

**HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
KINGMAN REGIONAL MEDICAL CENTER
H.I. JOHNSON BOARD ROOM
3269 Stockton Hill Road Kingman, Arizona 86409
AGENDA April 24, 2024**

The Hospital District Number One of Mohave County Board will meet in Special Session on Wednesday April 24, 2024 at 4:00 p.m. The meeting will be held in the H.I. Johnson Board Room at the Kingman Regional Medical Center, 3269 Stockton Hill Road, Kingman, Arizona. The Board may vote to go into Executive Session pursuant to A.R.S. § 38- 431.03(A)(3) for legal advice on matters as set forth in the agenda and A.R.S. § 38- 431.03(A)(4). Board Members or other participants may attend by telephonic conference. The following topics and any variables thereto will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action.

I. CALL TO ORDER

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

III. FINANCIAL MATTERS AND REPORTS

- A. Discussion and Possible Action regarding purchase of Board Insurance for all board members and the Recording Secretary. **Presenter: Penny Holden**
- B. Discussion and Possible Action regarding Approval of the Hospital District's Proposed Revised Budget for Fiscal year ending June 30, 2025. **Presenter: Mr. Barry Moore (Page 1)**
- C. Per federal regulations, a rotation of financial audit companies must occur every five years. Therefore, Discussion and Possible Action is needed as follows:
 - (1) Approval of the Hospital District Board's utilization of the same financial audit company as KHI, dba KRMC. Such is more cost-effective and less counter-productive than using a different audit company to conduct the mandated §Title 48 annual audit. As has been previously discussed, the financial audits for both KHI, dba as KRMC, and the Hospital District need to be performed by a forensic audit company rather than by a general Certified Public Accountant due to specific complexities of the audit process. **Presenters: Penny Holden/Barry Moore (Page 2)**
 - (2) Approval of an additional revision to the Hospital District's Budget for Fiscal Year ending June 30, 2025 for the financial audit cost. **Presenters: Penny Holden/Barry Moore**

IV. UNFINISHED FINANCIAL BUSINESS

A. **Discussion only:** Clearing the balance owed to the Law Office of Gust Rosenfeld
(Pages 3-4)

B. **Discussion only:** The complaint filed with the Attorney General's Office by Mr. Bill Franzen and the outcome of the complaint. (Pages 5-10)

V. CALL TO THE PUBLIC

Consideration and discussion of comments from the public. Those wishing to address the District Board need not request permission in advance. The District Board is not permitted to discuss or take action on any item raised in the call to the public. However, individual Board members may be permitted to respond to criticism directed to them. Otherwise, the Board may direct that staff review the matter or that the matter be placed on a future agenda. The District Board cannot discuss or take legal action on any issue raised during the Call to the Public due to restrictions of the Open Meeting Law.

Individuals wishing to speak during Call to the Public will have 3 minutes to address the District Board. Prior to speaking, please state your name, city, and state.

VI. ADJOURNMENT

Notice: Persons with a disability may request a reasonable accommodation by contacting the Hospital District at 928.757.0602.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice will be duly sent to the Mohave County Board of Supervisors on April 23, 2024, for posting on their public information board. Also, notice will be posted at 3269 Stockton Hill Road (Main Entrance to KRMC) in Kingman, Arizona on April 23, 2024, and on the District's Website in accordance with the statement filed by the Hospital District Number One of Mohave County.

Submitted this date, April 23, 2024.

Penny Holden
Chairman

Catherine Furtado
Recording Secretary/Custodian of Records

**HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
ANNUAL BUDGET
Fiscal Year Ending June 30, 2025**

	<u>Budget FY 2024</u>	<u>FY 2024 Actual 12/31/2023</u>	<u>Projected YE FY 2024</u>	<u>Final Budget FY 2025</u>
Revenues:				
Operating Revenue				
Lease income	2,076,878	951,658	1,903,316	2,066,656
Lease income amortization	-	-	-	-
Total Operating Revenue	\$ 2,076,878	951,658	1,903,316	2,066,656
Expenses:				
Operating Expenses				
Fees-Secretary	-	500	-	-
Fees-Legal	3,000	4,619	9,238	10,000
Fees-Audit	12,000	-	12,000	13,000
Elections				50,000
Other Professional Services			5,000	21,000
Depreciation	125,462	65,338	125,462	118,212
Community Donations	1,000,000		1,000,000	1,000,000
Office Supplies		364	728	-
Total Expenses	\$ 1,140,462	70,821	1,152,428	1,212,212
Income from Operations	936,416	880,837	750,888	854,444
Other Income				
Lease Interest Income	-	248,342	496,684	-
Other (reimburse admin costs from KRMC)	323,122	5,259	21,966	327,158
	15,000			94,000
Change in unrealized (losses) gains on investments		11	22	20
Other non-operating				
Excess Revenues Over Expenses	\$ 1,274,538	1,134,449	1,269,560	1,275,622

**FEDERALLY MANDATED ROTATION OF FINANCIAL AUDIT COMPANY
MEETING - APRIL 18, 2024**

As the Chair of the Hospital District Board and at the request of Heath Evans and Krystal Burge, I attended a meeting regarding the federally mandated regulation to rotate financial audit companies, which must occur every five years in order to provide a “fresh look” to ensure objectivity. The following three forensic audit companies, FORVIS (now dba BDK) Crowe and MossAdams, presented their business proposals, qualifications, longevity, and experiences as they pertained to hospital situations similar to KHI/dba KRMC and the District Board when working with a landlord lease.

The KHI Board will meet and vote on which financial audit company to utilize for their audit. And, since the Hospital District Board’s audit is conducted at the same time as that of KHI/dba KRMC, a discussion will take place at the April 24, 2024 Hospital District Board meeting as per Agenda Item III.C.1.

In addition, this year’s audit activities will commence in May; therefore, because time is of the essence a recommendation for approval will be put forth that the District Board utilize the same financial audit company as KHI/dba KRMC. As stated under Agenda Item III.C.1., utilization of the same audit company is more cost-effective and less counter-productive than using a different audit company to conduct the mandated §Title 48 annual audit. As has been previously discussed, the financial audits for both KHI/dba KRMC and the Hospital District need to be performed by a forensic audit company rather than a general Certified Public Accountant due to specific complexities of the audit process.

Penny Holden

Chair, Hospital District Number One of Mohave County

GUST ROSENFELD

ATTORNEYS SINCE 1921 P.L.C.

One E. Washington Street
Suite 1600
Phoenix, AZ 85004
accounting@gustlaw.com
602.257.7422

Tax ID 86-0688020

Carol Newmyer
3269 N. Stockton Hill Rd
Kingman, AZ 86409

February 14, 2024
Invoice No. 434543B
Client No. 031294
Matter No. 00004

For Legal Services Rendered for the period ending: January 31, 2024.

Billing Attorney: Williams, Joseph

RE: Board Procedure/Open Meeting Law Issues

LEGAL SERVICES

Date	Tmkp	Description	Hours	Rate	Amount
1/26/24	JDW	Telephone conference with C. Newmyer.	.40	275.00	110.00
TOTAL LEGAL SERVICES			.40 hrs.		\$ 110.00

TIMEKEEPER SUMMARY

Name	Tmkp	Hours	Rate	Total
Williams, Joseph	JDW	.40	275.00	110.00
Total		.40		\$ 110.00

TOTAL THIS INVOICE

\$ 110.00

**GUST
ROSENFELD**
ATTORNEYS SINCE 1921 P.L.C.

One E. Washington Street
Suite 1600
Phoenix, AZ 85004
accounting@gustlaw.com
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Kingman, AZ 86409

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REMITTANCE ADVICE

Billing Attorney: Williams, Joseph

RE: Board Procedure/Open Meeting Law Issues

BALANCE DUE THIS INVOICE \$110.00

TOTAL BALANCE DUE \$ 110.00

All checks should be made payable to:
(Please return this advice with payment.)

Gust Rosenfeld PLC
ATTN: Accounts Receivable
One East Washington, Suite 1600
Phoenix, AZ 85004

For payment by wire or ACH in USD:

Western Alliance Bank N.A.
One East Washington, Suite 100
Phoenix, AZ 85004
602-952-5431
ABA Routing: #1221-05-980
Account: #876-244-2159
Int'l SWIFT Code: BAFXUS6S
Gust Rosenfeld PLC

To pay your invoice via credit card, please visit: <https://www.gustlaw.com/pay-invoice/> or call 602-257-7422

Please reference: Invoice No. 434543B, File No. 031294 - 00004

INVOICES ARE PAYABLE UPON RECEIPT

Thank you! Your business is greatly appreciated.



Catherine Furtado <cfhd1board@gmail.com>

Attention: Melissa Henry - Staff Attorney

Melissa Henry <MHenry@azoca.gov>
To: "cfhd1board@gmail.com" <cfhd1board@gmail.com>

Fri, Apr 19, 2024 at 12:23 PM

Good afternoon, Ms. Furtado.

I received your email below and your letter dated April 12, 2024. I apologize for the delayed response. I have been out of the office, somewhat unexpectedly.

I have attached a copy of Mr. Franzen's original complaint. All of my communication with Mr. Williams occurred via telephone, so I do not have any emails or other communications to provide. Mr. Williams and I spoke about two questions: whether the Board kept electronic copies of agendas, board packets, and minutes, and whether the Board can charge a fee for copying records. As to the first question, Mr. Williams informed me that the Board does not maintain electronic records. Public records law does not require an entity to keep electronic records, so I have no concerns. Regarding the second question, I confirmed that a public body may charge a reasonable fee for time, equipment/supplies, and personnel necessary to providing records, as well as any postage if the records are mailed.

Based solely on those two questions, I do not see anything that indicates violation of the Arizona public records laws. Please note that public records law and open meetings law are two separate bodies of law. Mr. Franzen's request fell under public records and not open meetings. As a result, Mr. Williams and I did not discuss open meetings law.

If you are interested, our office publishes two helpful booklets about [public records law](#) and [open meetings law](#). Both are available on our website. I have provided the links to both. Our office also provides periodic training on both topics. If you have questions about public records or open meetings, I am happy to speak with you. If you are interested in training, please let me know.

Again, I appreciate your patience with my response.

Regards,

Melissa

Melissa Henry

Staff Attorney

Arizona Ombudsman-Citizens' Aide

2020 N. Central Ave., Suite 570

Phoenix, AZ 85004

Office: (602) 277-7292

Direct: (602) 544-8711

MHenry@azoca.gov

<https://www.azoca.gov/>




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Please complete our brief survey about your experience with the Ombudsman-Citizens' Aide Office. Responses are anonymous unless you choose to identify yourself.

[CLICK FOR SURVEY.](#) Thank you!

[Quoted text hidden]

 **02.28.2024 - Complaint - 2401164 - Franzen_redacted.pdf**
103K

From: AZOCA Complaint <ombuds@azoca.gov>
Sent: Wednesday, February 28, 2024 10:40 AM
To: Arizona Ombudsman <Ombuds@azoca.gov>
Cc: [REDACTED]
Subject: AZOCA Complaint from William Franzen

This email is from the **Electronic Complaint Form** on the AZOCA website

Complainant information

Name: William Franzen

Email: chaplain715b@gmail.com

Phone: [REDACTED]

Address:

[REDACTED]
 [REDACTED]
 [REDACTED] an, AZ 86001

Agency: Private citizen

Complaint:

I requested public documents from Hospital District One, Mohave County, Arizona, Board of Directors, specifically Chairman Mrs. Penny Holden. They provided me with only part of my requested documents and the Board Chairperson refuses to provide the rest of my request which consists of the January, March and May 2021 meeting packet documents. I also requested the "draft" of the January 9, 2024 meeting which were suppose to be available within 72 hours after the meeting. That request was made January 16, 2024 because of the MLK holiday. I have attended all meetings for the last 15 months and I am proactive. I also am a Chaplain volunteer for the hospital itself. She will not respond to multiple emails I have sent over the past few months. I do not understand this. The documents I received and the ones that are missing were to be provided to me free of charge. The request dates back to the November of 2023 and still nothing. Here are the email contacts:

hospitaldistrict1mohavecounty@gmail.com

pholden.krmc@gmail.com

Mrs. Holden 805.218.2733

What resolution are you looking for?

I want the three months meeting Documents for January 2021, March 2021, and May 2021 meetings that I requested and the draft of the minutes for the January 9, 2024 meeting which I attended. I appreciate your help in this matter.

What steps have you taken to resolve the problem with the agency?

I have called the Chairman Mrs. Penny Holden and emailed her three times. See above statement.

Do you have a case number, license number, or other identifier with this agency?

N/A



Catherine Furtado <cfhd1board@gmail.com>

Attention: Melissa Henry - Staff Attorney

Catherine Furtado <cfhd1board@gmail.com>
To: "ombuds@azoca.gov" <ombuds@azoca.gov>
Bcc: Penny Holden <pholden.krnc@gmail.com>

Fri, Apr 5, 2024 at 10:01 AM

Dear Ms. Henry:

I am writing to you on behalf of the Board of the Hospital District Number One of Mohave County. It is the Hospital District Board's understanding that a public member, William (Bill) Franzen, filed an Open Meeting Law complaint against the Hospital District Board on or around March 1, 2024 and copied you on that complaint.

From what I understand, conversations between you and the Board's attorney, Joseph Williams, took place around March 11th and 12th via telephone about the complaint regarding the Board charging for paper copies of their non-electronic records.

Please bear with me as I explain the situation as I know and understand it:

- (1) On March 12th, the Board's attorney, Mr. Williams, sent an email to the Hospital District Board's chair stating that he spoke with the AZ Ombudsman regarding a voicemail he had left on March 11, 2024 about Mr. Franzen's complaint.
- (2) In that same email to the Board's chair, Mr. Willimans went on to say the AZ Ombudsman's attorney confirmed that the Board was not in violation of any Open Meeting Law regarding the charging for paper records.
- (3) Mr. Williams concluded his email message to the Board's chair stating that the AZ Ombudsman attorney would send Mr. Franzen a message stating that no violation had occurred.

While the Board's attorney told the Board's chair to let sleeping dogs lie, the entire Board of the Hospital District Number One of Mohave County is of a different opinion and, therefore, respectfully requests the following from you, as the involved AZ Ombudsman attorney:

- (1) May the Board be provided with a copy of Mr. Franzen's original complaint.
- (2) May the Board be provided with any documentation that Mr. Franzen was notified that no Open Meeting Law violation occurred relative to the Board charging for paper copies of Board records.

Should you have any questions, please do not hesitate to reach out to me. Thank you in advance for considering the Hospital District Board's request. The Board looks forward to your response.

Respectfully,

Catherine Furtado
Recording Secretary/Custodian of Records
Hospital District Number One of Mohave County

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HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

3269 STOCKTON HILL ROAD
KINGMAN, ARIZONA 86401

April 12, 2024

Melissa Henry
Staff Attorney
Arizona Ombudsman – Citizens' Aide
2020 N. Central Avenue, Suite 570
Phoenix, AZ 85004

RE: Hospital District Number One of Mohave County

Dear Ms. Henry:

This letter is a follow-up to my email to you of April 5, 2024. I am writing to you on behalf of the Board of the Hospital District Number One of Mohave County. It is the Hospital District Board's understanding that a public member, William (Bill) Franzen, filed an Open Meeting Law complaint against the Hospital District Board on or around March 1, 2024 and copied you on that complaint.

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Melissa Henry – Staff Attorney
April 12, 2024 – Page 2

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Thank you in advance for considering the Hospital District Board's request. The Board looks forward to your response.

Respectfully,

Catherine Furtado
Recording Secretary/Custodian of Records
Hospital District Number One of Mohave County

cc: Penny Holden – Board Chair