

**SAUK CENTRE CITY COUNCIL
ST. MICHAELS HOSPITAL BOARD
SPECIAL MEETING
WEDNESDAY, MAY 5, 2010, 5:00 P.M.**

1. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The Sauk Centre City Council met in a Special Meeting on May 5, 2010 at 5:00 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present for the Council were Mayor Brad Kirkkof, Council Members David Thomas, Keith Johnson, Warren Stone and Al Coenen. Also present was City Administrator Vicki Willer.

Present for the Hospital Board were Chairman Dan Borgman, Board Member Dale Emmel, Board Member Joe Uphus and Board Member Marlene Otte. Also present was Hospital Administrator Del Christensen.

Present representing Lakeview Medical Clinic were Doctors Thomas, Haeg and Wigert. Also present was Clinic Administrator Mike Flicker

The purpose of this special meeting was to gather information and have discussion regarding various Affiliation Options for St. Michaels Hospital and Nursing Home.

2. APPROVAL OF AGENDA

Mayor Kirkkof confirmed that tonight's meeting is for information purposes only. He summarized that the health care business is rapidly changing and even more so now with the new national health care legislation. The City is looking at industry trends along with the impacts of the legislation to assure that local health care remains a viable option in Sauk Centre for many years into the future.

This meeting is the first exploratory step in looking at all avenues. We will hear a presentation by consultants working in the field of hospital operations and reorganization on what restructuring options are out there. No decisions will be made at this meeting.

3. REPORTS/PRESENTATIONS

Greg Hart, Larson Allen, presented a Power Point Presentation entitled "St. Michaels Hospital and Nursing Home Affiliation Options Discussion". He explained what are the motivators, why the City has brought this up for review, what are the implications of being City owned, and what other models could be used. He reviewed what trends are driving a closer collaboration of physicians with hospitals and what benefits could be realized. Options presented included 1) remain under the current model with the City owing the facility, 2) a partnership or sale with a larger "Allina" or "CentraCare" type system, 3) forming a new non-profit corporation to own or lease and operate the Hospital, Nursing Home and Clinic as one entity.

James Platt, Fredrickson & Byron, P.A. presented a Power Point Presentation entitled “Development of Integrated Health Systems” which focused on option three above by creating a new health system where the Hospital, Nursing Home and Clinic merge under a new non-profit corporation which would be one employer and one business, with the entities each having a membership on the new Board of Directors. The new non-profit would then purchase services from or employ the doctors and would involve either a purchase or a lease of the facility from the City. Platt also reviewed the implications to the existing employees and what would change for them should the business no longer be city owned and also property tax implications.

Mayor Kirckof explained that the next step is for the Council to consider the formation of a Review Committee to explore the options in more depth and report back. The structure of the Committee could be developed at the next council meeting with interested individuals appointed at a future meeting.

4. ADJOURNMENT

A motion was made by Council Member Thomas and was seconded by Council Member Stone to adjourn the meeting. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 6:03 p.m.

Respectfully Submitted,

Mayor Brad A. Kirckof

City Administrator Vicki M. Willer