

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A & B**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the July 18 and July 25 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson*

*Interim Municipal Administrator: Phillip Messina
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, July 18, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 17-128 Discussion~Direction~Decision on the Hospital process

Mayor Hunter explained the process that had occurred over the last eighteen months: SouthEast Alaska Regional Health Corporation (SEARHC) and Sitka Community Hospital (SCH) had explored the possibility of a joint venture, merger or to remain separate entities, ECG Management Consultants had presented options for a combined future vision for healthcare in Sitka, SEARHC had made a proposal to purchase SCH, and while moving through the process of understanding their proposal, another entity had come forward expressing interest in purchasing SCH. The Mayor stated it was important for the Assembly to discuss the options before moving forward.

Assembly Discussion

Assembly members offered their opinions. Eisenbeisz believed with minor changes, SCH could strive on its own, however, wished to have regular updates from the Hospital. He expressed concern that if SCH were to close, the City didn't have the funds to cover the \$35 million PERS liability. He added that if the Assembly directed SCH to implement the recommendations (cost report improvements, skilled nursing

facility bed conversion to Critical Access Hospital beds, discontinuation of OB services, change in business model for surgical services, and clinic optimization) of the Stroudwater report, presented July 13 to the Assembly, SCH would need financial support - e.g. \$400,000 for the clinic modular. Bean suggested proposing a ballot initiative to fund SCH (e.g. sales tax increase) and let the people of Sitka decide. If citizens were not in favor of a merger, or one hospital, then a funding mechanism would need to be determined. Potrzuski noted two consultants (ECG and Stroudwater) had stated SCH, long-term, was not a viable option. He expressed a desire for the City to issue a Request for Proposal (RFP) to find out what other options, in addition to the two already, were available in order to make an informed decision. He added that two of the 2003 Stroudwater recommendations involved eliminating surgery and OB services and reminded the 2017 Stroudwater report had similar recommendations. He wondered if the SCH Board and SCH senior management would be able to stand up to public pressure requesting SCH keep those services. Knox concurred and stated Sitka was a unique and different marketplace for healthcare. He also expressed concern of the \$35 million PERS liability. After hearing the Stroudwater report, Guevin said he felt more optimistic that SCH could be viable on its own, however, wished to maintain some oversight of the Stroudwater recommendations and progress. If the Assembly chose to solicit for RFP's, Guevin would like to see something broad and possibly an adhoc committee created similar to that of the 2015 Citizens' Taskforce. Guevin wondered how long it would take SCH to implement the Stroudwater recommendations. Rob Allen, SCH Chief Executive Officer, responded 6 months to 1 year. Swanson conveyed a desire for SCH to move forward on its own and implement the Stroudwater recommendations. While not opposed to a RFP process, he preferred the issue go to a public vote. Hunter said he had been heartened by the Stroudwater report and asked for the recommendations to be implemented. He stated there was a history of facing financial crisis with SCH and stressed the importance for stability and sustainability. If SCH were to close, the City could be looking at a bill of close to \$50 million; money the City didn't have. Hunter spoke in support of the RFP process. Bean agreed but preferred not to prolong the process. Eisenbeisz spoke cautiously of an RFP and wondered if the RFP would be for a purchase or management services. He reminded there was the \$35 million PERS liability that would need to be addressed. Municipal Attorney, Brian Hanson, recommended the RFP be prepared by a merger/acquisition specialist. Bryan Bertacchi, SCH Board President, urged the Assembly to design a broad RFP that would allow for multiple possibilities.

Public Comment

Speaking in support of a RFP process were: Dan Neumeister, SEARHC Chief Operating Officer; Colleen Dahlquist, Patricia Alexander, Robert Hattle, and Karen Lucas. Dr. Roger Golub asked the Assembly to encourage SEARHC to work with SCH. Richard Phillips suggested the SCH Board President and SCH CEO be included in the creation of the RFP. Cynthia Brandt, SCH Chief Financial Officer, clarified that Stroudwater had reported with the implementation of their recommendations, SCH would be sustainable for the foreseeable future but that one day affiliation with SEARHC would be necessary. Brandt reminded since the December 2014 line of credit request, cash on hand had increased. Charles Bingham noted healthcare, worldwide, was in an unsettled state and urged the Assembly not to rush the process. Helen Craig voiced support for two hospitals in Sitka. Carin Adyckes spoke in opposition to the RFP process and to merging with SEARHC.

Further Assembly Discussion

Guevin wished to see intermediary steps along the way if the Assembly chose the RFP route and wanted the Assembly to review the draft RFP. Eisenbeisz suggested the formation of an Assembly subcommittee to be involved and expressed hesitation in voting on the complex motion before the body. Assembly members expressed a desire for SCH to move forward with the implementation of the Stroudwater

recommendations.

A motion was made by Bean to ask staff to work with an outside firm to draft an RFP, for Assembly review, seeking solutions for our Community Hospital in Sitka through collaboration, affiliation, a management agreement, an outright sale, a merger, or the creation of a non-profit, with the goals of increasing the quality of healthcare offered to Sitkans, the scope of services offered in Sitka for Sitkans, maintaining or increasing the employment in our health industry in Sitka, and improving the financial position of Sitka Community Hospital including our PERS obligation and operational losses. The motion PASSED by the following vote.

Yes: 6 - Swanson, Guevin, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

VI. PERSONS TO BE HEARD:

Sonja Smith expressed frustration that SEARHC beneficiaries had not been consulted. Dr. Richard Wein spoke in support of the RFP process and suggested partnering with Bartlett Memorial Hospital. Karen Lucas suggested a community visioning session. Mary Todd Anderson voiced support for SCH. Charles Bingham urged the Assembly to consider if there were only one hospital in Sitka, would that hospital exist for profit or for care. Lee Bennett spoke in support of a RFP process with citizen involvement. Maxine Duncan spoke in support of SEARHC. Lindsay Evans spoke to the importance of keeping OB and surgical services at SCH, supported a town hall meeting, and wanted to hear what the native population thoughts were on the possible merger or acquisition of SCH by SEARHC.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:58pm.

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk



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City and Borough Assembly

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Aaron Bean, and Aaron Swanson*

*Interim Municipal Administrator: Phillip Messina
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, July 25, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

17-133 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

17-131 Citation - U.S. Coast Guard Day

Mayor Hunter read and presented a Citation to U.S. Coast Guard Sitka-based personnel recognizing August 4th as U.S. Coast Guard Day. Mayor Hunter thanked Sitka-based personnel for their service.

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

None.

VII. PERSONS TO BE HEARD

Robert Haddle, member of the Sitka Bicycle Coalition, recognized those individuals in the room who had biked or walked to the Assembly meeting. Haddle announced, during the month of August, Sitka Community Hospital was sponsoring an Active August Fitness Challenge encouraging Sitka residents to commute by foot or bike.

Dr. Marilyn Corruzi believed, while finances were important, effective healing medical care was based on a strong commitment to core values of healthcare. Corruzi urged the Assembly to engage the public in conversations regarding the future of Sitka Community Hospital.

Cynthia Dennis expressed confusion over the proposed hospital RFP process and encouraged the Assembly to involve the public.

Rachel Roy, Executive Director of the Chamber of Commerce, invited members of the Assembly and public to attend the Chamber of Commerce Luncheon July 26 at which Senator Bert Stedman would be speaking.

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

Mayor - Hunter shared he, Assembly member Knox, and the Interim Administrator had met with the Alaska Regional Administrator of the FAA about navigational aids for Alaska and the Seaplane Float renovations. Hunter announced staff was in the early stages of planning two community meetings regarding healthcare in Sitka. These were tentatively scheduled for August 30 and August 31; locations and times to be determined. He added the goal was to provide an opportunity for the public to comment and possibly come to a consensus on what an ideal healthcare situation would look like in Sitka.

Interim Administrator - Messina informed Library Director interviews were scheduled for July 26 and 27, noted he had toured harbor facilities with Harbormaster, Stan Eliason, and received a tour of the Police Department.

Attorney - Hanson reported Legal Assistant interviews were scheduled for July 31.

Liaison Representatives - Knox reported on the recent Parks and Recreation Committee meeting.

Clerk - Peterson reviewed Board vacancies and reminded of the candidate filing deadline for the October 3 Municipal Election.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

- A 17-130** Approve the minutes of the July 11 Assembly meeting
- This item was APPROVED ON THE CONSENT AGENDA.
- B RES 17-17** Supporting the Municipality's application to host the Alaska Municipal League Summer Meeting in 2018
- This item was APPROVED ON THE CONSENT AGENDA.
- X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**
- C 17-132** Reappoint Darrell Windsor to a three-year term on the Planning Commission
- Knox thanked Windsor for his service and commented that Windsor had served on the Planning Commission for 6 years.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- XI. UNFINISHED BUSINESS:**
- D ORD 17-23** Adjusting the FY17/FY18 budgets (*reappropriations*)
- Rob Allen and Cynthia Brandt of Sitka Community Hospital addressed the Hospital's reappropriation request of \$156,192. Project reimbursement included: the Mountainside Family Healthcare Paint/Flooring, Patient Financial Services Remodel, and the Nurse's Conference Room Remodel.
- A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- E ORD 17-24** Adjusting the FY18 budget (*downtown shuttle pilot project*)
- Knox noted there was interest from the downtown business district and the pilot project was worthy of the funds.
- A motion was made by Guevin that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean
- Absent:** 2 - Eisenbeisz, and Potrzuski
- F ORD 17-25** Amending Sitka General Code Title 2 "Administration" by adding a new Chapter 2.10 entitled "Defense and Indemnification of Officers and

Employees"

A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

XII. NEW BUSINESS:

New Business First Reading

- G ORD 17-26** Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"

Chief Finance and Administrative Officer, Jay Sweeney, explained the Assembly had previously approved the external management of investment of Municipal funds by Alaska Permanent Capital Management, however, Sitka General Code did not address external investment of funds. Staff and the Investment Committee believed that external management of investments, with added language for safeguards, be codified.

Bean wondered of the selection process for the investment firm. Sweeney clarified that the RFP process had been followed to select an investment firm for the management of the Permanent Fund. The Investment Committee recommended the scope of services for Alaska Permanent Capital Management's contract be expanded to include management of enterprise funds. Guevin thanked staff and the Investment Committee for their work.

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

Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

- H TMP 05** Consideration of the following two ordinances, with the same subject, on first reading (one may move forward):

Hunter stated he and fellow Assembly member Swanson had been working on this issue for the past year after receiving complaints from citizens on the negative impacts of fireworks. Two ordinances had been developed for possible consideration: 1) allowed use of private fireworks at specific times of the year (4th of July and New Year's), added definitions, and the addition of a penalty section, and, 2) maintaining current ban on private fireworks and the addition of a penalty section. The Police and Fire Commission favored option 2, and in addition, wished to see the fine schedule increased and allow for citizen's arrest.

Lorraine Lil, Helen Craig, William Craig, Jeff Budd, Gerald Gangle, and Kathleen McCrossin spoke in opposition to the use of private fireworks and wished to see a ban.

Police Chief, Jeff Ankerfelt, stated it was difficult for officers to respond to reports of illegal fireworks either because of higher priority calls or the offenders hiding from or avoiding officers. Ankerfelt recognized the problem and believed, while enforcement

was difficult, there was room for improvement from the Police Department.

Municipal Attorney, Brian Hanson, clarified the City had a non permitted ban on fireworks except if they were permitted which was only for public use. He reminded that if a citizen witnessed someone else using fireworks in an illegal manner that violation could be reported. Hanson stated the penalty schedule was consistent with other penalty provisions that had been added to the minor offense code. It allowed for an easier and quicker way to hold violators accountable for their actions. Hanson reiterated that with either ordinance, the sale of fireworks would be prohibited.

Knox asked what the proposed City guidelines were for applying for a permit compared to the State. Hanson noted there were no specified City guidelines; it was left to the discretion of the Administrator. Hunter wondered if the legalization of fireworks would lead to a greater problem of abuse. He spoke in support of option 2. Knox wondered if by permitting private use that it created a conflict because the sale of fireworks would still be prohibited. Without further definition to the permitting process, he was in support of the status quo. Bean spoke in support of legalizing fireworks for specific times of the year. With regards to permits, he wondered if it was wise to allow City staff to issue permits for liability reasons. Guevin supported the recommendations of the Police and Fire Commission.

ORD 17-27 Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding exceptions to Section 10.24.040 "Exceptions for Authorized Displays", additional definitions to Section 10.24.060 "Fireworks Defined", and a new Section 10.24.070 "Penalties"

This Ordinance was not considered.

ORD 17-28 Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding a new Section 10.24.070 "Penalties"

Gerald Gangle spoke in support of the penalty schedule and enforcement. Jeff Budd suggested adding a decibel level to the ordinance, spoke in opposition to neighborhood use, and encouraged an educational campaign. Kathleen McCrossin agreed and suggested the fines were too low. Robert Haddle, a nurse, shared the physical injuries he had witnessed caused by fireworks. Fire Chief, Dave Miller, shared his history of fireworks in Sitka, including a few fires that had been started by fireworks. In his recollection, only two permits had been issued over the last 28 years.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. (Note: Per the Charter, an ordinance on first reading automatically moves forward to second reading, regardless of the vote, unless there are 4 votes to fail it on first reading.)*

Yes: 2 - Hunter, and Knox

No: 3 - Swanson, Guevin, and Bean

Absent: 2 - Eisenbeisz, and Potrzuski

*Assembly member Guevin gave notice of reconsideration, however, he later removed notice realizing the ordinance required four votes to fail and would move forward to second reading without a motion to reconsider.

XIII. PERSONS TO BE HEARD:

Fire Chief Dave Miller reminded the Fire Department's Super Saturday event was July 29 and announced Sitka was hosting the Alaska State Firefighter's Conference

September 25-30.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:48pm.

ATTEST:

**Sara Peterson, CMC
Municipal Clerk**