

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
November 26, 2024

A special meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Tuesday, November 26, 2024, at 8:00 a.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Pearson, and Mulry. Members absent: Dufault and Anderson. Also present was Cassie Heide and Amelia Linehan, Steven Lyseng, Callen Weispennig, Michelle Landsverk and Jacob Vossler.

Offerdahl stated the purpose of the special meeting was to consider the adoption of Resolution Authorizing Termination of 2009 Affiliation Agreement between ECHC, First Care Medical Services and City of Fosston.

Offerdahl informed the council that Anderson had reached out stating he was all for it and to terminate the contract. Dufault also reached out to Mayor Offerdahl with his comments as he was unable to attend the meeting. Dufault expressed that Fosston should move forward with a new health partner, and that Essentia terminated their participation of the agreement long ago and have since interpreted the courts ruling that they don't have to abide by the agreement. Dufault further expressed his concern in the cost, Essentia not cooperating in the termination and Essentia further stripping the facility of health services and assets.

Heide stated the legal firm will issue a notice today to Essentia's legal counsel and a press release has been prepared to inform the public.

Mulry expressed his concern about the costs and whether we have put a cap on what we will spend. Heide stated that she will be mindful and considerate of the expenses. Heide indicated that a recital could be added to the resolution to say that monthly expense reports on the costs associated with this litigation be provided to council monthly.

Offerdahl stated there is some uncertainty as to what Essentia's response will be. The prior argument pertained to the definition of OB. It was believed Essentia may restore Labor and Delivery, if that were the case, the city would not be in this position today. The arbitration resulted in a 2-1 decision, revealing a tougher argument. Offerdahl feels a new healthcare system should be brought to Fosston or the rewriting of the agreement with Essentia to allow for local decision-making.

Offerdahl indicated the dispute was specific to argue core services which includes Labor and Delivery. The City had a good case, in hindsight, core service is more difficult to define. Offerdahl stated the contract ends when it is terminated. Offerdahl noted the first round didn't cost as much as it could have, and he has faith in Heide to handle the financial management.

Offerdahl feels that the city's cash reserves are to be used for the public and this is a good use of funds to ensure Fosston can maintain a thriving healthcare campus as it once was. Heide stated the cost of not terminating and moving forward now could potentially multiply the cost in

the future based on the economic downfall of the community having a healthcare campus with stripped services.

Member Mulry introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING TERMINATION OF 2009 AFFILIATION
AGREEMENT BETWEEN ECHC, FIRST CARE MEDICAL SERVICES AND CITY OF
FOSSTON**

RESOLUTION 24-38

WHEREAS, the City of Fosston (the “City”) has a material interest in ensuring that access to adequate health care is preserved for the benefit of its citizens as a party to the Affiliation Agreement with ECHC, d/b/a Essentia Health (“Essentia”) and First Care Medical Services, a Minnesota nonprofit corporation (the “Affiliation Agreement”).

WHEREAS, the continued relationship contemplated by the Agreement is predicated on the mutually beneficial nature of the relationship and, more importantly, its ability to facilitate the delivery of superior, comprehensive health care to area residents.

WHEREAS, the City of Fosston finds and concludes that the Agreement is no longer mutually beneficial, and that terminating the Affiliation Agreement will promote the best interests of the public and help ensure access to adequate health care for Fosston’s citizens.

NOW, THEREFORE, the City of Fosston acting in accordance with applicable law and the Affiliation Agreement do hereby adopt the following resolutions:

RESOLVED that City of Fosston elects to terminate the Affiliation Agreement;

RESOLVED FURTHER, that in the event ECHC disputes the City’s action, the City of Fosston hereby authorizes the Fosston City Administrator and City Attorney to commence and take all necessary legal action against ECHC to ensure that the Agreement is terminated and ECHC transfers its membership interest in First Care to the City.

RESOLVED FURTHER, that the City Administrator will provide monthly cost reports to council related to the expenses of this legal matter.

RESOLVED FURTHER, that the Fosston City Administrator is hereby authorized to do and perform any and all such acts, including execution of any and all documents necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

The motion for the adoption of the foregoing resolution was duly seconded by member Pearson and upon vote being taken thereon the following members voted in favor thereof: Offerdahl, Mulry and Pearson.

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 26th day of November, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

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

Cassandra Heide, City Administrator