

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the December 23, 2014 and January 2, 2015 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Phyllis Hackett*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, December 23, 2014

6:00 PM

Assembly Chambers

WORK SESSION

- A 14-241 Municipal Solutions Final Report - David Evertsen

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

- B 14-242 Reminders - Calendars - Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

Tim Fulton, School Board Clerk, updated the Assembly on School District events and thanked the Assembly for their work.

Kay Turner, an employee of Sitka Community Hospital, and Celeste Tydingco, Sitka Community Hospital Board President, reported on recent financial events at Sitka

Community Hospital and asked for the support of the Assembly.

C 14-208 Solid Waste Advisory Committee - update Representative Jonathan Kreiss-Tomkins <10

Representative Jonathan Kreiss-Tomkins, Chair of the Solid Waste Advisory Committee, provided a report to the Assembly. He stated the next step was to issue an RFP within the next couple of months with a base bid for the status quo system and an additional bid with the curbside component.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Attended the AARP luncheon honoring Elizabeth Howard, attended the STA Christmas party and CBS Holiday party, attended GPIIP Board meeting on December 17, helped the Chamber of Commerce select the winners of the Holiday Lighting contest.

Administrator - Attended December 17 GPIIP Board meeting, reported on the initiation of the "back to the future roads program" in which certain roads would revert back to gravel due to a lack of resources - the first being Anna Drive. Gorman noted he and Jay Sweeney had been working closely with Sitka Community Hospital CEO, Jeff Comer, and would continue to do so.

Attorney - Noted most of her time recently had been spent on Sitka Community Hospital issues.

Liaisons - Assembly member Miyasato reported on the recent Parks and Recreation Committee meeting and reminded the public to be cautious of those folks in crosswalk areas. Assembly member Eisenbeisz reported on the Tree and Landscape Committee.

Clerk - Informed the Assembly there would be a worksession on January 8 with the Gary Paxton Industrial Park Board.

IX. CONSENT AGENDA

A 14-238 Approve the minutes of the December 9, 2014 Assembly meeting

This item was APPROVED on the Consent Agenda.

B 14-237 Authorize the purchase of a power hose roller for Sitka Fire Department in the amount of \$9,488

This item was APPROVED on the Consent Agenda.

- C 14-240** Award a design contract for Eagle Way and Old Harbor Mountain Road Utility and Road Upgrades Project to DOWL HKM not to exceed \$112,728.00

This item was APPROVED on the Consent Agenda.

X. UNFINISHED BUSINESS:

- D ORD 14-34** Amending SGC at 2.40 elections, adding Section 2.40.095 Candidate biographical information, amending sections 2.40.110 Withdrawal or amendment of nomination, 2.40.115 Write-in candidates, renaming Chapter Section VI to add Advanced voting, amending Sections 2.40.190 Eligibility, 2.40.200 Assisted voting, adding Section 2.40.205 Voting by electronic transmission, amending Sections 2.40.220 Issuance of absentee or advanced ballots, 2.40.230 Casting absentee or advanced ballots, 2.40.250 Election officials (E) Oath, 2.40.310 Ballot box, 2.40.315 (D)(2) Marking of ballot, 2.40.315 (G) Improperly marked ballots, adding Sections 2.40.315 (H) closing of polls, and 2.40.316 Poll watchers, amending Sections B2.40.320 reports of unused and damaged ballots, 2.40.330 (B), (C), (D) Counting ballots - hand-counted, 2.40.390 (H) Counting ballots, 2.40.420 Canvass board, 2.40.430 Election results, renaming Section 2.40.440 Assembly approval, amending Sections 2.40.460 Certificate of election, 2.40.470 Notice of election contest, 2.40.500 Costs, and 2.40.520 Prohibited practices

A motion was made by Swanson that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

- E ORD 14-37** Adjusting the FY15 Budget

A motion was made by Hunter that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

- F ORD 14-38** Amending SGC Title 22 Zoning regarding commercial home horticulture

Hunter thanked members of the public for advocating for this change.

A motion was made by Swanson that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

- G ORD 14-39** Amending SGC Section 2.08.015 Selection of acting administrator to include a procedure for unforeseen appointments
- A motion was made by Miyasato that this Ordinance be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin
- Absent:** 1 - Hackett
- H ORD 14-40** An ordinance amending SGC Chapter 15.01 Entitled "Electric Utility Policies" by adding a new Section 15.01.090 entitled "Rebate Program for Electric Heat Pump Heating Systems"
- Hunter noted the Assembly had received letters of support and also mentioned correspondence from Petro Marine Services indicating the City may be competing with private business.
- Guevin stated the role of the Assembly was to do right by the citizens of Sitka. It was clear this was both an economic and environmental savings.
- Utility Director, Chris Brewton, noted it was important to help folks in whatever way possible.
- Eisenbeisz wondered if the language regarding funding needed to be clarified with a definitive sunset date so that when funds were no longer available the rebate program would terminate. Municipal Attorney, Robin Koutchak, noted this type of clarifying language would not be a substantive change to the ordinance and therefore would not require an additional reading.
- A motion was made by Eisenbeisz to AMEND the language of the ordinance to indicate that when funding was no longer available the ordinance would sunset. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin
- Absent:** 1 - Hackett
- A motion was made by Hunter to approve the Ordinance as AMENDED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin
- Absent:** 1 - Hackett

XI. NEW BUSINESS:

New Business First Reading

- I ORD 14-41** Amending SGC Section 2.04.020 to clarify who shall attend Assembly executive sessions
- Eisenbeisz felt the ordinance could potentially lock the Assembly into a situation where they might not want to be. Municipal Attorney, Robin Koutchak, stated there

was still the option for the Assembly to exclude the Administrator, Attorney or Clerk as stated on line 41 and that exclusion would need to be stated in the motion to enter into executive session.

A motion was made by Swanson to APPROVE this Ordinance on first reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

No: 1 - Eisenbeisz

Absent: 1 - Hackett

Additional New Business Items

J 14-236 Authorize the increase in Line of Credit for Sitka Community Hospital from \$500,000 to \$1.5 Million

Assembly member Hunter stated he may have a potential conflict of interest and asked for determination from the Assembly. He disclosed his brother worked in the IT Dept at Sitka Community Hospital (SCH) and his father was a physician in Sitka and had worked at SCH for over 30 years. He noted his father was not an employee of SCH. The Mayor determined there was no conflict and no objection was heard from the Assembly.

Public testimony:

Beth Kindig, a hospital employee, stated jobs were at risk and noted a contract with HRG had been awarded. She wondered what services had been contracted and if staff, the Hospital Board or Assembly had been consulted. Kindig expressed concern this was the first step in skelatonizing the Hospital and urged the Assembly and Hospital Board to work with those staff members involved.

Dr. Coruzzi, a physician at SCH, stated she was shocked at learning of the financial situation and was baffled by it all. She urged the need for oversight and transparency.

Thor Christianson stated he was on the Assembly the last time this issue arose and felt it was a short-term problem.

Bridgett Hitchcock, a physical therapist at SCH, was also shocked at the financial picture but expressed her commitment to the process and support of the leadership.

Assembly discussion:

Miyasato likened this situation to a recent financial hardship the Sitka Tribe of Alaska had been through. He offered that SCH had been in the community for many years and would weather the storm and reminded folks to look at this as an opportunity. Miyasato also noted the importance of transparency.

Guevin reminded the situation didn't happen overnight but rather over a long period of time. He stressed a need to look at short-term and long-term solutions and encouraged folks to get involved. He applauded SCH CEO, Jeff Comer, for his ability to get his hands around the situation despite being new to the position.

Hunter reminded the Hospital's liabilities were ultimately the City's liabilities. He felt at

this point there wasn't any other option other than to extend the line of credit and give the Hospital a chance to get turned around. He urged folks to work together and stressed the importance of hearing routine reports from Comer, Gorman and Sweeney as well as Hospital staff.

Eisenbeisz wondered what the potential costs would be if the line of credit wasn't extended and what could be done to help streamline the process.

Chief Finance and Administrative Officer, Jay Sweeney, explained that by January 10th \$960,000 of the million dollars would be expended in the payment of health insurance, payroll, PERS contributions and accounts payable.

Comer, attending by videoconference, reiterated that the line of credit would give SCH some breathing room and allow the Hospital to focus on a viable plan. He expressed thanks to the Assembly for their commitment and continued support.

Mayor McConnell echoed the comments of Assembly members and asked Sweeney to expand on why the money would come from the emergency response fund. Sweeney explained approximately 18 months ago he came forward with a proposal to take a piece of the general fund to have 90 days operating funds and also set aside \$2 million for purposes of responding to an emergency. McConnell thanked Sweeney for his foresight.

Mayor McConnell wondered what the likelihood was that SCH would be coming back for additional funding. Gorman suggested that he and Sweeney work with Comer to develop a specific plan and bring this back to the Assembly within 4 weeks. Comer agreed and expressed a need for further financial management leadership.

A motion was made by Guevin to approve an increase to the line of credit for Sitka Community Hospital from \$500,000 to \$1.5 million. Terms are to remain the same with repayment to be one-half of the tobacco tax the CBS receives each month until paid in full. Funds will come from the Municipal General Fund balance designated for emergency response. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

- K 14-239** Board of Adjustment: Approve a conditional use permit, with conditions, for a horse stable at 5304 Halibut Point Road, filed by David Allen. The property is owned by Allen Marina, LLC

This item was POSTPONED to the January 13, 2015 Assembly meeting.

- L 14-243** Formally accept the resignation of Assembly member Phyllis Hackett and determine the procedural direction and/or fill her replacement

Assembly members thanked Hackett for her service and discussed the process for appointing an acting Assembly member to serve the remainder of Hackett's term.

It was decided the Municipal Clerk would advertise the vacancy and a special meeting would be held on January 2, 2015 to appoint an acting Assembly member.

A motion was made by Hunter to accept the resignation of Assembly member Phyllis Hackett. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Hackett

M 14-244 Assignments: Vice Deputy Mayor and Sitka Community Hospital Assembly Liaison

Assembly member Miyasato and Assembly member Swanson were nominated to serve as Vice-Deputy Mayor. A vote was taken and Assembly member Miyasato was appointed as Vice-Deputy Mayor.

Assembly member Eisenbeisz offered to serve as Assembly Liaison to the Sitka Community Hospital Board. There were no objections from the Assembly.

XII. PERSONS TO BE HEARD:

Thor Christianson indicated he would be submitting a letter of interest to fill the vacant Assembly seat. He indicated he had been the Assembly Liaison to the Hospital Board and would like to be actively involved if he should be appointed to the Assembly.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections the meeting was ADJOURNED at 7:55pm.

ATTEST:

**Sara Peterson, CMC
Acting Municipal Clerk**



Minutes - Draft
City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato, Aaron Swanson,
Steven Eisenbeisz, Tristan Guevin, and Michelle Putz

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Friday, January 2, 2015

5:30 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 14-245

Appoint an Assembly Member to serve the remainder of Phyllis Hackett's term until the results of the next regular election are certified on October 13, 2015 (individual will be sworn in if present)

A motion was made by Hunter to nominate Orion Hughes-Knowles, Thor Christianson, Larry Crews, Michelle Putz, and Mitch McGraw to serve the remainder of Phyllis Hackett's term until the results of the next regular election are certified on October 13, 2015.

Shannon Haugland of the Daily Sitka Sentinel requested the Assembly vote in public rather than by secret ballot.

Michelle Putz, Orion Hughes-Knowles, and Thor Christianson thanked the Assembly for the opportunity to submit their names for the vacant seat.

The Assembly offered thoughts on the process of filling a vacancy and thanked the applicants for applying. Ultimately, the Assembly decided to vote by voice vote in

public.

On the first round there was not a majority vote for any of the applicants. Christianson received 3 votes, Putz 2 votes, and Crews 1 vote.

The Assembly proceeded with a second round in which Michelle Putz received 4 votes. Ms. Putz was sworn in and took a seat at the Assembly table.

B 14-246**Update/Direction on Sitka Community Hospital matters**

Mayor McConnell announced an email had been received late afternoon from Sitka Community Hospital (SCH) CEO, Jeff Comer. Celeste Tydingco, SCH Board President, came forward to read his email. Comer relayed he had been physically attacked earlier in the day and therefore would not be at the meeting to provide an update on the matters of SCH. Comer, who had submitted his resignation December 30, shared his thoughts on the future of the Hospital and that he would be willing to help with a transition plan after he returned to Arizona.

Administrator Gorman noted it was unfortunate there was misinformation circulating within the community. He urged the community to come together to help address the significant challenges and find solutions to address the healthcare of citizens.

Tydingco stated the Hospital Board would be holding a special meeting on January 5 to formally accept Comer's resignation and decide how to proceed.

Mayor McConnell suggested the Assembly task the Administrator and Jay Sweeney, Chief Finance and Administrative Officer, with working on a transition plan. She noted the importance of continued communication between the Hospital Board, Assembly, City Staff, and Hospital Staff.

Eisenbeisz commented he would like to see Gorman working side by side with the SCH Board and pointed out the Board was responsible for appointing a Hospital Administrator. He hoped the Board would come together and start the search for a new Administrator and develop a plan for moving forward.

Hunter stated it was important to step back from the emotions and look objectively at the issue. He reminded that ultimately the liabilities of the Hospital were the liabilities of the City. Hunter suggested the Assembly direct the Administrator and Attorney to develop a plan on how to move forward.

Miyasato hoped the Hospital Board would be mindful of some of the comments made by Comer regarding his resignation. He urged the Board to look at other ways to generate revenue. Miyasato reminded that transparency was crucial throughout the process.

Gorman noted that with the agreement of the SCH Board, the critical issue was identifying a transition team, an agile team moving quite quickly to ensure that there was confidence and stability at SCH and that all patient care functions were moving forward and to ultimately determine a plan. He reminded the power to appoint a

hospital administrator rested within the Hospital Board and he could only be active to the extent that the Hospital Board wanted that involvement. His professional view was that during this critical time the Hospital CEO should either report directly to the Assembly or the City Administrator.

Eisenbeisz wondered how much money was left on the line of credit and how long that might last. Sweeney noted that \$650,000 in payroll liabilities needed to be paid leaving approximately \$400,000. He stated a cash flow forecast needed to be prepared and suspected the Hospital would be asking for more money. Eisenbeisz also wondered on what level the community was willing to support SCH.

Guevin noted the sense of urgency and the need to know the cash position moving forward. Ultimately the fiduciary responsibility was with the City.

The general consensus was the Administrator, Chief Finance and Administrative Officer, and Municipal Attorney would meet to further develop a plan and keep the Assembly apprised of matters at Sitka Community Hospital.

Public Comment:

Ann Wilkinson - SCH Board member shared that charity care had decreased over the last few years. She shared Comer had been working to initiate point of service payment and she would like to see continued movement in that direction.

Hans von Rekowski - SCH Board member offered the Hospital was beginning to collect money and urged the Assembly to give the Hospital a chance. There were many options to be explored.

Beth Kindig - spoke in support of organizing a committee.

VI. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:38pm.

ATTEST:

Sara Peterson, CMC
Acting Municipal Clerk