

**ORDINANCE NO. 74, FOURTH SERIES**

**AN ORDINANCE AMENDING REDWOOD FALLS CODE OF ORDINANCES §2.21, §2.41, §2.42, AND §2.55 AND REPEALING ORDINANCE NO. 55, THIRD SERIES, ADOPTED ON DECEMBER 5, 2000, TITLED “AN ORDINANCE AMENDING CHAPTER 2 BY ADDING NEW SUBSECTIONS AND REVISING 2.55 – HOSPITAL COMMISSION.”**

**FINDINGS AND PURPOSE:**

Pursuant to Section 3.04 of the Home Rule Charter of the City of Redwood Falls, Minnesota, effective September 5, 1974, the City Council may establish commissions to investigate any subject of interest to the City and to operate utilities, parks, and public services or to perform quasi-judicial functions. Pursuant to Ordinance No. 55, Third Series, adopted on December 5, 2000, the City Council revised §2.55 relating to the Hospital Commission of the City of Redwood Falls, added §2.21 establishing a Hospital Fund, and amended §2.41 establishing a Hospital Department. Effective January 1, 2019, the City transferred ownership of the City Hospital to Carris Health-Redwood, LLC, and no longer owns or operates a municipal hospital.

**THE CITY OF REDWOOD FALLS DOES ORDAIN:**

**SECTION 1.** That Ordinance No. 55, Third Series, adopted on December 5, 2000 is hereby repealed in its entirety.

**SECTION 2.** That Redwood Falls City Code of Ordinances §2.21 shall be amended by amending and inserting the following provisions, in their entirety, in lieu thereof:

**~~§ 2.21 HOSPITAL FUND CREATED.~~**

~~—Subd. 1. Pursuant to the provisions of § 8.11, Subd. 3. of the City Charter, there is established and continued a separate fund of the city to be known as the Hospital Fund into which shall be placed all monies received from all sources for the municipal hospital including gifts and tax levies, except tax levies made to pay principal or interest on hospital bonds.~~

~~—Subd. 2. Payment of bills incurred in the operation, maintenance and control of the municipal hospital shall be made from the Fund.~~

~~—Subd. 3. The Hospital CEO shall be the custodian of the Fund and he or she shall be responsible for safekeeping, disbursement and obtaining the receipts therefor. The CEO shall submit monthly statements to the City Administrator showing the amount of money in the Hospital Fund, the amount spent or chargeable against each of the annual budget allowances and the balances left in each, and such other information about the Hospital Fund as requested.~~

~~—Subd. 4. The Hospital Fund shall be audited annually by a competent certified public accountant. A copy of the annual audit report shall be filed with the City Administrator within 30 days after completion of said audit and thereafter presented to the City Council.~~

~~—Subd. 5.— Notwithstanding any provisions to the contrary, surplus funds of the Hospital Fund may be transferred to the General Fund in the manner and amount as prescribed by resolution of the Council.~~

**§ 2.21 [RESERVED]**

**SECTION 3.** That Redwood Falls City Code of Ordinances §2.41 shall be amended by amending and inserting the following provisions, in their entirety, in lieu thereof:

~~**§ 2.41 HOSPITAL DEPARTMENT.**~~

~~—A Hospital Department is hereby established. The head of this Department shall be the Chief Executive Officer. The municipal hospital facilities shall be under his or her direct supervision and control. The City Administrator may delegate and assign such duties and responsibilities to the Chief Executive Officer deemed necessary for the proper and efficient management of the hospital.~~

**§ 2.41 ADDITIONAL DEPARTMENTS**

The Council shall, by resolution, establish such other departments as it deems necessary for the efficient operation and management of the city's functions and shall prescribe the powers and duties thereof.

**SECTION 4.** That Redwood Falls City Code of Ordinances §2.42 shall be amended by amending and inserting the following provisions, in their entirety, in lieu thereof:

**§2.42 [RESERVED]**

**SECTION 5.** That Redwood Falls City Code of Ordinances §2.55 shall be amended by amending and inserting the following provisions, in their entirety, in lieu thereof:

~~**§ 2.55 HOSPITAL COMMISSION.**~~

~~Subd. 1.— Establishment. A Hospital Commission is hereby established to control, manage and operate the hospital facilities of the city as hereinafter provided.~~

~~—Subd. 2.— Membership. The Hospital Commission shall be composed of five members, each to be appointed by the Mayor, and who shall serve staggered three year terms. All terms shall begin and expire on the second Tuesday in January. Any three shall constitute a quorum.~~

~~—Subd. 3.— Officers and Meetings. The Hospital Commission shall, at its first meeting in January of each year, elect from among its members a Chairperson, a Vice-Chairperson and a~~

~~Secretary. The Commission shall adopt its own rules and procedures with the approval of the Council. The Hospital Commission shall meet not less than once each month and at other and further times as may be deemed necessary or at the call of the Chairperson of the Commission. The Commission shall determine the date and time of meetings. The Commission shall keep an accurate record of all the activities of the Commission. The Commission may designate such person as it may desire, either a member or otherwise, as the clerk thereof and he or she shall be responsible for the preparation and keeping of minutes of all meetings. A copy of all such minutes shall be furnished to the Council as soon as reasonably possible after the date of a meeting.~~

~~—Subd. 4.— Compensation. The members of the Hospital Commission may be paid at a rate established by resolution of the City Council.~~

~~—Subd. 5.— Powers and Duties. The duties and responsibilities of the Hospital Commission are as follows:~~

~~— A. General Powers. To recommend, counsel and advise the administrative officers and the Council in matters relating to the operation and management of the municipal hospital. To that end, not later than October 1 of each year, the Commission shall present to the Council an annual operational report which shall include at a minimum the following:~~

~~— 1. Any recommended policies for adoption by the City Council which the Commission has determined are necessary and advisable to guide the provision of medical services to those receiving hospital services;~~

~~— 2. Any recommended programs which the Commission believes are necessary to serve the medical needs of those receiving hospital services; and~~

~~— 3. An assessment on the extent to which current policies and programs of the hospital are achieving the stated goals and objectives for medical services.~~

~~— B. Budgetary Responsibilities. To develop and submit an annual budget for the operations of the hospital to the City Council on or before October 15 of each year in a form prescribed by the City Administrator. The budget shall include a detailed written estimate of all receipts, revenues and expenditures needed for hospital business during the next fiscal year. The City Administrator shall submit such budget to the City Council for review and approval as part of the city budgetary process. Upon approval of the budget, the Commission shall have the authority to authorize the payment of the ordinary and necessary expenses of operating the hospital prior to approval by the Council, to enter into contracts, leases or other agreements on behalf of the hospital for which the accounting system shows an obligation in an expense budget or encumbrance for the amount of the contract liability; however, the Commission shall not exceed total budgeted expenditures without approval of corresponding budget amendments by the City Council. Periodically throughout the fiscal year, the Commission shall submit a report to the Council showing the actual revenues and expenditures as compared to the estimates of the approved budget for the hospital and each separate division, and any additional supporting statements or schedules deemed necessary and desirable by the Council to make a clear and informative presentation of the financial position of the hospital.~~

~~— C. Rates and Fees. To develop and submit in conjunction with its annual budget submission a rate and fee schedule for all services rendered or provided by the Hospital Department. Rates~~

~~and fees should be sufficient to pay for all operating and maintenance expenses of the Hospital Department and the payment of all bond interest and redemption costs.~~

~~—D. Chief Executive Officer. To assist with the selection of the Chief Executive Officer in the event of a vacancy and with the concurrence of the City Council to fix the salary and other compensation of the Chief Executive Officer.~~

~~—E. Staffing Plan. To develop and recommend its adoption by the Council a staffing plan deemed necessary for the administration and operation of the hospital. Upon its adoption, the Commission shall have the authority to create such departments and divisions for the administration of the affairs of the Hospital as it may deem necessary and from time to time alter its duties and organization, and to hire all hospital employees in a manner consistent with the approved staffing plan.~~

~~—F. Pay Plan. To develop and recommend its adoption by the Council a pay plan for all hospital employees. Upon its adoption, the Commission shall have the authority to set the salary or wage all employees in a manner consistent with the approved pay plan.~~

~~—G. Employee Benefits. To determine the amount the Hospital Department will contribute to the cost of pension, retirement, life and accident and health insurance programs for the officers and employees of the Department.~~

~~—H. Bylaws and Rules. To adopt bylaws and rules for the conduct of its affairs including the election, assumption of duties and definition of responsibilities of officers and committees, with such rules and bylaws being subject to the approval of the Council.~~

~~—I. Surplus Funds. To invest surplus funds of the Hospital Fund in a manner consistent with existing city investment policies. The Commission shall periodically submit a report to the City Council in such form or format, along with any additional supporting statements or schedules, deemed necessary and desirable to make a clear and informative presentation of its investment decisions.~~

~~—J. Annual Audit. To engage certified public accountants to make an annual audit report.~~

~~—K. Imprest Fund. To establish an imprest fund, not to exceed \$1,000 per month, for the payment of the expenses in cash for any proper claim against the hospital which is impractical to pay in any other manner except that no claim for salary of any employee shall be made from the accounts.~~

~~—L. Accounts Receivable Policy. To develop and recommend its adoption by the Council a delinquent and uncollectible accounts receivable policy. Upon its adoption by the Council, the Commission shall have the power to implement such a policy, including the write-offs of uncollectible accounts.~~

~~—M. Loan Program. To establish and operate an educational loan program for the purpose of attracting, maintaining and retaining a well-qualified and trained workforce.~~

~~—Subd. 6. Approval of Claims and Disbursements. Except for payroll and contracts authorized by the Council, no money shall be drawn from the Hospital Fund nor shall any obligation for the expenditure of money be incurred except as authorized herein.~~

~~—A. Preparation of Claims List. Before any city disbursement may be drawn and issued for payment of claims, bills, invoices and other demands or obligations payable from the hospital~~

~~fund, except for payroll and contracts authorized by the Council, the Chief Executive Officer or by some other employee to be designated by him or her, shall audit and examine all claims or other requests for payment presented against the hospital for payment after the same have been examined and approved by the appropriate administrative official or department head. If he or she concurs in the finding that a claim is due and owing, and if funds are available, he or she may authorize payment of the same. The Chief Executive Officer shall thereafter prepare a list of disbursements to be presented for approval by the Hospital Commission, who may authorize payment prior to City Council approval.~~

~~—B. Action by the Council. At least monthly, the Chief Executive Officer will present to the Council for ratification a register of payments listing all disbursements that have been made since the previously ratified register of payments. In the event a demand or claim is made against the hospital which is not included within the current annual budget, the Chief Executive Officer shall present the individual requested disbursement, accompanied by invoice and explanation, to the Council for individual Council approval. If, upon review, the City Council disapproves any claims previously paid, the City Administrator and the Mayor shall jointly cause the disapproved claims to be recognized as receivables of the city and pursue collection diligently until the amounts disapproved are collected or until the Council is satisfied and approves the claims. Nothing in this section shall restrict the Council's right and privilege to review any specific demand or claim, warrant or invoice or other financial records which are part of the hospital's official business records.~~

~~—Subd. 7. Selection of Professional Consultants. The provisions of this section shall be followed whenever the Hospital Department requires the services of a professional consultant. For the purposes of this subdivision, a "professional consultant" means any individual, organization, firm, group, association, corporation, partnership, joint venture or combination thereof that provides professional services.~~

~~—A. Consultant Selection. The Commission shall select a consultant for recommendation to the Council for approval after discussions with one or more professional consultants regarding the scope and purpose of the proposed project. The selection of the professional consultant shall be based upon criteria adopted by the Commission. The criteria shall generally include consideration of the consultant's experience, capability, reputation, familiarity with the type of project, quality of work, budget control ability, existing workload, professional credentials and upon the intuitive opinion of the interview(s).~~

~~—B. City Council Action. The Commission shall submit its recommendation along with a negotiated consulting agreement for the professional consultant's compensation to the City Council. The City Council shall accept or reject the Commission's recommendation. If accepted, the Council shall authorize the Chief Executive Officer and Commission Chairperson to enter into and execute the consulting agreement on behalf of the city. If the Council rejects the Commission's recommendation, negotiations with that consultant shall be terminated and the Council may direct the Commission to recommend another consultant.~~

~~—Subd. 8. Contracts. "Contract" means any agreement creating a legal relationship between the city and another person or entity, or any amendment thereto.~~

~~—A. Authorization by City Council Required. Except as otherwise provided herein, any contract intended for the purchase, lease or rental of supplies, material equipment or services,~~

~~must be in writing and authorized by the City Council before becoming effective and binding upon the city.~~

~~—B. Authorization by City Council Not Required. The Hospital Commission shall be authorized to enter into and execute on behalf of the city the following contracts without individual approval of each contract by the City Council, so long as the contract is consistent with the approved annual budget for the Hospital Department, and the Hospital Department's liability under the contract does not exceed available fund balances:~~

~~—1. Contracts for purchase of goods, supplies, materials, postage or equipment;~~

~~—2. Lease agreements for materials, supplies and equipment;~~

~~—3. Maintenance contracts;~~

~~—4. Sale of unneeded property which has been certified for disposition, the sale or disposition to be made in the best interest of the city;~~

~~—5. Other routine agreements where no expenditure is involved; and~~

~~—6. Contracts of a "continuing nature" for the operation of programs and services approved in the annual budget or for a schedule of payments, including, but not limited to, multiple year personal service contracts which have been expressly approved by the City Council do not require subsequent annual approvals; provided that, the contract is listed specifically as a line item in the annual budget.~~

~~—C. Authority to Sign Contracts. All contracts which do not require prior authorization by the Council pursuant to Subd. 5.B above shall be executed on behalf of the Hospital Department by the Commission Chairperson and the Chief Executive Officer.~~

~~—Subd. 9. Advisory Committee. The Hospital Commission is hereby empowered to create an advisory committee to be known as the Joint Conference Committee of the Redwood Falls Area Hospital. The Committee shall consist of members of the active medical and dental staffs of the hospital and the Chief Executive Officer. This Committee shall meet with the Hospital Commission no less than quarterly and at such other times as may be necessary. The duties of such Advisory Committee are to recommend, advise and consult with the Hospital Commission on approved medical practice and hospital procedures, in order to insure an efficient and well-operated hospital.~~

## § 2.55 [RESERVED]

**SECTION 6.** Effective Date. This Ordinance becomes effective from and after its passage.

**PASSED AND ADOPTED** by the City Council of the City of Redwood Falls, Minnesota this 4th day of January, 2022.

ATTEST:

\_\_\_\_\_  
Keith Muetzel  
City Administrator

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Tom Quackenbush  
Mayor

(City Seal)

Subscribed and sworn to before me this  
4th day of January 2022.

\_\_\_\_\_  
Notary Public

**Introduction:**           12/21/2021  
**Posting:**  
**Adopted:**  
**Approval Published:**