



Northfield Hospital  
**MEETING MINUTES RECORD**

Meeting: Board of Directors – Special Meeting

Date: September 9, 2009      Location: Board Room

Start time: 8:00 a.m.    Adjourn time: 9:20 a.m.

Members present: John Lundblad, Dixon Bond, Terry Gilbertson, Peggy Hoffman, Brett Reese, Randy Reister, M.D., James Schlichting, Curt Swenson

Members excused:

Members absent: Gina Washburn

Others present: Jon Denison, Ken Bank, Mary Crow, Roger Stapek, Bobbi Jenkins (Recorder)

| Issue/Problem           | Discussion/Conclusions   | Action   | Follow-up/Resolution |
|-------------------------|--|--|----------------------|
| Call to Order           | The meeting was called to order by John Lundblad at 8:05 a.m.  | None.  | Closed.              |
| Action Items            |  |  |                      |
| 1. CEO Position Profile | <p>A final draft of the Position Profile incorporating input from the Board, Search Committee, community and hospital and clinic staff was presented. Upon reviewing the draft, some additional minor changes were made to the document.</p> <p>Dixon Bond inquired about input received from the community and staff. Ken Bank responded that there was not a lot of feedback received from either, but the profile includes the global issues identified from the input received.</p> <p>The Board was concerned that the position profile seems to describe a “super human” person. They were reminded that the document describes the “ideal” candidate and that it would be impossible for a candidate to have all qualifications and excel in every area. The template for the position profile was developed by Mark Madden after receiving input from the Board, managers, Search Committee, etc. Since this is Mark’s area of expertise, the Board relies on him to guide the Board through the process. If there are barriers to finding the right person based on the Position Profile, it would be expected that Mark would alert the Board.</p> | <ul style="list-style-type: none"> <li>• A motion was made, seconded and unanimously passed to approve the Position Profile with the changes identified.</li> <li>• A final copy will be sent to Mark Madden to begin using in the recruitment process, as well as to the Board and the Search Committee members. A copy will also be posted on the hospital’s website.</li> </ul> | Closed.              |
| 2. CEO Salary Range     | <p>The Board discussed the appropriate salary range for the CEO position. Market data was distributed for review (copies attached).</p> <p>The RSM study that recommended a mid-point of \$278,000 was rejected as having no relevance to any of the other data sources available to us. In reviewing the source data used in the Van Norman study, the Board focused on the four regional studies. These consistently showed medians in the range of \$204,000 to \$214,000 for comparables based on revenue and/or FTEs.</p> <p>Our current range for the position is \$167,280 to \$250,920 with a mid-point of \$209,100 --</p>  | <ul style="list-style-type: none"> <li>• A motion was made, seconded and unanimously passed to approve the range of \$176,000 to \$264,000 with a mid-point of \$220,000.</li> <li>• Ken Bank will communicate this decision to Mark Madden and get his reaction. If necessary, it will be</li> </ul>  | Closed.              |

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|---------------|---|---|----------------------|
|               | <p>which is exactly centered in the \$204,000 to \$214,000 range of the Van Norman study. The existing range was developed using the Annual CEO Salary survey conducted by the Minnesota Hospital Association and the HHRAM survey. Factoring in a "guesstimated" 5% increase for 2010, the Board decided on a range of \$176,000 to \$264,000 with a mid-point of \$220,000.</p> <p>The Board asked that this decision be communicated to Mark Madden to get his reaction as it is not consistent with his latest estimate of \$230,000 to \$250,000. If Mark has a strong disagreement with the salary range, the Board would be open to considering a change, but would like some hard comparative data supporting it.</p> | <p>brought back to the Board for further discussion and consideration at the September 24 meeting or at a Special Board meeting if necessary.</p> |                      |
| Adjourned     | The meeting was adjourned at 9:10 a.m.  | None.   | Closed.              |
|               |   |   |                      |