

**MINUTES OF THE HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
DECEMBER 5, 2023 – H.I. JOHNSON BOARD ROOM
KINGMAN REGIONAL MEDICAL CENTER**

PRESENT:	Mrs. Penny Holden, Chair Mrs. Libby Mathiesen Mr. Dan Valentine	Mr. Dave French, Vice Chair Dr. Carol Newmyer
GUESTS:	Mr. Joshua Hoffman, KRMC CFO Mr. Barry Moore, KRMC Controller Mr. David Schott, KRMC CAO Ms. Candice McMillon, KRMC Finance Analyst	Mr. Kevin Keener, KRMC Finance Director Ms. Cheryl Porter, KRMC CQO Dr. Anthony Santarelli, KRMC Dir Research & Sponsored Programs
PUBLIC ATTENDEES:	Mr. John Holden Ms. Katie Tacheron Mr. Bill Franzen	Mrs. Carol Pearson Ms. Penny White

TOPIC	DISCUSSION/CONCLUSION	FOLLOW-UP
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CALL TO ORDER

The meeting was called to order at 4:00p.m. by Chair Mrs. Holden.

ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

Roll call was taken by Chair Mrs. Holden. All Board members were in attendance, and a quorum was identified.

PRESENTATION OF AUDIT

- A. **Discussion and Possible Action regarding the Forvis’ Presentation of the draft 2023 Financial Statement Audit.** The FORVIS June 30, 2023 and 2022 Draft Audit Results, via a Microsoft Teams Meeting, were presented by Mr. Ben Chappell. Highlights included required communications regarding audit strategy and approach, government auditing standards, qualitative aspects of significant accounting policies and procedures, management judgments and accounting estimates, financial statement disclosures, the Forvis judgment about quality of the District’s accounting principles, adjustments identified by the audit as well as proposed and recorded adjustments, specifically Forvis’ recommendation of reversal of improper accrual of audit fees. Following Mr. Chappell’s presentation, Mrs. Holden asked for clarification relative to the reversal of improper accrual audit fees and how these fees will be recorded in future statements. Mr. Moore responded that audit fees for June 2023 and 2022

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will be reported in the final audit report. Mr. Chappell further stated that another entry will be indicated on financials to properly gross up audit accounting fees, but such will not affect the bottom line going forward.

ACTION: MOTION MADE BY MRS. MATHIESEN TO APPROVE THE DRAFT AUDIT REPORT AS PRESENTED WITH THE CHANGE NOTED REGARDING IMPROPER ACCRUAL OF AUDIT FEES. DR. NEWMYER SECONDED. ALL IN FAVOR WITH NO OPPOSITION.

FOLLOW-UP: A COPY OF THE DRAFT FORVIS AUDIT WILL BE APPENDED TO THESE MINUTES. NO FURTHER ACTION DEEMED NECESSARY.

CONSIDERATION AND APPROVAL OF MINUTES

A. **Discussion and Possible Action regarding the approval of the Regular District Board Session Minutes of November 7, 2023.** Prior to approval of the November 7, 2023 Regular Session minutes, Mr. Valentine wished to discuss the inclusion of verbiage in the minutes that was not actually stated during the meeting. The verbiage in question is noted on page 2, line 11 “Following review of the minutes, Mr. Valentine attempted to address the alleged issue with the distribution of the Bylaws Committee Agenda. ‘Mrs. Holden halted further discussion of this issue as it was not a current agenda item.’” Mr. Valentine further objected to the statement included in the minutes on page 3(B) relative to his inquiry into payment for invoices for printer ink. He stated the amount indicated in the minutes was a generalization and that the statement of “The secretary responded that once the ink cartridge package is opened and installed into the printer, environmental factors come into play and, therefore, ink dissipates faster when not used” was not verbally stated as per his printed audio transcript.

ACTION: MOTION MADE BY MR. FRENCH TO APPROVE THE NOVEMBER 7, 2023 MINUTES WITH THE RETRACTION OF THE STATEMENT ON PAGE 2, LINE 11 BEGINNING WITH THE WORD “FOLLOWING” AND ENDING WITH THE WORD “ITEM.” MRS. MATHIESEN SECONDED. ALL IN FAVOR WITH MR. VALENTINE OPPOSED AND DR. NEWMYER ABSTAINING.

ACTION: THERE WAS NO MOTION MADE OR SECONDED TO RETRACT MR. VALENTINE’S SUBSEQUENT OBJECTION TO WORDING IN THE NOVEMBER 7, 2023 MINUTES INDICATED ON PAGE 3(B) BEGINNING WITH THE WORDS “MR. VALENTINE” AND ENDING WITH THE WORDS “NOT USED.”

TOPIC	DISCUSSION/CONCLUSION	FOLLOW-UP
	FOLLOW-UP: THE SECRETARY WILL ANNOTATE THE NOVEMBER 7, 2023 MINUTES VIA STRICKTHROUGH OF ENTIRE PARAGRAPH ON PAGE 2, BEGINNING WITH LINE 11.	

B. **Discussion and Possible Action regarding the approval of the Bylaws Committee Meeting Minutes of November 15, 2023.** Prior to the approval of the minutes of the November 15, 2023 Bylaws Committee meeting minutes, Mr. Valentine addressed the issue he had of having a 5-page handout presented to board members at the meeting and not having the opportunity to review them beforehand and as the Chair had previously stated no handouts were allowed that had not been included in agenda packets. Mrs. Holden countered that his concern was not going to be addressed at this meeting as it was part of an email previously sent to her requesting items be placed on the December 5th agenda. However, because the items were not specific according to Open Meeting Laws, Mrs. Holden sent Mr. Valentine a response email asking for additional clarification to which he did not reply prior to this meeting. Mrs. Holden further stated that all the issues Mr. Valentine wished to address were issues for which he was asked to provide additional clarification.

ACTION: MOTION MADE BY DR. NEWMYER AND SECONDED BY MRS. MATHIESEN TO APPROVE THE MINUTES AS WRITTEN. MR. VALENTINE AND DR. NEWMYER OPPOSED.

FOLLOW-UP: NO FURTHER ACTION DEEMED NECESSARY.

FINANCIAL MATTERS AND REPORTS

A. **Discussion and possible action regarding the monthly Hospital District Financial Statements and County Treasurer’s Fund Balance Report(s).** Mr. Moore reported that Cash increased by \$195,463. Cash balance is now at \$2,250,259 as of October 31, 2023. Such resulted from rent income of \$200,000 minus two invoices paid for \$4,537.50 (legal \$4931 + \$500 Professional Fees). Property Plant and Equipment decreased as expected from depreciation. Total accounts payable were reported to be \$976,890. The IGA GME is accrued for \$976,562 which should be paid in December 2023 or January 2024. The payable balance also includes Legal Expense of \$220 and Office supplies of \$108. \$12,000 audit fees were accrued at year-end and reversed off per the Forvis Audit. These will be paid when billed in the fiscal year 2024. Supplies and fees are reimbursed per the lease agreement. With regard to Revenue and Expenses, lease income equaled \$164,910; lease interest income equaled \$35,090; other income equaled \$328 expense

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	<p>reimbursements from KRMC; total expenses equaled \$11,218. Net income for October is \$189,110 and fiscal year to date, July through October is \$756,441.</p>	
ACTION:	MOTION MADE BY MRS. MATHIESEN AND SECONDED BY DR. NEWMYER TO APPROVE THE FINANCIAL STATEMENTS AS SUBMITTED. ALL IN FAVOR WITH NO OPPOSITION.	

FOLLOW-UP: No further action deemed necessary.

- B. **Discussion and possible action regarding a potential governmental grant partnership with Kingman Regional Medical Center to help fund research for the Community Health Needs Assessment (CHNA). If accepted by the Grantor, KRMC would receive just under \$8,500.00 to help fund involved research. This is a no-cost partnership to the Hospital District; the Hospital District agrees to partner as a signer on the grant application.** Dr. Anthony Santarelli, the KRMC Director of Research and Sponsored Programs provided an overview, via a slide presentation, relative to the above-stated request. A copy of the slide presentation is appended to these minutes.

Dr. Newmyer asked for clarification regarding:

(1) Who is Vitalyst? Dr. Santarelli responded that Vitalyst is a non-profit health foundation from Maricopa County that provides funding, garnered from large-scale federal grant programs and private donations, to local institutions to do assessments involving policy, system and environmental healthcare needs impacting communities like Mohave County.

(2) Who is to be surveyed and what other information will be garnered to assess healthcare needs? Dr. Santarelli stated information is gathered via integrated healthcare data from state, county, and hospital reports. Physicians will be included in the survey process as will community members and patients. In addition, it is anticipated that surveys will be conducted via patient satisfaction surveys, as well as sit-down interviews with Hospital District Board members and others.

(3) What is expected of the Board, and it is recommended that the Board review the grant? Dr. Santarelli stated he would appreciate the Hospital District Board reviewing the grant to determine if he needs to look for other partners.

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	(4) Does a committee need to be formed? Dr. Santarelli stated that a committee may be formed where information can be reviewed, to which Dr. Newmyer expressed an interest in serving on such a committee.	
ACTION:	MOTION MADE BY MR. FRENCH AND SECONDED BY MR. VALENTINE TO APPROVE A NON-MONETARY HOSPITAL DISTRICT PARTNERSHIP WITH KRMC TO HELP FUND THE RESEARCH FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT.	
ACTION:	NO ACTION TAKEN RELATIVE TO A BOARD MEMBER PARTICIPATING IN A COMMITTEE AS DISCUSSED ABOVE.	
ACTION:	NO ACTION TAKEN RELATIVE TO THE BOARD REVIEWING THE GRANT PROPOSAL AS DISCUSSED ABOVE.	
FOLLOW-UP:	NO FURTHER ACTION DEEMED NECESSARY AT THIS TIME BY THE HOSPITAL DISTRICT BOARD.	

NEW BUSINESS

- A. **Discussion and Possible Action regarding Gust Rosenfeld Attorney invoice for a total of \$224.00.** Mr. Valentine requested expansion of what the charge was for to which Mrs. Holden responded: (1) Board issues, (2) Indemnification policy, and (3) Bylaws review.
ACTION: **MOTION MADE BY DR. NEWMYER AND SECONDED BY MRS. MATHIESEN TO APPROVE THE ATTORNEY’S INVOICE FOR \$224.00. ALL IN FAVOR WITH MR. VALENTINE OPPOSED.**
FOLLOW-UP: **SECRETARY TO PREPARE CHECK FOR SIGNATURE. COPY OF CHECK AND INVOICE TO BE PROVIDED TO MR. MOORE FOR BUDGET RECONCILLATION AND TOO JOEL WITTRUCK, COUNTY TREASURER’S OFFICE FOR FRAUD PROTECTION.**

- B. **Discussion and Possible Action regarding utilization of an Action Agenda to be posted on the District Board’s webpage for public review within 3 days of meetings. Board members will still receive draft minutes within 3 days of meetings. Only approved minutes will be posted on the District Board’s webpage within the two-day timeframe stipulated in the Open Meeting Laws.**

TOPIC	DISCUSSION/CONCLUSION	FOLLOW-UP
ACTION:	MOTION MADE BY MRS. MATHIESEN AND SECONDED BY MR. FRENCH TO APPROVE THE UTILIZATION OF AN ACTION AGENDA FOR WEBPAGE PUBLIC VIEWING. ALL IN FAVOR WITH NO OPPOSITION.	
		FOLLOW-UP: SECRETARY TO HANDLE PREPARATION AND DISTRIBUTION.

UNFINISHED BUSINESS

A. **Discussion and Possible Action regarding 2024 Calendar for Board Meetings.** Prior to approval, Mr. Valentine requested the meeting date for January be moved to January 2nd rather than January 9th due to a prescheduled commitment. Both the Chair and secretary stated they were not available on January 2nd and that’s why the date was moved to the 9th in addition to January 2nd falling the day after a holiday.

ACTION: MOTION MADE BY MR. FRENCH AND SECONDED BY MRS. MATHIESEN TO APPROVE THE CALENDAR AS SUBMITTED IN THE AGENDA PACKET. ALL IN FAVOR WITH MR. VALENTINE OPPOSED.

FOLLOW-UP: SECRETARY TO SEND EMAIL TO KAREN VAN ZANDT, KRMC EXECUTIVE ASSISTANT NOTIFYING HER OF MEETING DATES AND TIMES WITH REQUEST TO UTILIZE THE H.I. JOHNSON BOARD ROOM.

B. **Discussion and Possible Action regarding scheduling a Bylaws Committee Meeting to possibly finalize revision of Bylaws and recommend referral to attorney for review.**

ACTION: MRS. HOLDEN TO SELECT A FEW DATES FOR A BYLAWS COMMITTEE MEETING AND ASK BOARD MEMBERS TO CHOOSE THE BEST DATE THAT FITS INTO THEIR SCHEUDLE SOMETIME DURING THE MIDDLE OF JANUARY 2024.

FOLLOW-UP: DATE FOR BYLAWS COMMITTEE MEETING PENDING.

SUMMARY OF CURRENT EVENTS – INFORMATION ONLY (IF ACTION REQUIRED MUST BE PLACED ON SUBSEQUENT AGENDA. No report. However, Mrs. Holden did extend a thank you to those hospital staff members present. Their continued participation and partnership with the District Board is greatly appreciated.

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CALL TO THE PUBLIC

Mrs. Pearson – stated that it seemed as if some board members might not have served on a board before and whenever draft minutes are sent out, additions/deletions are done before a meeting. Board members need to do their homework before meetings to alleviate disagreements.

Mrs. Holden – stated that she has an attorney prepared letter written on her behalf that she wished the secretary to read into the minutes. Therefore, the letter was read and is documented in these minutes verbatim. A copy of the letter will be appended to these minutes.

Dear Mr. Valentine:

I am writing to address your recent behavior at board meetings, which has become increasingly disruptive and detrimental to the board’s ability to conduct its business effectively. Your actions have caused significant delays, derailed discussions, and created a hostile environment for other board members and staff. Through your actions, it has become apparent that you are prioritizing your personal interests ahead of community interests.

As a board member, you have a responsibility to uphold the board’s mission and values, which include conducting meetings in a respectful and orderly manner. Your behavior has consistently violated these principles, and it is no longer acceptable.

Specifically, I would like to address the following concerns:

Personal Attacks: Your repeated attacks on myself, the secretary, and other board members are inappropriate and unprofessional. These attacks create a toxic atmosphere and make it difficult for board members to focus on the important work of the board.

Disregard for Agenda: Your insistence on introducing topics that are not on the agenda or have not been adequately clarified is disrespectful of the board’s process and hinders the orderly flow of meetings.

Failure to Provide Evidence: Your accusations against the board and individual members have been unfounded and unsupported by evidence. Accusations against an individual and the entire board requires substantial evidence. Making such serious allegations without proper substantiation is damaging to the board’s reputation and credibility.

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	<p>Disregard for Board Procedures: Your attempts to obtain board meeting minutes from hospital staff rather than through the appropriate channels demonstrate a lack of understanding of board procedures. This issue has been addressed on multiple occasions, including at board meetings and the Bylaws Committee meeting on November 15, 2023. As we have discussed in previous board meetings, it is paramount to maintain a clear distinction between the hospital and the hospital district board. We are two separate entities working collaboratively for the best interests of the community. Public perception of our distinct roles is essential.</p>	
	<p>Disregard for Board Requirements and Rules: You emailed me on November 27, 2023 requesting items to be added to the agenda for the December 5, 2023 board meeting. I previously responded to your email, seeking clarification on some of the items you proposed. In accordance with A.R.S. 38-431.02(A), agenda items must be specific and not generic. To date, you have not provided the necessary clarification regarding the items that were initially unclear. As a result, these items were not included on the December 5, 2023 agenda and were not discussed during the meeting. If you wish to have these items considered for an upcoming meeting, please provide the required clarification beforehand.</p>	
	<p>Conflict of Interest: You have sought membership on this board for the purpose of retaliating against the hospital for a perceived injustice to you by the hospital. Your personal grudge against the hospital stemming from a previous matter as a patient has clouded your judgment and led you to prioritize your personal interests over the interests of the community.</p>	
	<p>Your behavior is not only disruptive but also a violation of your oath of office as outlined in A.R.S. 38-231. As a board member, you have a duty of loyalty to the board, which means acting in the best interests of the board and the community. Your actions have consistently demonstrated a disregard for this duty.</p>	
	<p>I urge you to reconsider your approach to board meetings and to conduct yourself in a manner that is respectful, cooperative, and focused on the needs of the community. Your responsibility to the community is to participate in board meetings in a way that prioritizes the best interests of the community, not your personal interests. I implore you to prioritize the community's interests over your own. If you are unable to put the community first while serving on the board, I strongly urge you to</p>	

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carefully consider whether this is the right board for you and whether you should tender your immediate resignation.

Respectfully submitted,
Penny Holden
Chair, Hospital District Number One of Mohave County

Following the reading of this letter to Mr. Valentine, Dr. Newmyer asked if he was going to be given the chance to respond to which the secretary replied, “not allowed because it’s Call to the Public.”

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 4:52p.m.

Respectfully submitted,

Penny Holden
Chair, Hospital District Number One of
Mohave County

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

Date Approved: March 12, 2024