



~Approved as Amended 4/28/2026~

Regular Board Meeting

Tuesday, March 31, 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
Dan Heinecke – City of Bigfork
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:

Teresa Kittridge – Marcell Township

Board Members Absent:

None

Staff Members Present:

Nathan Hough, Renee Tower

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Staff Members Remote:

Jessica Anderson, Nelly Becker, Samantha Beckner, Annette Buckingham, Alex Cleath, Sara Elioff, Katie Gilbertson, Sherry Jaryszak, Josh Kinn, Heidi Powell, Jennifer Rissanen, Londa Storlie, Ashlee Snyder

Others:

Ellen Bomstad, Jack Hillstrom, Jennifer Hollinday, Bernie Hough, Mark Lyons, Alec Rolain, Christopher Virta

The meeting was called to order at 9:04 a.m. by Chair Clinton Cook. The meeting opened with a prayer.

A. Community Comments (3 minutes/speaker)

Ellen Bomstad, community member, shared a positive patient experience following a recent total knee replacement at Bigfork Valley. She reported the surgery went well and praised the staff and therapy services, expressing appreciation for the care received.

B. Approval of Consent Agenda

1. Agenda
2. Regular Board Meeting Minutes 2/24/2026
3. Medical Staff Meeting Minutes 11/18/2025
4. Credentialing

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

C. Information, Discussion and/or Action

1. Finance Committee Report

Treasurer Kurt Fredrickson summarized the March 24, 2026, Finance Committee meeting. Complete financial reports for January and February were not yet available. Questions and discussion from the committee meeting are documented in the Finance Committee minutes included in the board packet.

February financial statements are expected within approximately one week. Mark Lyons reported that February will be the first month of financial reporting from the new Multiview system. Delays are attributed to typical reconciliation challenges associated with system

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conversion. Additional challenges are anticipated with the implementation of materials management in March, followed by bank reconciliation and the future Epic transition.

Nathan Hough reviewed accounts receivable and reported significant delays in Medicare payments compared to the same period in 2025. Outstanding Medicare receivables have increased. The delays are attributed to Medicare process changes. Hough noted that timely payments would have resulted in approximately \$1 million in additional cash on hand.

a. Introduction of Mark Lyons, Financial Services (Casey Peterson, LTD)

Nathan Hough introduced Interim CFO Mark Lyons of Casey Peterson, LTD, who is assisting with financial services and the Multiview implementation.

b. Financials

The Board reviewed a February dashboard limited to volume indicators, along with a consolidated balance sheet and statement of operations for January.

Due to the Multiview implementation, the financial report remains incomplete. Financial statements for January and February were not approved.

c. Accounts Payable

The Finance Committee made a **motion** to approve the February accounts payable. After discussion, the motion was seconded by Sally Sedgwick and passed unanimously.

In response to a board inquiry, Alex Cleath confirmed that credit card balances are paid in full each month via ACH.

A board member inquired about anesthesia services, noting the absence of CARE on the accounts payable list. Nathan Hough reported that the agreement with CARE has ended. Current coverage is being provided by CRNAs who previously supported services. Hough also stated he plans to meet with

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Robb Pastor of Rainy Lake Medical Center to explore potential collaboration opportunities to improve service coverage and cost efficiency.

2. Resolution Authorizing Line of Credit

The board discussed terms and implications of establishing a \$1 million line of credit with TriState Capital Bank, including interest rates, collateral requirements, and potential restrictions on investment accounts. Members expressed the need for clarification.

Nathan Hough stated the line of credit would be used for short-term operational needs and cash flow timing rather than long-term financing.

Following closed session, Hough shared clarification received via email from Baird indicating the hospital would retain access to non-collateralized funds. The pledge ratio is typically up to 60%, meaning that if the full \$1 million line of credit were utilized, approximately \$2.4 million in additional capital would remain accessible.

Dan Heinecke made a **motion** to approve the Resolution Authorizing Line of Credit and Pledge of Cash Collateral with TriState Capital Bank in an amount not to exceed \$1,000,000. Gordon Rahier seconded the motion. The motion passed unanimously.

3. Propane System Upgrade

Nathan provided a quote from Rainy Lake Oil to upgrade the facility's propane system. The proposal includes installation of two Algas-SDI TX240 electric vaporizers and bringing the system into code compliance. The total contract price is \$197,750.99, which includes electrical work, boring, construction, and connection from existing tanks to the building. The price is subject to change based on unforeseen conditions.

Board members requested an additional quote for the project and noted concerns regarding the open-ended cost language. Cenex (Northern Star Co-op) was suggested as an additional vendor to be contacted.

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Following discussion, a **motion** was made by Greg Anselmo and seconded by Sally Sedgwick to table the Propane System Upgrade until the next meeting. The motion passed unanimously.

4. Update Bank Resolutions

Nathan Hough reviewed an updated corporate authorization resolution for First State Bank of Bigfork.

A **motion** was made by Carol Gilbertson and seconded by Dan Heinecke to approve the updated corporate authorization resolution for First State Bank of Bigfork as presented. The motion passed unanimously.

The following individuals were authorized as noted:

- Heidi Powell, Ashley Shearen, Jennifer Francisco, and Roxanne Christie are authorized to receive account information and have view-only access to online banking.
- Brandon Francisco and Alexandra Cleath are authorized for online banking access, including the ability to initiate transfers between First State Bank accounts.
- Renee Tower is authorized to access safe deposit boxes.

5. Resolution Authorizing 5310 Vehicle Insurance Application

A **motion** was made by Heidi Watson and seconded by Kurt Fredrickson to approve the resolution authorizing application for 5310 vehicle insurance. The motion passed unanimously.

6. CEO Report

CEO Nathan Hough provided the following updates:

EMS Services

EMS operations are progressing well. The service completed 19 runs in February, including five transfers and 14 911 responses. Justin Root has attended township meetings to share plans for BLS, ALS and NEMT services, which have been well received.

Most payer credentialing has been completed, and the first payment was received March 19 from Blue Cross Blue Shield for a Jan. 16 run.

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With NEMT credentialing nearing completion, the organization expects Medical Assistance reimbursement soon and is working with a local resident to test the process.

EMS services was awarded a \$150,000 Blandin Foundation grant March 25 to offset first-year operational costs. Funds are expected shortly after June 1. Efforts to become an EMS training center for first responders and EMTs are underway, with the state application nearing submission and clinical training site agreements in progress. Work on the ALS application is ongoing.

Justin Root has been hired as manager of EMS/NEMT. The ambulance service budget projected an average of approximately 20 runs per month.

Services

Due to the ongoing EMR implementation, efforts to add new specialty services are temporarily paused.

A psychiatric nurse practitioner candidate was interviewed, and a potential onsite visit is being arranged. If selected, a start date would likely be in the summer.

Availability of some specialty providers has recently been limited due to individual circumstances. Coverage is improving; however, the return-to-work date for one key surgeon remains uncertain. Dr. Lemker has added additional days to help meet coverage needs.

A new CT machine has been installed and is now in service. The MRI agreement has also been renewed to bring a new large-bore MRI unit to Bigfork.

EMR Update

End-user training is underway and will continue through early May.

Preparation continues for the Technical Dress Rehearsal planned for late April.

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The organization was also awarded a \$100,000 Blandin Foundation grant March 25 to support help desk startup costs. The funds will be distributed in two installments: \$50,000 in June 2026 and \$50,000 in March 2027.

Rural Health Transformation Funds

Hough reported that recently received guidance on Rural Health Transformation Funds (RHTF) was disappointing and did not align with prior information shared through the Minnesota Hospital Association. He and Sandra met with a representative, who confirmed that EMR implementation costs are not eligible for reimbursement under the program.

Easter festivities are planned for Friday at 2 p.m., and the community is invited to attend. Activities will include an egg hunt for children in the Aspen/Villa area.

Hough reported he will be out of the office from April 2 through April 7 and will remain available by cell phone during that time.

7. Governance Committee Report

Carol Gilbertson summarized the March 24, 2026, Governance Committee meeting.

a. Executive Succession and Transition Policy

Following review, a **motion** was made by Greg Cook and seconded by Heidi Watson to approve the Executive Succession and Transition Policy as presented. The motion passed unanimously.

b. Annual Meeting Committee Charter

Following review, a **motion** was made by Sally Sedgwick and seconded by Kurt Fredrickson to approve the Annual Meeting Committee Charter as presented. The motion passed unanimously.

A budget for the annual meeting will be presented at a future meeting. Committee members include Sally Sedgwick, Carol Gilbertson, and Dan Sursey.

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c. **Conflict of Interest Abatement Plan**

The board reviewed a document titled “Board Member Conflict of Interest Abatement Plan.” The document serves as a resource for addressing conflicts that arise during the year that were not identified on the annual conflict of interest disclosure completed by board members at the beginning of the year.

8. **Annual Meeting Planning Update**

There was no discussion.

9. **Legislative Education Committee Report**

Sally Sedgwick summarized the Legislative Education Committee meeting held Mar. 24, 2026.

She reported on recent legislative topics, including the governor’s supplemental budget, the 340B drug pricing program, and Rural Health Transformation funding.

Discussion emphasized the importance of the 340B program to rural hospitals. Board members were encouraged to communicate support for the program to state legislators.

10. **Employee Appreciation**

The board recognized the following employees for exceptional performance: Brian Reardon and Renee Tower. Each employee will receive a \$25 appreciation gift certificate.

A **motion** to approve the nominations was made by Sally Sedgwick and seconded by Dan Heinecke. The motion was carried unanimously.

Clinton Cook and Greg Cook abstained from the vote due to a conflict of interest.

11. **Board Meeting Agenda Topics for Next Month**

Board members requested the following items be included on the next meeting agenda:

- Propane System Upgrade
- Strategic Planning

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12. Open Discussion

Sally Sedgwick reported that at a recent Itasca County Board meeting, discussion included potential economic development use of property currently owned by Bigfork Valley. Sedgwick stated her view that the property is not currently involved in hospital operations and, as hospital district property, should first be reviewed through the strategic planning process before any consideration of alternative uses or disposition.

Board members discussed the timing of the organization's strategic planning process and noted that the current plan is nearing completion.

13. Closed Sessions

At time 10:33 a.m., a **motion** to enter into closed session pursuant to Minn. Stat. §13D.05, Subd. 3(a), to conduct the CEO performance evaluation, and pursuant to Minn. Stat. §13D.05, Subd. 3(b), to discuss with legal counsel threatened litigation related to a former employee claim was made by Heidi Waton and seconded by Dan Sursely. The motion passed unanimously.

a. CEO Performance Evaluation – Minn. Stat. §13D.05, Subd. 3(a)

The CEO performance evaluation was conducted in closed session following discussion of threatened litigation.

Attendees: Greg Anselmo, Clinton Cook, Greg Cook, Kurt Fredrickson, Carol Gilbertson, Dan Heinecke, Tom LaMont, Gordon Rahier, Larry Salmela, Sally Sedgwick, Dan Sursely, Heidi Watson, and Christopher Virta (attorney).

b. Discussion with Legal Counsel Regarding Threatened Litigation (Former Employee Claim) – Minn. Stat. §13D.05, Subd. 3(b)

This matter was discussed in closed session prior to the CEO performance evaluation.

Attendees: Greg Anselmo, Clinton Cook, Greg Cook, Kurt Fredrickson, Dan Heinecke, Tom LaMont, Gordon Rahier,

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Larry Salmela, Sally Sedgwick, Dan Sursely, Heidi Watson, Nathan Hough, Christopher Virta (attorney), and Alec Rolain (attorney).

Carol Gilbertson submitted a completed conflict of interest abatement plan, recused herself, and left the room during this discussion. She did not participate in the session.

c. **Possible Action Following Closed Sessions**

At 12:43 p.m., a **motion** to close the closed session and return to open session was made by Larry Salmela and seconded by Greg Cook. The motion passed unanimously.

A summary of the CEO evaluation was provided. Four annual goals were established for CEO Nathan Hough, effective April 1, 2026.

With no further business, a **motion** to adjourn was made by Greg Cook and seconded by Kurt Fredrickson. The meeting adjourned at 12:49 p.m. The motion passed unanimously.

Minutes respectfully submitted by:

Renee Tower

Executive Administrative Assistant

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