



Board of Directors Regular Meeting MINUTES

Location: 120 Bristlecone Dr., Fort Collins, CO 80524 or [Zoom](#)

Date: Thursday, May 22, 2025

Time: 5:30 PM

Board Members Present:

Molly Gutilla, MS DrPH, Board President
Julie Kunce Field, JD, Board Vice President
Joseph Prows, MD MPH, Treasurer
Erin Hottenstein, Assistant Treasurer
John McKay, Secretary

Also Present:

Nicholas A. Hartman, Partner - Hoffman, Parker,
Wilson & Carberry, P.C
Nick Healey, Partner – Husch Blackwell

I. Call to Order

- a. Roll Call Board of Directors
With a quorum present, the meeting was called to order at 5:33 pm by Board President, Molly Gutilla.
- b. Welcome Guests & Attendees
- c. Conflict of Interest Statement
No conflicts were reported.
- d. Approval of Agenda
Motion: To approve the May 22, 2025 meeting agenda, as presented.
Moved by Julie Kunce Field, seconded by Joeseeph Prows; motion passed unanimously.

II. Executive Session

Executive Session commenced at 5:36 p.m. to consider personnel matters, pursuant to C.R.S. § 24-6-402(4)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees; and to hold a conference with the District's general counsel to receive legal advice on specific legal questions, pursuant to C.R.S. § 24-6-402(4)(b); all regarding the Executive Director.

The Regular Meeting resumed at 6:36 p.m.

The following statement was read by Director Gutilla on behalf of the Health District Board of Directors: The Board of Directors announces that the Executive Director will be departing after successfully strengthening the organization's foundation. Over the past two years, the Health District has modernized operations, improved infrastructure, and positioned itself for enhanced community impact. The board's thoughtful strategic plan will guide us through this transition with a continued commitment to operational

excellence. The board looks forward to determining the best path forward while building on the strong foundation which in part, Liane has helped to build.

III. Presentations

a. Board Roles & Responsibilities, Duties of Care in Health Care Quality and Regulatory Compliance

Nick Healey, Partner with Husch Blackwell, presented on the “Fiduciary Duties of Special District Board Members” highlighting the following key points:

Fiduciary Duties Under Colorado Law

The presentation covered fundamental obligations for special district board members, who exercise a "public trust" and have fiduciary duties to act in the best interests of the community and Colorado citizens. Key duties include acting for public benefit, disclosure requirements, and avoiding conflicts of interest. Board members face personal liability for breaches of fiduciary duty, with potential consequences including civil penalties, damages, removal from office, and possible criminal prosecution.

Compliance Program Requirements

The presentation emphasized compliance with numerous federal and state laws, including fraud and abuse statutes, HIPAA, licensing regulations, and Colorado governmental entity laws. Non-compliance can result in severe penalties that may threaten the district's viability. Board members may be held personally liable for failing to ensure compliance. Essential compliance program elements include: written policies and procedures; compliance leadership; training and education for all personnel; communication channels; risk assessment and monitoring; enforcement standards; corrective action response.

Quality of Care Oversight

The board should establish a quality and patient safety committee with provider participation, implement quality dashboards for regular monitoring, and ensure annual review of quality improvement plans. Key quality metrics should be integrated into executive compensation, and the organization should maintain a culture of safety through continuous education, staff surveys, and patient involvement in identifying improvement opportunities.

Action Items for Board Consideration

- Establish formal quality and patient safety committee structure
- Develop comprehensive quality dashboard for board review
- Ensure compliance program includes all seven essential elements
- Review and update quality improvement and patient safety plans annually
- Consider integrating quality metrics into leadership compensation

Director Julie Kunce Field inquired about fiduciary and legal obligations as a health service provider and a public organization and shared that she learned about obligations on the health care front and asked what else might be incorporated into future educational opportunities for the board of directors.

Nick suggested that the Board learn more technical health care regulatory aspects of the services provided by the organization and how they influence relationships with community partners and payor sources.

b. Health District Brand

Marisa Dylan presented the updated brand guidelines and Health District logo, addressing deficiencies in the current materials that lacked completeness and consistency. The new guidelines were developed in partnership with healthcare marketing agency Hedy & Hopp.

The redesigned logo represents community unity and holistic care connections through a modern, accessible design approach. Three logo variations have been created to accommodate different applications and improved visual clarity.

Director John McKay asked if there was a rebranding plan with signage, decals and rollout and how it will be introduced with staff.

Dylan shared that the Communications team will oversee a phased rollout, prioritizing high-visibility projects first. Staff input is being collected to determine redesign priorities across various materials and platforms. Initial integration has commenced with internal communications materials and social media platforms with strict adherence to new usage guidelines.

Director John McKay asked if there will be an official unveiling with the community and shared that he is familiar with rebranding and saw an opportunity.

Dylan shared that it would take time but are moving quickly, prioritizing high priority items first and ensuring that roll out opportunities align with opportunities to frame the new brand in conjunction with messaging that benefits our audiences.

IV. Public Comment

- a. Cheri Nichols, district resident, commented on the Heart Health program and raised concerns about staff retention and organizational culture. She requested enhanced culture and accountability from board and leadership, implementation of clinical services for under-resourced populations, and that the organization not contract for services.

V. Consent Agenda

- a. April 24, 2025 - Regular Meeting Minutes
- b. April 2025 Financial Statements

Motion: To approve the consent agenda as presented.

Director Erin Hottenstein offered a motion to approve the April 24, 2025, Regular Meeting Minutes as amended (86,000 postcards vs. 8,600) and the April 2024 Financial Statements as presented, seconded by Director Joeseeph Prows; passed unanimously.

VI. Action Items

a. 2024 Annual Financial Audit

Alyson Slife, CPA – CliftonLarsonAllen (CLA), presented the December 31, 2024, financial audit results, reporting a clean, unmodified opinion indicating financial statements are materially correct.

The district's financial position improved significantly with net position increasing from \$17.5 million (2023) to \$21.3 million (2024), a favorable change of \$3.7 million. Fund balance reached \$11.3 million, with revenues increasing \$3.4 million year-over-year and expenses increasing by \$1.3 million.

The auditor identified two significant deficiencies during the audit.

1. Dental Practice Management Software (Dentrix): Issues with integration between Dentrix and revenue recording/accounts receivable processes required cleanup activities and adjustments during the audit process.
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2. Accounts Payable Timing Issues: Expenses related to fiscal year 2024 but paid after December 31, 2024, were not properly accrued back to the correct fiscal year. This affected accuracy of financial reporting by not matching expenses to the appropriate accounting period.

The CLP audit findings were presented alongside a comprehensive financial systems assessment conducted by YPTC, which identified approximately 19 items of varying criticality including:

- Disabled audit trails
- Self-approval capabilities allowing administrative users to approve their own financial transaction:
- Inconsistent accounting methods

Current management emphasized that these issues were discovered through daily cleanup work rather than investigative efforts, representing problems that had accumulated over time due to historical and inadequate internal controls.

Director Julie Kunce Field asked if with the level of deficiencies were issues that CLA was made aware of and if the board should direct further investigation.

Slife, said they were made aware of issues and that management produced the report of items of concern and that there is always room for improvement with processes and controls. She shared that management should do a cost benefit analysis to decide the appropriate level of controls.

Director Joseph Prows asked if audit trails, and account access was a part of the audit process. Slife shared that their audit reviews if financial statements are materially correct and that different audits would be more specific.

Director Joeseeph Prows shared that in seven years of being Treasurer, it was the first year that the board was made aware of any audit issues and had received knowledge of the internal control management letters that had been shared with administration. He reported that the Board of Directors had only received the audit governance letters for previous audits.

Executive Director Jollon shared that staff had spoken with CLA a year ago on conducting a business improvement assessment to ensure adherence to best practices and documentation. At that time, information on practices and documentation were not available. An RFP was released to assess management responsibility to ensure public funds were safeguarded outside the audit scope. With staff changes, YPTC was brought on to perform financial functions. Their findings were documented and reported to the board as they were identified, rather than through the original assessment intended due to the shifting staff and operational needs.

Director Erin Hottenstein asked how important it would be to do a more comprehensive investigative assessment or audit. Director John McKay asked what we would glean differently than what has already been discovered with further assessment.

Director Kunce Field noted items of critical importance wherein former staff retained access to bank and investment accounts after leaving the organization, staff ability to approve invoices or checks and that she believed there was a duty to investigate further.

Jessica Holmes shared limitations to the audit completed and that items shared in the financial systems assessment were found in the clean-up process and having to dig in deep to validate accounts due to lack of documentation and continued unaddressed concerns brought up by CLA in previous audits that had gone historically unaddressed. They identified that multiple accounting methods were being used simultaneously and the volume of accounts, vendors, and customers was a significant and reduced with the implementation of NetSuite the - from nearly 12,000 customers to a total of 16. She reported that YPTC had not found evidence of misuse of funds but that with the volume of accounts, recommend exploring a more thorough assessment.

Director Julie Kunce Field inquired about critical items identified in the Financial Systems Audit, including former personnel who left the organization retaining access to financial accounts - allowing unauthorized individuals to access public funds and inquired who those individuals were.

Jessica Holmes shared that it is no longer occurring and that appropriate personnel are on the accounts. She also noted that HR procedures are in place to prevent the issue in the future.

Director Julie Kunce Field asked when the individuals had been removed from the accounts. Executive Director Jollon explained that former employees were removed from the accounts in July 2024 during the transition from internal staff to onboarding YPTC. This occurred after months of work with existing staff to update the accounts. She also noted that at the time, no current staff were authorized signers on organizational financial accounts, creating additional complications. Additionally, the organization lacked a complete inventory of all accounts, which further complicated the offboarding process. Jollon shared that it was surprising with an organization of this size and the assets under its responsibility - to learn that former staff, that had not been with the organization for months, had sole access to financial accounts.

Director Julie Kunce Field highlighted that inconsistent accounting methods were used simultaneously, creating confusion, and making accurate comparisons impossible and asked if the issue had been corrected.

Jessica Holmes confirmed the issue had been corrected, though the current accounting system requires manual processes. She added that any issues with current staff regarding expense handling procedures, stemming from how they were previously trained, have also been remedied.

Director Julie Kunce Field then inquired about disabled audit trails, asking when and how this occurred. Holmes responded that she was not aware the audit trail feature could be disabled, noting that most accounting software does not typically offer this option. She explained they discovered the issue during the audit when attempting to pull an audit trail and found it had been turned off at some point in the past.

Director Julie Kunce Field also noted the self-approval capability reported that allowing users to approve their own financial entries. Holmes shared that the software system settings allowed staff who were set as "approvers" to approve their own journal entries checks, invoices, and bills - regardless of who posted the transaction. Director Prows asked if there was the capability to see if someone had approved checks to themselves and how far back a forensic audit could extend. Holmes responded that the scope would depend on the specific timeframe and audit parameters, and she believed there were no system limitations on how far back an investigation could go.

Director Erin Hottenstein acknowledged the inconsistent accounting methods being used simultaneously and expressed interest in staff assessing options for audit options.

Motion: To accept the 2024 Annual Financial Audit as presented.

Moved by Julie Kunce Field, seconded by Joseph Prows; passed unanimously.

Motion: To direct staff to distribute RFPS to contract for a forensic audit.

Moved by Julie Kunce Field, seconded by Joeseeph Prows; passed unanimously.

VII. Reports and Discussions

a. Juneteenth Day of Service

Hannah Groves, Community Impact Team (CIT) Manager, reported on details of the Health District's Juneteenth commemoration plans which align with strategic priorities of partnerships, health equity, and organizational excellence.

On Thursday, June 19th, the district will host a morning all-staff presentation by historian Jamal Skinner From the Cultural Enrichment center on Juneteenth history, and common misconceptions of Juneteenth followed by afternoon service activities including a mobile blood drive and environmental cleanup projects of the Bristlecone campus and nearby park areas.

She also highlighted community celebrations on Saturday, June 21st where the Health District will have an outreach booth at the community wellness fair. Board members and the public are invited to participate, with details available at www.focojuneteenth.com.

b. 2025 Board of Directors Election

Jessica Shannon, Quality Improvement Projects Manager, recognized the team effort and acknowledged the contributions of staff providing support for the May 6th Board election. The successful election was held across three polling places and saw record participation with 2,180 total voters, representing a 6% increase from the 2023 election. In-person voting more than doubled from 212 voters in 2023 to 470 voters in 2025, attributed to increased outreach efforts. She also noted that it was a year of learning with new staff documenting the election processes. Looking ahead, the district is conducting quality improvement reviews and developing a comprehensive election guide with standard operating procedures and documentation to support future elections. Additionally, she recommended the need for earlier planning and quality improvement measures with expenses that will need to be considered during the 2026 budget process.

Director Erin Hottenstein thanked the team for the increased efforts to increase participation.

c. Liaison to PVHS/UCHealth North Report

Director John McKay delivered the liaison report, beginning with recognition of Mental Health Awareness Month and Asian-American Pacific Islander Heritage Month, and encouraging under-represented Communities to engage with Health District services to enhance collaboration and representation in the services provided by the Health District.

From the UCHealth board meeting, he reported on their community health needs assessment identifying three priorities: access to care coordination and family medicine, food security, and behavioral health partnerships. UCHealth is opening a new behavioral health unit at Poudre Valley Hospital in September, UCHealth is focusing on chronic conditions like diabetes, with a focus on access to care. The organization continues expanding with 35,000 employees across 15 hospitals.

d. Board Committee Updates

- Public Policy Committee Update – No update, session over.
- Executive Committee Update – No report.

e. Executive Director Staff Report

Executive Director Liane Jollon highlighted a major achievement with the closed loop referral system developed in partnership with Poudre School District (PSD) and Summit Stone for school-age children seeking behavioral health services. She shared the program has been very well received and creates a pilot tracking tool to monitor referrals, follow-up processes, wait times, and program utilization. The project was led by team members Jessica Shannon and Katie Matus, who coordinated efforts across all

three partner organizations. A recent presentation about the program was made to the PSD board and the Summit Stone board presentation is scheduled for the coming week.

The previously scheduled board orientation and training was postponed due to scheduling conflicts identified through a schedule poll. New dates have been provided via an email invitation. Board members were encouraged to complete the new scheduling poll with availability, attend the Special District Association Workshop on June 11th and to review orientation materials hyperlinked in the meeting agenda.

f. Board of Directors Reports

- Director Molly Gutilla delivered her final report after seven years of board service, reflecting on the challenges and progress during her tenure. She highlighted governing through the pandemic and community crisis while managing significant leadership instability, including six executive directors in seven years. She emphasized that this turnover reflects deeper structural and cultural issues requiring disciplined governance and ethical standards.

Despite challenges, she noted meaningful progress including sustained operations, continued community programs, and creation of a new strategic plan through board-staff collaboration. Gutilla advocated for modern, evidence-informed practices and deeper commitment to health equity, emphasizing that community health is a justice issue requiring intentional focus on serving those most in need.

She acknowledged the complexity of improving community health while stressing board accountability for both identifying problems and building solutions. Gutilla encouraged the incoming board to pursue formal training and make a choice between maintaining the status quo or taking risks for greater impact. She noted that some historical practices have been ineffective and counter to health equity commitments.

Concluding her service, Gutilla reaffirmed her commitment to the mission of enhancing community health and expressed hope for a more honest, equitable, and focused district. She thanked those who acted with integrity and prioritized the mission.

Director Hottenstein expressed gratitude to Molly Gutilla and Joseph Prows for their service.

- Director Julie Kunce Field – No report.
- Director Joseph Prows – No report.
- Director John McKay – See Board Liaison report.
- Director Erin Hottenstein – Reported working to increase community awareness of the election.

VIII. New Business Action Items

a. Administer Board Members Oath of Office

Pursuant to §32-1-901, §24-12-101 et seq., C.R.S., and Colorado Constitution Article 12, Katie Wheeler, Compliance officer administered the oaths of office for Sarah Hathcock, Julie Kunce Field, and Lee Thielen.

b. Board Officer Elections

After discussion ensued, it was decided the board will wait until the regularly scheduled June meeting to elect officers.

c. 2025 Board of Directors Orientation/Strategic Planning/ Strategic Budgeting Timeline

This item was discussed in the Executive Director report.

VII. Announcements

- a. Health District Board of Director Orientation - TBD
- b. June 19, 2025 – Regular Board Meeting

VIII. Adjourn

Motion to adjourn the meeting at 8:58 p.m.

Moved by John McKay, seconded by Erin Hottenstein, passed unanimously.

