

**BOARD OF COMMISSIONERS – SPECIAL MEETING  
PUBLIC HOSPITAL DISTRICT NO. 1 OF PEND OREILLE COUNTY**

**May 19, 2021**

In Attendance: Commissioners: Terry Zakar, Robert Rosencrantz, Lynnette Elswick, and Lois Robertson. Senior Team: Tom Wilbur, Kim Manus, Theresa Hollinger, Joseph Clouse and Christina Wagar. Others: Michelle Nedved, Newport Miner, Casi Densley, Trina Gleese and Nancy Shaw.

Excused: Commissioner Susan Johnson.

CALL TO ORDER:

Chairperson Zakar called the meeting to order at approximately 9:03 a.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA:

The two item agenda was reviewed. Commissioner Rosencrantz proposed a request to potentially table the purchasing matrix limits item until the next regular meeting of the Commission. He clarified that this is a topic that may require further review and the staff report of other steps that may have been taken regarding this issue. He noted the limits may not be as pressing an item and is merely proposing to reserve the right to table the issue if after the initial discussion it may be more prudent to discuss it at a regular board session. The agenda, with the request to possibly table the purchasing matrix update to a full board meeting was approved by a motion made, seconded and passed unanimously.

ACTION ITEMS:

**PTO Accrual/Cash Out** - Joseph Clouse explained that several employees have reached their maximum PTO accrual and therefore have requested a cash-out of their PTO. The current policy does not permit cash out of PTO until at least 40 hours of PTO has been taken in a calendar year; this does not include or count holidays. He noted that many employees have not been able to take time off due to the Pandemic and Epic conversion. A total of 19 staff members are no longer earning additional PTO (hit maximum hours accrued); an additional 11 staff are within 10 hours of reaching maximum, with 19 other staff within 20 hours of maximizing their PTO limit.

Joseph proposed approval for a one-time exception: 1) to pay 49 staff members (refer to list) 40 hours of their PTO; pay 19 other staff members 20 hours of PTO (employees that are within 20 hours of reaching their maximum accrual) for a total payout of \$52,561.40. The individuals impacted will be asked if they desire to do so and sign a statement accordingly.

Joseph noted that some employees have requested a retro payment for the past 3-4 pay periods; the request was declined, as the policy indicates that once the PTO accrual has reached the limit, the hours stop accruing. Employees have the ability to cash out a second time during the year, which is consistent with the current District policy.

Kim explained that the amount proposed is a cash flow issue rather than an additional expense, since the money is already due to employees. With regards to the retroactive request, Kim noted retroactive adjustments do not adhere to State Auditor guidelines; also, backdating could create issues with employees that have lost PTO in the past.

**A motion made, seconded and passed unanimously approved a one-time exception to the District's PTO cash out policy to pay PTO hours to impacted employees in the amount of \$52,561.40.**

**Management Purchasing Authority & Limitations** – Kim Manus explained the rationale for the proposed changes to the management purchasing authority matrix, as follows: a number of employees (supervisors and/or assistant managers) presently have no authority to requisition supplies. Under current policy, the \$500 spending limit was set in 2006; an amount that is outdated and in need of adjustment to today's pricing. The proposal is to increase basic approval amounts to \$1,500 and increase the limit for Directors from \$2,500 to \$7,500; with the CEO and CFO to authorize purchases over \$7,500.

Other changes referenced on the new matrix emphasize adherence to Public Works regulations and approval processes as related to contracted services. The right to sign contracts is reserved for the CEO and CFO only. Staff has not been adhering to the requirement to obtain required purchase authorization and going forward managers will be required to sign a statement acknowledging that it is imperative they follow the protocol as outlined in the policy.

Kim explained the chain of command for processing approvals of requisitions and purchase orders under the new Premier platform is fully automated and is presently holding up almost every single P.O/invoice for approval by a Director. The recommended increases to the purchasing authority grid will likely alleviate many of the issues presently causing unnecessary delays.

Commissioner Rosencrantz requested clarification on contract limits. Kim explained that service contracts require authorization by the CFO or CEO. Purchase orders are generally approved one-time and most follow on a quarterly payment schedule. She added the proposed changes to the authority grid clarify Public Works requirements and outline that a scope of work and a purchase order is required prior to any contract; failure to do so could result in disciplinary action, up to and including termination. Kim noted that manager education will be the focus over the next few months in order to ensure adherence to budgets and State Auditor's guidelines.

Commissioner Zakar asked whether the increase in limits would impact the District's cash flow – Kim explained that it could, but because all items purchased must fall within a service line budget it would not necessarily impact expected cash flow. Casi Densley added that any capital items, which also require Board approval, remain at the \$5,000 threshold. Kim noted that capital limit thresholds are set at \$5,000 under Critical Access Hospital/CMS guidelines.

**A motion made, seconded and passed unanimously approved the modified purchasing matrix limits as presented and updated May 13, 2021.**

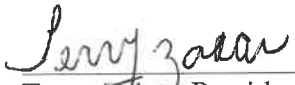
NEXT MEETING DATE


The next regular Board of Commissioners meeting is scheduled to occur on Thursday, May 27, 2021 at 10:00 am in the Sandifur Meeting Room at Newport Hospital & Health Services.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 9:29 am.

Minutes recorded by Nancy J. Shaw, Administrative Assistant.

  
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Terry Zakay, President  
Board of Commissioners

  
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Lois Robertson, Secretary  
Board of Commissioners