



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners
Packet**

**Thursday, March 28, 2024
Hybrid Meeting**

via Zoom and

Trios Care Center at deBit Building
320 W. 10th Ave. Kennewick, WA 99336

5:00 p.m.

Kennewick Public Hospital District
Thursday, March 28 , 2024 | Hybrid Meeting
Trios Care Center at deBit – First Floor Conference Room
320 W. 10th Ave., Kennewick, Washington, 99336

5:00 PM

AGENDA

I. District Business:

A. Approval of Consent Agenda**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 Meeting Minutes of Regular meeting held February 29, 2024

B. Public Comment –

II. NEW BUSINESS:

A. Appointment of new Commissioner*

B. Reports

1. Lee Kerr – Superintendent, General Update
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Records Requests (updates)
3. Administrative Report, Salem Thompson, Board Coordinator

C. Committee Reports/Recommendations.

1. Finance Committee – Gary Long, Finance Chair / Nathan Burt
 - a. Acceptance of the February 2024 financial statements* – Overview by Erica Davis/Nathan Burt
 - b. Approval of the February 2024 payments and disbursements*
 - c. Treasurer’s Report – Gary Long
 - d. 2023 Audit Status
2. Governance Committee Updates – Marv Kinney
 - a. Reminder to file F-1s by April 15, 2024
 - b. Reminder to complete commissioner education for open public meetings and public records (link will be sent)
3. Planning Committee – Wanda Briggs
 - a. General Update
4. Adult Day Services – General Update: Rick Reil

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION -

Next Regularly Scheduled Board Meeting – Thursday, April 25, 2024 @ 5:00

Minutes

Kennewick Public Hospital District
Thursday, February 29, 2024, | Hybrid Meeting
Trios Care Center at deBit – First Floor Conference Room
320 W. 10th Ave., Kennewick, Washington, 99336

5:00 PM

MINUTES

Attendance: Mark Brault, Gary Long, Marv Kinney, Rick Reil, Wanda Briggs, Dr. Sheila Dunlop, Lee Kerr, Erica Davis, Salem Thompson. Guest: Spencer Harris.

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

I. District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA. ALL IN FAVOR. NO DISCUSSION MOTION CARRIED.

B. Public Comment – NONE

II. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update
Lee provided an update on compliance with the Reproductive Privacy Act.
Lee reported on the surety bond for L and I.
Lee reported on activities related to a proposed mental health crisis response facility.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Records Requests (updates) – Nothing new to report.
3. Administrative Report, Salem Thompson, Board Coordinator – Nothing new to report.

C. Committee Reports/Recommendations.

1. Finance Committee – Gary Long, Finance Chair / Erica Davis
 - a. Acceptance of the January 2024 financial statements – Overview by Erica Davis
 - b. Approval of the January 2024 payments and disbursements

IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2024 FINANCIAL STATEMENTS, AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2024 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- c. Treasurer’s Report – Gary Long – Discussion on points below.
 - d. Signature authority for Marv Kinney and Gary Long for Sunshine Fund at Key

Bank.

IT WAS MOVED AND SECONDED TO APPROVE SIGNATURE AUTHORITY FOR MARV KINNEY AND GARY LONG FOR THE SUNSHINE FUND AT KEY BANK.

There was a discussion about the Sunshine Fund. The balance in the sunshine fund is low. Contributing to the fund is voluntary. Commissioners who wish to participate will work with Epic Trust to contribute to this fund.

e. 2023 Audit Status – Work continues by individuals at Epic Trust and ADS.

f. Discuss last year’s findings and remediations – Review by Gary Long.

2. Governance Committee Updates – Mark Brault

a. Resolution 2024-4 Removing Current Treasurer and Appointing Gary Long, Commissioner as Treasurer

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2024-4 REMOVING CURRENT TREASURER AND APPOINTING GARY LONG, COMMISSIONER, AS TREASURER. NO DISCUSSION. MOTION CARRIED.

b. Current Officers – Appointment of Secretary. Last year officers were appointed for 2 years. Steve Blodgett was both Treasurer and Secretary and he has passed. Because we can only have 3 commissioners on committees or we trigger a public meeting, this body has historically opted to have the Secretary position combined with the Treasurer. This means Gary Long is nominated to be appointed Secretary. Wanda discussed her desire for the Governance Committee. A discussion followed.

IT WAS MOVED AND SECONDED TO APPOINT GARY LONG AS SECRETARY. ALL IN FAVOR. NO FURTHER DISCUSSION. MOTION CARRIED.

c. Commissioner Vacancy Process – Update by Lee Kerr, Superintendent. A discussion followed on the three public places for posting the Notice of Vacancy. The District will post the Notice of Vacancy on its website in the following three public places: 1) Trios Hospital (front entrance), 2) At the doors on the deBit Building (meeting location), and 3) Kennewick City Hall.

RICK REIL MADE A MOTION TO NOMINATE SPENCER HARRIS FOR THE VACANCY. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

Wanda and Rick expressed a desire to issue a press release next week.

d. Authorization to issue Notice of Vacancy naming Spencer Harris as nominee. Approved as set forth above. Lee will prepare the notice, post appropriately and Salem will post on the District’s website.

3. Planning Committee – Wanda Briggs

- a. General Update – Guests from the AWPHD attended the February Planning Committee meeting to discuss support available to the District to improve its public image and create positive public awareness. The District applied for and was awarded support through a grant from the AWPHD to connect with an identified PR firm. Meetings will be scheduled over the next couple of months.
- 4. Adult Day Services – General Update: Rick Reil
 - a. Presentment of the ADS 2024 Budget for approval* – Salem Thompson, ADS Executive Director and Rick Reil, President of ADS Board.

IT WAS MOVED AND SECONDED TO APPROVE THE ADS BUDGET FOR 2024. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

III. NO EXECUTIVE SESSION WAS NEEDED.

IV. COMMISSIONER COMMENTS

V. Upcoming items – NONE

VI. BOARD MEETINGS/EVENTS/EDUCATION -

Next Regularly Scheduled Board Meeting – Thursday, March 28, 2024 @ 5:00

Financials

Management Reports

Kennewick Public Hospital District
For the period ended February 29, 2024

Prepared by

Epic Tax Solutions a Subsidiary of Epic Trust Financial Group

Prepared on

March 5, 2024

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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 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 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

February 2024

	Feb 2024	Jan - Feb, 2024 (YTD)	Total
REVENUE			
100 Property Tax Revenue	42,749.19		48,238.82
110 Grant Income			5,000.00
Total Revenue	42,749.19		53,238.82
COST OF GOODS SOLD			
200 Community Care Agreement	34,199.32		38,591.06
Total Cost of Goods Sold	34,199.32		38,591.06
GROSS PROFIT	8,549.87		14,647.76
EXPENDITURES			
305 Bank Fees	329.98		675.53
315 Commissioner Mtg Stipend	2,960.00		3,344.00
320 Facilities Expense			
323 Utilities	55.00		110.00
Total 320 Facilities Expense	55.00		110.00
326 Insurance	51.70		103.40
330 Legal and Professional			
331 Attorney Fees	2,150.50		2,593.72
332 Accounting	1,730.00		3,460.00
335 Administrative Support	2,500.00		5,000.00
336 Other Professional Fees	910.04		1,875.11
Total 330 Legal and Professional	7,290.54		12,928.83
340 Office Expenses	224.45		1,218.66
342 Public Records Request	1,025.00		2,475.00
343 Records Management	1,250.00		1,650.00
360 Superintendent Compensation	3,300.00		6,600.00
Total Expenditures	16,486.67		29,105.42
NET OPERATING REVENUE	-7,936.80		-14,457.66
OTHER REVENUE			
900 Richmond Trust Income	454.85		4,496.63
950 Worker's Comp Reimbursements	17,989.93		32,876.74
960 Interest and Dividend Income	3,738.87		9,269.99
Total Other Revenue	22,183.65		46,643.36
OTHER EXPENDITURES			
800 Workers Comp Claims Paid	17,771.87		24,054.18
Total Other Expenditures	17,771.87		24,054.18
NET OTHER REVENUE	4,411.78		22,589.18
NET REVENUE	\$ -3,525.02		\$8,131.52

Statement of Financial Position

As of February 29, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	153,656.86
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	16,132.61
1050 Cash Equivalents	
1055 Local Government Investment Pool	865,933.50
Total 1050 Cash Equivalents	865,933.50
Total Bank Accounts	1,037,822.97
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,038,527.97
Other Assets	
2001 Richmond Trust (Restricted)	582,272.29
Total Other Assets	582,272.29
TOTAL ASSETS	\$1,620,800.26
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	38,591.06
2021 AP - ADS	3,240.00
Total Accounts Payable	41,831.06
Credit Cards	
2024 U.S. Bank CC (4195)	279.45
Total Credit Cards	279.45
Total Current Liabilities	42,110.51
Long-Term Liabilities	
2100 Loan from ADS	62,550.89
Total Long-Term Liabilities	62,550.89
Total Liabilities	104,661.40
Equity	
3200 Net Position	597,282.59
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	8,131.52

	Total
Total Equity	1,516,138.86
TOTAL LIABILITIES AND EQUITY	\$1,620,800.26

Statement of Cash Flows - Last Month

February 2024

	Total
OPERATING ACTIVITIES	
Net Revenue	-3,525.02
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	-32,836.57
2024 U.S. Bank CC (4195)	-521.76
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-33,358.33
Net cash provided by operating activities	-36,883.35
NET CASH INCREASE FOR PERIOD	-36,883.35
Cash at beginning of period	1,074,706.32
CASH AT END OF PERIOD	\$1,037,822.97

Check Detail

February 2024

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
02/01/2024	Bill Payment (Check)	1706	Benton County Treasurer	Elections Expense	R	-67,035.89
						-67,035.89
02/01/2024	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	R	-801.21
				ACH Debit(s) - Credit Card Payment		-801.21
02/05/2024	Expenditure		Mutual of Enumclaw	ACH Debit(s) - Insurance	R	-51.70
				ACH Debit(s)		51.70
02/08/2024	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-10,010.00
				M.Brault, S. Blodgett, M. Kinney, G. Long, R. Reil		2,960.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00
				D. Clark		1,250.00
02/14/2024	Bill Payment (Check)	1707	Advantage IT	Computer Support	R	-910.04
						-910.04
02/14/2024	Bill Payment (Check)	1708	Ellerd, Hultgrenn & Dahlhauser, LLP	Legal Fees	R	-3,175.50
						-3,175.50
02/14/2024	Expenditure		US Bank	Miscellaneous Fee(s)	R	-59.79

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
			Wire Transfer Fee		59.79
02/16/2024	Expenditure	Epic Tax Solutions	ACH Debit(s)	R	-1,730.00
			Accounting		1,730.00
1020 Health Initiative Reserves 2765					
02/05/2024	Expenditure	US Bank	Book Transfer Debit(s)	R	-67,036.00
			Transfer Funds Wired from LGIP Account		67,036.00
1040 Key Bank Worker's Comp					
02/28/2024	Expenditure	KeyBank		R	-270.19
			Bank Fees		270.19
02/28/2024	Expenditure	Workers Comp		R	-17,771.87
			Workers Comp Claims Paid		17,771.87

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 01/01/2024 to 01/31/2024, Pay Date: 02/09/2024, Payment # 2

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
1	Steve Blodgett	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
9	Mark C Brault	867.00	0.00	0.00	0.00	0.00		0.00	867.00	
2	Wanda Briggs	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
11	Debra L Clark	1,250.00	0.00	0.00	0.00	0.00		0.00	1,250.00	
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	
5	Gary Long	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
7	Rick Reil	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		10,010.00	0.00	0.00	0.00	0.00	0.00	0.00	10,010.00	