

Notice & Agenda

Swift County Board of Commissioners

Tuesday, September 3, 2019

9:00 AM

LEC Meeting Room – 301 14th St N, Benson, MN

If you need any type of accommodation to participate in this meeting, please contact the County Administrator at 320-314-8399 at least 48 hours prior to the meeting. Times are only estimates and items may be taken out of order.

<u>Time</u>	<u>Reference</u>	<u>Item</u>
9:00 a.m.		Call to Order and Roll Call
9:01 a.m.		Approve Agenda
9:02 a.m.		Consent Agenda
	1-3	(1) Minutes from the August 20, 2019 Regular Meeting
	4	(2) Consider approving of a tobacco licenses for the following business: Dollar General #20787 (Kerkhoven)
	5-6	(3) Consider approval of County Policies
9:04 a.m.		Consider Approval of Commissioner warrants and review Auditor warrants reviewed
9:05 a.m.		Commissioner and Board reports
9:25 a.m.		County Administrator report
9:30 a.m.		Citizens Comments
9:35 a.m.	7-22	Hospital Discussion
10:00 a.m.		Grow Building Update
10:10 a.m.		Other Business
	23-24	Presentation, review, and discussion of Swift County's Preliminary 2020 Budget and Levy
	25	Consider approving resolution 19-09-37 setting the 2020 Truth in Taxation meeting for December 4, 2019, at 6:00 PM
11:00 a.m.		CliftonLarsonAllen LLP
11:20 a.m.		Adjournment

SWIFT COUNTY BOARD MINUTES

August 20, 2019

Chairman Hendrickx called the meeting to order at 9:00 AM. with all members present. Also present: County Administrator Kelsey Baker, County Attorney Danielle Olson, Terri Orr, other county employees and members of the public.

Joe Tschida took the Oath of the County Assessor.

Chairman Hendrickx asked if there were any changes or additions to the agenda. Chairman Hendrickx had one change to add a Fiscal Agent Agreement under Catie Lee's Human Service update. There were no other changes.

08-20-19-01 Commissioner Fox moved and Commissioner E. Pederson seconded to approve the agenda as amended. Motion carried unanimously.

08-06-19-02 Commissioner P. Peterson moved and Commissioner Rudningen seconded to approve the Consent Agenda items: (1) Minutes from the August 06, 2019 Regular Meeting, (2) Approval of Safe Assurance Contract/Agreement October 1, 2019 to September 30, 2020, (3) Approval of Swift County Proclamation CareerForce. Motion carried unanimously.

08-20-19-03 Commissioner Rudningen moved and Commissioner Fox seconded to approve the Commissioner warrants as follows: County General Revenue, \$54,247.04; Solid Waste Fund, \$41,866.27; Road and Bridge, \$13,968.97; Human Services, \$302.84; County Ditches Fund, \$8,398.37; County Health Insurance, \$115.56; which includes the following bills over \$2,000: Albany Recycling Center, \$2,628.68; Counties Providing Technology, \$6,401.00; Craig's Inc., \$4,294.63; Dooley Petroleum, Inc., \$2,485.30; Guardian Fleet Safety, \$2,947.93; HP Inc., \$3,066.55; Johnson Jet-Line, \$5,375.00; Kandiyohi County Sheriffs Dept., \$7,271.97; MN State Auditor, \$5,121.57; Nolan Baker Ford Sales, \$3,879.94; Amy Olson, \$5,600.00; Pflipsen Trucking LLC, \$16,741.91; K. Van Heuveln Inc., \$2,640.04; Waste Management of WI -MN, \$13,033.59. Motion carried unanimously.

Board and Committee Reports were given as follows: Commissioner P. Peterson reported on 6W Corrections, Policy Committee, Countryside Public Health and Swift County Fair. Commissioner E. Pederson reported on the Census Board, Soil Water Conservation District and Swift County Fair. Chairman Hendrickx reported on 6W Corrections, Lead for America, Appleton Prison meeting and Swift County Fair. Commissioner Fox reported on Well-being Committee, Woodland Centers, Pomme de Terre, Chippewa River Watershed and Swift County Fair. Commissioner Rudningen reported on Well-being Committee, Enhancing the Organization Committee, Personnel Committee, Swift County Fair and Glacial Ridge Scenic Byway.

Chairman Hendrickx asked for citizen's comments. Gwen Dale had questions on the Building Project Committee meeting and commented on the landscaping being done around the Courthouse. Mark Hughes asked about the Swift County Fair and has concerns on Bond issues.

Andy Albertson presented an update on the Soil and Water Conversation District.

Executive Director Ashley Kjos presented an update on Woodland Centers.

Swift County Librarians Cindy Hendrickx and Nicole Schmiesing presented an update on the library

system.

The board recessed for a break at 10:32 AM.

The board reconvened at 10:37 AM.

Director Catie Lee presented the monthly Human Services update. A brief discussion was held.

Director Catie Lee requested approval of signing a Fiscal Agent Agreement.

08-20-19-04 Commissioner Fox moved and Commissioner P. Peterson seconded to approve signing the Fiscal Agent Agreement. A lengthy discussion was held. Motion carried unanimously.

Auditor Kim Saterbak requested approval to purchase a tax-forfeited property by the City of DeGraff.

08-20-19-05 Commissioner Rudningen moved and Commissioner P. Peterson seconded to approve purchase of a tax-forfeited property by the City of DeGraff. A brief discussion was held. Motion carried unanimously.

Administrator Kelsey Baker reported on the Notice for the Joint Hospital County/City Committee meeting, Preliminary Budget books, Building Committee, Active Shooter training, Personnel Committee and focusing on the Budget.

08-20-19-06 Commissioner E. Pederson moved and Commissioner Fox seconded to move to closed session to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to sections 179A.01 to 179A.25. Motion carried unanimously.

The regular session recessed to closed session at 10:53 AM.

The meeting reconvened to regular session at 11:25 AM.

Administrator Kelsey Baker requested approving the final report for the Market Study.

08-20-19-07 Commissioner Rudningen moved and Commissioner Fox seconded to adopt the suggested change to the pay plan shown on exhibit F from the board packet. This plan would be implemented on January 1, 2020. Motion carried unanimously.

Administrator Baker updated the board on the 2020 Budget.

08-20-19-08 Commissioner P. Peterson moved and Commissioner Rudningen seconded to adjourn. Motion carried unanimously.

Meeting adjourned at 11:55 AM.

WITNESSED:

Gary Hendrickx, Chair

ATTEST:

Kelsey Baker, County Administrator



Request for Board Action

BOARD MEETING DATE:
September 3 2019

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Auditor	REQUESTOR: Marlene Molden/Kim Saterbak	REQUESTOR PHONE: 320-843-4069
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Approval of tobacco licenses for the following businesses: Dollar General #20787 (Kerkhoven)	
AGENDA YOU ARE REQUESTING TIME ON: Consent Agenda	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: Tobacco licenses are required to be reviewed by the Board of Commissioners
BACKGROUND/JUSTIFICATION: Yearly renewal of tobacco license.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	The license has been reviewed by the County Attorney and County Sherriff. Both have signed off on the license. No violations of their license have been reported.

Budget Information

FUNDING: n/a

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Approval	RECOMMENDATIONS: Approval
COMMENTS: None	COMMENTS: None



Request for Board Action

BOARD MEETING DATE:
September 3, 2019

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Policy Committee	REQUESTOR: Catie Lee	REQUESTOR PHONE: 320-843-6301
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider Policy Review and Approval		
AGENDA YOU ARE REQUESTING TIME ON: Regular board	ARE YOU SEEKING APPROVAL OF A CONTRACT? No	
IS THIS MANDATED? Most are	EXPLANATION OF MANDATE: County Board action needs to be taken to review and approve Policies	
BACKGROUND/JUSTIFICATION:		
County Wide Policies		
Number and Name of Policy	Policy Purpose	Summary of Changes
201 Personnel Policy	Policy covers personnel process	Several changes to the policy. All changes are highlighted in yellow in the policy
204 Conflict of Interest	Provide guidance in identifying and handling potential and actual conflicts of interest	No change to the policy, just review
508 Credit Card Policy	Policy regarding acceptable use of county credit cards	No changes to the policy, just review
215 Acceptable Use	Policy and guidelines regarding the use of all electronic communications for conducting business for Swift County	No change to policy, just review
219 Swift County Tobacco-Free building Policy	Policy regarding the sale and use of tobacco products and electronic delivery devices in buildings that are owned, maintained or controlled by Swift County	No change to policy, just review
220 Swift County Social Media Policy	Establishes consistent standards for and ensures appropriate use of, official social media sites	No changes to policy, just review
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Click here to enter text.		

Budget Information

FUNDING: NA

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Click here to enter text.	RECOMMENDATIONS:
COMMENTS: n/a	COMMENTS: Click here to enter text.

Affiliation Recommendations

Submitted to the SCBH District Board

by the

Strategic Planning Committee

and the

SCBHS Affiliation Workgroup

August 26, 2019

Agenda

- Brief Review
- Summary of Discussions and Findings
- Recommendations
- Next Steps

Brief Review

- May 23, 2019: Hospital District voted to proceed with Affiliation Talks
 - Delegated work to Strategic Planning Committee
 - Established Steering Committee and Negotiating Work Group
- Multiple meetings over June, July, August
 - Work Group, Steering Committee – identified key agreement preferences and terms
 - City/County officials reviewed options, issues and preferences
 - ROI Board, to clarify its preference
 - Foundation Board, to clarify its preference
 - CCH and Carris senior leadership to understand their view of SCBHS and the future of rural health care
- Finalized Financials: with ROI, without ROI
- Began review of bond covenants to determine any limitations – *still in progress*
- Selected James Platt as attorney to represent District interests
- Draft LOI developed
- TODAY: Informing District of LOI terms to prepare for approval on September 3, 2019

Recap from May Board Meeting

The Swift County Benson Board of Directors conducted a thorough strategic planning process to determine how best to position the organization for long-term success, which included:

- Reviews of healthcare trends, area demographics and the five key domains of Quality, Financial Services, Service Offerings, Facility and Technology, and People;
- Engaging unbiased financial experts to prepare future scenarios regarding the organization's financial performance;
- Conducting several employee and public forums to inform and seek input from the staff and the community;
- Holding meetings with the Benson City Council and the Swift County Commissioners;
- Seeking input from representatives from organizations that have gone through similar processes;
- Receiving positive results from a PERA study of the pension plan if the organization were to move from its public employer status; and
- Reviewing data regarding organizational relationships and options;

All of the above activity provided clear evidence that SCBH's future would be best secured if it were to affiliate with CentraCare Health System and its wholly owned subsidiary, Carris Health;

ACTION REQUESTED: The Board hereby authorizes the Strategic Planning Committee to conduct negotiations with CentraCare officials with the goal of developing affiliation plan with details that would be subject to final approval by the City Council, County Commissioners, and District Board.

Affiliation Topics

- Performance Expectations
- Financial Viability
- Capital Investments
- Employees and Representation
- Medical Staff Recruitment and Retention
- Bond Covenants
- City/County Preferences
- Lease vs Acquisition
- Organizational Model
 - Affiliation Through CentraCare or Carris
- Services
 - Hospital, Clinic, Ambulance, ROI (Scandi Haven Village), Foundation
- Governance
 - District
 - Community Involvement



Committed to Community. Dedicated to Your Health.

Updated Financial Performance Most Likely Scenario Includes ROI

Source: CLA Model

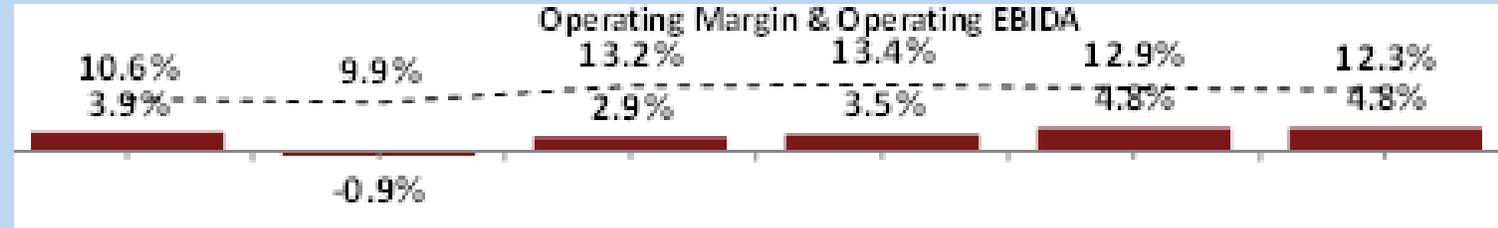
**CONSOLIDATED
Income Statement
Years Ending December 30
(\$ in Thousands)**

(\$ in Thousands)	2018	2019	2020	2021	2022	2023	2024
OPERATING REVENUES							
Net Patient Revenues	\$ 15,872	\$ 17,204	\$ 21,161	\$ 22,273	\$ 23,039	\$ 23,527	\$ 23,974
Other Operating Revenues	370	630	643	655	669	682	696
Total Operating Revenues	16,242	17,834	21,804	22,929	23,707	24,209	24,670
Operating Revenue % Change		9.8%	22.3%	5.2%	3.4%	2.1%	1.9%
OPERATING EXPENSES							
Labor Expense	7,814	7,704	10,057	10,613	10,953	11,245	11,540
Other Expense	7,326	8,244	9,595	9,287	9,576	9,831	10,091
Total Non Capital Expenses	15,140	15,948	19,652	19,900	20,529	21,076	21,631
Operating EBIDA	1,102	1,885	2,152	3,028	3,178	3,133	3,039
Operating EBIDA %	6.8%	10.6%	9.9%	13.2%	13.4%	12.9%	12.3%
Depreciation & Amortization	955	846	1,549	1,642	1,663	1,315	1,247
Interest Expense	325	347	809	713	681	648	611
Total Operating Expenses	16,420	17,141	22,010	22,255	22,874	23,039	23,489
Operating Margin	(178)	692	(206)	673	833	1,170	1,181
Operating Margin %	-1.1%	3.9%	-0.9%	2.9%	3.5%	4.8%	4.8%
NON-OPERATING, NET							
Investment Income	0	31	227	265	348	419	479
Unrealized Gains (Losses)	0	0	0	0	0	0	0
Other Non Operating	(279)	0	0	0	0	0	0
Tax Revenues (gov't only)	0	0	0	0	0	0	0
Lease Administrative Costs	0	0	0	0	0	0	0
Non-Capital Contributions	0	100	100	100	100	100	100
Total Non-Operating, Net	(279)	131	327	365	448	519	579
NET MARGIN	\$ (457)	\$ 823	\$ 120	\$ 1,038	\$ 1,281	\$ 1,689	\$ 1,760
Net Margin %	-2.9%	4.8%	0.6%	4.7%	5.6%	7.2%	7.3%

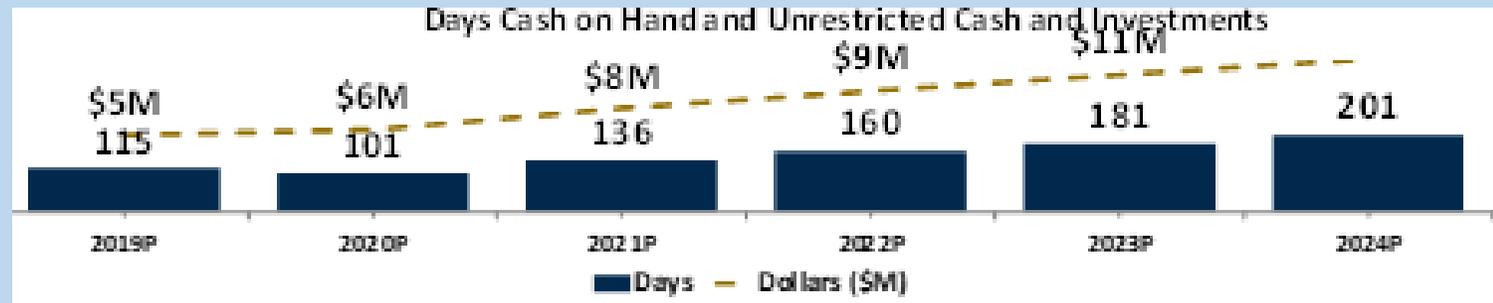
See summary of significant assumptions.

KEY FINANCIAL MEASURES

Operating Margin & Operating EBIDA



Days Cash on Hand & Unrestricted Cash & Investments



Debt Service Coverage (MADS)





Committed to Community. Dedicated to Your Health.

Letter of Intent

Summary of Key LOI Terms

Goals

- Preserving and supporting the legacy of local health care
- Enhance care delivery and improve coordination
- Recruit and retain appropriate mix of providers
- Access to integrated health record, advanced IT and analytics
- Improve access to capital and financial stability
- Improve overall health of the community

Continued...

Summary of Key LOI Terms

...continued

- District to lease all real property and assets to Carris, a wholly owned subsidiary of CentraCare Health, which will guarantee the obligations of Carris (CCH/Carris)
 - 30-year term, option for additional 30-year term
 - District to retain ownership of all leased assets
 - Transfer of ownership language included
 - Termination language included
- District to assign contracts to CCH/Carris
- District employees to be offered CCH/Carris employment (subject to certain eligibility requirements and new terms and conditions of employment)
- Includes Hospital, Clinic, Ambulance, ROI (Scandi Haven Village)

Continued...

Summary of Key LOI Terms

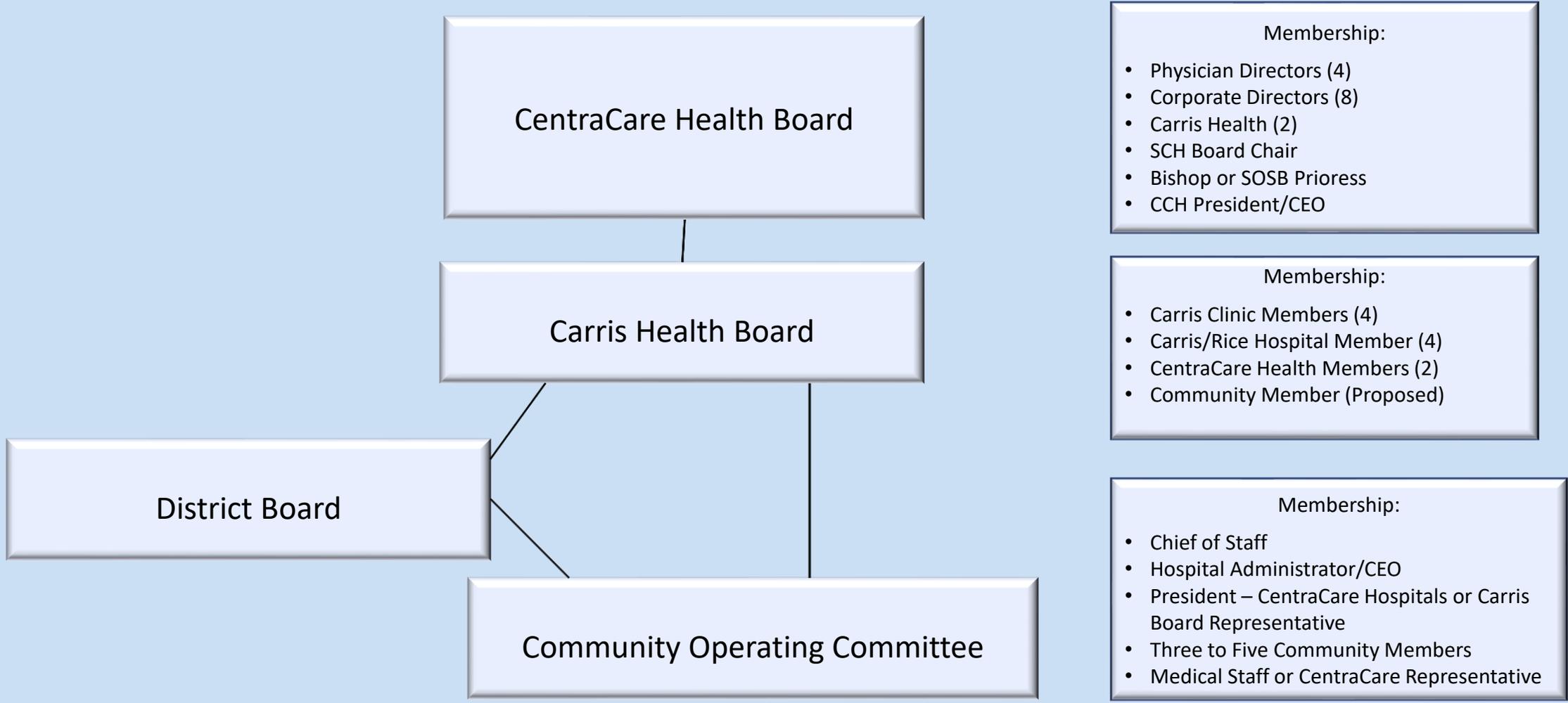
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- Foundation's relationship to be defined via merger or contract for services with CCH/Carris
- Foundation funds raised locally remain local
- CCH/Carris to assume District's liabilities, fund District's bond payments; CCH/Carris to assume responsibility for general operations, maintain facilities
- CCH/Carris will meet all compliance, licensure, regulatory obligations
- CCH/Carris to maintain mutually agreed on list of core patient care services with requisite number of primary and specialty providers
- CCH/Carris to install Epic in 2020
- CCH/Carris to invest capital to improve Emergency entrance, building infrastructure, and medical equipment replacements by 2022 and from then on a similar rate as all other CCH-affiliated community hospitals

Governance Model

- District continues to exist, retains ownership, and monitors CCH/Carris performance
- Local Operating Committee appointed by CCH/Carris with delegated responsibilities
 - Ensures the appropriate provision of healthcare services
 - Endorses strategic plan, operating and capital budgets and monitors performance
 - Assists with selection and evaluation of local administrator(s)
 - Approves professional staff and quality activities
 - Approves Community Health Needs Assessment
 - Annually evaluates the committee and members' performance
 - Nominates Committee members and officers
 - Communicates to District Board
- Seat on Carris Board

CARRIS HEALTH GOVERNANCE STRUCTURE



Next Steps and Timetable

- Employee Forums: August 27
- August 28 Joint Bond Counsel Meeting
- Obtain LOI Approval
 - District: September 3
 - City and County Joint Meeting: September 9
 - CCH Finance: September 9
 - Carris Board: September 11
 - CCH Board: September 12
- Draft Final Language and Legal Documents
 - September - December
- Integration Work
 - September - December
- Obtain Final Approvals From All Parties
 - December meetings
- Affiliation Occurs January 1, 2020

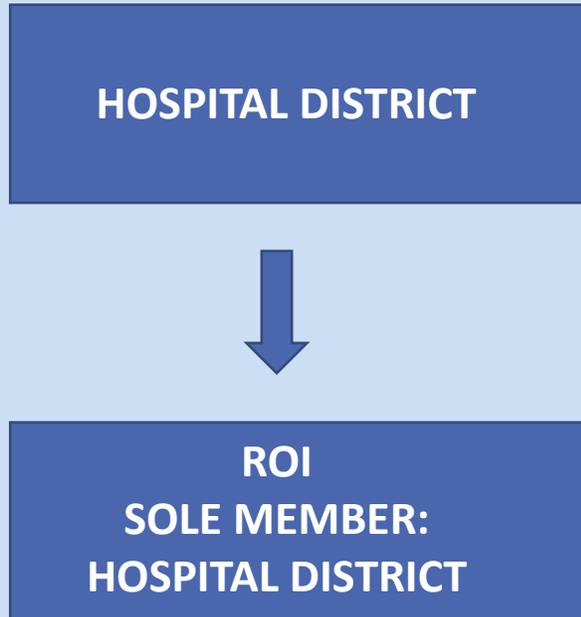
IMPACT TO CITY & COUNTY

- Hospital District remains intact
 - County & City continue to appoint Board members
 - Role of District Board is to ensure the Agreement is honored
- Hospital bonds will remain in place with the District
 - Lease payment will cover bond payments
 - G.O. pledge remains intact for 2014 bonds
- Direct loan from County will be assigned to new entity

LETTER OF INTENT (LOI)

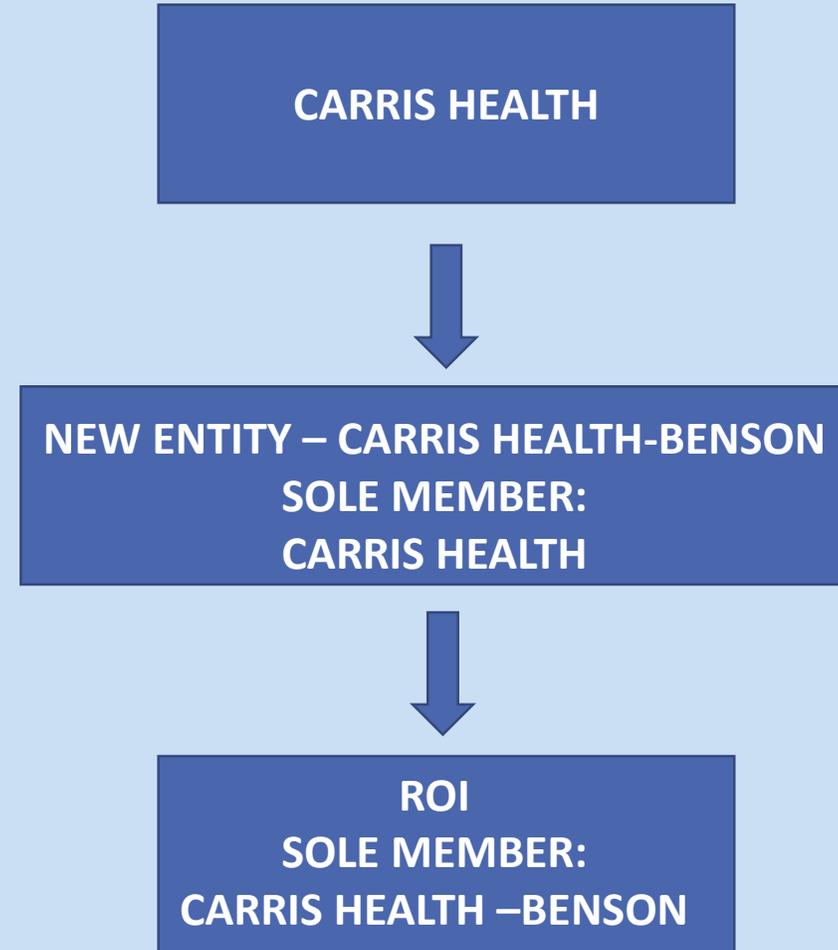
- Non-binding
- Approval of City and County, required by the District Bylaws, will be requested when the full affiliation agreement is complete

CURRENT



LEGAL ENTITY STRUCTURE

WITH AFFILIATION





Request for Board Action

BOARD MEETING DATE:
September 3, 2019

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Administration	REQUESTOR: Kelsey Baker	REQUESTOR PHONE: 320-314-8399
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Presentation, review, and discussion of Swift County's Preliminary 2020 Budget and Levy	
AGENDA YOU ARE REQUESTING TIME ON: Other Business	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: The County Board is required to approve preliminary levies and budgets prior to September 30. They are also required to set the TNT meeting by September 30.
BACKGROUND/JUSTIFICATION: The full budget and supporting document on the preliminary 2020 Budget and Levy is included in the supplemental material. The board is asked to review and discuss the proposed preliminary budget and levy. Action will be requested to be taken by the Board's September 17 meeting.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	None

Budget Information

FUNDING: n/a

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Was not submitted for review	RECOMMENDATIONS: Review and discuss
COMMENTS: n/a	COMMENTS: None

RESOLUTION 19-09-36

**CHANGE OF DATE FOR THE 2019 SWIFT COUNTY
BOARD OF COMMISSIONERS' MEETING SCHEDULE**

Motion by Commissioner _____ Seconded by Commissioner _____

WHEREAS, that the Swift County Board of Commissioners shall hold the December 4, 2019 meeting on Tuesday, December 3, at 5 PM.

BE IT RESOLVED, that the Swift County Board of Commissioners change the date back to a regular Tuesday, because of the AMC annual conference.

Adopted on a _____ vote by the Swift County Board of County Commissioners the 3rd day of September 2019.

Swift County Board of Commissioners

Gary Hendrickx, Chairman

ATTEST:

Kelsey Baker, County Administrator
Clerk of the Board

RESOLUTION 19-09-37
SETTING PAYABLE 2020 TRUTH-IN-TAXATION HEARING

Motion by Commissioner _____ Seconded by Commissioner _____

WHEREAS, pursuant to Minnesota Statute, the County is required to set and hold a Truth-in-Taxation public hearing.

THEREFORE BE IT RESOLVED that the Swift County Board of Commissioners hereby moves the December 3, 2019 regular 9:00 AM Swift County Board of Commissioner meeting to start at 5:00 PM; and

BE IT FURTHER RESOLVED that the Swift County, Minnesota, Payable 2020 Truth-in-Taxation hearing shall be at 5:00 PM on Tuesday, December 3, 2019.

Adopted on a _____ vote by the Swift County Board of County Commissioners the 3rd day of September 2019.

Swift County Board of Commissioners

Gary Hendrickx, Chairman

ATTEST:

Kelsey Baker
County Administrator