

**DESTINATION MEDICAL CENTER CORPORATION  
BOARD OF DIRECTORS**

**MINUTES  
June 12, 2014**

- I. Call to Order. Chair Tina Smith called the meeting to order at 2:30 p.m. in the Mayo Civic Center, Riverview Room, Suite C, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, Mayor Ardell F. Brede, Commissioner Jim Bier, William George, City Council Member Ed Hruska, Susan Park Rani, R.T. Rybak and James R. Campbell.
- III. Adoption of Agenda. Commissioner Bier moved approval, Mayor Brede seconded.  
  
Ayes (8), Nays (0), Motion carried.
- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meetings of March 25, 2014 and April 22, 2014.  
  
Ms. Park Rani moved approval, Mr. Campbell seconded.  
  
Council Member Hruska moved to amend the March 25, 2014 minutes, to correct the reference to a year.  
  
Ayes (8), Nays (0), Motion carried as amended.
- V. Public Comment Period. Chair Smith invited members of the community to provide comments. Nancy Slocum spoke about the importance of not losing sight of the fact that DMC legislation requires the public and private sector work concurrently to advance the economic initiatives. She stated that existing buildings and businesses are important to making Rochester unique and requested they be considered in planning.
- VI. Chair's Report. Chair Smith provided a report to the Board on the following:
  - A. Insurance: Update and Next Steps. Chair Smith requested Kathleen Lamb to address the Board. When the DMCC was established, the City authorized the DMCC to participate in the League of Minnesota's Cities Insurance Trust to provide additional insurance coverage for the Board. The initial term of coverage was from October 1, 2013, to October 1, 2014. The DMCC Chair and Treasurer authorized Ms. Lamb to retain a risk consultant to analyze the contractual and statutory risks of the DMCC Board and make recommendations. Risk Management Resources, Inc. has been retained to provide this service at a not-to-exceed amount of \$20,000.00 and will provide a report to the Board at a future meeting.
  - B. Other Updates. Chair Smith updated the Board on the following activities:

1. Monthly Report: The DMCC requested, and the EDA has been providing, a monthly summary on project activities.
2. DMCC Board Engagement in Planning Activities: Chair Smith and Dr. Patricia Simmons, Chair of the EDA Board, have adjusted the planning schedule to allow for a joint planning session on dates that coincide with the DMCC Board meeting.
3. Master Project Schedule: Chair Smith met with Chair Simmons and EDA staff to review the schedule. Chair Smith noted that the recommended timetable will include a draft plan to be completed in December, 2014 and a target date for approval in February, 2015.

Mr. Rybak commented that he appreciated the work on the schedule and asked that the planners sequence the work as much as possible to provide information as early as possible in the process. Ms. Park Rani agreed the schedule seemed appropriate.

Mr. Campbell, Mayor Brede and Council Member Hruska commented that the joint EDA/DMCC workshops are very helpful for input and understanding of the process and next steps.

## VII. Financial Report.

- A. Overview. Chair Smith requested Mr. Dale Martinson, Assistant Treasurer of the DMCC, to present a financial report to the DMCC Board. He distributed a balance sheet, revenue-expense report and account ledger or transactions register. This report is to be used in concert with the EDA report. DMCC has assets of \$3,000.00 and deposits with assets of \$10,000.00 to the EDA for normal operating expenses.

Mr. George suggested the general ledger is too detailed, and that the budget should set forth for the year by category, what has been expended and issues to be considered.

Chair Smith indicated the DMCC would come up with one report that reflected EDA and DMCC costs. Mr. Martinson indicated that additional detail was requested by Council Member Hruska.

- B. Resolution A. Authorizing the Chair and Treasurer to Negotiate and Enter Into an Agreement with the City of Rochester and Destination Medical Center Economic Development Agency (EDA) for the Purpose of Advancing Funds to the EDA. Chair Smith updated the Board. The DMCC staff and Mr. Martinson have been working with the City and EDA to propose an amendment to the DMCC and EDA agreements. The amendment is to advance funds to the EDA to facilitate a loan for working capital and payroll expenses to the EDA within the constraints of the existing budget, audit, and reporting requirements. Chair Smith asked Ms. Lamb to summarize the general parameters of the loan.



Commissioner Bier moved approval. Council Member Hruska seconded.

Ayes (8), Nays (0), Motion carried.

- VIII. Economic Development Agency. Dr. Simmons, Chair of the EDA, thanked the DMCC Board for participation in the joint visioning session.

Chair Simmons provided an update summarizing a few key points from the EDA report that were included in docket materials, including: 1) the resolution to advance funds that was approved by DMCC is necessary to allow the EDA to move forward with building the agency; 2) aligning the Master Project Schedule is critical to the EDA's ability to meet expectations of the DMCC Board; 3) DEED has certified the 2013 DMC Investment; 4) community engagement activity continues to be active, including Community Conversations which will be held later in the day and the second large public forum on July 10<sup>th</sup>; and 5) the EDA is working to advance discussions with the DMCC and the City on targeted business issues.

With respect to planning, the EDA is now in an active research phase. A Technical Committee has been formed to coordinate the DMC Development Plan and the City's Comprehensive Plan. One of the important next steps is to travel to other cities to learn from those visits.

Finally, Chair Simmons requested that the DMCC Board approve the Master Project Schedule included in the docket materials.

Chair Smith requested questions or comments from the Board on the EDA's activities.

Mr. George requested a more detailed budgetary report at the next meeting. Chair Simmons suggested that the DMCC and EDA Treasurer work together to identify the format. Chair Smith concurred and requested Mr. Martinson take the lead on developing the format.

Chair Smith requested discussion on the Master Project Schedule and moved to approve the revised Master Project Schedule recommended by the EDA, which calls for a preliminary draft of the DMCC Development Plan in December, 2014, followed by the required 60-day review process, with targeted final approval and adoption of the Development Plan in February, 2015. Commissioner Bier seconded.

Chair Smith requested questions or comments from the DMCC Board.

Mr. George asked what changes has been made to the Schedule since the last review. Chair Simmons reiterated that the Schedule has always assumed a one year planning period; the length of time has shifted based on start date. This is necessary to complete the plan as contemplated. Ms. Supple, the EDA's project manager, further commented that by aligning the EDA/DMCC joint meetings and other meetings, we should be able to mitigate some of the risks without increasing time.

Mr. Rybak and Council Member Hruska stressed the importance of setting a schedule for meetings and events going forward.

Mr. George asked if the community engagement process has been streamlined. Ms.

Supple listed the many engagement opportunities. The EDA also consolidated the community conversations, into a series of sessions that are occurring in July. This will give the planners time to incorporate comments into plans as they advance. Mr. George requested that the EDA track risks and report to the DMCC Board in monthly reports and Board meetings. Finally, Mr. George requested that the date be changed for the meeting to review the Preliminary Development Plan from December 22, 2014, to a more convenient December date. Chair Smith indicated the meeting is to be scheduled in the future.

Chair Simmons stressed that more engagement with the Boards and/or a process to try to align schedules of the Board can be done but may increase time and may increase costs.

Chair Smith closed discussion and requested a vote.

Ayes (8), Nays (0), Motion carried.

- IX. City of Rochester. Council President Randy Staver reported that progress was being made. He indicated: 1) the City is advancing a W/MBE policy in accordance with the law; 2) the City is happy with the approval of bonding for the Mayo Convention Center expansion; and 3) the City is aware there have been many questions about the impact of the DMC on housing, especially for low income individuals and families. The City and County have initiated a study by Maxfield Research and scheduled a meeting in July for the City and County to meet.

Mr. Jeff Ellerbush reported that the City Comprehensive Plan is moving forward and they were able to share transportation and infrastructure components with the EDA planning team. He indicated that the City, County and EDA were working collaboratively to advance the plan.

Chair Smith noted that the Chief Justice of the Supreme Court indicated an interest in determining how the Development Plan may impact other county and state-wide court systems. Chair Smith will follow up on this issue.

- X. Announcement of Next Meeting. Thursday, July 10, 2014, at 9:00 A.M.

- XI. Adjournment. Chair Smith asked for a motion to adjourn the meeting.

Council Member Hruska moved for adjournment. Ms. Park Rani seconded.

Ayes (8), Nays (0), Motion carried.

Respectfully submitted,



Lisa Clarke  
Secretary