

North Pine Area Hospital District

“Ensuring Local Access to Quality Health Care”

Board of Directors Special Meeting

June 5, 2018

CALL TO ORDER

Ron Osladil, Chairman, called the special meeting of the North Pine Area Hospital District (NPAHD) to order at 6:30 p.m. on Tuesday, June 5, 2018 in the EH Sandstone Classroom.

PLEDGE OF ALLEGIANCE

Osladil led the board and other attendees in reciting the pledge of allegiance.

ROLL CALL

Board members present: Jane Brown (District at Large), Andrew Hanley (City of Askov), Gary Klein (Hinckley Township), Linda Kvasnicka (Park Township), Fran Levings (New Dorsey Township), Edith “Dode” Molgaard (City of Bruno), Wayne Oak (City of Sandstone), Bill Olson (Pine Lake Township), Keith Osgood (City of Hinckley), Ron Osladil (Finlayson Township), Chuck Sprado (Dell Grove Township) and Ray Thieling (Ogema Township)

Board members absent: Brent Henry, Chris Ketchmark, Curtis Nelson, Myrna Nelson, Steve Nelson

Others attending: Chris Olson (NPAHD Admin. Asst.), Michael Hedrix (Essentia), Scott Nigon (Essentia), Jeff Urban (McGrann, Shea) via phone, Tim Franklin (Pine County Courier)

APPROVE AGENDA

Osladil asked for a motion to approve the agenda. Motion Levings. Second Olson. Motion carried.

APPROVAL OF THE 2ND AMENDMENT TO THE LEASE FOR THE AMBULANCE/ADMIN. FACILITY

Chuck Sprado began by reading the directors the portion of the lease that is in dispute.

Section 2.1j Tenant has agreed to reimburse Landlord within thirty (30) days after receipt of invoice (with supporting documentation) for all costs and expenses reasonably incurred by Landlord in connection with (i) the preparation of this Amendment and review of the Ambulance Facility Final Plans, including reasonable attorney fees in an amount not to exceed \$20,219.60, and (ii) any approvals required hereunder, including all costs and other charges payable to Landlord’s Mortgagee.

In review, at the past meeting Essentia did not want to pay the full legal fees (deeming them excessive) and proposed an equal split with the hospital district. He inquired of Essentia if they were still in agreement with their original proposal and Essentia representatives indicated they were.

Sprado stated we basically have a couple options. The first is standing by the way the lease is written because we deem the legal fees are reasonable and not agreeing to split. This choice puts everything at a standstill and he stated he did not believe that was a good deal for anyone.

The second option would be to go with Keith Osgood’s idea, from the last meeting, which is to change the hospital district’s contribution amount to Essentia from \$200,000 to \$190,000 and this would keep the project moving forward.

Osladil stated he would need a motion. Osgood made a motion to change the \$200,000 contribution to a \$190,000 contribution and pay half the legal fees equaling \$10,110 per section 2.1j and modify the 2nd Amendment to the Facility Lease to include reasonable attorney fees in the amount equal to \$10,110. Second Levings. Discussion followed with Oaks indicating it was just a shifting of dollars. Olson stated he was correct but the shifting allowed the project to keep moving. Oaks stated it seemed "Mickey Mouse".

Sprado then brought up the situation if the motion reads as stated he could not vote in favor of it and he felt as if the contribution portion of the motion did not belong in this motion. Brown indicated she would like it to stay. Olson inquired as to whether the contribution is part of the lease paperwork. Sprado indicated it used to be part of it but had been taken out. Olson stated he agreed it then should not be a portion of this motion.

Osladil indicated there is a motion on the table and there would need to be an amendment to the motion. Sprado moved to amend the motion to say: Modify the 2nd Amendment to the Facility Lease for the legal fees reimbursable by Essentia to be an amount equal to \$10,110 per section 2.1j. Second Brown. Amended motion carried.

Osladil then explained the motion really is what was amended which excludes the first portion of the original motion so the amended motion is what was just voted on. He called for a vote to accept the \$10,110 deducted from the \$200,000 contribution. Motion carried.

APPROVAL OF THE LETTER OF AGREEMENT

Olson made a motion to change the Letter of Agreement to read the Landlord has agreed to pay the Tenant an amount of \$190,000 to be paid in four equal payments of \$47,500 per year for four consecutive years. Second Osgood. Motion passed 10/1 with Sprado voting against it.

APPROVAL OF FACILITY PLANS AND SPECS

Olson stated Linda Kvasnicka had questioned a detail involving the facility electrical services. Olson informed the board he had contacted Dave Fornengo regarding the electrical question and was informed they are currently getting the sizing of what is needed and that would be a separate service. Olson stated other than Linda's concern he had not heard anything from anyone else and his opinion is that the rest is okay. Olson made a motion to approve the plans and specs as presented. Second Klein.

Brown inquired as to whether the bank had received all the documentation they needed. Jeff Urban stated they had everything minus an ALTA Survey which Essentia is to provide them with. Olson asked Urban if he is correct in that Essentia is in the process of locating those documents. Urban stated that was correct. Brown questioned if the ALTA Survey would then become a part of the official plan package and was informed that it would be attached later. Sprado indicated it would need to be added prior to the project starting. Urban further explained at the completion of the project Essentia then provides an updated ALTA Survey of the campus.

Kvasnicka asked why the plans have not been signed. It was her understanding all official plans need to have a final sign off. Olson stated it was a good question and he would further investigate that.

Osladil called for a vote to accept the plans and specs as presented. Motion carried.

ADJOURN

Motion Olson to adjourn the meeting at 7:04 p.m. Second Sprado. Motion carried.

Submitted by Fran Levings, Board Secretary _____