

**HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY  
REGULAR SESSION BOARD MEETING – MARCH 12, 2024**

The Hospital District Number One of Mohave County met in Regular Session this 12<sup>th</sup> day of March 2024 at 4:05 p.m. at Kingman Regional Medical Center, 3269 Stockton Hill Road, Kingman, Arizona 86409 in the Mohave Conference Rooms A and B. In attendance were Penny Holden, Chair, Board Member Dave French, Board Member Libby Mathiesen, Board Member Carol Newmyer and Board Member Dan Valentine.

The following KRMHC Executive Team Members in attendance were Heath Evans, Chief Executive Officer, Barry Moore, Controller, Joshua Hoffman, Chief Financial Officer, Jim Baker, KHI Vice Chair, David Schott, Chief Administrative Officer, Cheryl Porter, Chief Quality Officer.

**I. CALL TO ORDER** – Chairperson Holden stated: Okay, welcome everybody to our meeting today. I appreciate everybody coming. We're going to do a roll call.

**II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS.** Chairperson Holden stated Mr. French – here; Mrs. Mathiesen – here; Mr. Valentine – here; Dr. Newmyer – here; Penny Holden - here. All Board members were in attendance and a quorum was identified.

Chairperson Holden stated: since the meeting is being recorded and the recording will become the minutes, please refrain from speaking until you have been recognized by the chair so that we don't have any overtalk during the meeting.

**III. SUMMARY OF CURRENT EVENTS BY HOSPITAL LEADERSHIP (INFORMATION ONLY. IF ACTION IS REQUIRED MUST BE PLACED ON A SUBSEQUENT AGENDA)**

Chairperson Holden stated: At this time, I'm pleased to introduce the CEO of KRMHC, Mr. Heath Evans.

Mr. Evans stated: Chairperson Holden, I appreciate the opportunity to come to talk a little bit about. KRMHC, some of things are going on, our relationship with the district board and hopefully you'll find this Informative.

So first off, I'm going to disclose. I am not an attorney. Please, don't take this as attorney information. Anything you see in here is simply my interpretation of any of our legal documents. We are the lessee of the organization but please I have not received any legal counsel on this at all.

So, who we are, KHI (Kingman Healthcare Incorporated) doing business as, KRMHC (Kingman Regional Medical Center). On top of our lease and this entity, we are a private not for profit Arizona based organization with a purpose of operating as a healthcare organization and a hospital located here in Kingman. KHI is a locally governed, private company registered IRS, 501c 3. KHI owns and operates many healthcare related locations in Mohave County in addition to the properties subject to lease agreements.

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Just wanted to clarify because there's obviously some confusion out there between the district and KHI. Hospital District Number One of Mohave County falls under a special district created under title 48 Arizona revised statutes. You can look this up. It's a pretty simple read. It's actually a very short section. Essentially says that the board of directors shall lease the hospital to an Arizona base not for profit with the purpose running a healthcare organization until they have relieved any indebtedness they have, so if they took bonds out to build the facility and are paid, then it says, you may then lease this hospital to any entity that you deem is beneficial for the organization. And then the rights of it is yours and you can buy and sell items related to the operation of the hospital. With the exception of aircraft. So, you will not be buying a helicopter. Just to make sure on that one to clarify it other than the buildings under the lease. So, our relationship, you know, the district is the lessor and we are the Lessee.

For the property highlighting this map below.

So, this is the childcare center. Wellness Center and medical office building, main hospital. Here. So that's the property that we talk about when we talk about the lease. As I said earlier, KHI owns many other properties.

KHI has an obligation, according to our lease, that we pay the lease timely and we have to maintain these facilities, we have to operate the hospital. The term of the lease is for 10 years and it is renewed every month for another ten-year period.

And if you read those statutes, you'll actually see why it's set up that way.

We're both governed by independent boards. So, you have a board here. That's the district board that is the lessor and the owner of the property. And Jim Baker here is our Vice Chair of our Board, but we have an independent board that governs KHI as well. Both of the boards work together just like this today here presenting with the District Board; we can meet on occasion when we need to. It's typically between the chairs or the vice chairs of the board level with myself typically being the person in the middle all of it.

A little bit more about KHI. So locally owned, not for profit private corporation. All its assets are of varying degrees of varying types that are meant to provide for a long-term viable future for our locally owned not-for-profit healthcare organization. Nearly all the operations that we have are local. We do have some employees that work outside or live outside of the area. Some come to Kingman to do their work. Some work remotely. And we actually do have some contracted companies, but most of them, by far, compared to our peers in the health care world we are locally owned and operated. Our food services are local, our housekeeping is local, that's pretty rare anymore. Obviously the decisions, big governance decisions are made by the board, but local day-to-day operations are run by myself and a team of leaders here at the hospital.

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We are 100% focused on keeping local high quality health care that is locally owned. On top of that, we are the largest employer in Mojave County.

So, some of the notable recent capital investments aside from paying our lease include:

\$3.5 million dollars was spent on the heart center; the recent past expansion of the emergency department to the tune of \$18 million; recently bought a \$700,000 nuclear camera; The newest robot, the Da Vinci, is about a \$2 million dollar expense; and an ION lung navigation system a \$700,000 expense, one of a handful in Arizona available, that was put in the service about a month ago. Additional investments that we make include subsidizing primary care. When I say primary care, that is your pediatricians, your family practice, internal medicine, or urgent care. That's the type access there. We subsidize programs in the community at 4 million dollars a year. Other specialists in the community subsidize the expense of those practices to the tune of over 30 million dollars a year.

Just this year we increased nursing pay by 2.5 million dollars. And the other departments have received 1.5 million dollars in pay raises. On top of that, our entire payroll is in the neighborhood of 140 million dollars a year. That gets paid out and supports the local economy.

What is our focus for the future is safe care for those that live and visit Mojave County. We want to establish a culture of accountability for those who live in Mohave County and seek care at KRMC or affiliated places of care. Safe care where you need it, when you need it, that's of the highest quality. To do that, we must reduce waste in the organization so that we can spin those funds on the appropriate things that lead us down the right path. And of course, we want to recruit and retain the highest talent in our community.

So, with that, I am happy to take questions if you want to allow it. I'm happy to answer questions from the board and questions from the audience.

Chairperson Holden stated: does anybody have any questions?

Public Attendee Mr. Franzen stated: Do you have any cardiac surgeons in the hospital still?

KRMC CEO Mr. Evans stated: We do not have cardiac surgery. We have a thoracic surgeon that serves the community. The cardiac surgery program closed down some years ago.

Public Attendee Mr. Franzen stated: Where did they go to Prescott?

KRMC CEO Mr. Evans stated: They'll go to the patient's choice, but some go to Prescott, some go to Vegas or Phoenix. It's good to always let it be the patient's choice if they're in a condition to make that choice and if the facility is able to receive them.

Public Attendee Shawn Meisner stated: Is there any possible way to get rattlesnake anti-venom that we keep here?

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KRMC CEO Mr. Evans stated: I'd have to check it out. I'd be shocked if we didn't keep it here in our pharmacy. We probably keep some around.

Public Attendee Shawn Meisner stated: I was told we have to go to Vegas for it. Okay good.

KRMC CEO Mr. Evans stated: I'm not going to comment 100% on that on that answer. I don't know specifically, know but I would be surprised if we didn't have.

Public Attendee Jennifer Esposito stated: What's the percentage of regular staff nurses to traveling nurses because there's such a great disparity in the pay rates for those 2 positions? I know people that do both. So, I was just curious, you know, what percentage of travel?

KRMC CEO Mr. Evans stated: I'm going to answer you with a little longer winded answer than just a percentage because I don't know the exact percentage. Josh is our CFO. I can tell you this, the 3.5 million, what 3, 4 million dollars with pay raises, 2.5 million went to nurses. We've had extreme success this year of converting nurses over to locally employed and moving the travelers out and that's how we were able to pay for the raises was by converting. So, we're actually I'd say a handful. Med-surg still has some travel nurses on it, but I think our ICU is free of travel nurses at this point. Companies made big strides this year. So, it's been a dynamic change. I don't know the exact percentage. It's a much lower number this year than last year.

Board Member Newmyer stated: Could you give a rundown of the specialties that are adequately staffed by physicians to take care of problems that come up? Or which ones you think might need more staff to be recruited.

KRMC CEO Mr. Evans stated: So, primary care has a shortage and it's a shortage in every community in America. So that would be your, family practice, internal medicine, pediatrics. We have a big need for pediatrics. We have one pediatrician that's employed and we have another long-term pediatrician that serves the community. We have several nurse practitioners that work in that space to fill the gap. Trying to fill that gap, but we're looking for pediatricians. We're blessed to have what is really close to being the only gastroenterologist left in the community in the whole county. He's young, he's a pretty awesome doc, but he is full. His practice produces a lot of numbers. He's produces in about the 90 ninth percentile of his peer group. I don't know if you can find people busier than he is. We are bringing in a partner for him part-time, right now. But I was told by the CEO down in Bullhead that they've looked for a GI Doc for 11 years and haven't had a candidate. So that just gives you some examples of how hard it is to find some of these specialists. Cardiology, we're working on some innovative changes to try to provide for the hospital. We still have; we have 4 in the community right now that are employed by us. We're adding that with some folks that cover the hospital. We just did the same thing with general surgery. And so, we have 2 local general surgeons that work here full time and their practice will make great strides over availability in their office over the past 2 months.

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Brought in a group of 4 surgeons out of Henderson that now rotate through our community and cover the hospital and we've seen better access through that as well. Neurology is short, we could use neurology, obviously cancer care. They're all working really hard. So, urology, we're actually, we're working right here under the wire on signing a deal with a group to do kind of like the surgeons are doing an outside group that will send somebody here so that we can have 24/7, urology coverage in the community. So, anything you have in mind

Carol Board Member Newmyer stated: Urology.

KRMC CEO Mr. Evans stated: So, Urology is actually the shortest specialty in the country. There are 84 positions last time I looked for every urologist that comes out of school. So, our chances of getting one because of the call burden in Kingman is pretty slim. Did that?

Board Member Newmyer stated: Well, the only other thing is, like now I've had complaints of somebody being sent from KRMC to Las Vegas to have essentially an appendectomy. Do you have general surgery coverage every day in the Emergency Room?

KRMC CEO Mr. Evans stated: We have general surgery coverage 24/7. I think since the end of January when we made a change if they went to Vegas during that time frame then there was a bigger reason that they needed to go.

Public Attendee Becky Foster stated: Is there a plan with KHI or KRMC with doctors and medical providers that are currently employed by KRMC to move them out of KRMC to a separate organization?

KRMC CEO Mr. Evans stated: So, some. You may be referring to a hospitalist. Our hospitalists that are employed here in the hospital and see the inpatients, we are working with a company who does nothing but hospitalist medicine. So, they have technology that goes towards that, they have expertise in running a hospitalist program. We have contracted with a hospitalist company to come in and run our hospitalist program. The intent of that is not that there's like a group of hospitalists waiting over here to come take the place of the doctors; the intent is it's the same physicians, same environment that they work in just a company that's better at doing that, then we have the expertise.

Public Attendee Becky Foster stated: So, would they not have benefits then as they currently do and then they go to this other organization, they wouldn't have benefits?

KRMC CEO Mr. Evans stated: Some changes would take place. Because every company has different benefits that they offer.

Public Attendee Becky Foster stated: Okay, so, you have hospitalists on call on your staff right now?

KRMC CEO Mr. Evans stated: We do employ hospitals.

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Public Attendee Becky Foster stated: How many?

KRMC CEO Mr. Evans stated: The amount we need is about 18. Some of those are provided through local. Some are provided through independent contractors and some are provided through employment. I couldn't tell you the exact number.

Public Attendee Becky Foster stated: The hospitalists are the only ones you're moving to that other company. And that's just the hospitalists.

KRMC CEO Mr. Evans stated: Yes

Public Attendee Becky Foster stated: Okay, thank you.

Chairperson Holden stated: Any more questions. Thank you. That takes us to the Financial Matters and Reports.

Board Member Newmyer stated: Point of order here, please. We change the order of our typical order for the agenda. And you also put some items on the agenda under wrong headings, unfinished business when it's not. When it's new business and things that are not necessarily new business. Thank you very much.

Chairperson Holden stated: Which ones are you referring to?

Board Member Valentine stated: Why are the minutes under Unfinished Business for December 5<sup>th</sup> and January 9<sup>th</sup>, should be reviewing the minutes straight up that's the way we used to do it?

Chairperson Holden stated: It's unfinished business because December minutes didn't pass in January. So, we put them together, so we were voting on them together.

Board Member Valentine stated: So just, the discussion and possible option to remove Mrs. Holden as the chairperson. That is unfinished business? That is new business.

Chairperson Holden stated: I put it as the last thing on the agenda. That's why it's under unfinished business. It's the last thing since we

Board Member Valentine stated: It's not unfinished business it's new business. It's what we need to discuss under new business

Chairperson Holden stated: It's the last thing since we're going through the meeting and then we'll deal with it. I didn't put it under a special heading. That's why I just put it there.

Board Member Newmyer stated: You have it under a special heading of unfinished business.

Chairperson Holden stated: Like I said, I put it as the last thing on the agenda to deal with because I wasn't going to put it as a special heading at the bottom. We're going to get through the meeting and then we'll deal with it.

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Board Member French stated: The important thing is that it is on here.

**IV. FINANCIAL MATTERS AND REPORTS**

- A. Chairperson Holden stated: that takes us to the oral report for the monthly hospital district financial statements for December, 2023 and January, 2024 and the county's fund balance report for December, 2023 and January, 2024 and will be presented by Mr. Barry Moore.

KRMC Controller Mr. Moore stated: So, we have 2 months of reports for December and January since the last meeting. So, looking at the December financials, cash increased by \$204,708. The cash balance was \$2,655,042 on December 31, 2023. From rent \$200,000 plus reimbursement by KRMC prior months approved expenses totaling \$4,931.19. October minus invoice paid in the current month \$224.00. Total accounts payable equaled \$976,562 for the IGA for GME was accrued and paid in February 2024. Lease income equaled \$165,898 – Lease interest income equaled \$34,102. Other Income total expenses equaled \$11,114 net income for December 2023 was \$188,886 and Fiscal Year to Date, July through December, is \$1,134,449. So, for January, cash increased by \$200,000 and the cash balance was \$2,855,042 on January 31, 2024. Total accounts payable equaled \$976,562; the IGA for the GME is accrued for \$976,562 to be paid in February 2024. Lease income equaled \$166,395 with lease interest income equaled \$33,605. Total expenses equaled \$10,890. Net income for January was \$189,110 and Fiscal Year to Date, July through January, is \$1,323,559.

KRMC Controller Mr. Moore stated: Anybody have any questions?

- B. Chairperson Holden stated: Okay. That brings us to **discussion and possible action regarding the approval of our district proposed budget for fiscal year ending June 30, 2025** presented by Barry Moore.

KRMC Controller Mr. Moore stated: So, the board has a budget committee. For revenue for the year, would be, well, there's a component that is a lease income and then lease interest income and together those will be the lease amount of \$200,000 a month times 12. Legal fees budget for 10,000. Audit for 13,000. I don't know if I need to list all these but another thing is the board has been contributing with the intergovernmental agreement with access and that's budgeted at one million. So, total expenses are 1,196 million and excess revenue or net income is 870,464. So, any questions about that?

Board Member Newmyer stated: Why is the budget for the expenses so much more than what the actual expenses were during the year after \$10,000. Why is that?

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KRMC Controller Mr. Moore stated: Projecting the legal expenses to be based on what's happened so far this year, \$9,600 so \$10,000.

Board Member Newmyer stated: So, At least in my opinion, legal expenses that we became so high this year, so I would object to such a large amount being budgeted; I think it's unnecessary.

KRMC Controller Mr. Moore stated: Well, this is an estimate. You don't have to approve it, it's up to you guys.

Chairperson Holden stated: Thank you Barry. So do I have a motion on the floor to approve the hospital's budget for the fiscal June 30 of 2025.

**MOTION MADE BY BOARD MEMBER MATHIESEN AND SECONDED BY BOARD MEMBER FRENCH TO APPROVE THE HOSPITAL DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER NEWMYER VOTING NO; BOARD MEMBER VALENTINE VOTING NO. MOTION CARRIED 3-2.**

**V. NEW BUSINESS**

- A. Chairperson Holden stated: **Discussion and possible action regarding moving the remainder of the 2024 hospital district board meetings to quarterly.** Our next meeting would be July ninth and then the last meeting of the year would be November the twelfth.

Board Member Newmyer stated: Why?

Chairperson Holden stated: We have to take a motion on the floor and a second Ms. Newmyer before we can discuss it.

Board Member Newmyer stated: It's Dr. Newmyer please.

Chairperson Holden stated: Do I have a motion on the floor to move the remainder of the 2024 Hospital District board meetings to quarterly.

**MOTION MADE BY BOARD MEMBER FRENCH TO MOVE THE REMAINDER OF THE 2024 HOSPITAL DISTRICT BOARD MEETINGS TO QUARTERLY.**

Chairperson Holden stated: So is there a second

**MOTION SECONDED BY BOARD MEMBER MATHIESEN TO MOVE THE REMAINDER OF THE 2024 HOSPITAL DISTRICT BOARD MEETINGS TO QUARTERLY.**

Chairperson Holden stated: Any discussion?



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Board Member Newmyer stated: Yeah, reasoning?

Chairperson Holden stated: because all the board business has been taken care of, we are actually ahead of schedule this year and there's nothing else that we have to do until July.

**MOTION APPROVED TO MOVE THE HOSPITAL DISTRICT BOARD MEETINGS TO QUARTERLY. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER NEWMYER VOTING NO; BOARD MEMBER VALENTINE VOTING NO. MOTION CARRIED 3-2.**

- B. Chairperson Holden stated: **Discussion and possible action regarding the Gust Rosenfeld Confidential Attorney-Client Privileged Communication (email) dated February 2024.**

Board Member Newmyer stated: This is a point of order because this is confidential information. We need to go into executive session to have this discussion.

Chairperson Holden stated: The discussion does not meet the nine reasons for going into executive session per Open Meeting Laws.

Chairperson Holden stated: We're not getting legal advice. He sent a letter to each one of the board members but the email was not included in the agenda packet.

Board Member Newmyer stated: This is privileged information. We're going to be discussing it. How can we talk about it without talking about the actual letter?

Chairperson Holden stated: Why did the letter come; why did he bring the letter? The reason why he sent the letter is because there is one person on the board that is the contact person for the attorney. That is the chair. That's customary on every board and we voted on that when I first became chair. And you Board Member Newmyer and you Board Member Valentine took it upon yourself without prior approval or acknowledgement to talk to the attorney. You've made phone calls to the attorney, you've sent packets to the attorney, you've left voice mails to the attorney and the attorney is confused over who the contact person is.

Board Member Newmyer stated: The reason for that is your repeated going against Open Meeting Laws and the things that you have been doing with the attorney without anybody. Your trying to attack another board member. Someone has to reign that in.

Chairperson Holden stated: What Opening Meeting Law are you claiming that I am, or anybody else has violated?

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Board Member Newmyer stated: Someone not allowed respond to a criticism in an open call of a public meeting, according to Open Meeting Laws, that is illegal.

Chairperson Holden stated: And he responded by having a member of the public read a letter.

Board Member Newmyer stated: He was not allowed to respond because you adjourned the meeting.

Chairperson Holden stated: There is a letter in here that he had a member from the public read at the meeting. It was 4 pages and we all listened to it. So, he did respond.

Chairperson Holden stated: Why was your behavior disruptive.

Board Member Newmyer stated: His behavior is not disruptive.

Board Member Valentine stated: Why is it online.

Chairperson Holden stated: It was read during Call to the Public and it is a legal document.

Board Member Valentine stated: That's past practice. Now you got a 34-page document up there. Bringing in a medical issue that I had with KHI to the world.

Chairperson Holden stated: There is no medical issues of yours on there.

Recording Secretary Furtado stated: I want to clarify the Open Meeting Law ARS 38-431.01, section (I). A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body. The key word here is may. The law does not state shall or must so it is not a requirement.

Board Member Newmyer stated: They may be allowed and he was not allowed.

Board Member Valentine stated: I have a right to respond at a later date if I have to.

Recording Secretary Furtado stated: Correct

Chairperson Holden stated: But you have responded. You had a person from the public respond. Let's move on.

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- C. Chairperson Holden stated: **Discussion and possible action regarding changing attorney firms from Gust Rosenfeld (located in Tucson, AZ) to Tom Price (located in Kingman, AZ).**

Chairperson Holden stated: Is there a motion on the floor to change attorneys?

**MOTION MADE BY BOARD MEMBER FRENCH TO CHANGE ATTORNEY FIRMS  
FROM GUST ROSENFELD TO TOM PRICE.**

Chairperson Holden stated: So. Is there a second?

**MOTION SECONDED BY BOARD MEMBER MATHIESEN TO CHANGE ATTORNEY  
FIRMS FROM GUST ROSENFELD TO TOM PRICE.**

Chairperson Holden stated: Is there any discussion?

Board Member Newmyer stated: Why do you want to change?

Chairperson Holden stated: Because it would be more cost-effective if we have an attorney from Kingman that specializes in Open Meeting Laws, that he can attend the meetings and we're not going to be paying 6 h in travel time at \$300 an hour just for him to travel here. Mr. Price is in town. He's willing to do this and it will be cost effective.

Board Member Newmyer stated: Have you talked with him already?

Chairperson Holden stated: No, I have not.

Board Member Newmyer stated: How do you know he's willing to do it then?

Board Member Valentine stated: Do we have permission to do this?

Board Member French stated: Yes. We haven't even done it yet. All I want to know is if he would be willing to do it if we needed him.

Board Member Newmyer stated: The whole board decides that.

Board Member French stated: All I'm going to tell you the guy we've got doesn't know crap about Open Meeting Laws.

Chairperson Holden stated: There's a motion on the floor and a second to change.

Board Member Newmyer stated: I'd like to know if you or Catherine personally know Mr. Price.

Chairperson Holden stated: No, I have no idea who he is.

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Recording Secretary Furtado stated: No

Board Member French stated: I do because he used to be one of the attorneys for the hospital and he knows the ropes and the district and he's right here and it won't cost \$150 bucks rather than motel rooms, mileage, and all that stuff.

Board Member Mathiesen stated: I do because of this board. And we pay mileage for him to come her and mileage for him to go home, plus we pay for his fee, plus we pay for his motel if he has to come here for the attorney we have now. But Mr. Price is right here.

Board Member Valentine stated: Like when Zavala came up from Prescott.

Board Member Mathiesen stated: Yes

Chairperson Holden stated: Yes, there's a second. Let's take it to a vote.

**MOTION APPROVED TO CHANGE ATTORNEYS FROM GUST ROSENFELD TO TOM PRICE. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER NEWMYER VOTING NO; BOARD MEMBER VALENTINE VOTING NO. MOTION CARRIED 3-2**

**IV. UNFINISHED BUSINESS**

- A. Chairperson Holden stated: Okay. This takes us to unfinished business. **Discussion and possible action regarding the official transcripts of the minutes and the appointment of the Recording Secretary of the Board.** So, I'm proposing to have the recording secretary's transcripts of the board meetings to be the official transcripts of the board. Do I have a motion on the floor to have the recording secretary's minutes be the official transcripts of the board minutes. You can still request changes, but that's why we are recording now because it's being recorded as spoken.

**MOTION MADE BY BOARD MEMBER MATHIESEN TO MAKE THE RECORDING SECRETARY'S TRANSCRIBED AUDIO RECORDING THE OFFICIAL TRANSCRIPT OF THE MINUTES OF BOARD MEETINGS**

Chairperson Holden stated: Is there a second?

**MOTION SECONDED BY BOARD MEMBER FRENCH TO MAKE THE RECORDING SECRETARY'S TRANSCRIBED AUDIO RECORDING THE OFFICIAL TRANSCRIPT OF THE MINUTES OF BOARD MEETINGS**

Chairperson Holden stated: Any discussion?

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Board Member Valentine stated: Now we're going to use artificial intelligence and some kind of software to convert it to text.

Chairperson Holden stated: No. It will be, yeah, it will be done like that and then she'll proof it.

Chairperson Holden stated: Let's take it to a vote.

**MOTION APPROVED TO MAKE THE RECORDING SECRETARY'S TRANSCRIBED AUDIO RECORDING THE OFFICIAL TRANSCRIPT OF THE MINUTES OF BOARD MEETINGS. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER NEWMYER VOTING YES; BOARD MEMBER VALENTINE VOTING YES. MOTION CARRIED 5-0**

A.1. Chairperson Holden stated: **Discussion of function and agreement of the board has with the Recording Secretary of the board.** This one's for discussion only. There is no contract. And I know that Board Member Valentine, the Board Member Newmyer have an issue with this. Both of them requested this to be on here. There is no contract. The board's bylaws state that we are only responsible to set her wage. If you look and read the proposed budget and the budget that was from last year. There's no set amount. She's not incurred any charges. If you would just read the documents that are given to you, you would see that there's no expense coming from the board to do that.

Board Member Newmyer stated: So, who is she being paid by?

Chairperson Holden stated: If there's no expense on the budget sheet, she's obviously not getting paid is she?

Board Member Valentine Stated: She's doing it for free?

Chairperson Holden stated: Absolutely.

Board Member Valentine stated: I was under the impression that KHI was going to pick up the tab until the first of the year.

Chairperson Holden stated: No. Yes, Let Catherine explain her situation.

Recording Secretary Furtado stated: KHI did agree to fund my salary for the last 3 months of 2023. I have submitted no invoices for that time period. In addition, whatever contract I have is between me and the holder of that contract. The only thing that the board is required to do is set the wage. Whomever agrees to pay me whether it's a corporation or individual, is

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between me and that individual or business based upon the wage the board set.

Board Member Newmyer stated: So, who's paying you?

Recording Secretary Furtado stated: If you remember per the attorney there was no need for a contract. I have not submitted any invoices for wages to anybody. The only thing I've submitted to this board is reimbursement for ink. I buy my own paper.

Board Member Newmyer stated: So further on the discussion as far as the request for documents in January is was a problem at least 2 people

Chairperson Holden stated: Wait, we haven't reached the documents yet.

- A.2. Chairperson Holden stated: **Discussion and possible action to establish a policy that the recording secretary is to follow on the distribution of requests for documents. A policy needs to be established and followed.** Both Newmyer and Valentine requested this also on the agenda.

Board Member Newmyer stated: Because there was 2 requests for records, it's supposed to be according to open meeting within 72 hours of the meeting that at least a draft of the minutes is available and was over 2 months before anybody I don't think that that's actually received either one of the minutes. December or January.

Recording Secretary Furtado stated: That according to Open Meeting Laws an Action Agenda may be posted on the website. All legal actions taken by the board. That was done within hours of the meeting.

Chairperson Holden stated: And you voted on that.

Board Member Newmyer stated: Action Agenda

Board Member French stated: It tells you what action was taken by the board.

Recording Secretary Furtado stated: And by law that is all that is required to be reported.

Chairperson Holden stated: That is all that takes the place of draft minutes. You voted for that at the last meeting and it was approved by everybody on the board. So, you guys should know that the Action Agenda took the place of the draft minutes and only the approved minutes would be posted.

Recording Secretary Furtado stated: Using an Action Agenda was voted into law in 2006.

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- B. Chairperson Holden stated: Any other discussion? That brings us to the next one. **Discussion and possible action regarding the approval of the Regular Session Board minutes for December 5<sup>th</sup>, 2023.** Do I have a motion on the floor to approve the December 5<sup>th</sup>, 2023 minutes as read?

**MOTION MADE BY BOARD MEMBER FRENCH AND SECONDED BY BOARD MEMBER MATHIESEN TO APPROVE THE DECEMBER 5<sup>TH</sup> 2023 MINUTES AS READ.**

Chairperson Holden stated: Is there any discussion?

Board Member Newmyer stated: These minutes contains a letter in the Call to the Public that invades the privacy of another and should have been held in an executive session. Approving these minutes is not okay and reading that letter during Open Call to the Public.

Chairperson Holden stated: According to the attorney, I was on the phone for a while with the attorney and we went through every step of the way of open meeting laws and I sent him the problems we were having on the board and he put the letter together. He sent it and he asked me to read it during the call to the public. I've followed the instructions of the attorney exactly the way he said. They will stay in the minutes as documented in the transcripts. It will be legal records.

Board Member Newmyer stated: Why is this letter not written on his letterhead if he wrote it?

Chair Holden stated: He emailed it to me. Like I said, I have a motion on the floor and I have a second. Can we bring it to vote to accept the December fifth minutes as approved.

**MOTION APPROVED TO APPROVE THE DECEMBER 5, 2023 MINUTES AS READ. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER NEWMYER VOTING NO; BOARD MEMBER VALENTINE VOTING NO. MOTION CARRIED 3-2.**

- C. Chairperson Holden stated: **Discussion and possible action regarding the approval of the Regular Session Board minutes for January 9<sup>th</sup>.** Do I have a motion on the floor to accept January 9, 2024 minutes as approved as read?

**MOTION MADE BY BOARD MEMBER MATHIESEN AND SECONDED BY BOARD MEMBER FRENCH TO APPROVE THE JANUARY 9, 2024 MINUTES AS READ. ROLL CALL VOTE: BOARD MEMBER FRENCH VOTING YES; BOARD MEMBER HOLDEN VOTING YES; BOARD MEMBER MATHIESEN VOTING YES; BOARD MEMBER NEWMYER VOTING NO; BOARD MEMBER VALENTINE VOTING NO. MOTION CARRIED 3-2.**

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- D. Chairperson Holden stated: This brings us to **discussion and possible action to remove this Mrs. Holden from the chairperson position.** This was brought up by Board Member Newmyer and Board Member Valentine. Do I have a motion on the floor. Is there a motion on the floor to remove Mrs. Holden as the chair?

**MOTION MADE BY BOARD MEMBER VALENTINE AND SECONDED BY BOARD MEMBER NEWMYER TO REMOVE MRS. HOLDEN AS CHAIR OF THE BOARD.**

Chairperson Holden stated: Any discussion?

Board Member Newmyer stated: Yes. I believe you know, that your actions regarding the letter and then not allowing him to rebut the criticism at the time of the letter being read is not acceptable. You're abusing the client privilege to call the attorney and talk to him about what you consider to be disruptive by somebody which actually isn't, it's just a matter of disagreeing with you on the processes of how you do run this board. You spent from the time of January meeting, you didn't answer any emails, neither did the secretary. But she doesn't work for you, she actually works for the board, the entire board, and she should be responding to emails from the board. She didn't. And you didn't either. And that's for like 2 months. Also, requested information that is by law required to get to them.

Chairperson Holden stated: Okay. The reason why I don't answer your emails is because of what we call daisy chain. Because Board Member Newmyer and Board Member Valentine you meet outside this board and you discuss voting issues. And then the reason why I know you do it is because it's been recorded and each one of you send me the same emails and the minute that I answer it is called a daisy chain and we have a quorum of 1 2 and 3 so I cannot answer your emails and I was advised by our attorney to not answer your emails. So that's why it's not as far as the public getting records done. I did come down here during the holidays and copied 556 pages and gave them to the person in the public and then 2 weeks later he claimed he didn't get part of them so I contacted the attorney. By Open Meeting Laws, I can because some of our minutes are not electronically available, and according to Open Meeting Laws, I am allowed to charge per page. I gave him 556 pages for free. So, when he requested 136 pages more, I contacted the attorney who sent him a letter that he will be charged for those pages. And by law, I can do that. And if you read the Open Meeting Laws, you would know this.

Board Member Newmyer stated: I'm not questioning that because he was never given them.



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Chairperson Holden stated: He was given them. I have a signed statement that he signed for them.

Board Member Newmyer stated: Talking about those documents.

Chairperson Holden stated: What documents are you talking about?

Board Member Newmyer stated: I'm talking about the minutes from January.

Chairperson Holden stated: Because it's an Action Agenda. He got the Action Agenda. You voted on an action agenda to take the place of the draft minutes. So that's what he got. It's online. He can print it himself. I'd like to ask you too, Mr. Valentine and Board Member Newmyer, what is the job of this board? What are the 3 legal things that this board is responsible to do every year? Do you even know? Let me educate you. The budget, the audit, and the contracts. And let me ask you, which one have either one of you participated in to make that happen on this board? Can you give me one example? Okay, I'll help you. Mr. Valentine, you voted against the contract to do the audit on August first. That's required by law and that's Title 48.

You voted against the budget for 2024 on August first and that's required by law by Title 48, you voted against the creation of the web page on November the seventh. You even voted against me putting an ad in the paper advertising the 3 positions that are open in November and that's Title 16 from the election laws that you opposed. So, I think that you have abused your oath of office because I don't see anything that you're bringing positive to the board other than the opposing everything that the board is required by law to do. So now we have a motion and we have a second on the floor to remove me as chair, so, let's take it to a vote.

**MOTION DENIED REMOVING MRS HOLDEN AS CHAIR OF THE HOSPITAL  
DISTRICT NUMBER ONE OF MOHAVE COUNTY BOARD. ROLL CALL VOTE:  
BOARD MEMBER FRENCH VOTING NO; BOARD MEMBER HOLDEN VOTING NO;  
BOARD MEMBER MATHIESEN VOTING NO; BOARD MEMBER NEWMYER VOTING  
YES; BOARD MEMBER VALENTINE VOTING YES. MOTION CARRIED 3-2**

**VII. CALL TO THE PUBLIC**

Chairperson Holden stated: That brings us to call to the public. Anyone who wishes to speak, go to the podium. You give your name and your address and you have 3 min.

Public Attendee Jennifer Esposito stated: Jennifer Esposito, Kingman. I would just like to make a brief point for the clarification of the board and everyone who is here. That the allegation of an Open Meeting Law violation is a serious one, but that determination could only be made by one person or one organization and that would be the open meeting law enforcement team at the Arizona Attorney General's office. Person on this board thinks that any other person on this board has actually violated Arizona Open Meeting Law the

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appropriate way to handle that would be to file a written Open Meeting Law Complaint with what they call OMLET, Open Meeting Law Enforcement Team. The OMLET Board will investigate. They will review the minutes. They will review the video and they will make a written determination. So only at that point at which you have a written determination from OMLET. Should the statement be made that someone has or has not violated Arizona Open meeting law. I'm pretty familiar with that. I filed a complaint or two in my day. So, I just wanted to clarify for everybody here and everybody who may watch this online that that is the appropriate way to handle allegations of violations of Open Meeting Law and get a finding of fact one way or another from the only authority that's, I believe, is capable of issuing that finding of fact. Thank you.

Chairperson Holden stated: Anyone of this?

Public Attendee Becky Foster stated: I don't have a call to the public matter. I just have a question. I was a little bit confused about the secretary. She's just not paying at all.

Chairperson Holden stated: No

Public Attendee Becky Foster stated: She works for free.

Chairperson Holden stated: Yes

Public Member Becky Foster stated: Okay, thank you.

**VIII. ADJOURNMENT**

There being no further business to come before the Hospital District Number One of Mohave County Board this 12<sup>th</sup> day of March 2024, Chairperson Holden adjourned the meeting at 4:55 p.m.

Hospital District Number One of Mohave County Board

Penny Holden, Chairperson

ATTEST:

Catherine Furtado, Recording Secretary

Approved: 7/9/2024

