# Legislation Text

**File #:** Ord. 1025, **Version:** 2

**City Council Meeting Date:** July 20, 2021

**To:** Mayor and City Council

**From:** Ben Martig, City Administrator

Consider Ordinance Amending Section 14.2 of the Northfield City Charter (Second Reading)

**Action Requested:**
The Northfield City Council is asked to consider the second reading of the attached Ordinance Amending Section 14.2 of the Northfield City Charter.

**Summary Report:**
The Northfield City Council received the Charter Commission's proposed amendment and called for a public hearing on May 18, 2021 (attachment 1). The public hearing notice was published on May 26, 2021 (attachment 2) and a public hearing along with first reading of Ordinance No. 1025 was held on June 15, 2021.

The Northfield Charter Commission adopted the attached proposed changes to Northfield Charter Section 14.2 at their May 13, 2021 meeting. Charter Commission Chair Lance Heisler submitted the attached amendment (attachment 3) to the City Administrator and Mayor via email on May 15, 2021. Heisler requested that staff initiate the posting, publication requirements for consideration of this ordinance and put it on the City Council agenda.

Additional Background
The City/Hospital Governance Committee as referenced in the Playbook has been meeting as outlined in the Playbook. This group meets on a quarterly basis as outlined in Section 3 of the Playbook. As noted in the Playbook, the group will meet:

- Regularly as needed to give guidance on strategic issues related to the reserved powers; and
- To review the health of the City/Hospital Partnership; and
- To recommend updates and refinements to this Playbook to NH+C and the City Council; and
- To communicate the procedures outlined in this Playbook to the next generations of key stakeholders.

The current members of the City/Hospital Governance Committee includes the following:

*City Council Representatives*
Mayor Pownell
Councilor Peterson-White (also a voting member of the Hospital Board)
Councilor Ness (non-voting liaison to the Hospital Board)
City Administrator Martig

*Hospital Board Representatives*
Chair Rogers
Boardmember Peterson-White (also a City Councilor)
Boardmember Linstroth

One area that came up as a preliminary discussion out of that City/Hospital Governance Committee in early 2021 was exploration of a potential City Charter amendment to consider related to board membership. The two areas recommended by the committee to be pursued for changes included:

1. Allow for the appointment of up to three board members (not require) who reside outside the City of Northfield city limits but within the Northfield Public School District. The current limit is two; and

2. Modify the language to allow (not require) for an employed physician of the hospital to serve on the board. Currently, no hospital employee is allowed to serve on the board. Please note this also would be subject to the same residency requirements and limitations to that maximum.

The purpose of the recommended expansion of the number allowed to board members outside the district from up to three from two is to mainly allow for a little more flexibility to gain a larger applicant pool for prospective board members. There would still remain a majority members who reside in the City of Northfield which is an important consideration as a municipally owned hospital. Certainly, the medical center has a regional footprint and draw so some expansion outside city limits is well within the service area of the medical center. The hospital board work is complex and this would give at least an option, but not required, for a nomination to include up to three board members that reside outside the City.

The purpose of the addition of the ability to have a physician on the hospital is beneficial from having a medical credentials and perspective on the board. Hospital and medical operations can be very complex so having direct experience, as a practicing physician is useful related to their expertise in operations. Additionally, a hospital board does have a responsibility to ensure patient safety and quality of care that a practicing physician would also bring with their credentials. However, the current Charter restricts employees of the medical center to serve on the board. Generally, this is a common principal to restrict employees as hospital boards are governing bodies that serve in both an advisory and oversight capacity. Therefore, by design, boards are intended to act as independent agents of the hospital as an intermediary between executive management and owners (in our case the City of Northfield as the municipality).

Identifying applicants that are physicians but not employees has been challenging though as there is an obvious past practice not to have competitive organizations physicians serving as a board member. Additionally, the residency requirements does limit pools of candidates. Therefore, that leaves retired physicians or some limited cases where a physician may practice in a service not provided by the medical center. Therefore, allowing an employee physician is being brought as a unique consideration as an option for a board member for the reasons previously explained.

Northfield Hospital & Clinics CEO Underdahl presented on behalf of the City/Hospital Governance Committee at the March 11th Charter Commission meeting. Other members including Mayor Pownell, Hospital Board Chair Rodgers, and Martig also were in attendance and spoke in support of the amendments. CC Linstroth also was in attendance as a Charter commission member but also serves on the City/City Hospital Governance Committee. The hospital board received subsequent updates on the status of the review.

The Charter Commission assigned a committee of members Heisler, Hoschouer, and Oney to explore the issue

further to then come back to the Charter Commission at their May 13th meeting to facilitate discussion and consideration of a proposed Charter amendment. The Commission did end up meeting and approving the recommended Charter amendments.

One modification that was made during this review process was the addition of another "patient care professional" in addition of a physician that may be employed by Northfield Hospital and Clinics. This addition expands the types of direct patient care providers that could be appointed such as nurse practitioners, registered nurses, physical therapists and others. The change is supported by the City/Hospital Governance Committee and included in the final recommendation by the charter commission.

Charter Amendment Process Including Public Hearing Procedure
A copy of the existing Charter is attached (attachment 4). The attached 2011 memo from City Attorney Chris Hood (attachment 5) details the procedure for the Charter Commission to seek Amendments to the Northfield City Charter. The City is statutorily required to go through the process once a proposal has been formally submitted. A copy of Minn. Stat. §410.12 referenced in the memo is attached (attachment 6). City Attorney Hood has reviewed this item.

Charter amendments require a unanimous vote of all seven members of the City Council to pass.

**Alternative Options:**

- Not recommended but the Council could choose not to approve the amendment. Under statute the council cannot amend. The Council could request the Charter Commission to reconsider a new ordinance with changes but would be at their will. The Council may initiate proposed charter ordinance amendments and the process eventually requires a referendum vote.

**Financial Impacts:**
N/A

**Tentative Timelines:**
Please see attachment 7 for proposed timelines. The timeline was developed based on the existing meeting schedule. The schedule would need to be amended if any members were absent from a meeting where action is proposed.