

**LEWIS COUNTY HOSPITAL DISTRICT NO. 1**  
**BOARD OF COMMISSIONERS' REGULAR MEETING**

December 17, 2014, 2014 at 4:00 p.m.

Morton General Hospital Upstairs Conference Room

**MINUTES**

**PRESENT:** Board Chair Sheri Hendricks (by phone), Secretary Marc Fisher, Commissioner Kenton Smith, Commissioner Judy Ramsey, Commissioner Ross Jones

**CALL TO ORDER**

Secretary Fisher called the meeting to order at 4:07 p.m.

**APPROVAL OR AMENDMENT TO AGENDA**

Secretary Fisher made a motion to move the Moss Adams report to the Superintendents Report or to after the comments and remarks section of the Agenda. After a brief discussion, there was no second or approval of the motion.

Commissioner Jones moved to amend the Agenda to add real estate discussion to the Executive Session. Commissioner Smith seconded and the motion passed unanimously.

**SPECIAL REPORT - MOSS ADAMS**

Superintendent Whitmer introduced Mary Wright and Jeff Gay, from Moss Adams, a public accounting and consulting firm. Moss Adams presented the findings from a recent independent Internal Control Assessment of Morton General Hospital, which was completed earlier this month.

Moss Adams explained that they evaluated the internal control structure of the hospital and provided recommendations based on their teams findings. At Secretary Fisher's request they explained the difference between the Internal Control Assessment that was completed as opposed to an External Audit. The Internal Control Assessment was a focused consulting engagement and Moss Adams was asked to look at certain areas for example the processes that are in place, checks and balances and internal controls and comparing these processes to the generally accepted accounting principles (GAAP).

Moss Adams reviewed the specific findings and the key areas of risk which were found and identified priority areas. They also recommended next steps to be taken including implementing a corrective action plan, re-evaluation of internal controls, further assessment of Business Office functions as well as comparisons to peer facilities and management reporting to the Board of Commissioners.

Superintendent Whitmer shared that the Leadership team is reviewing the recommendations made, establishing processes and reconciling AR. Also, the Business Office is in the process of moving to the Hospital this week which will make us more efficient. He emphasized as a result of the Moss Adams report we are saving millions of dollars and saving jobs.

Moss Adams will stay for Executive Session and the Board of Commissioners would also like them to come to the Strategic Planning session in January to further discuss their recommendations.

## COMMENTS AND REMARKS

Commissioner Smith asked those audience members who were interested to consider running for open Commissioner positions in the future.

Commissioner Ramsey read a letter in support of Superintendent Whitmer and having a financial audit completed. The letter was submitted by Carolyn & Tom Schoenborn, volunteers and members of the Hospital Foundation, who were unable to attend the meeting. A copy of the letter had been placed in the Commissioners boxes prior to the meeting.

Commissioner Ramsey said she has lived in the community all of her life. She sees the hospital is going to move forward, strive for good things and be better. She stated it was not previously bad, but we are moving forward. She suggested the Board of Commissioners take a more active role in the future.

Commissioner Jones said that over the years this hospital has done very well. He stated over the past years we are one of the hospitals who have stayed in the black and he has appreciated that. Commissioner Jones feels the Board is doing the right things and that the Commissioners should have had a financial analysis completed previously. He also stated he appreciates Superintendent Whitmer coming on and taking on what he has as well as appreciates everyone who attended the meeting today and shared their thoughts.

Superintendent Whitmer expressed his thanks to the Commissioners and to those community members who attended today.

The audience was given an opportunity to ask questions and voice concerns. Many audience members made comments.

## CONSENT AGENDA

The Consent Agenda included the following:

Minutes of the **November 19, 2014** Regular Board Meeting (*Action*)

Minutes of the **November 24, 2014** Special Board Meeting (*Action*)

Minutes of the **November 26, 2014** Finance Committee Meeting (October) (*Action*)

Warrants **59820-60161 & 60215-60216** in the amount of **\$1,788,724.88** dated October 2014 (*Action*)

Commissioner Jones made a motion to accept the amended consent agenda correcting the attendees of the Special Board Meeting on November 24, 2014 to reflect in the "Present" section that Board Chair Hendricks, Commissioner Jones and Commissioner Ramsey were present by phone and eliminate them under the call to order portion of the minutes, along with correcting the November 26, 2014 Finance Committee meeting minutes to reflect Commissioner Jones was present rather than Secretary Fisher. Secretary Fisher seconded and the motion passed unanimously.

At 6:09 pm Secretary Fisher called for a break for 15 minutes.

## OLD BUSINESS

**Rescind Resolution 14-29:** Superintendent Whitmer said we will likely lease rather than purchase a new Shortel Phone System. The final decision has not yet been made because he is still waiting for the final bid which he hopes will come in by the end of next week. If the lease option is not the way to go, Superintendent Whitmer will bring back a new resolution. Commissioner Smith made a motion to rescind Resolution 14-29 and Commissioner Jones seconded. The motion passed unanimously.

**Strategic Planning:** Discussed local locations for Strategic Planning in January. Secretary Fisher shared the Lion's Hall is available. Superintendent Whitmer looked into the Tiller Art's Center which would be \$300 for two days. The Mineral site would be \$150 total, which would be a deal because the gentleman would like the hospital to spread the word about the location, while the Lyle building would be \$1000. Another possibility would be the PUD auditorium which Secretary Fisher said has an excellent audio/visual system and there is no cost for community use. Commissioner Smith also said Centralia College East would be a good location. The Board decided the PUD would be their first choice with Centralia College East being their second.

Superintendent Whitmer would like to start at 8 or 9 am and asked for input. The first day the Leadership team will join the Commissioners and the second day will include the Commissioners only and will be utilized for planning for the future. Moss Adams will also be scheduled along with Ben Lindekugel from the AWPFD and Jody Corona from Health Facilities Planning and Development. Commissioner Jones asked how to get items on the agenda and would like to know the viability of the State of Washington to pay their bills.

**Discussion of Redistricting:** Superintendent Whitmer reported that the County can provide us with specific population data and create a map showing the current commissioner districts. They are working on that now and we will be able to more clearly see what the boundaries and populations are when they have this completed. Superintendent Whitmer anticipates having the information after the holidays.

## NEW BUSINESS

**Cancellation of Warrants:** Commissioner Jones made a motion to approve **Resolution 14-34** for the Cancellation of Warrants. Commissioner Smith seconded and the motion passed unanimously.

**Restate 403 (b) Document:** Shannon Kelly, Chief Human Resources Officer, presented the 403 (b) plan document and asked that it be restated to reflect, effective January 1, 2015, to expand from the current statement of "Hospital and Clinic service" to "healthcare service or at the discretion of Employer." The 403 (b) match is used as a recruitment tool. Commissioner Smith moved and Commissioner Ramsey seconded to approve **Resolution 14-35** to restate the 403 (b) document. The motion passed unanimously.

**Change signers on bank accounts:** As a result of the recent change in CFO and the Moss Adams recommendations, updates need to be made to the signers on all banking accounts. To ease the change in signers for the organization in the future, the resolutions identify the positions who are signers and who can make changes to the accounts rather than individual names, so that Board resolutions wont needed each time a change needs made. Commissioner Jones moved to approve **Resolution 14-36** naming the signers on accounts include the CEO, CFO, COO, Board Chair, Board Secretary and Lewis County

Treasurer and would require two of the three CEO, CFO, or COO to sign checks, open and close accounts, and to make changes. Commissioner Ramsey seconded and the motion passed unanimously.

The next resolution refers to the Trust and Prescription Accounts and would also require two signatures on checks as well as two people to make changes to the accounts. Commissioner Jones moved to approve the amended **Resolution 14-37** removing the word “specifically” in the second line and replacing it with “including”. Commissioner Smith seconded and the motion passed unanimously.

The final resolution refers to online banking. Two officers would be needed to make changes to accounts and passwords. This would be documented internally in minutes, etc. Commissioner Ramsey moved to approve **Resolution 14-38** to update the online banking supervisors and require two officers to make changes to accounts and passwords. Commissioner Smith seconded. The motion passed unanimously.

**Discussion of Election of Officers in January:** Discussed the election of officers in January. Board Chair Hendricks asked that the Commissioners think about this leading up to the January meeting when elections will take place. New offices will be taken in February.

### **SUPERINTENDENT’S REPORTS**

Superintendent Whitmer introduced Shana Garcia, the new Executive Assistant who started on Monday. Shana was welcomed by the Board.

Superintendent Whitmer shared that Dr. Allison has given his resignation and will be leaving the Randle Clinic at the end of February.

He also shared he has had a call from Merritt Hawkins, a recruiting firm we are working with, for a Physician who is stellar and has been in many leadership positions. The physician is currently the head of primary care for the VA in Spokane. Superintendent Whitmer is excited to talk with him and explore opportunities.

We also interviewed a physician last week that was brought to us by a locums company and we will be exploring an opportunity with him.

### **BOARD COMMITTEE REPORTS**

**Finance Report:** Eric Carlson reviewed the Finance Report for October. The information in the financial report was prior to Eric’s start date. Eric shared he will be making some changes on what is being presented to the Board. He also shared he had attended the CFO meeting with the Collaborative Hospitals and we will be comparing ourselves to the other hospitals as well as using some robust tools and measures to compare how we are doing compared to our peers.

**Hospital Foundation Report:** Commissioner Ramsey gave a report on the Foundation. They will be reviewing their Bylaws and updating them to add a secretary position. They have discussed Diane’s assistant being the secretary for the Foundation, although a final decision has not been made and this will continue to be discussed. They have also set a date for their Mommy Shower which will be held January 24<sup>th</sup>.

She also shared that the Foundation has been asked to support a foster care drive for clothes, toys, etc. There will be a place at the hospital to collect donations and the donations will be picked up by an employee.

Commissioner Jones asked how many staff are using the scholarship fund. Diane shared the bulk of scholarship applications are for RN's. Secretary Fisher asked Superintendent Whitmer to talk to Sheila Wright about the RONE program to get clarification on next year's program. Eric added there could be the possibility of future partnerships with Centralia College especially with the new president at the college and encouraged this organization to pursue these opportunities.

Commissioner Ramsey also shared that Diane Evans will be pursuing her Bachelor's degree and the Foundation will also be helping with that.

Secretary Fisher called for a break at 7:23 and the meeting moved to Conference Room 1 for Executive Session.

### **EXECUTIVE SESSION**

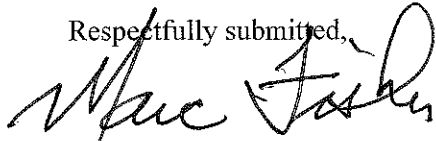
Executive Session began at 7:40 pm for one hour and was extended for one more hour. No decisions were made.

The Board returned to open session at 9:50 pm and discussed the purchase of the EMR.

### **ADJOURNMENT**

Secretary Fisher moved to adjourn the meeting at 9:55 pm. Commissioner Smith seconded and the motion passed unanimously.

Respectfully submitted,



Marc Fisher  
Board Secretary