



~Approved 3/31/2026~

Regular Board Meeting

Tuesday, February 24, 2026

9:00 a.m.

Board Room & Microsoft Teams

Board Members Present:

Greg Anselmo – Itasca County Unorganized
Clinton Cook – Bigfork Township
Greg Cook – Koochiching County Unorganized
Kurt Fredrickson – Stokes Township
Carol Gilbertson – Itasca County At-Large
Tom LaMont – City of Effie
Gordon Rahier – Pomroy Township
Larry Salmela – Carpenter Township
Sally Sedgwick – Wirt Township
Dan Sursely – City of Big Falls
Heidi Watson – Koochiching County At-Large

Board Members Remote:

None

Board Members Absent:

Dan Heinecke – City of Bigfork
Teresa Kittridge – Marcell Township

Staff Members Present:

Samantha Beckner, Nathan Hough, Heidi Powell, Renee Tower

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Staff Members Remote:

Nelly Becker, Kyle Buckingham, Alex Cleath, Randy Collins, Sara Elioﬀ, Josh Kinn, Jennifer Rissanen, Londa Storlie

Others:

Clif Block, Ellen Bomstad, Julia Collins, Jack Hillstrom, Jennifer Hollinday, Bernie Hough, Dan Heinecke, Dawn Kern, Teresa Kittridge, Christopher Virta

Note: Board members Dan Heinecke and Teresa Kittridge joined the meeting online as community members; Minnesota Statute 13D.02 requirements for remote attendance were not met.

The meeting was called to order at 9:03 a.m. by Chair Clinton Cook. The meeting opened with a prayer.

A. Community Comments (3 minutes/speaker)

There were no community comments.

B. Approval of Consent Agenda

1. Agenda
2. Regular Board Meeting Minutes 1/27/2026

Carol Gilbertson made a **motion** to add “Cybersecurity Lawsuit Update” to the agenda following item 11. Kurt Fredrickson seconded. The motion passed unanimously.

A **motion** to approve the consent agenda was made by Kurt Fredrickson and seconded by Gordon Rahier. The motion passed unanimously.

C. Information, Discussion and/or Action

1. Finance Committee Report

Treasurer Kurt Fredrickson summarized the Finance Committee meeting held Feb. 17, 2026.

CEO Nathan Hough reported that the January 2026 financial report was unavailable due to a malfunction in the data source program used to generate the report. As a result, no January financial statements were presented.

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Bigfork Valley plans to go live with Multiview next week, with the goal of presenting January and February financials at the next board meeting.

A volume indicator summary was provided for review.

Days cash on hand remain consistent with the December financial report.

The unaudited Debt Service Coverage Ratio as of Dec. 31, 2025, is 1.92. This figure may change following audit completion. The debt covenant requirement with the National Bank of Commerce is 1.2 or greater.

In June 2025, a change to the accounts payable process affected reported AP balances. Since the change, balances have ranged from approximately \$500,000 to just over \$1 million. As of Feb. 19, accounts payable totaled \$906,330.42.

Nathan noted recent cash flow challenges but reported improvement.

The board requested a detailed aging report (30, 60, 90+ days). Nathan confirmed some accounts are on hold, including some exceeding 90 days.

Nathan provided a preliminary estimate indicating January may reflect an operating loss of approximately \$400,000.

a. Financials

The January 2026 financial report was not available for review.

b. Accounts Payable

The Finance Committee made a **motion** to approve the January accounts payable. After discussion, the motion was seconded by Greg Cook and passed unanimously.

It was noted that outstanding accounts payable are reflected under current liabilities on the financial statements.

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2. Line of Credit

Nathan Hough provided an update on Minnesota's proposed Year One Rural Health Transformation Program funds.

Two allocation options are under consideration:

Option 1: Equal distribution among 95 rural hospitals after the state retains its share, estimated at approximately \$1.4 million per hospital.

Option 2: Partial equal distribution with remaining funds available through a competitive application process.

Funds are anticipated to be available in late April. Electronic medical record (EMR) expenses would qualify for use.

Proposals for a loan/line of credit were reviewed from the National Bank of Commerce (one-year loan at 7% with 1% origination fee) and from Baird (line of credit SOFR + 3%, secured by investments). Interest paid through Baird would be applied to the cost report.

Larry Salmela made a **motion** to approve a \$1 million line of credit with Baird. Heidi Watson seconded. The motion passed unanimously.

The line of credit will be included as a standing agenda item with monthly updates. Nathan intends that it will only be used with confirmed incoming revenue and will not affect debt covenants.

3. Update Bank Resolutions

Carol Gilbertson made a **motion** to remove Darla Anderson and authorize the following individuals as signers at the First State Bank of Bigfork and the National Bank of Commerce:

- Nathan Hough, CEO
- Clinton Cook, Board Chairman
- Kurt Fredrickson, Treasurer
- Amanda Niemala, Director of Revenue Cycle
- Jennifer Rissanen, Director of Nursing

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Powers Granted:

- Nathan Hough, Clinton Cook and Kurt Fredrickson are authorized to exercise all the powers listed in the resolution.
- Amanda Niemala and Jennifer Rissanen are authorized to endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on the deposit with these financial institutions.

Transfers between accounts at the First State Bank of Bigfork require one signature.

Two signatures are required to exercise powers at First State Bank of Bigfork. National Bank of Commerce does not monitor two-signature requirements.

Heidi Powell, Alexandra Cleath and Brandon Francisco are authorized to receive account information. Renee Tower is authorized to access safe deposit boxes at the First State Bank of Bigfork.

Greg Anselmo seconded. The motion passed unanimously.

4. **Quarterly Strategic Action Plan Update**

Nathan Hough reviewed the quarterly strategic action plan. New items were highlighted.

5. **CEO Report**

CEO Nathan Hough provided the following updates:

EMS Services

- Bigfork Valley began providing EMS services Jan. 1, 2026. There were 23 ambulance runs in January. A Minnesota EMS inspection is scheduled this week and next week. Shift coverage has improved significantly.
- Non-emergent medical transportation (NEMT) services continue to expand and are growing faster than anticipated, with transport requests scheduled through June.
- Justin Root has accepted the position of EMS manager and began in the role last week.

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Services

- Due to ongoing EMR implementation, efforts to add new specialty services are temporarily paused. Nathan will continue to evaluate strategic opportunities as they arise.
- Optometry outreach services are no longer being provided. Nathan is exploring options to reestablish this service.
- Dermatology services are now offered twice monthly and have transitioned to the main specialty clinic.
- OB/GYN outreach services continue monthly through Dr. Johnson of Grand Itasca and Dr. Bader of Sanford Bemidji.
- Bigfork Valley received its first performance evaluation from Healogics for wound care services. The organization earned a Platinum designation for overall patient outcomes. Platinum ratings were also received for trauma, venous and pressure wound categories. Nathan recognized Dr. Baich and the wound care team for their performance.

EMR Update

- Super user training will conclude next week.
- Scheduling for end-user training has begun. Live training sessions will be conducted from mid-March through early May.
- OCHIN is on-site to initiate User Acceptance Testing (UAT), which will continue virtually for three to four weeks.
- Interface development is underway with multiple third-party vendors, including Mindray, Telcor, Omnicell, Multiview and Dragon Dictation.
- Internal teams are developing workflow documentation and supplemental training materials to support staff readiness.
- Technical Dress Rehearsal (TDR) is scheduled for late April to test hardware, software and integrations prior to go-live.

AFSCME Union

- A new three-year agreement with the AFSCME union has been fully executed.

In response to a board question, Nathan confirmed that certified nursing assistant (CNA) wages are competitive with surrounding facilities.

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A one-year agreement at a cost of \$120,000 was executed with Casey Peterson, LTD to provide CFO services and support the Multiview implementation. The agreement will be reevaluated in six months. Mark Lyons will serve as the primary contact and will participate in finance and board meetings.

Fixed-wing aircraft are temporarily unable to land due to airport weather station upgrades.

The Governance Committee will review policies referencing a CFO position and the Executive Succession policy.

6. Ad Hoc Committee to Plan Annual Meeting

A **motion** to establish an ad hoc committee to plan the annual meeting was made by Heidi Watson and seconded by Carol Gilbertson. The motion passed unanimously.

Carol Gilbertson, Sally Sedgwick, and Dan Sursley volunteered to serve on the committee.

Sally will present a proposed plan at the next board meeting.

7. Governance Committee Report

Carol Gilbertson summarized the Governance Committee meeting held Feb. 17, 2026.

The committee developed draft documents for the following: Board Governance Guidelines, Board Member Job Description and Model Script for the Chair. The drafts were distributed to the board for review.

8. Legislative Education Committee Report

Sally Sedgwick summarized the Legislative Education Committee meeting held Feb. 17, 2026.

9. Executive Evaluation & Compensation Committee Report

Clinton Cook summarized the Executive Evaluation & Compensation Committee meeting that was held Jan. 27, 2026. Seven CEO evaluations have been received.

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10. QAPI Committee Report

The QAPI Committee meeting was held Jan. 28, 2026. Neither Larry Salmela nor Dan Sursely were able to attend.

11. Employee Appreciation

The board recognized the following employees for exceptional performance: Madysen Tendrup, Zion Forseen, Randy Collins, James Parks, Cole Perry, Matt Knealing, and Ivory David. Each employee will receive a \$25 appreciation gift certificate.

A **motion** to approve the nominations was made by Greg Anselmo and seconded by Greg Cook. The motion was carried unanimously.

12. Cybersecurity Lawsuit Update

CEO Nathan Hough provided an update regarding the cybersecurity class action lawsuit related to a prior email breach that was reported to the Office for Civil Rights.

Mediation was held in the Twin Cities following the January board meeting. Representatives from the plaintiff group, insurance carrier, legal counsel and a mediator were present. Mediation did not result in a settlement.

Hough anticipates receiving a deposition schedule next week. If the case proceeds to trial, the next available court date is in June.

Settlement discussions initially involved approximately \$150,000. A subsequent counteroffer increased that amount to approximately six times the original figure.

The organization maintains insurance coverage through Tokio Marine (Houston Casualty Company). Hough reported sufficient insurance coverage; however, the organization may still carry potential exposure depending on final resolution.

The individual responsible for the email breach remains unknown.

It was reported that Darla Anderson identified unusual activity on her computer and reported concerns promptly.

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Security measures have been enhanced, including additional protections within Microsoft Office 365. IT has monitoring capabilities in place. No additional training has been deemed necessary at this time.

No additional cybersecurity incidents have been identified since the original event.

Nathan confirmed the organization has not been served with any other lawsuits.

13. Board Meeting Agenda Topics for Next Month

Board members requested the following items be included on next month's agenda:

- Department Report: Heidi Powell (Human Resources)
- Bob Hume, Minnesota Hospital Association
- Line of Credit (monthly update)

A future agenda item will include a department report from Justin Root (EMS).

A board member requested that an Accounts Receivable Trend Report (two-year comparison) be provided for board review at the next meeting.

14. Open Discussion

There were no items brought forward for open discussion.

With no further business, a **motion** to adjourn was made by Sally Sedgwick and seconded by Gordon Rahier. The meeting adjourned at 10:56 a.m. The motion passed unanimously.

Minutes respectfully submitted by:

Renee Tower

Executive Administrative Assistant

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