

DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 28-2015

Adopting a Conflict of Interest Policy

The following Resolution was offered by Ed Hruska, and seconded by James V. Bier:

BACKGROUND RECITALS

A. The Destination Medical Center Corporation (“DMCC”) and the Destination Medical Center Economic Development Agency (“EDA”) are governed by statutory and contractual provisions regarding situations in which conflicts of interest may arise.

B. The DMCC desires to adopt a conflict of interest policy that supports the goals of good management practices and transparency in the stewardship of public funds.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that the Conflict of Interest Policy (attached as Exhibit A) is approved.

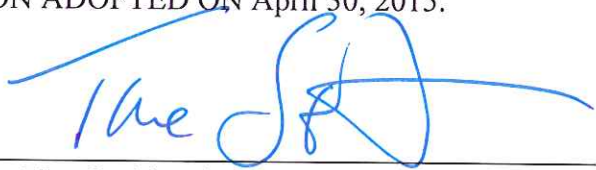
The question was on the adoption of the Resolution and there were 7 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	<u>X</u>	_____	_____
Ardell F. Brede	<u>X</u>	_____	_____
James R. Campbell	<u>X</u>	_____	_____
Ed Hruska	<u>X</u>	_____	_____
William George	_____	_____	_____
Susan Park Rani	<u>X</u>	_____	_____
R. T. Rybak	<u>X</u>	_____	_____
Tina Smith	<u>X</u>	_____	_____

RESOLUTION ADOPTED ON April 30, 2015.

ATTEST: _____



Tina Smith, Chair
Destination Medical Center Corporation

Exhibit A

DESTINATION MEDICAL CENTER CORPORATION CONFLICT OF INTEREST POLICY

I. Purpose

The purpose of this Conflict of Interest Policy (the "Policy") is to disseminate the statutory and contractual provisions that govern conflicts of interest with respect to the Destination Medical Center Corporation ("DMCC"), its members and employees, and the Destination Medical Center Economic Development Agency ("EDA"). This Policy is intended to comply with both the letter and the spirit of Minnesota law, as amended from time to time.

This Policy will assist Board members and employees in identifying conflicts of interest, as well as situations in which the perception or appearance of a conflict may exist, and to establish procedures for members and employees to declare and monitor a potential conflict as these situations arise.

The DMCC requires each Board member and employee to be advised of, and provided a copy of, this Policy immediately upon assuming their duties and to be periodically reminded of this Policy and educated concerning its application.

II. Conflict Of Interest Provisions in Enabling Statute

The DMCC is governed by Minnesota Statutes Sections 469.40-469.47.

A. Except for the DMCC Board member appointed by Mayo Clinic, a member must not be a director, officer or employee of the Mayo Clinic. Minn. Stat. § 469.41, subd. 9.

B. A member must not participate in or vote on a decision of the DMCC relating to any project authorized by or under consideration by the DMCC in which the member has either a direct or indirect financial interest. Id.

A financial interest means a person's direct or indirect ownership or investment interest or compensation arrangement, whether through business, investment, or family, including spouse, children and stepchildren, and other relatives living with the person, as follows:

1. Ownership or investment interest in the development, acquisition or construction of a project in the development district;

2. Compensation arrangement with respect to the development, acquisition, or construction of a project in the development district; or

3. Potential ownership or investment interest in, or compensation arrangement with respect to, the development, acquisition or construction of a project in the development district. Minn. Stat. § 469.40, subd. 7.

C. No DMCC member may serve as a lobbyist, as defined under Minnesota Statutes Section 10A.01, Subdivision 21. Minn. Stat. § 469.41, subd. 9.

III. Disclosure of Conflicts of Interest

Members of the DMCC Board are public officials under Minn. Stat. § 10A.01, subd. 35, which means that DMCC Board members are also subject to the conflict of interest and disclosure provisions of Chapter 10A of Minnesota Statutes.

A. Conflicts of Interest Are Prohibited. Neither members nor employees shall voluntarily take part in any manner in making any sale, lease, or contract in the member's or employee's official capacity, in which the member or employee has a personal financial interest. Minn. Stat. § 471.87.

B. Potential Conflicts of Interest. A potential conflict of interest is present if a member or employee who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the member's or employee's financial interests or those of an associated business, unless the effect on the member or employee is no greater than on other members of the member's or employee's business classification, profession, or occupation.

C. Potential Conflicts of Interest Must Be Disclosed. Before taking an action or making a decision that would substantially affect the personal financial interests of the member or employee, or of his or her associated business, the member or employee must disclose the potential conflict by taking the following actions:

1. Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and
2. Deliver copies of the statement to the Chair of the DMCC.

If a potential conflict of interest presents itself and there is insufficient time to provide the written statement under

clauses 1 and 2, the member or employee must orally inform the Chair of the DMCC of the potential conflict.

D. Required Actions for Member or Employee with Potential Conflict of Interest.

1. If an employee has a potential conflict of interest, the employee's supervisor shall immediately assign the matter in which the potential conflict arises, if possible, to another employee who does not have a conflict of interest.

2. If a Board member has a potential conflict of interest, the member shall:

a. Abstain, if possible, from influence over the action or decision in question.

b. File a statement describing the potential conflict and the action taken, if the member is not permitted or is otherwise unable to abstain from action in connection with the matter. The statement shall be filed with the DMCC, within a week of the action taken.

IV. Statutory and Contractual Provisions Governing the EDA

The EDA is also governed by Minnesota Statutes, Sections 469.40 – 469.47. In addition, the EDA agreed to conflict of interest provisions in the Agreement for Destination Medical Services by and between the DMCC and the EDA, dated February 1, 2014 (the "DMCC-EDA Agreement").

A. Statutory Provisions. The EDA must disclose to the City of Rochester (the "City") and to the DMCC the existence, nature, and all material facts regarding any financial interest its employees or contractors have in any public infrastructure project submitted to the City for approval and any financial interest its employees or contractors have in the destination medical center development. "Contractors" includes affiliates of the contractors or members or shareholders with an ownership interest of more than 20 percent in the contractor.

"Financial interest" means a person's direct or indirect ownership or investment interest or compensation arrangement, whether through business, investment, or family, including spouse, children and stepchildren, and other relatives living with the person, as follows:

1. ownership or investment interest in the development, acquisition, or construction of a project in the development district;
2. compensation arrangement with respect to the development, acquisition, or construction of a project in the development district; or
3. potential ownership or investment interest in, or compensation arrangement with respect to, the development, acquisition, or construction of a project in the development district.

Minn. Stat. § 469.40, Subd. 7.

B. Contractual Obligations: These provisions are contained in the DMCC-EDA Agreement, as noted above.

1. EDA Other Activities: The Parties acknowledge that the EDA is expected to undertake additional activities for its own account or on behalf of entities other than the DMCC, and that such activities are separate from and in no way constitute part of the Work under this Agreement. All activities funded from sources of revenue other than reimbursement by the DMCC pursuant to this Agreement shall not be subject to this Agreement. Such other activities of the EDA shall not be inconsistent with this Agreement, the DMC Law, or create any conflict of interest to the EDA's duties or responsibilities to the DMCC. Section 2.4.

2. Potential Conflict of Interest: The EDA shall disclose to the DMCC the existence, nature, and all material facts regarding any financial interest its employees or contractors, including Subconsultants, have in any project (as defined in Minnesota Statutes Section 469.40, subdivision 10) submitted to the DMCC for approval and any financial interest its employees or contractors, including Subconsultants, have in the destination medical center development. For purposes of this Section 7.9, "Contractors" includes affiliates of the contractors or members or shareholders with an ownership interest of more than twenty (20) percent in the contractor. Section 7.9.