



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

Board of Commissioners Packet

Thursday, March 27, 2025
Hybrid Meeting

via Zoom and

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

5:00 p.m.

Kennewick Public Hospital District
Thursday, March 27, 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 February 2025 Financials – Erica Davis
 - b. Acceptance of February 2025 Financial statements*
 - c. Approval of February 2025 payments and disbursements*
 - d. Treasurer’s Report – Gary Long
 - e. Key Bank Accounts – Sunshine Fund
 - f. Letter to Commissioners on audit action plan
- 2. Governance Committee Updates – Mark Brault
 - a. Benton Franklin Health District
 - b. Reminder to complete your PDC F1 – Due April 15
 - c. ADS workshop (April)
- 3. Planning Committee – Wanda Briggs
 - a. Scholarships
 - b. Communications – Media Release for Shannon Phipps, D.O.
- 4. Adult Day Services – General Update: Rick Reil/Spencer Harris
 - a. Progress with transition to Guardian Financial

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, April 24, 2025 @ 5:00p.m.

Close of Meeting

Kennewick Public Hospital District
Kennewick, Benton County, Washington
Consent Agenda
March 27, 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

a. Meeting Minutes, February 27, 2025.

Kennewick Public Hospital District
Thursday, February 27, 2025 | Hybrid Meeting
5:00 PM
MINUTES

Attendance: Mark Brault, Gary Long, Marv Kinney, Wanda Briggs, Rick Reil, Spencer Harris, Erica Davis, Lee Kerr, Salem Thompson, and Heidi Ellerd
Nominees: Shannon Phipps, D.O., Grace Davidson

I. District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA INCLUDING THE JANUARY 2025 MINUTES. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Public Comment –NONE

II. NEW BUSINESS:

A. Reports

1. Lee Kerr – Superintendent, General Update
Lee reported on the meeting with the Benton Franklin Behavioral Health Council and a breakfast he attended benefiting the recovery center efforts.
The Trios quarterly meeting was held and yielded a designee for potential joint communications efforts.
The Benton Franklin Health District is working on the report from the Community Health Needs Assessment and Mark Brault will be our designated representative in that effort.
The Reproductive Privacy Act (RPA) information has been finalized and will be sent to the District soon to post on its website.
2. Legal Report - Heidi Ellerd, Legal Counsel
 - a. Updates – Records Requests – Nothing new to report.
3. Administrative Report, Salem Thompson, Board Coordinator
- Nothing new to report.

B. Committee Reports/Recommendations

1. Finance Committee – Gary Long/Erica Davis
 - a. Overview of January 2025 Financials – Erica Davis presented the reports.
 - b. Acceptance of January 2025 Financial statements
IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2025 FINANCIALS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - c. Approval of January 2025 payments and disbursements
IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 2025 PAYMENTS AND DISBURSEMENTS. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - d. Treasurer's Report – Gary Long
Gary Long reported on the L&I bank accounts and the anticipated changes.

- e. Management response letter to the Eide Bailly Audit – Gary Long and the Finance Committee reviewed the audit recommendations and provided a response.
- f. Accountability audit letter from the State Auditor Office – Gary Long and the Finance Committee also reviewed the accountability audit information and provided a response. Gary Long asked for a motion authorizing Lee Kerr to sign the letter to the commissioners.

IT WAS MOVED AND SECONDED TO AUTHORIZE LEE KERR TO SIGN THE LETTER. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

2. Governance Committee Updates – Mark Brault

- a. Benton Franklin Health District – Mark Brault will serve on the committee reviewing the Community Health Needs Assessment that informs the Community Health Improvement Plan. He will provide updates on the work as it progresses.
- b. Reminder to complete your PDC F1 – Deadline is April 15.
- c. ADS workshop (April) – There is a desire among the commissioners to hold a workshop meeting where no action will be taken to discuss Adult Day Services and the District's sole member relationship to the entity. The workshop will take place in April. Dates and required posting information to follow.

3. Planning Committee – Wanda Briggs

- a. General Update – The committee discussed scholarships, heard updates on pending ADS projects related to their facility.
Communications efforts are paused until April/May when an introduction to the Trios representative is completed. Wanda Briggs volunteered to help with a media release if a new commissioner is appointed at this meeting.

4. Adult Day Services – General Update: Rick Reil/Spencer Harris

- a. Progress with transition to Guardian Financial – Going well.
ADS is down two board members, Eric Wise resigned and Michael Butterworth resigned. There is interest in placing an additional KPHD commissioner on the ADS board.
- b. Discussion on District work session regarding ADS – All agreed a working session will be beneficial.

C. Commissioner Candidate Interviews

In attendance were the two nominees, Grace Davidson and Shannon Phipps, D.O. No additional nominations were received.

Each of the candidates were asked a few questions by the commissioners.

At 6:02 pm an Executive Session RCW 42.30.110(1)(h) was called for 15 minutes to evaluate the qualifications of a candidate for appointment to elective office.

Members of the public in attendance were placed in the Zoom waiting room or excused from the meeting room.

At 6:17 pm the executive session was completed, and the regular meeting was re-opened.

Members of the public were admitted to the Zoom meeting and to the meeting room.

Appointment of new commissioner

A vote for the two candidates was held amongst commissioners, Grace Davidson received 2 votes. Shannon Phipps D.O. received 4 votes.

IT WAS MOVED AND SECONDED TO APPOINT SHANNON PHIPPS AS COMMISSIONER FOR THE UNEXPIRED TERM OF SHEILA DUNLOP, D.O. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

1. **Oath of Office Administration** – The oath of office will be administered at a time arranged by Shannon Phipps and Heidi Ellerd.

III. COMMISSIONER COMMENTS – Mark Brault thanked both candidates and all in attendance expressed their gratitude to both for showing interest in being a commissioner.

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, March 27, 2025 @ 5:00p.m.

Close of Meeting 6:23 pm

Management Reports

Kennewick Public Hospital District
For the period ended February 28, 2025

Prepared by

Guardian Financial Group

Prepared on

March 3, 2025

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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 2025

		Total
	Feb 2025	Jan - Feb, 2025 (YTD)
REVENUE		
100 Property Tax Revenue	54,368.60	58,063.49
Total Revenue	54,368.60	58,063.49
COST OF GOODS SOLD		
200 Community Care Agreement	43,494.80	46,450.71
Total Cost of Goods Sold	43,494.80	46,450.71
GROSS PROFIT	10,873.80	11,612.78
EXPENDITURES		
305 Bank Fees	400.75	702.91
315 Commissioner Mtg Stipend	2,415.00	5,313.00
320 Facilities Expense		
323 Utilities	55.00	110.00
Total 320 Facilities Expense	55.00	110.00
326 Insurance	50.30	261.60
330 Legal and Professional		
331 Attorney Fees	888.50	1,332.75
332 Accounting	1,730.00	3,460.00
335 Administrative Support	2,500.00	5,000.00
336 Other Professional Fees	894.60	1,789.20
Total 330 Legal and Professional	6,013.10	11,581.95
340 Office Expenses	204.35	1,330.69
342 Public Records Request	1,645.00	3,170.00
343 Records Management	625.00	1,380.00
347 Public Election Costs		14,828.42
360 Superintendent Compensation	3,300.00	6,600.00
Total Expenditures	14,708.50	45,278.57
NET OPERATING REVENUE	-3,834.70	-33,665.79
OTHER REVENUE		
950 Worker's Comp Reimbursements		84,455.76
960 Interest and Dividend Income	3,424.21	9,143.54
Total Other Revenue	3,424.21	93,599.30
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	2,549.46	90,844.98
810 Interest Expense	19.42	547.87
Total Other Expenditures	2,568.88	91,392.85
NET OTHER REVENUE	855.33	2,206.45
NET REVENUE	\$ -2,979.37	\$ -31,459.34

Statement of Financial Position

As of February 28, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	123,006.62
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1040 Key Bank Worker's Comp	8,786.64
1050 Cash Equivalents	
1055 Local Government Investment Pool	501,635.17
1056 LGIP-Restricted Funds Insurance	500,000.00
Total 1055 Local Government Investment Pool	1,001,635.17
Total 1050 Cash Equivalents	1,001,635.17
Total Bank Accounts	1,135,528.43
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,136,233.43
Other Assets	
2001 Richmond Trust (Restricted)	597,079.65
Total Other Assets	597,079.65
TOTAL ASSETS	\$1,733,313.08
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	50,255.53
Total Accounts Payable	50,255.53
Credit Cards	
2024 U.S. Bank CC (4195)	382.95
Total Credit Cards	382.95
Other Current Liabilities	
2021.50 Current Portion ADS Loan Payable	24,931.24
Total Other Current Liabilities	24,931.24
Total Current Liabilities	75,569.72
Total Liabilities	75,569.72
Equity	
3200 Net Position	778,477.95
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75

	Total
Net Revenue	-31,459.34
Total Equity	1,657,743.36
TOTAL LIABILITIES AND EQUITY	\$1,733,313.08

Statement of Cash Flows - Last Month

February 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	-2,979.37
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	27,130.96
2024 U.S. Bank CC (4195)	-542.39
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	26,588.57
Net cash provided by operating activities	23,609.20
NET CASH INCREASE FOR PERIOD	23,609.20
Cash at beginning of period	1,111,919.23
CASH AT END OF PERIOD	\$1,135,528.43

Check Detail

February 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
02/03/2025	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	R	-801.74
				ACH Debit(s)		-801.74
02/04/2025	Expenditure		Mutual of Enumclaw	ACH Debit(s)	R	-50.30
				ACH Debit(s)		50.30
02/06/2025	Bill Payment (Check)	1758	Ellerd, Hultgrenn & Dahlhauser, LLP		R	-3,883.34
						-3,883.34
02/06/2025	Bill Payment (Check)	1759	ColumbiaSoft Corporation		R	-205.00
						-205.00
02/06/2025	Bill Payment (Check)	1760	Advantage IT		R	-894.60
						-894.60
02/06/2025	Bill Payment (Check)	1761	Benton County Treasurer - Elections		R	-14,828.42
						-14,828.42
02/07/2025	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-8,840.00
				M.Brault, S. Harris, M. Kinney, G. Long, R. Reil		2,415.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00
				D. Clark		625.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
02/14/2025	Expenditure		US Bank	Miscellaneous Fee(s)	R	-180.70
				Miscellaneous Fee(s)		180.70
02/18/2025	Expenditure		Guardian Financial Group	ACH Debit(s)	R	-1,730.00
				ACH Debit(s)		1,730.00
1040 Key Bank Worker's Comp						
02/28/2025	Expenditure		KeyBank		R	-215.77
						215.77
02/28/2025	Expenditure		Workers Comp		R	-2,549.46
						2,549.46

Contractor Payment Register Report

Kennewick Public Hospital District



Pay Period From 01/01/2025 to 01/31/2025, Pay Date: 02/10/2025, Payment # 2

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
11	Debra L Clark	625.00	0.00	0.00	0.00	0.00		0.00	625.00	
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	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
5	Gary Long	966.00	0.00	0.00	0.00	0.00		0.00	966.00	
7	Rick Reil	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		8,840.00	0.00	0.00	0.00	0.00	0.00	0.00	8,840.00	

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

February 2025

DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
U.S. Bank CC (4195)									
Beginning Balance									925.34
02/03/2025	Credit Card Expenditure		No	Adobe		2024 U.S. Bank CC (4195)	340 Office Expenses	21.73	947.07
02/03/2025	Expenditure		No	U.S.Bank CC (4195)	ACH Debit(s)	2024 U.S. Bank CC (4195)	1010 US Bank Checking 4037	-801.74	145.33
02/19/2025	Credit Card Expenditure		No	Microsoft Edge		2024 U.S. Bank CC (4195)	340 Office Expenses	163.05	308.38
02/19/2025	Credit Card Expenditure		No	Microsoft Office		2024 U.S. Bank CC (4195)	340 Office Expenses	19.57	327.95
02/24/2025	Credit Card Expenditure		No	Spectrum		2024 U.S. Bank CC (4195)	323 Facilities Expense:Utilities	55.00	382.95
Total for U.S. Bank CC (4195)								\$ -542.39	
TOTAL								\$ -542.39	