at:

**Trios Care Center at Vista Field
521 N. Young Street, Kennewick, WA 99336**

Kennewick Public Hospital District
Kennewick, Benton County, Washington

Consent Agenda
June 26, 2025

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:
Meeting Minutes, May 29, 2025

Kennewick Public Hospital District
Thursday, June 26, 2025 | Hybrid Meeting
5:00 PM
AGENDA

I. District Business:

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

II. 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

B. Committee Reports/Recommendations

- 1. Finance Committee – Gary Long/Erica Davis
 - a. Overview of May 2025 Financials – Erica Davis
 - b. Acceptance of May 2025 Financial statements*
 - c. Approval of May 2025 payments and disbursements*
 - d. Treasurer’s Report – Gary Long
 - e. L&I Claims update
- 2. Governance Committee Updates – Mark Brault
 - a. General update and upcoming items (if any)
- 3. Planning Committee – Wanda Briggs
 - a. General update
- 4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
 - a. General update

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, July 31, 2025 @ 5:00 p.m.

Close of Meeting

Kennewick Public Hospital District
Thursday, May 29, 2025 | Hybrid Meeting
5:00 PM
MINUTES

Attendance: Mark Brault, Rick Reil, Marv Kinney, Gary Long, Spencer Harris, Shannon Phipps, Wanda Briggs, Lee Kerr, Erica Davis, Heidi Ellerd, Salem Thompson
Guest: Sheila Dunlop, former commissioner

I. District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA INCLUDING MEETING MINUTES FROM THE REGULAR MEETING OF APRIL 24, 2025. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment – NONE

II. NEW BUSINESS:

A. Reports

1. Presentation of appreciation plaque to Dr. Sheila Dunlop – Mark presented Dr. Dunlop with a plaque commemorating her term of service with the District.
2. Lee Kerr – Superintendent, General Update.
Lee reported that the creditors trust filed their tax return in April 2025.
Lee reported on a phone call regarding the community care agreement.
Wanda inquired about scheduling a tour of the recovery center and Lee indicated he would work on that.
3. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – Records Requests
Nothing new to report.
4. Administrative Report, Salem Thompson, Board Coordinator
Nothing new to report.

B. Committee Reports/Recommendations

1. Finance Committee – Gary Long/Erica Davis
 - a. Overview of April 2025 Financials – Erica Davis
 - b. Acceptance of April 2025 Financial statements
IT WAS MOVED AND SECONDED TO APPROVE THE APRIL 2025 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - c. Approval of April 2025 payments and disbursements
IT WAS MOVED AND SECONDED TO APPROVE THE APRIL 2025 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - d. Treasurer's Report – Gary Long
Gary discussed the L & I Surety Bond.
 - e. Key Bank Accounts (L&I) –

Gary discussed the funding of any unclaimed property that could result from the Key Bank account closure and the work with Trios in coordination should there be any claims.

2. Governance Committee Updates – Mark Brault

- a. MRSC Rosters –Heidi’s office has historically taken care of publishing for both small works roster and vendor lists on behalf of the District. However, state requirements have changed and become much more stringent, and her office has advised the District to use MRSC rosters for any small works and use the service to maintain a vendor list. Heidi states her office will publish one last time for the District to maintain the time requirement to publish and will prepare a resolution and policy for the next regular meeting for commissioner consideration.

- b. Future Focus on ADS (motion as result of workshop discussion 4.16.25)

Mark made a motion:

THE BOARD’S RECENT WORKSHOP RETREAT EXPLORING ITS RELATIONSHIP WITH ADS CONFIRMED THAT ADS REMAINS ONE OF THE PRIMARY FOCUSES OF THE DISTRICT.

THE CORPORATE STRUCTURE OF ADS WILL REMAIN AS A 501(C) NON-PROFIT CORPORATION WITH THE DISTRICT AS ITS SINGLE MEMBER FOR THE FORESEEABLE FUTURE. SECONDED.

Discussion: It was mentioned at the ADS workshop whether the District should essentially take over ADS’s services potentially making employees of ADS eligible for PERS.

Discussion on the significant cost to the District to offer PERS and the legal logistics of doing so.

ALL IN FAVOR. MOTION CARRIED.

3. Planning Committee – Wanda Briggs

- a. General update

Wanda reported on the ADS Board meeting.

4. Adult Day Services – Rick Reil/Spencer Harris

- a. General update –

IT WAS MOVED AND SECONDED TO APPOINT WANDA BRIGGS TO THE ADS BOARD. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

Bylaw updates were drafted by Lee and Rick and will be sent to Wanda and Spencer for their input before presenting proposed changes to the ADS board.

III. COMMISSIONER COMMENTS

- IV. Upcoming items** – Next meeting Rick will be available to take professional photos of commissioners for the website, please plan on attending in person if possible.

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, June 26, 2025 @ 5:00p.m.

Close of Meeting 5:35 pm

Management Reports

Kennewick Public Hospital District
For the period ended May 31, 2025

Prepared by
Guardian Financial Group

Prepared on
June 2, 2025

Table of Contents

Statement of Activity With Year to Date4

Statement of Financial Position6

Statement of Cash Flows - Last Month8

Check Detail.....9

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 1055 Local Government Investment Pool Account -The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the State Treasurer. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to RCW 43.250. The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$15-26 billion pooled fund investment portfolio. LGIP's investment objectives are, in priority order: 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives. LGIP offers 100% li <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>quidity to its participants and as such is classified as a 'Cash Equivalent' on the District's balance sheet. LGIP investment guidelines are spelled out in the LGIP Investment Policy found at <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>.

Account 1056 LGIP-Restricted Funds L&I Claims – Funds held to stay in compliance with state laws. \$500,000 is reserved for L&I self-insurance purposes.

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.

Statement of Activity With Year to Date

May 2025

		Total
	May 2025	Jan - May, 2025 (YTD)
REVENUE		
100 Property Tax Revenue	549,324.18	959,368.74
Total Revenue	549,324.18	959,368.74
COST OF GOODS SOLD		
200 Community Care Agreement	439,459.34	767,494.99
Total Cost of Goods Sold	439,459.34	767,494.99
GROSS PROFIT	109,864.84	191,873.75
EXPENDITURES		
305 Bank Fees	91.02	1,391.98
315 Commissioner Mtg Stipend	3,864.00	15,939.00
320 Facilities Expense		
322 Rent Expense		499.68
323 Utilities	55.00	275.00
Total 320 Facilities Expense	55.00	774.68
326 Insurance	50.30	612.50
330 Legal and Professional		
331 Attorney Fees	596.25	2,583.25
332 Accounting	1,730.00	8,650.00
335 Administrative Support	2,500.00	12,500.00
336 Other Professional Fees	894.60	4,473.00
Total 330 Legal and Professional	5,720.85	28,206.25
340 Office Expenses	388.43	2,679.14
342 Public Records Request	1,965.00	6,741.08
343 Records Management	350.00	3,130.00
345 Other Operating Expenses	147.14	147.14
347 Public Election Costs		14,828.42
360 Superintendent Compensation	3,300.00	16,500.00
Total Expenditures	15,931.74	90,950.19
NET OPERATING REVENUE	93,933.10	100,923.56
OTHER REVENUE		
940 Unreal. Gain (Loss) Investments		5,947.45
950 Worker's Comp Reimbursements		84,455.76
960 Interest and Dividend Income	5,325.80	21,885.16
Total Other Revenue	5,325.80	112,288.37
OTHER EXPENDITURES		
800 Workers Comp Claims Paid		90,844.98
810 Interest Expense		919.66
Total Other Expenditures	0.00	91,764.64

	Total	
	May 2025	Jan - May, 2025 (YTD)
NET OTHER REVENUE	5,325.80	20,523.73
NET REVENUE	\$99,258.90	\$121,447.29

Statement of Financial Position

As of May 31, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	134,407.75
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	1,225,947.25
1056 LGIP-Restricted Funds Insurance	500,000.00
Total 1055 Local Government Investment Pool	1,725,947.25
Total 1050 Cash Equivalents	1,725,947.25
Total Bank Accounts	1,862,455.00
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,863,160.00
Other Assets	
2001 Richmond Trust (Restricted)	603,027.10
Total Other Assets	603,027.10
TOTAL ASSETS	\$2,466,187.10

LIABILITIES AND EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	642,007.15
Total Accounts Payable	642,007.15
Credit Cards	
2024 U.S. Bank CC (4195)	259.54
Total Credit Cards	259.54
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	14,330.42
Total Other Current Liabilities	14,330.42
Total Current Liabilities	656,597.11
Total Liabilities	656,597.11
Equity	
3200 Net Position	777,417.95
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	121,447.29

	Total
Total Equity	1,809,589.99
TOTAL LIABILITIES AND EQUITY	\$2,466,187.10

Statement of Cash Flows - Last Month

May 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	99,258.90
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	439,434.34
2024 U.S. Bank CC (4195)	-556.34
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	438,878.00
Net cash provided by operating activities	538,136.90
NET CASH INCREASE FOR PERIOD	538,136.90
Cash at beginning of period	1,324,318.10
CASH AT END OF PERIOD	\$1,862,455.00

Check Detail

May 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
05/01/2025	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	R	-815.88
				ACH Debit(s)		-815.88
05/05/2025	Bill Payment (Check)	1770	Advantage IT		R	-894.60
						-894.60
05/05/2025	Bill Payment (Check)	1771	Salem Snowdy Development LLC		R	-331.03
						-331.03
05/05/2025	Bill Payment (Check)	1772	State of Washington Dept. of Retirement		R	-25.00
						-25.00
05/05/2025	Expenditure		Mutual of Enumclaw	ACH Debit(s)	R	-50.30
				ACH Debit(s)		50.30
05/08/2025	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-9,209.00

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
			W. Briggs, M. Brault, S. Harris, M. Kinney, R. Reil		3,059.00
			Administrative Support		2,500.00
			L. Kerr		3,300.00
			D. Clark		350.00
05/08/2025	Expenditure	EFT Payments (See Detailed List)	G. Long	R	-805.00
			G. Long		805.00
05/13/2025	Expenditure	Internal Wire Transfer	Internal Wire Transfer Debit(s)	R	-711,655.00
			Internal Wire Transfer Debit(s) to LGIP Account		711,655.00
05/14/2025	Expenditure	US Bank	Wire Transfer Fee	R	-84.43
			Wire Transfer Fee		84.43
05/16/2025	Expenditure	Guardian Financial Group	ACH Debit(s)	R	-1,730.00
			ACH Debit(s)		1,730.00
05/28/2025	Bill Payment (Check)	Ellerd, Hultgrenn & Dahlhauser, 1773 LLP			-2,561.25

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
					-2,561.25

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

May 2025

DATE	TRANSACTION TYPE	NAME	ACCOUNT	AMOUNT
U.S. Bank CC (4195)				
Beginning Balance				
05/01/2025	Expenditure	U.S.Bank CC (4195)	2024 U.S. Bank CC (4195)	-815.88
05/02/2025	Credit Card Expenditure	Adobe	2024 U.S. Bank CC (4195)	21.75
05/19/2025	Credit Card Expenditure	Microsoft Office	2024 U.S. Bank CC (4195)	163.20
05/19/2025	Credit Card Expenditure	Microsoft Edge	2024 U.S. Bank CC (4195)	19.59
05/27/2025	Credit Card Expenditure	Spectrum	2024 U.S. Bank CC (4195)	55.00
Total for U.S. Bank CC (4195)				\$ -556.34
TOTAL				\$ -556.34

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 04/01/2025 to 04/30/2025, Pay Date: 05/09/2025, Payment # 8

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	1,127.00	0.00	0.00	0.00	0.00		0.00	1,127.00	
2	Wanda Briggs	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
11	Debra L Clark	350.00	0.00	0.00	0.00	0.00		0.00	350.00	
13	Spencer D Harris	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
7	Rick Reil	644.00	0.00	0.00	0.00	0.00		0.00	644.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		9,209.00	0.00	0.00	0.00	0.00	0.00	0.00	9,209.00	

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 04/01/2025 to 04/30/2025, Pay Date: 05/09/2025, Payment # 10

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
5	Gary Long	805.00	0.00	0.00	0.00	0.00		0.00	805.00	
Payment Totals :		805.00	0.00	0.00	0.00	0.00	0.00	0.00	805.00	