

MINUTES OF THE SPECIAL PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
March 5, 2024

Pursuant to due call and notice thereof, a special meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Tuesday, March 5, 2024 at 5:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Dufault, Pearson and Mulry. Absent: None. Also present were: Cassie Heide, Sarah Manecke, Stephen Larson. Dyana Dunnigan, Bob Overmoe, Evan Fonder, Mark Finstad, Dr. Al Hurley, Callen Weispfennig, Tanner Goodrich, Carrie Danielson, Jim & Nina Palubicki, Sheila Teiken, Nina Bradfield, Amy Mulry, Ryan & Stephanie Laposky, Jacob & Kirby Vossler, Ruby McCoy, Kelly Sather, Eugene Maske, Laurie Burrack, Lori Hand, Joan Lee, Kim Spaeth, Jody Heide, Naomi Hagen, Nicole Kiesow, Norma Quam, Thomas Hill as well as other community members and Essentia Fosston employees.

The purpose of the special meeting was to update the public on the City of Fosston's dispute with Essentia Health in relation to the Affiliation Agreement and have a discussion with City Council regarding the current status of the dispute.

Attorney Stephen Larson took a few minutes to provide an update on the legal aspects of the dispute with Essentia Health. Larson explained that the 3-member arbitration panel has been selected and the hearing is set for July 8-11th. The arbitration panel will need to make a decision on three things; whether OB includes labor & delivery, whether Essentia is excused from providing OB services, and whether the agreement can be terminated by the city if Essentia does not resume delivery of babies. If the arbitration panel rules that Fosston can terminate the Affiliation Agreement, Larson indicated that the city has 30 days to do so. Offerdahl reiterated that the City Administrator and City Attorney have already been instructed by council to terminate the agreement should the arbitration panel rule in our favor. Essentia would continue to operate in good faith for approximately one year.

Task force members, Cassie Heide and Evan Fonder, indicated that in addition to OB, some of the other services that are no longer being provided in Fosston include A1C testing, orthopedics, and dermatology. Fonder has been asked by several community members, why is the dispute just about OB? He indicates that because OB was part of the 2009 Affiliation Agreement, that's where the dispute began when Essentia stopped delivering babies in Fosston. The task force recognizes that these other services are just as important to Fosston. If First Care Medical Services regains local control, a local board of directors would be established; thus, allowing for more growth opportunities. Offerdahl is confident that this hospital can do a lot more than what it's doing. Under local control, it would work to restore services that have been diminished over the years and work to gain more employees. Fonder has spoken with many other health care systems who are working with local, independent hospitals in an effective way. The task force has done its research and has consulted with firms who specialize in hospital/clinic transitions.

Nina Palubicki expressed her gratitude to our wonderful local hospital staff. Although it may be a rocky 12-month transition period, she is hopeful that staff would be willing to work with the

community. Jim Palubicki expressed concern that the City of Fosston's largest employer has seen a sharp decline in the number of employees over the past several years. This affects all local businesses, the school district, housing, and community members who depend on a local hospital for care. Palubicki urged the council to commit to these employees as we need them to keep our hospital going.

Eugene Maske inquired if the task force has considered a contract with another healthcare provider such as Sanford Health. Fonder indicated that local governance would not be given up again like it was to Essentia in the 2009 Affiliation Agreement. The local hospital administrator and Chief Medical Officer would have control over decisions that are being made, but a partial agreement of sorts could be considered with another healthcare provider. Based on his research and discussion with others, the trend for individuals coming out of school or moving from larger corporations is to work for independent hospitals, so he's hopeful that recruiting will be easier.

Many hospital employees expressed their frustration with the fact that their present employer, Essentia Health Corporation, has made no effort to communicate with them during this process or assure them that they will continue to be employed. Ruby McCoy, an Essentia employee, asked where this puts staff in the meantime. If the agreement is terminated and Essentia does not continue to operate in good faith during the transition, would there be any recourse? Attorney Larson indicated that according to the Affiliation Agreement, the city would be allowed recourse against Essentia. Kelly Sather, an Essentia employee, asked whether arbitration could happen earlier to which Larson said yes, but it's doubtful. The City of Fosston would like to move forward sooner, but it's been a challenge to find four consecutive days that works for both parties. Another Essentia employee expressed concern that smaller programs, such as population health, would be missed throughout this process. Offerdahl assured her that if the contract is terminated, a firm will be contracted to ensure that nothing is missed.

Heide informed the council and the public that consultants who have expertise in healthcare transitions will be enlisted to assist the city and task force in analysis that will provide the information needed to make educated decisions moving forward. She added that the hospital will not be run by the city, but by a local board of directors. Heide also added that there have been many hours spent by herself, council and the task force on this issue and it is being handled with great attention and detail.

Should First Care Medical Services regain control of the Fosston hospital, Mayor Offerdahl assured those present that our vision includes employing all present staff. Heide feels badly that Essentia Health Corporation has not kept employees informed like they should be.

There was no action of the council taken.

There being no further business to come before the council, motion was made by Dufault, seconded by Anderson to adjourn. Motion carried by unanimous vote.

Cassandra Heide, City Administrator