

**PELICAN VALLEY HEALTH CENTER
SPECIAL BOARD MEETING
APRIL 8, 2014**

A special meeting of the Pelican Valley Health Center Hospital District Board of Directors was held at 5:45 p.m. on Tuesday evening, April 8, 2014, in the PVHC Meeting Room. The meeting was called to order by Chairperson Richard Bratlien. Other board members present were: Jim McBride, Susan Bruggeman, Dave Slotten, Dan Oehler, Shannon Erickson, Les Rotz, Brad Knorr and John Waller, Jr. Absent was Joan Fouquette. Others present were: Chad Miller, Carol Kvidt, Lou Hoglund, Vickie Thompson and Barbara Garrity.

APPROVAL OF CONSENT AGENDA

Motion made by Les Rotz, seconded by Brad Knorr, to accept the meeting agenda. Motion carried.

REPORT TO THE BOARD

The purpose of the special meeting was to select a lender for the proposed renovation and expansion project at Pelican Valley Health Center. Barbara Garrity summarized the pro forma assumptions for the 5.2 million dollar project. She reviewed the financing proposals from Bremer Bank, Minnesota National Bank, Bell Bank and Dougherty and Company, LLC, a bonding company. The Finance Committee has reviewed the options. Cindy Mowan, V.P. of Finance from Ecumen, has also reviewed all the options, and felt that bonds would not be the best option. Sue Bruggeman talked about the differences in the options available with the bank loans and bond financing. The ECPN program was discussed. Our case mix rates do not return to the rates before ECPN if the program is discontinued. It is unknown how long the ECPN program will continue, but it is in place for this year. The Finance Committee recommended choosing Bremer Bank because of the low interest rate. Carol Kvidt mentioned that Bremer Bank also offers grant opportunities. The pro forma will have to be redone because the interest rates are much lower than those used in the current pro forma. While discussing the project with the group, Barbara commented that it is a risk not to move forward with the project as there is an increased demand for private rooms. Admissions have been lost because clients prefer a single room. The expansion would also allow the facility to increase its rates. With increased occupancy and rates, the facility would expect to finance the project without levying any taxes.

BOARD ACTION

Motion made by Les Rotz, seconded by Jim McBride to accept the proposal for financing from Bremer Bank. Motion carried.

ADJOURNMENT

Motion to adjourn by Dan Oehler, seconded by Shannon Erickson. Motion carried. The meeting adjourned at 6:10 p.m.

Vickie Thompson, Recording Secretary