



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

Tuesday, August 28, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Telephonic: 1 - Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. CEREMONIAL MATTERS

None.

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

Chris Brewton requested the Assembly consider amending Title 6 Chapter 16 (sales on public property) to allow for the sale of the local newspaper at Harrigan Centennial Hall.

Diane Larson believed the hour and a half discussion on the smoking exemption

ordinance at the August 14 meeting was a good use of time.

Leah Murphy, Iris Nash, and Sharon Sullivan introduced and spoke in support of a newly formed non-profit in Sitka named Sitka Nest. Murphy noted its mission was to nurture, power, and transform birth in Sitka.

Dr. Babb reported a 7% c-section rate at SEARHC, below the national average.

VIII. REPORTS

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

None.

IX. CONSENT AGENDA

None.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

None.

XII. NEW BUSINESS:

A [18-155](#) Discussion/Decision to select a proposer to move forward to phase 3 of the Sitka Community Hospital RFP process

Mayor Hunter recognized this process had not been easy for the community or the Assembly. He spoke to a recent letter to the editor in which potential conflicts were raised with regards to his involvement. He stated it was important to disclose potential or perceived conflicts of interest and told of his family and girlfriend's employment over the years at SEARHC and Sitka Community Hospital (SCH). Municipal Attorney Brian Hanson relayed, he had discussed potential conflicts of interest as much as two years ago. Hanson had done extensive research, read legal opinions of past municipal attorneys, and did not believe there to be a conflict. He reminded the Assembly a few years ago had not found Hunter to have a conflict and had sat in the deliberative process for years on this issue. Potrzuski relayed he and his wife would be relocating after his term was concluded. He had spoke with legal counsel and determined there was no conflict of interest that would preclude him from participating.

SCH RFP Consultants, Steve Huebner and Sarah Cave reviewed the phases of the affiliation process; RFP process and timeline; the Assembly's prioritized goals of affiliation; and reviewed community input received on the proposals at the August 20 Town Hall Meeting. Huebner stated the purpose of tonight's meeting was to select one proposer to move to phase 3 of the affiliation process which would in turn lead to the negotiation of a letter of intent, due diligence efforts, and further negotiaion of the terms of a definitive agreement.

Public Testimony

Speaking in support of the motion to select SEARHC was Dr. Loren Laybourn, Dr. David Brown, Dr. Thorwood, Heleen Van Veen, Dr. John Baciocco, Martha Pearson, Elisia Miller, Andrea Thomas, Maxine Duncan, Sherri Aitken, Bill Ward, Dr. Terry Babb, Tracy Gale, Chris Wolfe, Wade Parrish, Kathy Miller, Amanda Roberts, Dr. Kimberly Kapp, Blossom Twitchell, Kelly Williamson, Marcia Scott, and Janet Eddy.

Speaking in opposition to moving forward with the SEARHC proposal was Valorie Nelson, Kevin Mosher, Nancy Blatchley Davis, Rich Phillips, Karen Lucas, Claudia Lecesse, Mike Trainor, Lois Rhodes, Liz Ellingsen, William Craig, John Holst, Dr. Marilyn Corruzi, Jason Bernal, Pat Alexander, Maybelle Filler, and Sheila Finkenbinder.

Sharon Sullivan, Natalie Love, Diane Larsen, and Vaughn Hazel urged the Assembly to proceed cautiously and conduct due diligence. David Sam told the Assembly to reject all proposals and see which organization survived. Charles Bingham preferred to have two healthcare options, however, stated he saw the economic writing on the wall. Lucy Phillips expressed concern for the businesses White's Pharmacy and Harry Race Pharmacy. City and Borough of Wrangell (CBW) Manager Lisa Von Barga shared CBW and SEARHC were transitioning into the end stage of the process that would lead to a healthcare solution for Wrangell. She encouraged the Assembly to let the success in Wrangell be the bar Sitka aspired to in consideration of a partnership with SEARHC. SCH CEO Rob Allen stressed the importance of a decision being made and offered SCH was stable for the next two to three years. SCH Director of Operations Steve Hartford, believed the Hospital was in a good position to succeed and urged the Assembly to continue to build its success.

Assembly Deliberation

Potrzuski stated the issue was about economics and believed the community could do better. Bean agreed and could not support a "status quo" decision. Hunter agreed "status quo" was unsustainable, believed quality and scope of care for Sitkans was critical, and jobs for those at SCH were important. Eisenbeisz believed SCH had three to five years left but that SEARHC would eventually cause SCH to go out of business. He felt it was his duty, as an Assembly member, to look out for the best interests of the community and therefore would vote in support of the SEARHC proposal. Knox spoke to the difficulty of the decision and reminded it was not as black and white as some citizens had alluded to. He did not believe two hospitals could thrive in Sitka, and it was imperative Sitka thrive. He spoke in support of the SEARHC proposal and reminded a role of an elected official was at times making extremely difficult decisions. Miyasato stated the municipality could not afford a fiscal catastrophe. Wein offered there were two aspects to be considered - one of healthcare and the other economic. He believed there to be a number of questions that had not been answered and that it was an impossibility to move forward.

A motion was made by Potrzuski to select SEARHC to move forward to phase 3 of the Sitka Community Hospital RFP process. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

No: 1 - Wein

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:25pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk