



CITY AND BOROUGH OF SITKA

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

Minutes - Final

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato

Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Friday, August 17, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Eisenbeisz

Telephonic: 1 - Wein

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Travis Hudson spoke to the CEO search for Sitka Community Hospital and reported five candidates had been identified. Hudson believed there were excellent management opportunities around the corner to help the hospital to succeed.

Tone Jackson provided a letter from the Office of Inspector General to the Assembly. He cautioned the Assembly in proceeding with the SEARHC proposal.

VI. UNFINISHED BUSINESS:

- A** [18-153](#) Discussion / Direction of a request from SEDA for an economic impact analysis of Sitka Community Hospital on the local economy and the effect if

current operations were to cease or be sold

It was stated this agenda item was not addressed at the August 14 meeting and a special meeting had been called rather than wait until August 28.

Bean thought there would be more options for the Assembly and public to consider from the RFP process. He had no doubt there would be an economic impact on the community if the hospital were to cease to exist or be sold. Bean suggested perhaps a ballot measure for a 2 mill increase be put forth to the voters to see if there was support to fund the hospital. Hunter didn't feel he needed a study to tell him the hospital was a critical pillar of Sitka's economy. Upon Assessing the risk to the municipality he believed the only way forward was to proceed with the SEARHC proposal or ensure Sitka Community Hospital (SCH) was sustainable long-term.

SCH RFP consultants, Sarah Cave and Steve Huebner, cautioned the Assembly in delaying the RFP process by initiating an economic study and or ballot question stating it likely would cause current proposers to withdraw from the process. Answering questions from the Assembly related to due diligence, they relayed the process typically took 6 to 9 months and costs were absorbed by the acquiring organization. They reminded if SEARHC were selected on August 28, the cost of committing to a letter of intent and due diligence process was high. Cave noted the due diligence process was a time for both parties to do their homework. Huebner reminded the Assembly had engaged them to come to the right conclusion. He urged the Assembly to consider the risk to the City if the hospital remained at status quo.

Miyasato wondered if the Assembly would consider waiting 90 days to make a decision so an economic study could be conducted. He believed there to be merit in the SEDA requested and noted it had been recommended by a unanimous vote of the Board. He stated the difficulty of the decision and that the Assembly needed as much information before making a decision. Wein believed there would be a definite impact on the economy if SCH were to cease to exist. He added the economic impact should have been addressed earlier in the process and was a critical part of due diligence in a study. Knox didn't believe an economic impact study was needed, stated it was clear what the failure of SCH would do to Sitka's economy, and reminded of the consequences of delaying the RFP process. Potrzuski agreed and stated as is, SCH was not sustainable and too great of a risk for the municipality. He reminded the Assembly had received a letter from the Hospital Board asking for a decision to be made.

No Assembly action was taken.

VII. PERSONS TO BE HEARD:

Speaking in support of an economic impact study were Sheila Finkenbinder, Travis Hudson, Nancy Davis, Trish White, Dirk White, and Tone Jackson. Pat Alexander, Dr. Marilyn Corruzi, and Carin Adickes spoke to the importance of having two hospitals in Sitka. Dr. Terry Babb expressed disappointment and concern at comments that had been previously made suggesting an issue with the quality of care offered at SEARHC. Municipal Clerk Sara Peterson read a letter submitted by Dr. Myron Fibush. He stated it was not a financial reality to maintain two separate hospitals in Sitka.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:05pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk