



Two Rivers
HEALTH DISTRICT

KENNEWICK PUBLIC HOSPITAL DISTRICT

Board of Commissioners
Regular Meeting Packet
Thursday, Nov. 20, 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

November 20, 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, October 30, 2025

Kennewick Public Hospital District
Thursday, November 20, 2025 | Hybrid Meeting
5:00 PM
AGENDA

I. District Business:

- A. Approval of Consent Agenda***
- B. Declare any known or perceived Conflicts Of Interest with agenda items**
- C. Public Comment –**

II. NEW BUSINESS:

- 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 – Mark Brault/Erica Davis
 - a. Overview of October 2025 Financials – Erica Davis
 - b. Acceptance of October 2025 Financial statements*
 - c. Approval of October 2025 payments and disbursements*
 - d. Updated Budget*
 - e. Treasurer's Report* – Mark Brault
- 2. Governance Committee Updates – Mark Brault
 - a. Community Health Improvement Plan – update
 - b. Commissioner Vacancy
 - c. Voters' Pamphlet
- 3. Planning Committee – Wanda Briggs
 - a. General update
- 4. Adult Day Services – Rick Reil
 - a. General update
 - b. Parking lot project update*

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, December, 18, 2025 @ 5:00 p.m.

Close of Meeting

**Indicates potential board action.*

Kennewick Public Hospital District
Thursday, October 30, 2025 | Hybrid Meeting
5:00 PM
MINUTES

Attendance: Mark Brault, Rick Reil, Spencer Harris, Shannon Phipps, Marv Kinney, Lee Kerr, Erica Davis, Heidi Ellerd, Salem Thompson
Absent: Wanda Briggs (excused), Gary Long (excused)

At 5:00 pm Commissioner Brault opened the Public Hearing.

A member of the public was in attendance, Mr. Jim Millbauer, 713 S. Young Pl. Kennewick, WA, who signed up to make comment during the public hearing.

The Public Hearing was closed at 5:11pm

Commissioner Brault Opened the regular meeting at 5:11pm

I. District Business:

A. Approval of Consent Agenda

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA INCLUDING MEETING MINUTES FROM SEPTEMBER 25, 2025. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Declare any known or perceived Conflicts Of Interest with agenda items – None declared.

C. Public Comment – None.

II. NEW BUSINESS:

A. Resolution 2025-4 Adopting District Budget for 2026 and Approving Limit Factor

Commissioner Reil read the resolution description.

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2025-4 AS READ. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

B. Resolution 2025-5 Certifying the Increase in Regular Tax Levy

Commissioner Reil read the resolution description.

IT WAS MOVED AND SECONDED TO APPROVE RESOLUTION 2025-5 AS READ. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

IT WAS MOVED AND SECONDED TO APPROVE MARK BRAULT TO SIGN THE LEVY CERTIFICATION FORM. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

C. Reports

Mark Brault stated he received a letter of resignation from Commissioner Gary Long effective November 1st, 2025. We all respect and revere Gary Long for his years of service to the commission and the community, and he will be missed.

1. Lee Kerr – Superintendent, General Update –

Lee stated there were no new updates to discuss and thanked members for their work on the budget.

Lee reminded those in attendance that a new treasurer and secretary will need to be appointed.

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.

D. Committee Reports/Recommendations

1. Finance Committee – Mark Brault/Erica Davis
 - a. Overview of September 2025 Financials – Erica Davis
 - b. Acceptance of September 2025 Financial statements
IT WAS MOVED AND SECONDED TO APPROVE THE SEPTEMBER 2025 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
 - c. Approval of September 2025 payments and disbursements
IT WAS MOVED AND SECONDED TO APPROVE THE SEPTEMBER 2025 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.
- d. Treasurer's Report – Mark Brault for Gary Long – Commissioner Brault thanked all for the work on the budget.
2. Governance Committee Updates – Mark Brault
 - a. Community Health Improvement Plan – update – Future efforts to compile an improvement plan based on the Community Health Needs assessment is underway, and Mark will keep the board informed on opportunities that present themselves in the future.
 - b. Voters' Pamphlet – This year Lee requested info from Benton County on how to lower overall costs for elections, and one of the desired outcomes was to have the District's share of voters' pamphlet costs go down.
Commissioner Harris and Phipps provided information for the recent pamphlet, but both Commissioner Reil and Briggs were under the assumption that the District was not participating in the pamphlet this year. This caused some members of the community to reach out for clarification. It is the District's goal to be transparent, and the discussions with Benton County will be ongoing to that end.
3. Planning Committee – Wanda Briggs- Absent, excused
 - a. General update – No meeting this month.
4. Adult Day Services – Rick Reil
 - a. General update – Financials are still being reviewed internally, so were not discussed.
 - b. Community Development Block Grant for parking lot improvement was successfully awarded, though funds will not be received until sometime in 2026 if available.

III. COMMISSIONER COMMENTS

IV. Upcoming items – NONE

V. BOARD MEETINGS/EVENTS/EDUCATION

Next Regularly Scheduled Board Meeting – Thursday, November 20, 2025 @ 5:00 p.m.

Close of Meeting 5:38pm

Management Reports

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

Prepared by
GFG Accounting Services

Prepared on
November 7, 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% liquidity 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

October 2025

	Oct 2025	Jan - Oct, 2025 (YTD)	Total
REVENUE			
100 Property Tax Revenue	193,641.02	1,218,709.28	
Total Revenue	193,641.02	1,218,709.28	
COST OF GOODS SOLD			
200 Community Care Agreement	154,912.82	974,967.43	
Total Cost of Goods Sold	154,912.82	974,967.43	
GROSS PROFIT	38,728.20	243,741.85	
EXPENDITURES			
303 Scholarship Contributions		4,190.40	
305 Bank Fees	128.68	1,878.44	
315 Commissioner Mtg Stipend	2,415.00	30,107.00	
320 Facilities Expense			
322 Rent Expense		499.68	
323 Utilities	55.00	550.00	
Total 320 Facilities Expense	55.00	1,049.68	
326 Insurance	53.90	13,359.15	
330 Legal and Professional			
331 Attorney Fees	469.25	5,045.33	
332 Accounting	1,796.75	17,567.00	
333 Audit Expense		15,634.84	
335 Administrative Support	2,500.00	25,000.00	
336 Other Professional Fees	895.42	8,948.46	
Total 330 Legal and Professional	5,661.42	72,195.63	
339 Licenses and Taxes		25.00	
340 Office Expenses	242.00	4,028.66	
342 Public Records Request	1,340.25	13,320.56	
343 Records Management	475.00	13,018.81	
345 Other Operating Expenses		251.56	
347 Public Election Costs		14,828.42	
360 Superintendent Compensation	3,300.00	33,000.00	
VOID		0.00	
Total Expenditures	13,671.25	201,253.31	
NET OPERATING REVENUE	25,056.95	42,488.54	
OTHER REVENUE			
900 Richmond Trust Income		16,806.00	
940 Unreal. Gain (Loss) Investments		55,475.45	
950 Worker's Comp Reimbursements		84,455.76	

		Total
	Oct 2025	Jan - Oct, 2025 (YTD)
960 Interest and Dividend Income	3,867.39	46,700.80
Total Other Revenue	3,867.39	203,438.01
OTHER EXPENDITURES		
800 Workers Comp Claims Paid	90,844.98	
810 Interest Expense	51.38	1,038.39
Total Other Expenditures	51.38	91,883.37
NET OTHER REVENUE	3,816.01	111,554.64
NET REVENUE	\$28,872.96	\$154,043.18

Statement of Financial Position

As of October 31, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 US Bank Checking 4037	250,951.31
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	591,580.37
1056 LGIP-Restricted Funds Insurance	500,000.00
Total 1055 Local Government Investment Pool	1,091,580.37
Total 1050 Cash Equivalents	1,091,580.37
Total Bank Accounts	1,344,631.68
Other Current Assets	
1105 Tax Receivable	705.00
Total Other Current Assets	705.00
Total Current Assets	1,345,336.68
Other Assets	
2001 Richmond Trust (Restricted)	652,555.10
Total Other Assets	652,555.10
TOTAL ASSETS	\$1,997,891.78
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	154,912.82
Total Accounts Payable	154,912.82
Credit Cards	
2024 U.S. Bank CC (4195)	793.08
Total Credit Cards	793.08
Total Current Liabilities	155,705.90
Total Liabilities	155,705.90
Equity	
3200 Net Position	777,417.95
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	154,043.18
Total Equity	1,842,185.88
TOTAL LIABILITIES AND EQUITY	\$1,997,891.78

Statement of Cash Flows - Last Month

October 2025

	Total
OPERATING ACTIVITIES	
Net Revenue	28,872.96
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	119,383.23
2024 U.S. Bank CC (4195)	336.00
2021.50 Current Portion ADS Loan Payable	-3,425.16
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	116,294.07
Net cash provided by operating activities	145,167.03
NET CASH INCREASE FOR PERIOD	145,167.03
Cash at beginning of period	1,199,464.65
CASH AT END OF PERIOD	\$1,344,631.68

Check Detail

October 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
1010 US Bank Checking 4037						
10/06/2025	Expenditure		Mutual of Enumclaw	ACH Debit(s)	R	-53.90
				ACH Debit(s)		53.90
10/08/2025	Bill Payment (Check)	1791	Advantage IT		R	-895.42
						-895.42
10/08/2025	Bill Payment (Check)	1792	Adult Day Services		R	-3,476.54
						-3,476.54
10/08/2025	Bill Payment (Check)	1793	Ellerd, Hultgrenn & Dahlhauser, LLP		R	-1,809.50
						-1,809.50
10/09/2025	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-8,690.00
			S. Harris, M. Kinney, R. Reil			2,415.00
			S. Snowdyq			2,500.00
			L. Kerr			3,300.00
			D. Clark			475.00
10/15/2025	Expenditure		US Bank	Miscellaneous Fee(s)	R	-83.88
				Miscellaneous Fee(s)		83.88
10/16/2025	Expenditure		Guardian Financial Group	ACH Debit(s)	R	-1,796.75
				ACH Debit(s)		1,796.75

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
10/30/2025	Bill Payment (Check)	1794	Trios Health - V			-35,529.59
						-35,529.59

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

October 2025

DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
U.S. Bank CC (4195)									
Beginning Balance									457.08
10/01/2025	Expenditure		No	Adobe		2024 U.S. Bank CC (4195)	340 Office Expenses	21.75	478.83
10/16/2025	Expenditure		No	FedEx Office		2024 U.S. Bank CC (4195)	340 Office Expenses	37.46	516.29
10/18/2025	Expenditure		No	Microsoft Office		2024 U.S. Bank CC (4195)	340 Office Expenses	19.59	535.88
10/19/2025	Expenditure		No	Microsoft Office		2024 U.S. Bank CC (4195)	340 Office Expenses	163.20	699.08
10/23/2025	Expenditure		No	Spectrum		2024 U.S. Bank CC (4195)	323 Facilities Expense:Utilities	55.00	754.08
10/24/2025	Expenditure		No	US Bank		2024 U.S. Bank CC (4195)	305 Bank Fees	39.00	793.08
Total for U.S. Bank CC (4195)									\$336.00
TOTAL									\$336.00

Contractor Payment Summary Report

Kennewick Public Hospital District

From 10/1/2025 to 10/31/2025



Contractor Num & Name		Check #	Pay Date	Compensation	Federal Withholding	State Withholding	Reimbursements	Deductions	Net Pay
2	Wanda Briggs		10/10/2025	644.00	0.00	0.00	0.00	0.00	644.00
	Contractor Totals:			644.00	0.00	0.00	0.00	0.00	644.00
11	Debra L Clark		10/10/2025	475.00	0.00	0.00	0.00	0.00	475.00
	Contractor Totals:			475.00	0.00	0.00	0.00	0.00	475.00
13	Spencer D Harris		10/10/2025	483.00	0.00	0.00	0.00	0.00	483.00
	Contractor Totals:			483.00	0.00	0.00	0.00	0.00	483.00
3	Leland Kerr		10/10/2025	3,300.00	0.00	0.00	0.00	0.00	3,300.00
	Contractor Totals:			3,300.00	0.00	0.00	0.00	0.00	3,300.00
4	Marv Kinney		10/10/2025	644.00	0.00	0.00	0.00	0.00	644.00
	Contractor Totals:			644.00	0.00	0.00	0.00	0.00	644.00
7	Rick Reil		10/10/2025	644.00	0.00	0.00	0.00	0.00	644.00
	Contractor Totals:			644.00	0.00	0.00	0.00	0.00	644.00
8	Salem Snowdy		10/10/2025	2,500.00	0.00	0.00	0.00	0.00	2,500.00
	Contractor Totals:			2,500.00	0.00	0.00	0.00	0.00	2,500.00
	Company Totals:			8,690.00	0.00	0.00	0.00	0.00	8,690.00

Kennewick Public Hospital District

2026 Budget

2025 YTD Actual 2025 Projected 2025 Budgeted 2026 Budget

Revenue

100 Property Tax Revenue	994,802.92	1,695,224.00	1,695,224.40	\$ 1,794,281
105 Administrative Refund				6602.49
110 Grant Income			0.00	
Total Revenue	994,802.92	1,695,224.00	1,695,224.40	1,794,281.00
Direct Costs				
200 Community Care Agreement	795,842.00	1,356,179.20	1,356,179.52	1,435,424.80
Total Direct Costs	795,842.00	1,356,179.20	1,356,179.52	1,435,424.80
Gross Proceeds	198,960.92	339,044.80	339,044.88	358,856.20
Expenditures				
301 Health Initiative Contributions			35,000.00	41000
303 Scholarship Contributions	4,190.40	8,190.40	20,000.00	25000
305 Bank Fees	1,685.99	2,285.99	5,000.00	3500
315 Commissioner Mtg Stipend	24,472.00	40,000.00	40,000.00	42000
318 Dues		3,500.00	1,275.00	3500
320 Facilities Expense				
322 Rent Expense	499.68	499.68		550
Total 320 Facilities Expense	939.68	1,159.68	660.00	550
326 Insurance	13,251.35	13,466.95	15,669.00	16000
330 Legal and Professional				
331 Attorney Fees	4,256.08	11,000.00	15,000.00	15000
332 Accounting	13,973.50	21,160.50	21,590.00	21938
333 Audit Expense	15,634.84	22,000.00	27,000.00	30000
335 Administrative Support	20,000.00	30,000.00	36,330.00	36330
336 Other Professional Fees	7,157.62	11,403.76	12,000.00	12500
Total 330 Legal and Professional	61,022.04	95,564.26	111,920.00	115,768.00
339 Licenses and Taxes	25.00	25.00	25.00	25
340 Office Expenses	3,489.00	5,233.50	5,000.00	5500
342 Public Records Request	10,785.31	14,800.00	13,000.00	15000
343 Records Management	12,193.81	13,656.00	15,000.00	15000
347 Public Election Costs	14,828.42	52,000.00	60,000.00	60000
360 Superintendent Compensation	26,400.00	39,600.00	41,184.00	41000
370 Training and Travel	0.00	986.00	5,000.00	3000
390 Other Operating Expenses	147.14	250.00	0.00	300
VOID	0.00	0.00	0.00	
Total Expenditures	173,430.14	234,231.78	368,733.00	387,143.00
Net Operating Revenue	25,530.78	104,813.02	-29,688.12	-28,286.80
Other Revenue				
900 Richmond Trust Income	16,806.00	30,000.00	30,000.00	30000
950 Worker's Comp Reimbursements	84,455.76	84,455.76	200,000.00	0
960 Interest and Dividend Income	38,991.16	58,486.74	55,000.00	58000
Total Other Revenue	140,252.92	172,942.50	285,000.00	88,000.00
Total Other Expenditures	91,977.41	92,009.37	201,164.39	0.00
Net Other Revenue	48,275.51	80,933.13	83,835.61	88,000.00
Net Operating and Non-Operating Revenue	73,806.29	185,746.15	54,147.49	59,713.20

Financing Activities				
Debt (Principal Obligations)	28,234.00	35,320.00	35,230.00	0
Contributions to Reserves	0.00	0.00	18,000.00	40000
Net Cash Proceeds from Operating, Non-Operating, and Financing Activities				
	45,572.29	150,426.15	917.49	19,713.20