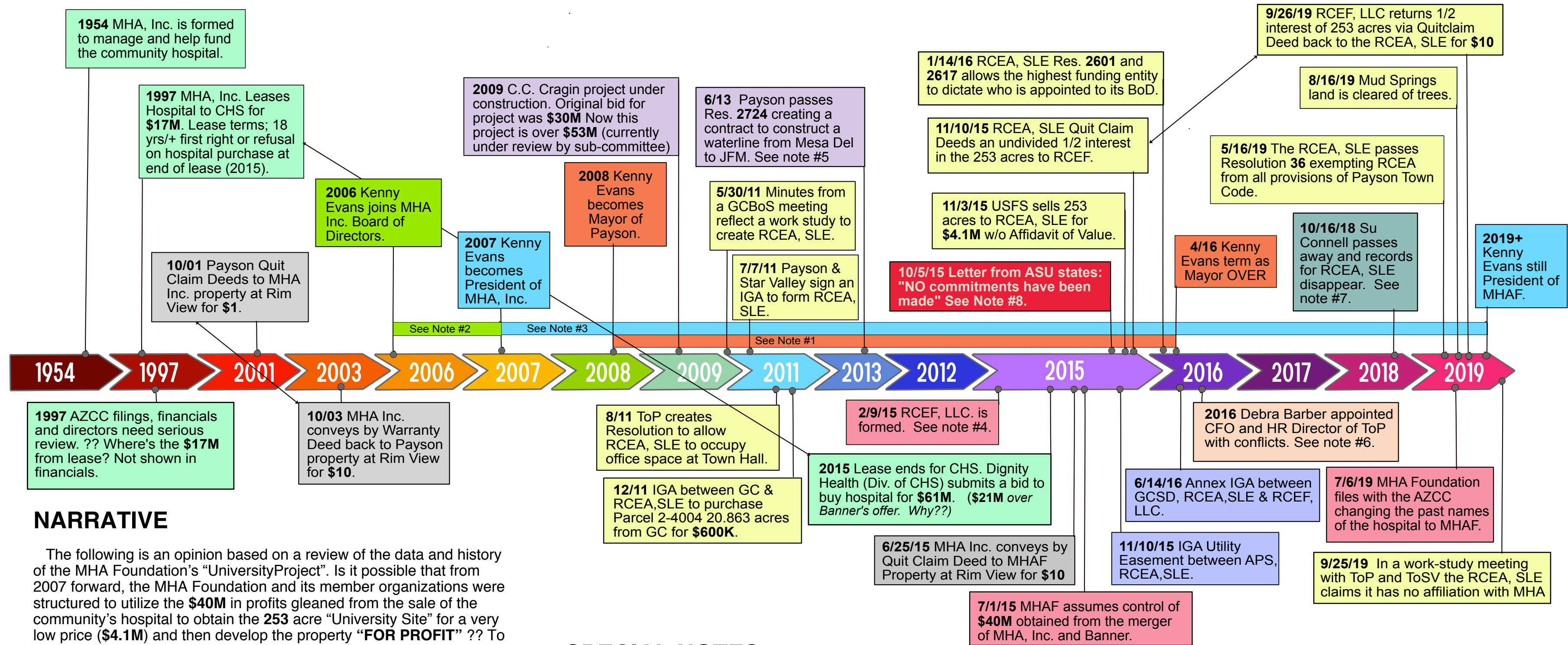


# MHA EVENT TIMELINE



## NARRATIVE

The following is an opinion based on a review of the data and history of the MHA Foundation's "UniversityProject". Is it possible that from 2007 forward, the MHA Foundation and its member organizations were structured to utilize the \$40M in profits gleaned from the sale of the community's hospital to obtain the 253 acre "University Site" for a very low price (\$4.1M) and then develop the property "FOR PROFIT" ?? To accomplish this, it appears that Mayor Evans's used his influence as Mayor to form a separate legal entity (SLE) which could purchase the property for a low appraised price (because the Mayor had it zoned for educational use) rather than through a public bid process. Once the Separate Legal Entity was created the arrangement also allows any property owned by the SLE to make its own rules and zoning (not confined to educational use) without regard for the town of Payson's codes or ordinances.

Kenny Evans was president of the MHA Foundation concurrently with being the Mayor of Payson, during the creation of the SLE and thus he was in a position to vote and lobby Town Council and staff for approval of the SLE that the MHA Foundation wanted. Very sweet deal!!

It is of special interest to note that when the hospital was sold the \$40M offer from Banner was approved while a \$61M cash offer from Dignity Health was rejected. Leaving \$21M on the table for the community. I wonder why??

It appears that the structure of the various associated entities of the MHA Foundation and the board of director appointment process was designed to place total control of the property in the hands of the MHA Foundation through the appointments of a few select individuals. These individuals were appointed to the boards of directors over several years with some being on two boards at the same time. The common denominator in all of this is former mayor Kenny Evans who was Mayor from 2009 to 2016 and president of the MHA Foundation from 2007 to presently.

There are still many questions about this entity that can not be answered. Tax and financial records have been formally requested. These records are legally required to be available to the public upon request. It is our goal to have the appropriate agencies require the financial records of the associated entities be available.

## SPECIAL NOTES

1. Kenny Evans was Mayor of Payson and President of the MHA Foundation during this time.
2. Kenny Evans was Mayor of Payson and a MHA Foundation board member during this time.
3. Kenny Evans was Mayor of Payson and as president of the MHA Foundation was able to dictate who was nominated to the RCEA-SLE board of directors based on the MHA Foundation providing majority funding (SLE Governance agreement).
4. The MHA Foundation created the RCEF, LLC. (Rim Country Educational Foundation, LLC. a for profit entity) purportedly to raise funds for the RCEA, SLE but in fact this entity was created to take operational control and ownership of the property. This is evidenced by the quit claim deed for an undivided half interest in the property issued two months after the RCEF, LLC. was created.
5. The contract between the Town of Payson, Joint Facilities Management (JFM), and the RCEA, SLE to build this pipeline calls for the JFM to pay the RCEA, SLE \$700,000 to design and build the facility and then pay the Town \$100,000 of that sum to assume ownership and maintenance going forward. In reality the Town paid for everything and was reimbursed \$455,533 (per FOIA data). The remaining \$244,457 was retained by the RCEA, SLE as profit. The Town could have contracted directly with the JFM to build this project and retained the \$244,567 profit that went to the RCEA, SLE. The RCEA, SLE has no property on the pipeline route and no reason to be involved with this project. Was this just a scheme to **give the RCEA, SLE (controlled by Kenny Evans) the profit???**
6. Debra Barber's husband, John, is 1/2 owner in MPG, Inc. (holds contract for Payson airport fuel) and was appointed by Kenny Evans to the Airport Commission, his company also contributed \$500 to the Unite Payson Recall.
7. Su Connell, ToP council woman for 12 years and Secretary of MHA Foundation, occupied an office for RCEA, SLE in the Town Hall complex from 2011 to 2018. After her passing on 10/16/18 all records kept there for RCEA, SLE mysteriously disappeared??
8. **IMPORTANT!!! BEFORE** the 253 acres were purchased, a letter to RCEA, SLE from ASU's Richard H. Stanley states: "**We have made NO commitments and NO commitments have been made to us, and the discussions to date have not progressed to formal negotiations.**"

## LEGEND

- MHA Foundation = Mogollon Health Alliance Foundation a 501c3 (company on top of the pyramid)
- RCEA, SLE = Rim Country Educational Alliance. A Separate Legal Entity and a Political Subdivision
- RCEF, LLC = Rim Country Educational Foundation a for profit limited liability company
- JFM= Joint Facilities Management the company that owns Chaparral Pines and The Rim
- MHA Inc = Mogollon Health Alliance a for-profit AZ Corporation
- C. C. Cragin = the \$53M water project previously known as Blue Ridge Reservoir North of Payson.